

Public Paper F2



**University Hospitals
of Leicester**
NHS Trust

**Annual Report
& Accounts**
2020/2021

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UHL 2020/21 Annual Report and AGS

Welcome from the Trust Chair and CEO

We are grateful for how UHL colleagues care for patients and for how they look after each other, despite the many challenges we face. We recognise we have a lot of work to do to grow a more inclusive culture, to reduce our waiting lists and to improve our major financial challenge.

The financial year 2020 – 21 will predominantly be remembered for the impact Covid had on all of us. During the summer of 2020 the Trust undertook an exercise with colleagues to identify the key learning from the response to the first wave of COVID-19. The output from this work was reported to the Trust Board on 01 October 2020 and was used to help inform plans for the future, including for further potential waves of infection and wider winter preparedness.

A second wave of COVID-19 infection began in early-mid October 2020. Unlike the first wave, the second involved a more gradual increase in the Trust's number of confirmed COVID-19 patients. In mid November 2020, 260 patients with confirmed COVID-19 were cared for in UHL. The numbers plateaued and reduced to 180 patients in early December 2020 following a month-long national lockdown. Cases increased until a peak in hospital cases was reached in early January 2021 with 499 confirmed COVID-19 patients. This was 2.4 times the peak experienced in the first wave. The peak number of patients across the Trust's intensive care and ECMO units during the second wave followed with 71 patients.

During the period covered by the second wave (October 2020 – April 2021), the Trust provided care to 3,230 patients with confirmed COVID-19 who have all successfully been discharged. The Trust also provided care for an additional 1,037 patients who unfortunately lost their lives with COVID-19 over this same time period.

In addition to caring for patients with COVID-19, the Trust played a significant national and international role in the vaccination programme trials, research and delivery.

What has been critical in our pandemic response and will continue to be are the partnerships we have with our patients and communities, our health and care partners and with other voluntary and private organisations. Working in partnership has never been more important.

About Us

Our purpose, activities and environment

Every day at Leicester's Hospitals we save lives, improve lives and usher in new life. We deliver more than 180 NHS services to people across Leicester, Leicestershire, Rutland and beyond, with more than 1.2m patient visits in 2020/21. We are one of the five largest NHS Trusts in the country and our contribution to our communities goes beyond direct health. As the largest employer in our region, with a turnover in excess of £1bn we are an economic engine for the wider East Midlands and beyond.

Across our three hospitals, the Leicester General, Glenfield and the Leicester Royal Infirmary, we offer a wide range of services and specialised care for one million patients, personalised to their needs. The overwhelming care and compassion offered by our colleagues has been recognised by the health regulator, the Care Quality Commission.

Our local and international workforce has been supported through strong partnerships with the University of Leicester and De Montfort University. Together we work to support recruitment and provide world-class teaching for the next generation of doctors, nurses and healthcare workers.

UHL is recognised worldwide for treatment in diabetes, cardio-respiratory disease, cancer, kidney function and vascular surgery, to name a few. We are home to one of the National Institute for Health Research Biomedical Centres, which brings together hospital and university expertise to bring state-of-the-art services, treatments, techniques and medicines to our patients. We are working hard to ensure more people access these opportunities.

Our 17,000 colleagues are united in a desire to realise Caring at Its Best for every patient every time and guided daily by a commitment to living the Trust values for their patients and each other. We will support them to realise Caring at its Best through the delivery of *Becoming the Best* our corporate quality strategy.

Our objectives and priorities

2020-21 was the second year of our Becoming the Best journey. The current strategy reflects the commonalities that many successful and high quality hospitals have: a clearly understood and universally practised approach to quality improvement that starts with the Trust Board. And second, a determined focus on a relatively small number of key quality priorities.

During 2019-20, the decision was made to fuse Streamlined Emergency Care with Safe and Timely Discharge as they were closely connected. Following the experiences of year one, we also refined the 'green' supporting priorities in 2020-21 to focus our programmes, without diverting from the areas of need established at the outset of the strategy.

In 2020-21 these were:

- People Strategy Implementation
- Investment in Sustainable Estate and Reconfiguration
- eHospital
- Embed research, training and education
- Embed innovation in recovery
- Sustainable Finances

The latter priority was made more explicit in this year to ensure that improvements were being realised with sustainability in mind. The wider financial picture is explored extensively throughout this annual report.

COVID has undeniably had an impact in the speed at which some of these priorities have been progressed, but we have enabled meaningful improvement on the road to 'Becoming the Best' much of which is detailed within this report. There is still much to do, but one of the many COVID legacies we have is a more united, collaborative workforce and a renewed organisational culture. Culture is the beating heart of our strategy and by further encouraging our workforce to shape the best possible culture of care, we will unlock further progress on this agenda as we enter its final year.

Our structure

Our organisation is formed of seven Clinical Management Groups that are supported by a number of corporate directorates.

The Clinical Management Groups:

- Cancer, Haematology, GI Medicine and Surgery (CHUGGS)
- Emergency and Specialist Medicine (ESM)
- Musculoskeletal and Specialist Surgery (MSS)
- Clinical Support and Imaging (CSI)
- Renal, Respiratory and Cardiovascular, (RRCV)
- Theatres, Anaesthesia, Pain and Sleep, (ITAPS)
- Women's and Children's (W&C)

Organisationally we used the year to bring together our productivity, audit, quality improvement and transformation areas into one single unit that will help us to progress this strategy.

Our corporate directorates:

- Corporate Medical
- Corporate Nursing
- Corporate Operations
- Finance
- People and Organisational Development
- Estates and Facilities University Hospitals of Leicester
- Strategy and Communications
- Information Management and Technology
- Corporate and Legal Affairs
- Transformation, Efficiency and Improvement

The CMGs and corporate directorates are overseen by our Executive Team and Trust Board.

Our Performance Report

Our performance overview

Welcome to our 2020/21 Annual Report which describes our achievements during the year, how we are governed, our finances and performance in key areas.

Our Quality Account, which is published on our website: www.leicestershospitals.co.uk provides a more in-depth report on how we are continuously improving quality, safety and patient experience in our hospitals.

Purpose of the overview section

This overview section gives a short summary of our organisation, our purpose, our objectives and what we have achieved against them, our performance against national standards and the key risks to our delivery. You will also find details of our sustainability plans and performance.

Our Performance

Performance Against National Standards					
Performance Indicator	Target	2020/21	2019/20	2018/19	Trend
A&E (UHL) - Total time in A&E (4hr wait)	95%	73.1%	69.2%	77.0%	▲
A&E (UHL+ LLR UCC) - Total time in A&E (4hr wait)	95%	81.1%	78.8%	83.2%	▲
12 hour trolley waits in A&E	0	32	59	0	▲
MRSA (All)	0	1	5	3	▲
Clostridium Difficile*	108	78	104	57	▲
% of all Adults who have had VTE Risk Assessment on admission to hospital	95%	98.6%	98.1%	95.8%	▲
Never Events	0	7	2	8	▼
SHMI mortality	≤100	101	96	99	▼
Urgent operations cancelled twice (UHL+Alliance)	0	8	0	0	▼
Operations cancelled for non-clinical reasons on or after the day of admission	1.0%	0.9%	1.3%	1.1%	▲
RTT - Incompletes 92% in 18 weeks	92%	51.1%	76.5%	84.7%	▼
RTT 52 weeks+ wait (incompletes)	0	12,625	35	0	▼
Diagnostic test waiting times	1.0%	35.9%	4.6%	0.9%	▼
Cancer: 2 week wait from referral to date first seen - All Cancers	93%	92.3%	93.0%	92.3%	▼
Cancer: 2 week wait from referral to date first seen - For symptomatic breast patients	93%	95.4%	95.9%	79.3%	▼
All Cancers: 31 day wait from diagnosis to first treatment	96%	91.1%	92.8%	95.2%	▼
All Cancers: 31 day for second or subsequent treatment - Anti cancer drug treatments	98%	99.6%	99.6%	99.6%	◀▶
All Cancers: 31 day for second or subsequent treatment - Surgery	94%	71.7%	81.1%	86.1%	▼
All Cancers: 31 day for second or subsequent treatment - Radiotherapy treatments	94%	93.4%	87.1%	97.9%	▲
All Cancers: 62 day wait for first treatment from urgent GP referral	85%	68.5%	73.6%	75.2%	▼
All Cancers: 62 day wait for first treatment from consultant screening service referral	90%	63.9%	84.0%	82.3%	▼

- ▲ Green upward arrow = Improvement against previous year (Target achieved)
 ▼ Green downward arrow = Deterioration against previous year (Target achieved)
 ▲ Red upward arrow = Improvement against previous year (Target failed)
 ▼ Red downward arrow = Deterioration against previous year (Target failed)

Emergency Department (ED) 4-hour wait and ambulance handovers

Performance against the ED targets

Performance Indicator	Target	2020/21	2019/20
ED 4 Hour Waits UHL	95%	73.1%	69.2%
ED 4 Hour Waits UHL + LLR UCC (Type 3)	95%	81.1%	78.8%

The Leicester Royal Infirmary Emergency Department (ED) provides services for all patients whether as an acute emergency arriving by ambulance, self-referrals or by NHS111. There are separate facilities for adults and paediatrics (children).

The Adult Emergency Department is comprised of a 12 bedded emergency room, 48 individual major bays, 2 of which have been designed for those with mental health needs or living with dementia, in addition there are 10 cubicles in the ambulance assessment area with separate entrance and eight triage rooms.

The paediatric ED comprises of 10 major areas (including three high dependency areas), nine triage/assessment rooms and six minor injury cubicles.

At the outset of the COVID-19 pandemic, significant changes were required across both the adult and children's emergency departments. Both departments were split into 'red' (high risk COVID-19 suspected patients) and 'blue' (low risk COVID-19 not suspected patients) departments meaning that there were separate walk-in, ambulatory, majors, and emergency room areas. The children's department has reverted back to 'normal' working with strict infection prevention measures in place.

The adult department remains split and is likely to remain so for the coming months.

The paediatric ED comprises 10 major areas (including three high dependency areas), four primary care rooms, five streaming rooms and six minor injury rooms.

The COVID-19 pandemic has led to significant challenges this year with providing timely care at the Leicester Hospital's emergency department. Leicester's Hospitals have not met the target to treat and discharge a minimum of 95% of patients within four hours.

Despite the daily high number of patients in the department and the impact of the COVID-19 pandemic we have strived to meet the urgent care standards but the increased demand for emergency care has inevitably put additional pressure on the ability to deliver a consistently high standard of care for patients.

We continue to work with partners across Leicester, Leicestershire and Rutland to improve our emergency performance and the quality of care provided on the emergency care pathway.

Referral to treatment (RTT)

Performance against the referral to treatment

Performance Indicator	Target	2020/21	2019/20
RTT - incomplete 92% in 18 weeks	92%	51.1%	76.5%
RTT - waiting list size	19/20 – 64,404 20/21 – 66,397	87,968	64,559

The RTT incompletes standard measures the percentage of patients actively waiting for treatment. The RTT target was not achieved in 2020/21.

Following national planning guidance for 21/22 the key focus for the first three months will be to ensure we recover our cancer and urgent positions. Our trajectory is to recover to February 2020 levels of urgent cases by June 2021. This will be achieved in all services with the exception of General Surgery and Urology which will have achieved this by the end of the summer.

Each service will then be able to focus on recovering their position for patients waiting over 52 weeks. It will be critical to ensure we fully utilise the capacity with the independent sector, increase throughput in theatres to ensure we achieve our activity plans. With focus on the admitted pathways ensuring we are utilising all theatre capacity, the best-case scenario will see a significant reduction of patients waiting for surgery.

Winter care

In the Winter of 2020/21, in common with many other acute trusts during the COVID-19 Pandemic, Leicester's Hospitals experienced compromised emergency department performance, increased numbers of patients in hospital for over seven days and high levels of occupancy (the number of beds filled).

Cancelled operations and patients rebooked within 28 days: Performance against cancelled operations targets are as follows:

Performance Indicator	Target	2020/21	2019/20
Cancelled operations	1.0%	0.9%	1.3%
Patients cancelled and not offered another date within 28 days	0	265	350

Unfortunately, due to the COVID-19 pandemic, Leicester's Hospitals experienced an increase in capacity related cancellations due to higher levels of emergency patients reducing the availability of surgical beds for elective surgery.

The increase in cancellations also regrettably lead to an increase in the number of patients not offered a date within 28 days of a cancellation. Available capacity was prioritised with, clinically urgent, cancer and longest waiting patients and this sometimes means we are unable to re-book a patient within 28 days of their cancellation.

Increased competing pressures on available theatre capacity with clinically urgent patients, patients on a cancer pathway and long waiters means Leicester's Hospitals will continue to struggle to meet this target of zero.

Our Surgical Care Program will continue to work on reducing short notice cancellations for patients. This will also have a positive impact on our 28 day performance indicator.

Diagnostics

Performance against the diagnostic waiting times target is as follows:

Performance Indicator	Target	2020/21	2019/20
Diagnostic Test Waiting Times	1.0%	35.9%	4.6%

Due to the COVID-19 pandemic the number of diagnostic waits 6+ weeks increased significantly. The aim is to recover the diagnostic waits during 2021/22.

Cancer

Performance Indicator	Target	2020/21	2019/20
Cancer: 2 week wait from referral to date first seen - all cancers	93%	92.3%	93.0%
Cancer: 2 week wait from referral to date first seen, for symptomatic breast patients	93%	95.4%	95.9%
All Cancers: 31-day wait from diagnosis to first treatment	96%	91.1%	92.8%
All cancers: 31-day for second or subsequent treatment - anti cancer drug treatments	98%	99.6%	99.6%
All cancers: 31-day wait for second or subsequent treatment – surgery	94%	71.7%	81.1%
All cancers: 31-day wait for second or subsequent cancer treatment - radiotherapy treatments	94%	93.4%	87.1%
All cancers: 62-day wait for first treatment from urgent GP referral	85%	68.5%	73.6%
All cancers: 62-day wait for first treatment from consultant screening service referral	90%	63.9%	84.0%

During the year we ensured all pathways were in line with national, regional or specialist guidelines for use during the COVID-19 pandemic. We ensured that patients waiting for treatment were reviewed and prioritised in line with national guidelines to enable resources and capacity to be focused on those with the highest clinical need.

We continued to deliver compliant access to radiotherapy when many centres were unable to offer a full service.

MRSA

Performance against the MRSA targets are as follows:

Performance Indicator	Target	2020/21	2019/20
MRSA (All)	0	1	5

In 2020/21 there was one Meticillin Resistant Staphylococcus aureus (MRSA) blood stream infection reported, against a trajectory of zero avoidable cases. This case was deemed un-avoidable following investigation.

A Post-Infection Review (PIR) of all patients who have a Trust or non-Trust apportioned MRSA identified is undertaken. This is in accordance with the standard national process and involves a multiagency review of the patients care to determine if there have been any lapses of care which would have contributed to the infection and where lessons maybe learned to prevent further occurrence.

Pressure ulcers

Performance against pressure ulcer targets are as follows:

Performance Indicator	Target	2020/21	2019/20
Hospital Acquired Pressure Ulcers – Total Validated	TBC	696	N/A*

*In 2020/21 we started reporting the total number of validated hospital acquired pressure ulcers instead of other KPIs.

University Hospitals Leicester is committed to reducing year on year the number of hospital-acquired pressure ulcers. In 2020, we changed our approach to reviewing hospital acquired pressure ulcers in line with national guidance from NHS Improvement and to ensure that all hospital acquired incidences are reviewed and the learning is shared.

Following the work that has been undertaken in 2020/21 to ensure that all hospital acquired pressure ulcers are reported, validated and reviewed in line with NHSE guidance, we will be introducing an improvement trajectory to reduce all HAPUs and eliminate all Category 4 pressure ulcers. We will implement a package of change via a Trust-wide 'break through series' quality improvement collaborative. One of the priorities in 2021/22 will be undertaken via a sub-group of the pressure ulcer steering group to raise awareness and reduce the number of moisture associated skins damage and a targeted reduction trajectory for medical device related pressure ulcers. The updated review processes will be

evaluated by Quarter 2 through a shared leadership approach and peer review care, review and learn meetings will be introduced.

During 2020/21 we introduced a number of initiatives to improve care, capture accurate incidence data, and change the culture away from reviewing pressure damage as 'avoidable' or 'unavoidable'. Initiatives included:

- Reviewed and updated our approach to pressure ulcer validation, to ensure that all reported hospital acquired pressure ulcers are formally reviewed and the learning shared via the CMGs.
- Introduced a pressure ulcer steering group chaired by the Chief Nurse, launch of an improvement action plan and extended awareness and training via an eLearning package.
- Undertook a 90 day pressure ulcer collaborative, with Quality Improvement support, seven wards took part undertaking PDSA pilot projects the culmination of this collaborative will be shared May 2021 prior to the commencement of a Trust wide 'break through series' collaborative for 2021/22.
- The celebration of national pressure ulcer day to raise awareness of strategies to prevent pressure ulcers, using a twitter campaign and local ward events.

The Chief Nurse via the Pressure Ulcer Steering Group will be setting an ambitious percentage target reduction for total hospital acquired pressure ulcers 2021/22.

Transferring Care Safely (GP Concerns)

The GP Concerns process continues to be an important tool in engaging with commissioners and primary care to improve safety and experience in the transfer of patients between secondary and primary care.

The team has been seconded out on two occasions to support the wider Trust in the COVID-19 effort, and due to that there was a hiatus in the reporting process between 1 April – 1 June 2020 and 18 January - 1 March 2021. The service was still open to urgent concerns regarding cancer and COVID-19 delays.

This year we have seen a 30% decrease in GP concerns which will be related to the downtime of the process during the first and second wave of COVID-19.

The most frequent GP concern theme is 'integrated care and discharge' with over half of concerns falling into this category. The main issues are staff making inappropriate requests of GPs under the Consultant-to-Consultant Policy and Transferring Care Safely Guidelines. The most common examples are asking GPs to make referrals or requests for GPs to complete urgent tests (defined in the Transferring Care Safely Guidelines as <3 weeks post discharge).

Service closure and COVID-19 restrictions limited the engagement opportunities for the team. The Consultant-to-Consultant policy was communicated to all Consultants in August 2020 which showed some decrease in inappropriate request for referrals.

The main focus of 2021/22 work is to engage with services seeing the highest numbers of inappropriate requests to GPs to understand and improve the prevalence of these reports.

The GP Services team has also re-launched the Trust's outgoing GP Concerns process allowing clinicians to report transfers of care that could be improved from primary care.

Numbers of reported concerns have steadily increased since the launch evidencing engagement and appetite.

Number of GP concerns by financial year:

Year	Number of GP Concerns
2017/18	592
2018/19	1,275
2019/20	1,107
2019/20	775

CQUINS

As per national guidance on finance and contracting arrangements, block payments to the Trust during the pandemic included CQUIN. The CQUIN scheme was therefore suspended for 2020/21.

The Trust has, however, continued to support those CQUINS that were part way through a contracted arrangement, including:

- The Hepatitis C Network
- The Cirrhosis Care Bundle
- Severe Asthma
- Treatment of community acquired pneumonia

The **Hepatitis C Network**, in addition to continuing to strive to meet the treatment run rate through a pandemic, has been shortlisted for the Royal College of Physicians 'Excellence in Patient Care Awards' within the Patient Centred Category.

The ambition of the **Cirrhosis Care Bundle** CQUIN is to deliver improved patient care and reduce care costs through a network model, with the adoption of nationally developed clinical guidelines and policies regarding management of patients with decompensated liver cirrhosis. To further develop and support this guidance, throughout 2020/21 UHL

Since being commissioned, the **Severe Asthma** service has continued to grow. The service now provides three biologic clinics (with another due to start in the next 12 months), coordinates self-administration of biologic medication, completes outpatient assessments for new and follow-up patients to aid diagnosis and monitor disease progression/response to therapy, provides in-reach for severe asthma patients admitted to hospital to help support discharge and reduce re-admissions, and has developed an adherence clinic that supports patients to manage their disease.

All of these activities are in line with the service specification for severe asthma and are not related solely to the Severe Asthma CQUIN, however continued support of the service throughout 2020/21 has enabled the service to continue to grow.

Continued support of the pneumonia team has enabled and embedded a systematic review of patients admitted with a primary diagnosis of **community acquired pneumonia**

(CAP) within the admission units across the Trust, with the overall aim to improve and accelerate adherence to the British Thoracic Society pneumonia guidelines.

The service is also allowing a reduction of inappropriate consultant clinic follow ups, which are even more valuable in light of the COVID pandemic. The service has also recently been reviewed by 'Getting it Right First Time (GIRFT)', an independent group of experts set up by NHS England, which the service has been involved in with regards to pneumonia management in other areas; the review felt that the service was of a high standard and a service to be replicated.

Health and Safety

FFP3 Masks (High grade masks used in respiratory protection that have to be individually tested)

During 2020/21, as a result of the huge commitment placed on our Infection Prevention team during the COVID-19 pandemic, the responsibility for organising Fit-Mask Testing passed to our Health and Safety Services. While this was a big logistical challenge, it has been very successful. Together with some of the CMG testing, we tested staff on the four new FFP3 masks. Those that didn't pass were tested on various types of respirators or were wearing respirator hoods.

RIDDORS (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations - the most serious category of health and safety incident)

The total number of RIDDORS during 2020/21 was 10 beyond the predicted total. What we found is that work activity levels have remained high and the unprecedented pace of work over the last 12 months has inevitably led to more accidents. As to the nature of the incidents, we can identify no particular commonality other than how much stress staff have been under.

Bed and equipment support

The demand for patient surface equipment has been unprecedented and the efforts demanded to ensure that extra equipment is put into place were enormous. Working together with our external partners, Medstrom, we were able to provide the Trust with all the equipment it required during the pandemic.

Health and Safety Executive enforcement notices

No Health and Safety Executive enforcement notices were issued against the Trust in 2020/21.

Manual Handling

Bariatric admissions - Patients whose bodyweight exceeds 180 kgs/28 Stone

Bariatric demand has trebled over the last 10 years and is likely to increase in the future, putting evermore pressure on the service. During 2020/21, admissions substantially increased, albeit with a fall in numbers during the lockdown restrictions.

Fallen patients

Recovery of the Fallen Patient is something that the Manual Handling team have been working with nursing colleagues on for some time. As part of this we now have dedicated Falls Recovery kits on all three major sites and this is supplemented by training sessions for the appropriate use of this equipment which have been well attended and evaluated.

Security management

Physical and Verbal assaults

Since March 2018, physical and verbal assaults have been classified under headings where the patient's condition (PC) was deemed to be a factor in the assault. This includes stress, confusion, disorientation, delirium, prescribed medication effects, dementia, etc. It is interesting to note that the vast majority of physical assaults were deemed to be patient condition related. Conversely, the vast majority of verbal assaults had no known patient condition factors involved.

DATIX Reported Assaults by type 2014 -2021					
	Physical		Verbal		Total
2014/15	238		276		514
2015/16	226		284		510
2016/17	261		239		500
2017/18	249		243		492
	Physical PC		Verbal PC		
	Physical		Verbal		
2018/19	212	97	38	242	589
2019/20	249	41	18	247	545
2020/21	131	24	13	153	321

It is clear that the overall numbers for assaults for 2020/21 is significantly lower than reported in previous years (a reduction of 41%). This follows a national trend seen during the pandemic and the dramatically reduced footfall across all three sites.

New standards for security training

The Care Quality Commission (CQC), including NHS England and the Department of Health, have now incorporated the Restraint Reduction Network Standards (RRN) across the NHS, which means that the training delivered to acute NHS staff has to have a minimum level of national accreditation. Our Trust's Security Management Specialist has completed the DMI trainer for trainer course with Midlands Partnership NHS Trust (MPFT) which complies with BILD accreditation, ensuring the future provision for all physical courses planned and delivered within UHL will now be compliant with all the required standards around physical skills training, including being mapped against the new NHS England violence and aggression reduction standards.

Emergency Department police presence

The joint working initiative with Leicestershire Police to have officers stationed in the Emergency Department at our Leicester Royal Infirmary during key times every Friday and Saturday night has had an overwhelmingly positive effect. During the lockdown restrictions the need for them diminished, but their service commenced once again in March 2021.

Sanctions

We continue to exercise powers of sanction against members of the public due to behaviour issues as part of our commitment to maintaining a safe and secure environment for staff and patients and in 2020/21 we issued 12 behavioural orders. Our partnership with Leicestershire Police continues to thrive and has been enhanced with contacts for Leicester City Council. This collaborative approach to crime reduction has led to addressing criminal behaviour, preventing crime and an increase in prosecutions against perpetrators.

Patient Information and Liaison Service (PILS)

Feedback from our patients, their families and carers, gives us a valuable opportunity to listen and examine our services and make improvements. The Patient Information and Liaison Service (PILS) is an integral part of the corporate patient safety team. PILS acts as a single point of contact for members of the public who wish to raise complaints, concerns, compliments or have a request for information.

The service is responsible for coordinating the process and managing responses once investigations and updates are received from relevant services or individuals. PILS is contactable by a freephone telephone number, email, website, in writing or in person (although during this year, due to COVID-19 restrictions, this option has been suspended).

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Formal complaints	1,574	1,467	1,886	2,260	2,534	1,480
Verbal complaints	1,449	1,152	856	492	192	218
Requests for information	439	321	143	118	175	113
Concern (excludes CCG & GP)	756	1,288	1,146	1,170	1,488	1,003
Total	9% increase	0.2% increase	4.7% decrease	0.2% increase	8.6% increase	35.9% decrease

PILS activity (formal complaints, verbal complaints, requests for information and concerns) by financial year - April 2015 to March 2021.

Complaints

Complaints are a vital source of information about the views of our patients, families and carers on the quality of our services and standards of our care.

The Patient Information and Liaison Service (PILS) administers all formal complaints and concerns. General Practitioner (GP) concerns received from the CCGs are now managed by the Trust's GP Services team.

During 2020/21, due to the COVID-19 pandemic, unprecedented action was taken by NHS England during the first wave to put a national 'pause' on the NHS Complaints process from March to 1 July 2020. We restarted the Trust's process from 1 June 2020.

During the second wave of COVID-19 there was no ability for a national 'pause' so an executive decision was made to manage complaints differently, based on 'urgency' between 11 January 2021 and 6 April 2021. These periods of inactivity and reduced activity have significantly affected performance for response times for this year.

Between April 2020 and March 2021, we received 1,480 formal complaints and 1,003 concerns.

The table below shows the top five themes of formal complaints received by the Clinical Management Groups (CMGs) from 1 April 2020 to 31 March 2021.

The top five subjects account for 1,054 (71%) of the 1,480 formal complaints we received.

Table showing top five subjects of formal complaints by CMG for 2020/21

Top 5 Primary Subjects of Formal Complaints by CMG – 2020/21 Financial year	CMG 1 (CHUGGS)	CMG 2 (RRCV)	CMG 3 (ESM)	CMG 4 (ITAPS)	CMG 5 (MSK & SS)	CMG 6 (CSI)	CMG 7 (W&C)	The Alliance	Corp. Legal	Corp. Medical	Corp. Nursing	EFM	Finance	Corp. Operations	Total
Medical care	85	42	90	13	83	7	69	10	0	0	0	0	0	1	400
Communication	35	23	74	9	19	8	25	4	1	5	0	0	2	1	206
Staff attitude	23	18	58	3	13	25	19	2	0	1	1	7	0	2	172
Appointments including delays & cancellations	21	11	20	11	55	13	14	7	0	0	0	0	1	0	153
Nursing care	26	19	52	3	13	0	9	0	0	0	0	0	0	1	123
Top 5 total	190	113	294	39	183	53	136	23	1	6	1	7	3	5	1,054
Overall total	254	152	426	58	249	90	169	32	1	9	2	25	3	10	1,480
Top 5 total as % of overall total	75%	74%	69%	67%	73%	59%	80%	72%	100%	67%	50%	28%	100%	50%	71%

We achieved 82%, 72% and 66% for the 10, 25 and 45 day formal complaints performance respectively (data correct at 11 May 2021).

Improving complaint handling

Throughout 2020/21, the Trust suspended its participation in the Independent Complaints Review Panel process due to the COVID-19 pandemic.

Usually, this panel reviews a sample of complaints and reports back on what was handled well and what could have been done better. This feedback is used for reflection and learning with the PILS team and also with the CMGs.

This year, to improve our complaints process and handling of cases, we:

- Continued to collaborate on the Early Dispute Resolution pilot programme with the Parliamentary Health Service Ombudsman, this pilot has now ended.
- We have added an additional capture of information about reasons for reopened complaints to our system which will enable us to focus on the learning from these themes.

In 2021/22, we will:

- Improve the efficiency of our process for logging of verbal concerns and compliments.
- Implement our Complaints Intermediate training programme.

Reopened complaints

The number of formal complaints received and number reopened by quarter, April 2018 to March 2021 are as follows:

	Formal complaints received	Formal complaints reopened	% resolved at first response
2018/19 Q1	533	43	92%
2018/19 Q2	587	52	91%
2018/19 Q3	551	49	91%
2018/19 Q4	589	80	86%
2019/20 Q1	620	62	90%
2019/20 Q2	645	85	87%
2019/20 Q3	660	82	88%
2019/20 Q4	609	81	87%
2020/21 Q1	235	39	83%
2020/21 Q2	418	77	82%
2020/21 Q3	473	62	87%
2020/21 Q4	354	36	90%
Total	6,274	748	88%

Parliamentary Health Service Ombudsman

This year we have again had less investigated and less upheld cases by the Parliamentary Health Service Ombudsman. Further details are provided below.

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Awaiting outcome validation	0	0	0	1	2	3
Enquiry only - no investigation	1	1	0	1	2	6
Investigated - not upheld	12	6	4	0	0	22
Investigated - partially upheld	3	3	3	3	1	13
Investigated - upheld	1	0	0	0	0	1
Total	17	10	7	5	5	44

Parliamentary Health Service Ombudsman complaints - April 2016 to March 2021 (data correct as at 11.05.21)

Freedom of Information

The Freedom of Information (FOI) Act was passed on 30 November 2000, and the full Act came into force on 1 January 2005. The Act applies to all public authorities including us. The purpose of the Act is to allow anyone, no matter who they are, to ask whether information on a particular subject is held by us and to ask to see that information. The Act sets out exemptions from that right, covering any information that may not have to be released.

Due to the unprecedented clinical and operational pressures facing the Trust because of COVID-19, in mid-March 2020 the Trust decided to 'pause' the handling of FOI requests, to enable clinical and corporate staff to focus on COVID-19 requirements. All requests received continued to be acknowledged, and the reason for the Trust's decision to pause the processing of those requests was explained to the requesters. The Trust remains committed to openness and transparency, and the difficult decision to pause the processing of FOI requests was kept under ongoing review. The pause was lifted in mid-May 2020. Although all FOI requests from that 'paused' period have been responded to, the Trust's overall compliance with the 20-working day timescale for responses has been reduced as a result of that 'pause'.

In 2020/21, we received 616 Freedom of Information requests and/or requests for environmental information, a decrease of 12% compared to 704 in 2019/20. We responded to 88% of these requests within the statutory 20 working-day deadline in 2020/21.

Many of these requests contained multiple individual questions, with information needing to be obtained from more than one clinical or corporate area of our organisation – this amounted to 1046 instances that areas had to provide information (compared to 1166 instances in 2019/20). The table below shows the number of times that different areas had to provide information during the year to respond to those 616 FOI requests.

Some information (such as Trust Board papers, and policies and guidelines) is already publicly available on our FOI publication scheme – you can find this on our external website in the Freedom of Information section.

Freedom of Information/Environmental Information Regulation requests received between 1 April 2020 and 31 March 2021, split by Clinical Management Group (CMG)/Corporate Directorate			
Area	Number of times asked to provide FOI data in 2020/21	Approx % of overall 2020/21 FOI activity (in terms of times needing to provide information)	% increase or decrease on their 2019/20 numbers
Operations	219	20.9%	↑ 73.8%
Finance and Procurement	117	11.2%	↓ 17.6%
Clinical Support and Imaging CMG	116	11.1%	↓ 16.5%
Human Resources	93	8.9%	↑ 6.9%
Cancer, Haematology, Urology, Gastroenterology and General Surgery CMG	63	6%	↓ 25.8%
Corporate Medical	59	5.6%	↓ 1.7%
IM&T	55	5.3%	↓ 29.5%
Corporate Nursing	52	5%	↓ 46.4%
Emergency and Specialist Medicine CMG	51	4.9%	↔ 0%
Women's and Children's CMG	50	4.8%	↓ 24.2%
Facilities & Estates	38	3.6%	↓ 38.7%
Renal, Respiratory, CardioVascular CMG	38	3.6%	↓ 5%
Musculoskeletal and Specialist Surgery CMG	37	3.5%	↓ 27.5%
Critical Care, Theatres, Anaesthesia, Pain and Sleep CMG	23	2.2%	↓ 14.8%

Corporate & Legal	16	1.5%	↓ 48.4%
Strategy	13	1.2%	↑ 8.3%
Communications	3	0.3%	↓ 40%
Research and Innovation	3	0.3%	↓ 25%
The Alliance	0	0%	↓ 300%
Total	1,046		

Please note that some requests required a response from all/multiple clinical and corporate areas, which is why the numbers shown above (which add up to 1046 times that areas had to provide information) are higher than the total of 616 requests received.

Our Sustainability Report

Our Estates and Facilities Teams are committed to implementing sustainability across a diverse range of services including procurement. This direction is reinforced within the revised Estates and Facilities 5-Year Strategy, and is high on the agenda for our new hospital building within the reconfiguration program. The ongoing development of the UHL Master and Green Plans will outline the project designs and associated deliverables, relating to the new build and the existing estate. The prime driving guidance is the “Delivering a Net Zero National Health Service” using the NHS Net Zero Carbon Building Standard and when implemented will provide an enhanced environment to deliver the best sustainable quality of healthcare. This will be the foundation for our future, giving the assurance of our commitment to “providing a sustainable, Net Zero Carbon, safe and welcoming environment and organisational ethos, where clinical care of the highest standard will be delivered”.

The Estates and Facilities Teams promoted and implemented elements of sustainability throughout the organisation. This has ensured new projects; new works and refurbishments incorporate the most effective, “Low Carbon Technology” available within our limited resources.

We completed and submitted the various statutory annual reports as listed below:

- a) Estates Return Information Collection (ERIC)
- b) Property Assurance Model Report (PAM)
- c) European Union Emissions Trading Scheme (EUETS)
- d) Medium Combustion Plant Directive (MCPD)
- e) Combined Heat & Power Quality Assurance (CHPQA)

Energy and Sustainability Projects

During 2020/21 the Estates and Facilities have successfully built/refurbished and commissioned the following:

- a) Installed a 1.6 Mw generator and an electrical panel board operational 2021(LRI)
- b) Built 3 rooftop wards, Interventional Radiology and an Intensive Care Unit – operational 2021 (GH)
- c) East Midlands Congenital Heart Centre Construction and infrastructural works completed – currently being commissioned (2021) (LRI)
- d) Endoscopy Decontamination Unit operational late 2020 (GH)
- e) Respiratory Physiology Department operational 2021 (GH)

All the above included the use of “Low Carbon Technology” and the incorporation of energy efficient management strategies. They included LED lighting, Variable Speed Drives, High Efficiency Pumps and Motors, Building Management Systems, insulation and boilers. The adoption of good working practices and housekeeping is actively promoted. Resources have concentrated on planning the delivery of the reconfiguration of the health care delivery of the three major hospital sites. The East Midlands Congenital Heart Unit is being commissioned and will be allow the relocated to the new state of the art facility at the LRI.

Heating and Power

This period the CHP units have improved their availability as they have been fine tuned to the site's demand.

Table 1

Apr 20 - Mar 21	LRI	GH	Total
CHP gas used	24,888,278	12,265,254	37,153,532
CHP Elec Generated	9,595,971	4,648,871	14,244,842
CHP Heat Generated	7,508,800	4,311,730	11,820,530
Est. CO2 Saving	(397)	(76)	(473)
hours run	6,849	6,397	13,246
Est. Cost Saving	£629,231	£300,573	£929,804
Est. Cost Saving/hr	£91.87	£46.99	£70.20

The table and graphs below indicate that our fuel mix has changed due to lower CHP availability. Grid electricity has increased; gas has decreased as the CHP units have unfortunately performed to a lower level.

Our activity has influenced our overall energy consumption profile, but it has remained steady. This has assisted in reducing the Trust's overall emissions. The data takes account of a decrease in elective activity, but with an increase in COVID 19 patient related activity that has increased in the overall patient activity / demand for your services. The cost of electricity increased with a reduction in gas from our suppliers. Overall our operational consumption has reduced as a result of the activity mix due to COVID 19. One of the objectives within our Sustainable Management Development Plan (SDMP) is a 28% reduction in direct CO₂ emissions to our 2012/13 baseline by 2020 with an additional 3% reduction going forward. The trust attained an overall 31.84% reduction to this baseline, which is 348 tonnes in front of our target, during this difficult year with many un-presidential challenges.

Table 2

Description	Gas	Grid Electricity	Totals	Cost	CO ₂ Emissions	CO ₂ Emissions
Year	Usage (KWh)	Usage (KWh)	(KWh)	Costs (£)	(Tonnes)	(CRC Cost)
2006/07	116,873,611	29,357,222	146,230,833	£5,252,319	37,531	N/A
2007/08	99,831,667	30,681,111	130,512,778	£4,403,428	35,090	N/A
2008/09	109,781,944	33,822,222	143,604,167	£7,320,137	38,633	N/A
2009/10	93,697,272	36,426,819	130,124,091	£5,136,734	36,910	N/A
2010/11	96,694,476	39,489,130	136,183,606	£5,282,765	39,236	N/A
2011/12	85,673,210	42,535,080	128,208,289	£6,479,603	38,881	£376,571
2012/13	86,601,762	46,390,022	132,991,784	£7,223,638	41,334	£404,539
2013/14	83,164,032	48,522,097	131,686,129	£7,995,022	40,724	£400,777
2014/15	92,086,201	38,205,678	130,291,879	£7,072,683	36,950	£281,979
2015/16	101,496,587	32,832,008	134,328,594	£6,390,731	36,138	£291,598
2016/17	110,655,067	29,972,229	140,627,296	£5,485,501	33,707	£281,694
2017/18	111,562,261	31,665,782	143,228,042	£6,344,521	32,567	£313,497
2018/19	113,913,099	31,581,628	145,494,728	£7,108,306	30,543	£297,372
2019/20	111,965,064	34,005,463	145,970,527	£8,345,770	30,014	N/A
2020/21	107,293,138	33,352,571	140,645,709	£7,657,842	28,173	N/A
2021/22 3%	104,074,344	32,351,993	136,426,337	£8,117,313	27,327	N/A
Annual Change	4,671,926	652,892	5,324,819	£687,928	1,842	N/A
% age change	4.17%	1.92%	3.65%	8.24%	6.14%	N/A
2012/13 Change	-20,691,376	13,037,451	-7,653,925	-£434,204	13,161	N/A
% age change	-23.89%	28.10%	-5.76%	-6.01%	31.84%	N/A

Assumptions considered to the influential elements to consumption and cost.

- 1) Consumption of power and or gas depends on activity, weather and the availability of the CHP units.
- 2) Cost of the utilities as commodity and non-commodity which is made up of several components.
- 3) The emissions do not include scope 3 'Well to Tank' WTT factors to retain historical comparisons.

Table 3

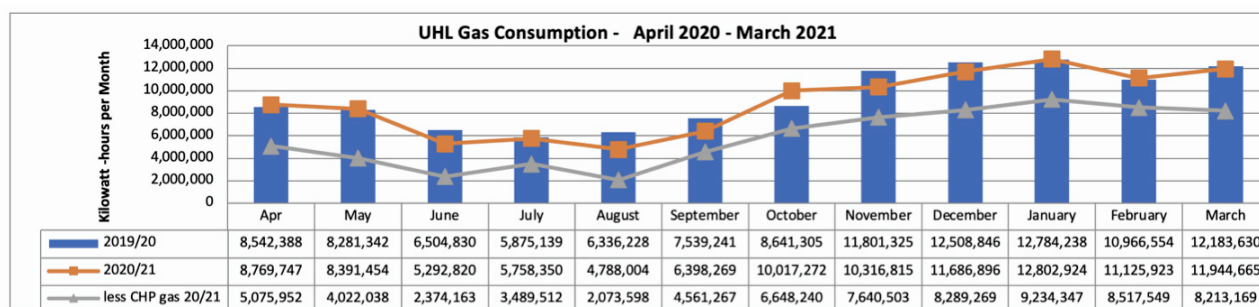


Table 4

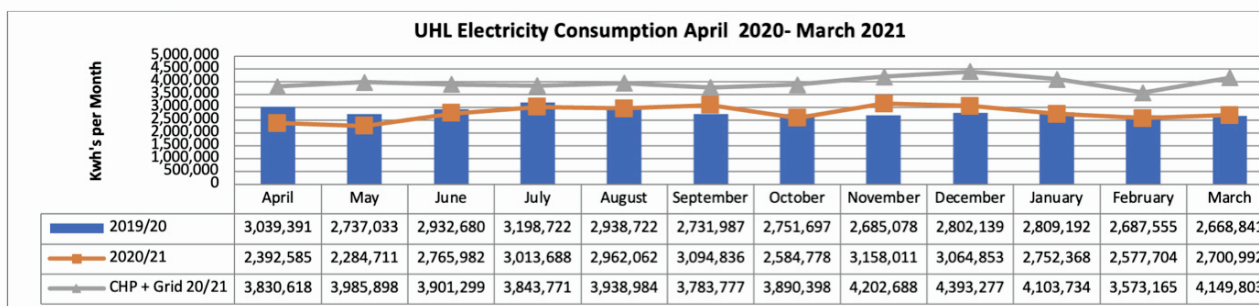
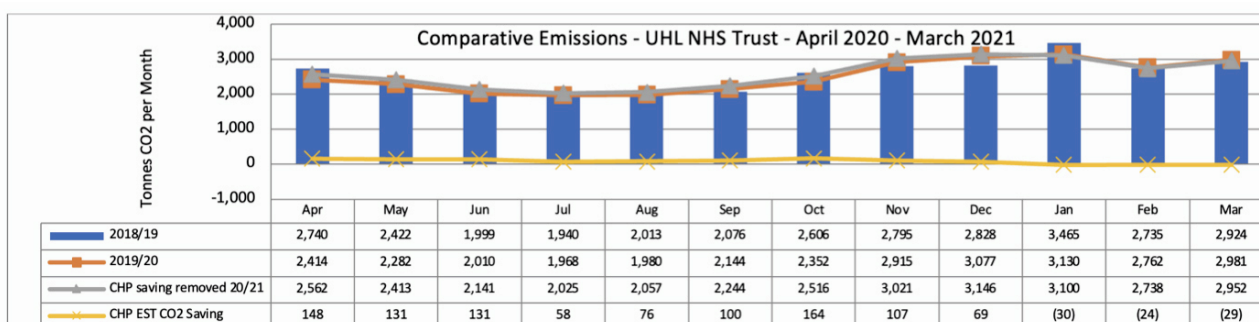


Table 5



Our Accountability Report

The Accountability Report sets out how we meet key accountability requirements to Parliament. It comprises three key sections:

The Corporate Governance Report sets out how we have governed the organisation during 2020/21, including membership and organisation of our governance structures and how they support achievement of our objectives. The report includes the Directors' Report, the Statement of Accounting Officer's Responsibilities and the Governance Statement.

The Remuneration and Staff Report sets out our remuneration policies for non-executive directors and executive directors and how these policies have been implemented for the reporting period, including salary information and pension liabilities. It also provides further detail on remuneration and staff.

The Parliamentary Accountability and Audit Report brings together key information to support accountability to Parliament, including a summary of fees and charges, contingent liabilities and the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

Corporate Governance Report

Directors' Report

Trust Board

Our Trust Board comprises thirteen voting members: a Trust Chair, seven Non-Executive Directors, and five Executive Directors. A number of other Executive Directors also attend Board meetings in an advisory (non-voting) capacity.

The table below provides information on the declarations of interests entries made by Trust Board members and attendees for the year 2020/21. Required elements will also be provided to External Audit as part of the 2020/21 annual accounts work (related party transactions).

Name	Position	Declaration
Karamjit Singh	Trust Chairman	<ul style="list-style-type: none">Family member is a partner in Lakeside Practice, CorbyMember of the UHL Corporate Trustee Board
John Adler* <i>Until 18.9.20</i>	Chief Executive	<ul style="list-style-type: none">Member of the UHL Corporate Trustee Board
Vicky Bailey	Non-Executive Director	<ul style="list-style-type: none">Family member has an offer of employment at PwC September 2021Council Member, University of NottinghamChair of University of Nottingham Audit and Risk CommitteeMember of the University of Nottingham Remuneration CommitteeMember of the UHL Corporate Trustee Board

Professor Philip Baker	Non-Executive Director	<ul style="list-style-type: none"> Minority shareholder of Metabolomic Diagnostics – spinout company seeking to develop predictive tests for pregnancy complications Trustee of 'The Bridge' – a charity providing for the homeless in Leicester Dean of Medicine, Pro-Vice-Chancellor and Head of the College of Life Sciences, University of Leicester Member of the UHL Corporate Trustee Board
Rebecca Brown* <i>Acting Chief Executive from 1.4.20</i>	Chief Operating Officer and Acting Chief Executive*	<ul style="list-style-type: none"> Trustee of The Bridge (Homelessness to Hope) Charity, Leicester Member of the UHL Corporate Trustee Board
Andrew Carruthers	Chief Information Officer	<ul style="list-style-type: none"> Confirmed no declarations to be made
Col (Ret'd) Ian Crowe	Non-Executive Director	<ul style="list-style-type: none"> Member of the Royal British Legion Brother by award of the Order of St John (not active in the organisation) Member of the Royal Army Medical Corps Association Member of the UHL Corporate Trustee Board County Member of the Leicestershire and Rutland Reserve Forces and Cadets Association
Carolyn Fox	Chief Nurse	<ul style="list-style-type: none"> Member of the UHL Corporate Trustee Board
Mr Andrew Furlong	Medical Director	<ul style="list-style-type: none"> Member of the UHL Corporate Trustee Board
Kathryn Gillatt* <i>From 27.1.21</i>	Associate Non-Executive Director	<ul style="list-style-type: none"> Non-Executive Director Chair of Audit Committee, NHS BSA Non-Executive Director and currently Chair of Audit Committee, Patient and Public Committee and Equality & Diversity Committee, Nottingham CityCare Partnership Ltd Non-Executive Director of subsidiary company TGH Ltd, University Hospitals Leicester NHS Trust
Kiran Jenkins* <i>Until 27.7.20</i>	Non-Executive Director	<ul style="list-style-type: none"> Risk Officer, Experian plc Member of the UHL Corporate Trustee Board
Andrew Johnson	Non-Executive Director	<ul style="list-style-type: none"> Elected Chairman of Morcott Parish Council, Rutland Elected Parish Councillor of Morcott Parish Council, Rutland Non-Executive Chair of Trust Group Holdings Ltd Member of the UHL Corporate Trustee Board
Darryn Kerr	Director of Estates and Facilities	<ul style="list-style-type: none"> Confirmed no declarations to be made
Simon Lazarus* <i>From 1.12.20</i>	Chief Financial Officer	<ul style="list-style-type: none"> Non-Executive Director of Trust Group Holdings Ltd Member of the UHL Corporate Trustee Board
Simon Lazarus* <i>From 12.12.19 – 30.11.20</i>	Interim Chief Financial Officer	<ul style="list-style-type: none"> Non-Executive Director of Trust Group Holdings Ltd Member of the UHL Corporate Trustee Board

Debra Mitchell* <i>From 1.4.20</i>	Acting Chief Operating Officer	<ul style="list-style-type: none"> Confirmed no declarations to be made
Ian Orrell* <i>From 27.1.21</i>	Associate Non-Executive Director	<ul style="list-style-type: none"> Independent (non-political) Chair of the Audit Committee at Northampton Borough Council
Ballu Patel	Non-Executive Director	<ul style="list-style-type: none"> Member of the UHL Corporate Trustee Board (and Chair of the UHL Charitable Funds Committee) Outside employment with RNIB
Martin Traynor* <i>Until 5.2.21</i>	Non-Executive Director	<ul style="list-style-type: none"> Position as Small Business Crown Representative, HM Govt (Cabinet Office) Member of the UHL Corporate Trustee Board
Stephen Ward	Director of Corporate and Legal Affairs	Confirmed no declarations to be made
Mark Wightman	Director of Strategy and Communications	Confirmed no declarations to be made
Mike Williams* <i>From 2.9.20</i>	Non-Executive Director	<ul style="list-style-type: none"> Board Member and Trustee Midlands Arts Centre Limited Chair Midlands Arts Centre Trading Company Limited Board Member Warwickshire County Cricket Club Ltd Chair Warwickshire Cricket Board Limited Board Member and Trustee Chamberlain Highbury Trust Limited Trustee Badley Memorial Trust Member of UHL Corporate Trustee Board
Hazel Wyton	Director of People and OD	Confirmed no declarations to be made

What is a Non-Executive Director?

The role of Non-Executive Directors is different to that of an Executive Director. They do not have responsibility for the day-to-day management of the Trust, but share the Board's corporate responsibility for ensuring that the Trust is run efficiently, economically and effectively. They will scrutinise the executive management's performance in meeting agreed goals and objectives and monitor the reporting of performance.

Non-Executive Directors must satisfy themselves about the integrity of financial information and that financial controls and a sound system for the management of risk are in place. They will seek to establish and maintain public confidence in the Trust and must be independent in judgement and constructively challenge and help develop decisions and strategy for which they bear equal responsibility.

To be effective a Non-Executive Director needs to be well-informed about the Trust and have a good grasp of the relevant issues.

Our Non-Executive Directors bring independence, external perspectives, skills and challenge to strategy development and hold our Executive Team to account for the delivery of the strategy.

They actively support and promote a healthy culture for the organisation and this reflects in their own behaviour. It is imperative that they provide visible leadership in developing a healthy culture so that staff believe Non-Executive Directors provide a safe point of access to the Board for raising their concerns.

Some of the Non-Executive Directors chair key committees that support accountability. Individual Non- Executive Directors are members of specific Board Committees, although papers for all those meetings are available to all Non-Executive Directors, if they wish to see them.

The Trust Chair and all Non-Executive Directors are members of the Trust's Remuneration Committee.

Trust Board Meetings

Our Trust Board meetings are held in public and details of dates are on our public website. The meetings move between our three hospital sites, and both staff and members of the public are welcome to attend the public session of each meeting. During the COVID-19 pandemic, our Trust Board meetings have been held virtually, with members of the public able to join to observe and to ask questions.

Partners on our Trust Board

A nominated representative of Leicester and Leicestershire Healthwatch attended and contributed to our public Trust Board meetings as a non-voting/co-opted member – Ms Harsha Kotecha took over this role in October 2018. We hope that by having a representative of Healthwatch at the Board table, it opens up the Board to a different perspective – that of the patient/public voice – which serves to enrich the Board's deliberations and decisions.

Openness and accountability

We have adopted the NHS Executive's code of conduct and accountability and incorporated them into our corporate governance policies (our Standing Orders, Standing Financial Instructions and Scheme of Delegation).

Anti-fraud and corruption statement

UHL is committed to the principles of good governance and recognises the importance of operating in an open and accountable manner, whilst demonstrating high standards of conduct. The Trust expects all non-executive directors, staff, partners and contractors to act honestly and with integrity to safeguard the public purse.

The Trust will not accept any fraud, bribery or corruption. All allegations will be thoroughly investigated and appropriately dealt with.

The Trust is committed to ensuring that opportunities for fraud, bribery and corruption are reduced to the lowest possible level by:

- Promoting a counter-fraud culture, including zero tolerance for fraud, bribery and corruption.
- Raising awareness of the impact of fraud, bribery and corruption both on the organisation and the individual, through training and communication.

- Encouraging and enabling stakeholders to report suspicions or serious concerns (whistleblowing)
- Preventing, detecting and deterring fraud, bribery and corruption.
- Formally investigating fraud, bribery and corruption.
- Applying sanctions against people who commit fraud, bribery and corruption.
- Seeking redress for losses incurred through fraud, bribery and corruption.

The Trust strives to adopt best practice procedures to tackle fraud, as recommended by the NHS Counter Fraud Authority (NHSCFA) and contracts with PricewaterhouseCoopers to provide specialist counter-fraud services. Any concerns are investigated by the local counter fraud specialist or the NHSCFA as appropriate, with progress on all planned activities and investigations reported to the Audit Committee

Trust Board and Committee attendance 2020/21:

Name	Trust Board/ Reconfiguration Programme Trust Board (maximum = 21)	Audit Committee (maximum = 5)	FIC (maximum = 12)	QOC (maximum = 12)	PPPC (maximum =12)	Remuneration Committee (maximum = 6)	Charitable Funds Committee (maximum = 5)
Karamjit Singh – Chairman	21/21	N/A	N/A	N/A	N/A	6/6	N/A
Vicky Bailey – Non-Executive Director	20/21	5/5	N/A	12/12	7/7	6/6	N/A
Professor Philip Baker – Non-Executive Director	21/21	N/A	N/A	11/12	N/A	4/6	N/A
Ian Crowe – Non-Executive Director	21/21	5/5	2/2	N/A	11/12	6/6	5/5
Kathryn Gillatt – Associate Non-Executive Director (1)	3/4	N/A	2/3	N/A	1/2	N/A	N/A
Kiran Jenkins – Non-Executive Director (2)	2/3	1/1	3/3	N/A	N/A	2/3	N/A
Andrew Johnson – Non-Executive Director	21/21	5/5	12/12	N/A	N/A	6/6	5/5
Vipal Karavadra – Associate Non-Executive Director (3)	11/15	N/A	N/A	N/A	N/A	N/A	N/A
Ian Orrell – Associate Non-Executive Director (4)	1/1	N/A	1/2	1/1	N/A	N/A	N/A

Name	Trust Board/ Reconfiguration Programme Trust Board (maximum = 21)	Audit Committee (maximum = 5)	FIC (maximum = 12)	QOC (maximum = 12)	PPPC (maximum =12)	Remuneration Committee (maximum = 6)	Charitable Funds Committee (maximum = 5)
Ballu Patel – Non-Executive Director	21/21	N/A	2/2	7/8	11/12	6/6	5/5
Martin Traynor – Non-Executive Director (5)	15/17	N/A	9/9	N/A	N/A	3/5	N/A
Mike Williams – Non-Executive Director (6)	16/16	4/4	7/7	N/A	N/A	2/2	N/A
John Adler – Chief Executive (7)	0/7	N/A	N/A	N/A	N/A	N/A	N/A
Rebecca Brown – Acting Chief Executive	20/21	N/A	N/A	N/A	N/A	N/A	N/A
Andy Carruthers – Chief Information Officer	20/21	N/A	N/A	N/A	9/12	N/A	N/A
Carolyn Fox – Chief Nurse	15/21	N/A	N/A	10/12	N/A	N/A	3/5
Andrew Furlong – Medical Director	20/21	N/A	N/A	9/12	N/A	N/A	N/A
Darryn Kerr – Director of Estates and Facilities	21/21	N/A	N/A	N/A	N/A	N/A	N/A
Simon Lazarus – Interim Chief Financial Officer/Chief Financial Officer (8)	17/21	4/5	10/12	N/A	N/A	N/A	3/5
Debra Mitchell – Acting Chief Operating Officer (9)	17/21	N/A	6/7	N/A	12/12	N/A	N/A
Stephen Ward – Director of Corporate and Legal Affairs	21/21	5/5	N/A	N/A	N/A	N/A	4/5

Name	Trust Board/ Reconfiguration Programme Trust Board (maximum = 21)	Audit Committee (maximum = 5)	FIC (maximum = 12)	QOC (maximum = 12)	PPPC (maximum =12)	Remuneration Committee (maximum = 6)	Charitable Funds Committee (maximum = 5)
Mark Wightman – Director of Strategy and Communications	21/21	N/A	N/A	N/A	N/A	N/A	4/5
Hazel Wyton – Director of People and Organisational Development	20/21	N/A	N/A	N/A	12/12	N/A	N/A

Notes:-

(1) from 27 January 2021

(2) until 27 July 2020

(3) until 31 December 2020

(4) from 27 January 2021

(5) until 5 February 2021

(6) from 2 September 2020

(7) retired 18 September 2021

(8) Interim Chief Financial Officer from 12 December 2019 – 11 December 2020. Chief Financial Officer from 12 December 2020

(9) Acting Chief Operating Officer from 1 April 2020

Going Concern

The 2020/21 accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

Annual Governance Statement

This Annual Governance Statement has been written retrospectively and reflects the internal control environment during 2020/21.

In 2019/20 the Trust identified a number of further significant control issues which impacted on our overall performance; including financial and cultural governance. This statement gives an account of the remedial actions which have been, and are being, taken.

The delivery of the 2019/20 Audit has taken place over a two-year period, allowing the Trust to undertake considerable restatement work and provide additional draft versions of the financial statements for audit. The delays and changes to the financial statements were caused by an inappropriate focus on achieving the control total, poor management controls and override by management of controls. Action has now been taken to resolve these matters, including detailed plans for improvement.

The initial audit was completed in October 2020. Our external auditor concluded that there was a risk of further material error and informed the Trust that a disclaimer form of opinion would be issued. Given the findings, the interim Chief Financial Officer did not present the Statutory Accounts for the financial year 2019/20 to the December 2020 Board. A decision was made to restate the accounts. This was completed in June 2021 and the audit was completed by December 2021. The accounts were adopted in March 2022. A disclaimed opinion has been issued due to the risk of further misstatement arising from undetected error or management override of control.

The Trust has been in deficit since 2013/14 and has a reported deficit for 2019/20 of £124 million. As such the Trust remains in breach of its statutory duty to breakeven. We further note the Trust was unable to adopt or approve an Annual Report or an Annual Governance Statement or hold an Annual Public Meeting in 2019/20 in line with statutory agreed timetable. This is a breach of statutory responsibilities and falls below the standards expected of a public sector body.

The Trust has continued to address the financial situation, and internal culture, with the help of NHS England and external partners since the scale of the situation was uncovered.

Statement of Responsibility – Richard Mitchell, Chief Executive (commenced appointment October 2021)

As the current Accountable Officer, I have inherited the current internal control system and have become responsible for maintaining a sound system of internal control that supports adherence to our policies and the achievement of our aims and objectives, whilst safeguarding both 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 Trust Accountable Officer Memorandum.

In undertaking this role, my team and I have developed strong links with NHS England/Improvement, local Clinical Commissioning Groups, and other partner organisations. In particular, the Trust plays an important role in the Leicester, Leicestershire and Rutland (LLR) Sustainability and Transformation Partnership, which

aims to reshape the provision of health services in LLR by integrating the activities of NHS organisations and local authorities to improve outcomes for patients, and to deliver care more efficiently.

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NHS England's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS 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 Trust Accountable Officer Memorandum*.

The purpose of system of internal control

The Audit Committee has responsibility for ensuring that an effective system of integrated governance, risk management and internal control is in place to support the achievement of our strategic objectives. The Committee receives and considers reports on all aspects of the organisation's systems of internal control, including reports from internal audit, reviews the organisation's accounting policies and statutory accounts for submission to the Board. This is supported by the work of internal audit to ensure that delivery of services takes place within a sound system of internal control, designed to meet the organisation's objectives and that controls are generally being applied consistently.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks that threaten the achievement of the policies, aims and objectives of the Trust; and
- evaluate the likelihood of those risks materialising and their impact should they be realised and identify mitigating action to manage them.

Despite financial system improvements being implemented and the system of financial controls bolstered during 2020/21 (including in particular a strengthened and revised journal approval process introduced from December 2020) the Head of Internal Opinion concluded that major improvement was still required to address the inherent system weaknesses. There remain specific significant weaknesses and non-compliance in the framework of governance, risk management and control which put the achievement of organisational objectives at risk in 2020/21 (these are highlighted below).

Trust Board composition and membership

The Trust Board comprises thirteen voting members: a Trust Chair, seven Non-Executive Directors, Chief Executive and five Executive Directors. A number of other Executive Directors also attend Board meetings in an advisory (non-voting) capacity.

Performance Management Reporting Framework

The Trust receives reports on key issues at each public Board meeting and a Quality and Performance Dashboard forms part of this report.

To ensure the Board is aware to a sufficient degree of granularity of what is happening in the hospitals, a comprehensive quality and performance report is reviewed monthly at a joint meeting of the Board's People, Process and Performance Committee (PPPC) and Quality and Outcomes Committee (QOC). This report is also published as part of the Trust's Board papers.

The monthly report:

- is structured across the domains: 'safe', 'caring', 'well-led', 'effective' and 'responsive';
- includes information on the Trust performance against NHS E/I Single Oversight Framework;
- includes performance information in the form of statistical process control charts;
- is complemented by exception reports and commentaries from the accountable Executive Directors identifying key issues to the Board and, where necessary, corrective actions to bring performance back on track.

The formal Board performance management reporting framework is accompanied by a series of measures to achieve a more interactive style of governance, moving beyond paper reporting.

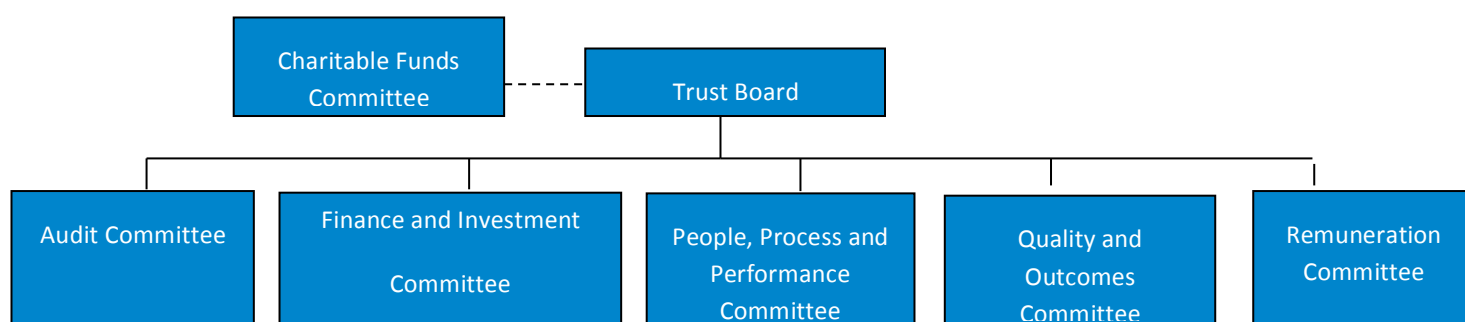
Examples include:

- staff and patient stories, which are presented in public at each Board meeting. These shine a light on staff experiences and individual experiences of patient care provided by the Trust, and act as a catalyst to our commitment to continuous improvement; and
- Board leadership walkabouts carried out by Board members.

These arrangements allow Board members to help model our values through direct engagement, as well as ensuring Board members take back to the boardroom an enriched understanding of the lived reality for staff, patients, and the public.

Committee Structure

The internal committee structure strengthens our focus on quality governance, finance, people, process and performance, and risk management. The committees carry out detailed work of assurance on behalf of the Trust Board. A diagram illustrating the Board committee structure is set out below:



Board committees are chaired by a Non-Executive Director and comprise a mixture of both Non-Executive and Executive Directors within their memberships. The exceptions to this are the Audit Committee and the Remuneration Committee, which (in accordance with NHS guidance) comprise Non-Executive Directors exclusively.

The Audit Committee is established under powers delegated by the Trust Board, with approved terms of reference that are aligned with the NHS Audit Committee Handbook. The Committee has met on six occasions throughout the financial year with additional meetings when required to discuss specific items regarding the Annual Report and Accounts. It has discharged its responsibilities for scrutinising the risks and controls which affect all aspects of the Trust's business. The Audit Committee receives reports at each of its meetings from the External Auditor, Internal Auditor, and the Local Counter-Fraud Specialist, the latter providing the Committee with assurance on our work programme to deter fraud.

The remit of the Finance and Investment Committee is to oversee performance management across all domains with the Board retaining corporate responsibility for overall performance. The Finance and Investment Committee meets monthly to oversee the effective management of our financial resources and financial performance across a range of measures, although during the early part of 2020/21 this was not undertaken effectively.

The Committee on behalf of the Board, monitors the achievement of the organisation's statutory financial duties, seeking assurance on the progress of the Cost Improvement Programme, monitoring the organisation's monthly financial performance, and supports the development of the annual plan and receives and considers business cases prior to approval to the Board.

The Committee received finance updates at each meeting for the previous month's financial priorities, which were dominated by the impacts of Covid-19, including the financial regime implemented for the first half of the year, and the acceptance of claims raised against Covid-19 monies. It also received periodic updates in regard to the key strategic performance risks outlined within the BAF. Ongoing focus was placed on the progression of the Annual Plan in relation to the financial aspects, where progress was monitored at each meeting and assurance and actions progressed as needed.

The Quality and Outcomes Committee also meets monthly, and seeks assurances that there are effective arrangements in place for monitoring and continually improving the quality of healthcare provided to patients.

To strengthen the focus on workforce issues, and on organisational systems, processes and performance management, the Trust Board has established a People, Process and Performance Committee. This Committee meets monthly, too, and amongst the standing items which feature on its agenda are (a) workforce issues – including regular review of the Workforce Strategy (UHL People Plan) and the Trust's progress against its equality and diversity plan; (b) urgent and emergency care performance; and (c) performance against the cancer waiting time standards.

The minutes of each Board committee meeting are submitted to the next available Trust Board meeting for consideration. Recommendations made by the committees to the Trust Board are clearly identified on a cover sheet accompanying the submission of the minutes to the Board.

The Chair of each Committee personally presents a summary of the Committee's deliberations, highlighting material issues arising from the work of the Committee to the Board.

Every meeting of the Trust Board and each Board Committee meeting was quorate during 2020/21.

Board Effectiveness

On joining the Board, Non-Executive Directors participate in a full induction programme and are given background information about the Trust and our activities.

Our Board recognises the importance of effectively gauging its performance so that it can draw conclusions about its own strengths and weaknesses and take necessary steps to improve. As a Board we are keen to ensure that we are:

- operating at maximum efficiency and effectiveness;
- adding value; and
- providing a yardstick by which the Board can both measure its own effectiveness and prioritise its activities for the future.

Outside of its formal meetings, the Board has continued to hold development sessions ('Thinking Days') throughout the year. Amongst the topics considered were:

- Trust priorities;
- Research into health inequalities;
- Covid-19;
- Integrated care systems;

The Chairman set objectives for my predecessor and for the Non-Executive Directors for the year. In turn, the then Chief Executive set objectives for the Executive Directors and Corporate Directors in relation to the delivery of the 2020/21 Annual Plan. Performance against objectives is reviewed formally on an annual basis by the Chairman and Chief Executive, respectively, and the results are reported to the Remuneration Committee for consideration.

It is recognised that the Trust Board during 2017/18, 2018/19, 2019/20 and 2020/21 did not effectively challenge management particularly in relation to application of accounting policies, practices and schemes. The financial pressure on the Trust combined with lack of challenge resulted in inadequate governance and prioritised delivery of the control total rather than sustained financial recovery and achievement of value for money.

Corporate Governance

In managing the affairs of the Trust, the Board is committed to achieving high standards of integrity, ethics and professionalism across all areas of activity. As a fundamental part of this commitment, the Board supports the highest standards of corporate governance within the statutory framework.

We have in place a suite of corporate governance policies which are reviewed and updated as required. These include standing orders, standing financial instructions, a scheme of delegation, and policies to counter fraud, bribery and corruption.

The Board subscribes to the NHS Code of Conduct and Code of Accountability and has adopted the Nolan Principles, 'the seven principles of public life'. We have also adopted the Code of Conduct: "Standards for NHS Board members and members of Clinical Commissioning Group governing bodies in the NHS in England" (Professional Standards Authority: November 2012).

NHS Trusts are subject to oversight by NHS England/Improvement who use the Single Oversight Framework for the purpose. The Oversight Framework bases its oversight on the NHS provider licence. NHS Trusts are therefore legally subject to the equivalent of certain provider licence conditions and NHS Improvement has directed that NHS Trusts must self-certify compliance with licence conditions G6 and FT4, respectively.

The Trust Board undertakes a self-assessment of compliance against these conditions annually, having regard to guidance issued by NHS Improvement, and where necessary identifies actions to mitigate risks to compliance.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the national guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

The stewardship role of the Board is important. It is important that the tone of the Board is appropriate and operates in accordance with the NHS Code of Conduct to this end. The Board during the period 2017/18 to 2020/21 did not meet the standard expected of a well governed public sector organisation. Resulting in significant weaknesses and non-compliance in the framework of governance, risk management and control which put the achievement of organisational objectives at risk. These weaknesses are now being addressed.

Information Governance

We recognise the importance of robust information governance. The Chief Information Officer is our designated Senior Information Risk Owner, while the post of Medical Director is designated as our Caldicott Guardian.

All NHS Trusts are required annually to carry out an information governance self-assessment using the NHS Data Security and Protection Toolkit. This contains 10 standards of good practice, spread across the domains identified below and, for 2020/21, we declared "all standards met" as our compliance:

1. Personal Confidential Data
2. Staff Responsibilities
3. Training
4. Managing Data Access
5. Process Reviews
6. Responding to Incidents
7. Continuity Planning
8. Unsupported Systems
9. IT Protection
10. Accountable Suppliers

During the year, we reported to the Information Commissioner's Office (ICO) two serious untoward incident involving a lapse of data security. We have taken action to apply the lessons from these episodes, and the Information Commissioner has closed both respective cases as they were satisfied with our mitigation strategies.

In respect of other personal data related incidents, we were not required to report to ICO experienced during the year, we have carried out investigations to ensure that the root causes are properly understood and addressed; in addition, where necessary, patients have been contacted to inform them of the lapses and to provide them with assurance about the actions we have taken to prevent recurrences.

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

The Finance and Performance Committee provides overall value for money assurance, including approving and performance monitoring of the organisation's finance, efficiency and recovery plans and reviewing Clinical Management Group financial and business performance. Nationally, we have been exposed to unprecedented operational and financial pressures over the last five years, culminating in the Covid-19 response.

The Trust achieved its statutory financial duties in 2020/21, including delivering a better than in year break even position and maintaining capital spending and cash and borrowing within the limits set by DHSC.

We delivered a £57.3m reported surplus before adjustment for the impacts of impairment reversals £0.1m, the removal of capital donations and grants £9.4m, and the net impacted of PPE consumables donated by Department of Health £1.7m. This gave an adjusted financial performance total of £46.2m surplus.

The financial regime in operation during 2020/21 resulted in a suspension of normal activity based contract arrangements between providers and commissioners for the entire year. These were replaced by system financial envelopes with block contracts based on actual spend from 2019/20 with additional incremental Covid-19 costs also reimbursed. For the first six months of 2020/21 the financial framework included top up expenditure to enable providers to break even. This amended financial regime came with clear expectations that while finances should not be a barrier to managing the response to the pandemic, normal financial management and governance requirements should remain in place throughout, and that all claims for additional funding could be subject to external audit. The organisation amended its financial record keeping ensuring that a complete and transparent record of Covid-19 expenditure was available, with updates provided to the Finance and Performance Committee each month.

For the second half of 2020/21, the financial regime was changed to reflect policy expectations that the NHS would begin to recover from Covid-19 and to incentivise restoration and recovery of normal activity. While system envelopes and block arrangements remained, there was no longer a reimbursement of all reasonable costs to break even; systems were expected to operate within a financial envelope including most Covid-19 costs. Delivery of an overall surplus for the year has been possible due to additional funding being made available in relation to non-NHS income shortfalls arising from the pandemic. Despite the ongoing impact of the pandemic, we maintained robust financial management and investment governance procedures. As the staged transition towards business as usual began, we also delivered efficiencies of £8.8m, in line with our plan.

We invested £73m in our capital infrastructure in 2020/21 in order to: improve the clinical environment, invest in its digital infrastructure, replace and enhance medical equipment whilst addressing specific needs arising from the Covid-19 pandemic.

The normal NHS Finance regime was also changed from a cash perspective during 2020/21. To support the rapid response to the pandemic and ensure prompt payments, we received block and core top up payments, for the majority of the year. This resulted in higher average cash balances and an associated reduction in PDC dividend. During the year, the policy decision to convert existing financial support from DHSC into a public dividend capital was enacted eliminating historical loan debt as of 31 March 2020. A combination of favourable the working capital movements, combined with the operating cash surplus led to an increase in the year end cash balance of £74m to £90m.

Whilst the NHS funding arrangements during the Covid facilitated an operational focus on clinical service delivery in response to the pandemic, the Trust continued to adopt a measured and project-based approach to savings delivery in 2020/21, albeit on a reduced scale compared with pre-pandemic levels, through an established cost improvement programme underpinned by project management office arrangements. Non-recurrent benefits closed this savings gap in-year and we are aware that this position creates a recurrent financial challenge when the funding regime returns to pre-pandemic principles.

The Risk and Control Framework

Capacity to handle risk

Management Policy describes an organisation-wide approach to risk management, supported by effective and efficient systems and processes. The Policy clearly describes our approach to risk management and the roles and responsibilities of the Trust Board, management, and all staff.

The Director of Corporate and Legal Affairs is the Trust Board lead Director for risk management at the Trust and is supported in this role by Head of Risk and Assurance. Staffs are trained to manage risk in a way appropriate to their authority and duties via the risk management awareness training programme.

The review of risk registers is a standing item on the agenda of each monthly performance review meeting held between the Executive Directors and individual Clinical Management Group senior management teams. Risks which threaten the achievement of the Trust's strategic objectives and which feature on the Board Assurance Framework are reviewed at each Executive Board meeting.

The Trust's major risks in 2020/21 (as featured on the Board Assurance Framework) are set out below:

- Failure to achieve and maintain financial sustainability;
- Failure to deliver agreed quality and clinical outcomes and high standards of patient care;
- Failure to meet constitutional performance targets
- Failure to provide adequate staffing capacity, skill mix and diversity;
- Failure to provide optimised and reliable digital services, realise projected savings and transformational change;
- Failure of the Trust's critical infrastructure;
- Failure to create and sustain an estate fit for the future;
- COVID 19 - Rapid operational instability.

Good risk management encourages organisations to take well-managed risks that allow safe development, growth and change. However, it is impossible to eliminate all risks, and every organisation has to live with a degree of risk. Through its review of the Board Assurance Framework, the aim is that the Trust Board will be able to decide the balance between the cost of mitigating risks, tolerating risks and accepting risk which are not mitigated – in other words, to determine the Trust's risk appetite. The Trust Board accepts that further work is necessary to meet this aim and planned updates to the Trust's Business Strategy and subsequent changes to the Framework will assist in meeting this objective.

All key strategic risks are documented in our Board Assurance Framework. Each strategic risk is assigned to an Executive Director as the risk owner and the Executive Team reviews the Framework on a monthly basis. Key risks to the achievement of these objectives, the controls in place and assurance sources, along with any gaps in assurance, are identified and reviewed. A copy of the full Framework is reported to, and scrutinised by, the Board on a quarterly basis.

Data security risks are managed and controlled under arrangements led by our Chief Information Officer. We have employed a Managed Business Partner to support us in our work, and they deploy a number of approaches to monitoring our data security infrastructure to manage cyber risks, including appropriate risk mitigation strategies. An information asset register is in place, and data protection impact assessments are completed in line with our data security and protection policies.

The trust recognises that the risk and control framework has not worked effectively with regard to financial reporting and control and that this has led to the trust to misreport its financial position and to have a larger deficit than planned.

Our Annual Operational Plan will respond to and address the strategic risks we face. The current Board Assurance Framework will be updated to reflect risks in the plan and will continue to be reviewed at regular intervals by both the Executive Team and Trust Board.

Risk Assessment

We operate a risk management process which enables the identification and control of risks at both a strategic and operational level. Central to this is our Risk Management Policy which sets out details of the risk assessment methodology used across the Trust. This methodology enables suitable, trained and competent members of staff to identify and quantify risks in their respective area and to decide what action, if any, needs to be taken to reduce or eliminate risks. All risk assessments must be scored and recorded in line with the procedure set out in the Risk Management Policy.

Completed risk assessments are managed at Clinical Management Group and Corporate Directorate level and, when they give rise to a significant residual risk, they are reported on our risk register.

We use a common risk-scoring matrix to quantify and prioritise risks identified through the risk assessment procedure. It is based on the frequency or likelihood of the event occurring combined with the possible severity or impact of that event. The arrangement determines at what level in the organisation a risk should be managed and who needs to be assured that appropriate management arrangements are in place.

Control measures are in place to ensure that our organisation complies with all of our obligations under equality, diversity and human rights legislation. Each of the Trust's policies is subject to an equality impact assessment and actions are taken as appropriate when an assessment identifies issues which warrant attention.

The Trust encourages an open and supportive reporting culture, and clinical staff are encouraged to report not only actual incidents but also 'near misses'. Evidence of the Trust's good reporting culture is demonstrated by the fact that the Trust is placed in the top quartile for reporting incidents to the National Reporting Learning System (NRLS).

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

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UK CP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation reporting requirements are complied with.

Annual Quality Account

We are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare a Quality Account for each financial year. The Department of Health has issued guidance to NHS Trusts on the form and content of annual Quality Accounts.

On behalf of the Chief Nurse, the Deputy Director of Quality Governance co-ordinates the preparation of our Annual Quality Account. This is reviewed in draft form by our Quality and Committee, ahead of its eventual submission to the Trust Board for final review and adoption. The Quality Account sets out details of the internal controls and standards which underpin the Statement of Directors' responsibilities in respect of the Quality Account – the Statement will be reviewed and signed by the Chairman and Chief Executive on behalf of the Board, including a statement that the Board is satisfied that the Quality Account presents a balanced picture of the Trust's performance over the period covered.

Our quality governance arrangements are set out in detail in our Governance Framework, approved by the Trust Board. Our quality framework includes the following key components:

- an open and participative culture in which education, research and the sharing of good practice are valued and expected;
- a commitment to quality that is shared by staff and managers, and supported by clearly identified local resources, both human and financial;
- a tradition of active working with patients, users, carers and the public;
- an ethos of multi-disciplinary teams working at all levels in the organisation;
- regular Board level discussion of all major quality issues for the organisation and strong leadership from the top;
- good use of information to plan and to assess progress.

The Care Quality Commission (CQC) undertook a series of inspections of services at the Trust between September and December 2019. The CQC published their report in February 2020 and rated the Trust as 'Good' overall, an improvement on the previous rating of 'Requires Improvement'. The Trust was rated 'Good' for being effective, caring, responsive and well-led; safety remained rated as 'Requires Improvement'.

On 30th April 2020, the CQC published their report following an unannounced inspection of our Emergency Department on 27th January 2020. The CQC rated the Department as Requires Improvement overall, and issued the Trust with a Warning Notice to significantly improve the care of patients by 4th March 2020. Actions have been taken to address all of the CQC's findings, and these have been reported to, and reviewed by, the Trust Board and the CQC.

The change in rating for the Emergency Department does not affect the Trust's overall rating as 'Good'.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

Data quality, including elective waiting time data

The following arrangements are in place to assure the quality and accuracy of data (including elective waiting time data).

- the Data Quality Forum meets regularly and oversees the process of assuring the quality of data reported to the Trust Board, and to external agencies, to ensure by best endeavours that it is of suitably high quality, timely and accurate. This process uses a locally agreed data quality framework to provide scrutiny and challenge on the quality of data presented. Where such assessments identify shortfalls in data quality, the risks are identified together with recommendations for improvements to ensure that the data quality is raised to the required standards;
- quarterly reports on the quality of commissioning data and clinical coding are presented to, and reviewed by, the Executive Quality Board. The Trust's position compared to peer organisations within the NHS Digital Data Quality Maturity Index is assessed and this includes the benchmarking of coding completeness;
- for the management of patient activity data, we have a dedicated corporate Data Quality Team. They respond to any identified issues and undertake daily processes to ensure singularity of patient records and accurate GP and Commissioner attribution. We have been working actively to reduce GP inaccuracies by implementing automated checking against the Summary Care Record. Our weekly, corporate data quality meetings allow for the challenge of inaccurate and incomplete data collection. The Data Quality Team prepares reports on a daily basis for review by personnel within the Clinical Management Groups to maximise the coverage of NHS numbers, accurate GP registration and singularity of patient records.

Review of the effectiveness of risk management and internal control

As Accountable Officer, I have the 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 our clinical leads who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the draft Quality Account 2020/21, along with other performance information made available to me.

Recognising that clinical audit is a key component of good governance, we are committed to undertaking effective clinical audits across all clinical services and recognise this is a key element of maintaining and developing high quality clinical services. Implementation of the clinical audit programme is reviewed at regular intervals by the Executive Quality Board and Quality and Outcomes Committee; and the Audit Committee also incorporates a review of the clinical audit system within its annual work programme.

My review is also informed by comments made by the External Auditors in their management letter and other reports. The external auditors highlighted deficiencies in control, including use of journals and management override of controls. These issues have now been addressed by the Trust's new management team.

During the year I have also been advised on systems of internal control by the Board, the Audit Committee, Finance and Investment Committee, People, Process and Performance Committee and Quality and Outcomes Committee. Each of these bodies has been involved in a series of processes that, individually and collectively, has contributed to the review of the effectiveness of the system of internal control.

In the Head of Internal Audit Opinion 2020/2021, the Head of Internal Audit notes that Internal Audit have carried out thirteen reviews during the year.

This resulted in the risk identification of none that were deemed critical, eight that were high, twenty-three medium and nine which were low risks

The Head of Internal Audit is satisfied that sufficient internal audit work has been carried out in 2020/21 to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, the Head of Internal Audit notes that assurance can never be absolute – the most the Internal Audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

In the Head of Internal Audit Opinion 2020/2021, the Head of Internal Audit notes that Internal Audit have carried out thirteen reviews during the year. This resulted in the identification of recommendations, none of which were deemed necessary to address critical risks, eight that were necessary to address high risks, twenty three to address medium risks and nine which were to address low risks.

The Head of Internal Audit is satisfied that sufficient internal audit work has been carried out in 2020/21 to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, the Head of Internal Audit notes that assurance can never be absolute – the most the Internal Audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

The Head of Internal Audit opinion was based solely on the findings of the agreed programme of internal audit undertaken in 2020/21.

The Head of Internal Audit Opinion for 2020/21 was that there are significant weaknesses and non-compliance in the framework of governance, risk management and control which put the achievement of organisational objectives at risk. Major improvements are required to improve the adequacy and effectiveness of governance, risk management and control.

The Head of Internal Audit noted that their opinion needs to be considered in the context of the operational and financial pressures that the Trust has experienced during the year, including the significant operational challenges arising from the impact of the coronavirus pandemic (COVID-19), which emerged and spread to the UK in early 2020.

I accept these findings and am committed to strengthening the internal control environment, via the implementation of actions to address the findings of all of the Internal Audit reviews, and the implementations of the actions in question will be reviewed by the Audit Committee during 2021/22.

High risk findings were identified in the following reviews:

1. Financial Systems report

The key findings from the review were in the area of fixed assets. The four high risk findings were as follows:

Lack of a fixed asset module and a key person dependency. The Trust is dependent on an excel spreadsheet for its Fixed Asset Register (FAR) which has been newly established. This means that there was no direct interface between the spreadsheet and the ledger of the Trust. This significantly increases the risk that the ledger and the fixed asset register are not consistent. There are also no procedure notes or other guidance in place to help support the population of the excel spreadsheet, leaving the Trust with a key person dependency.

Asset valuations. The review included consideration of whether the FAR was appropriately set up to capture the valuation movements for the Trust's land and buildings. The latest FAR had new columns to capture historic upwards/downwards movements, but this information had yet to be populated as this was newly introduced for 2020/21. The Trust had not therefore been accurately recording valuation movements on its assets subject to valuation.

Capital additions. The Trust does not use capital addition forms to help communicate to the finance team when capital expenditure has been incurred. The Trust is instead reliant on identifying capital expenditure from invoices which often do not identify specific assets or projects that they relate to. This has led to significant amounts of additions being posted to Assets under Construction rather than to the correct operational asset category. There is also a risk that capital expenditure is missed and not capitalised.

Capital disposals. When an asset is disposed of, an asset disposal form is completed and sent to the finance team. The Trust's FAR summary schedules do not include any asset disposals for 2020/21. It was evidenced only three disposal

forms had been partly processed in 2020/21 onto the more detailed supporting working papers. The Trust also does not undertake proactive asset verification exercises with the CMGs and other departments to confirm assets remain in use, have not been damaged or disposed of.

2. Cyber Security

The contract detailing the cyber security services supplied by the Trust's Managed Business Provider (MBP) was outdated

3. Contract Management

There was an absence of detailed policies and procedures post-contract signature lack of guidelines over formal M1 reporting; limited contact risk management at CMG and Trust level; multiple contracts registers are maintained by the Trust; and the contract databases may not have information regarding all the LIVE contracts within the Trust.

Using our Board Assurance Framework, the Trust Board has also identified actions to mitigate other risks in year in relation to:

2020/21 BAF Principal Risks:

- a failure to deliver agreed quality and clinical outcomes and high standards of patient care;
- b failure to meet constitutional performance targets;
- c. failure to provide adequate staffing capacity, skill mix and diversity;
- d. failure to achieve and maintain financial sustainability;
- e. failure to provide optimised and reliable digital services, realise projected savings and transformational change;
- f. failure of the Trust's critical infrastructure;
- g. failure to create and sustain an estate fit for the future;
- h. COVID-19 - Rapid operational instability.

Any changes in the current or target risk scores are highlighted to the Trust Board, and the Board also reviews and seeks assurances on the management actions in place to mitigate the identified risks.

Significant Control Issues

NHS Trusts are required to identify in their statements significant control issues and outline the action taken, or proposed, to deal with such issues.

The Guidance issued by NHS England/Improvement offers examples of factors to consider when determining whether an internal control issue is significant, whilst not prescribing which issues should be considered to be significant.

I can confirm that, annually, we have regard to the guidance issued by NHS England/Improvement and I apply that guidance in arriving at a consistent view of what constitutes a significant control issue. I am advised in this task by the Audit Committee whom I consult in identifying the specific issues to be included in the Statement each year

Covid-19

The impact on the Trust of the COVID-19 pandemic has in quarter four has been significant, during which the Trust has followed national directives in dealing with the evolving situation.

To maintain a well-led organisation and to ensure staff and patients remain safe, the Trust Board reviewed all available guidance and advice in managing capacity and introduced revised, responsive Board governance arrangements to support the management of the Trust's response.

The Trust established robust command and control arrangements to oversee the capacity, capability, and preparedness of the Trust's response to COVID-19 and a dedicated Incident Coordination Centre was established to provide a single point of contact for all staff and external organisations with 'real-time' visibility of the clinical, operational, and people response to the pandemic.

The Trust Board modified the mode and timing of its meetings to enable Executive Directors to support and manage COVID-19 activity as their primary focus. For public, staff, and patients, safety precautions were adopted to enable virtual attendance at the public session of the Trust Board meetings. Board Committees and Executive meetings also moved to a virtual format. The Trust continues to support social distancing, staff testing and remote working by:

- Updating and introducing interim policies as appropriate to support staff to work effectively and ensure risk assessments are completed, and to identify health and safety risks associated with changes to working environments and patterns, and providing appropriate remote working equipment;
- Providing regular updates to support staff wellbeing, directing staff to Government resources, and sharing Trust wide plans in responding to the demands placed on resources by the pandemic. Regular activities continue to be conducted, including:
- risk profiling, managing capacity and educating staff on Personal Protective Equipment (PPE) and Infection Prevention and Control. The Trust will continue to review the position in relation to elective care, GP routine referrals, outpatients and other services, some of which have been paused or deferred. Emergency and urgent care, care for COVID-19 positive patients, and critical care remain a high priority. It is expected that these impacts will extend into 2021-22.

Due to the unprecedented clinical and operational pressures facing UHL, in mid-March 2020 the Trust decided to 'pause' the handling of FOI requests to enable clinical and corporate staff to focus on its preparation for and response to the COVID-19 pandemic.

Quite rightly our focus, our ways of working, and our priorities towards the end of the year have been to support our patients and our staff through the challenges of COVID-19.

Financial Governance and Culture

In April 2021 a 'Culture and Management Behaviour Report' was produced and submitted by the external auditors which detailed concerns relating to process and procedural failings, and a concern that 'culture' was perceived to have provided the environment for such failings to occur. Subsequently, the Finance Department has been on an intense journey of improvement to ensure it becomes best in class. It has developed and is the process of implementing a culture and behaviour action plan and undertook a review of its structure and the processes and procedures in place to enable the Statutory Recommendations to be delivered and facilitate exit from the Recovery Support Programme.

With the support of NHSEI Financial improvement colleagues, The Trust has developed and in the process of implementing a financial improvement action plan in 2020/21, informed by NHSEI's '*grip and control*' checklist, which applies financial governance best practice principles. The internal audit plan is now also aligned to this financial improvement agenda.

A number of Statutory recommendations, including improving and strengthen financial reporting, governance, culture and capacity of the Finance team were made in "Audit of Accounts 2019/20 – Financial Reporting, Governance and Financial Sustainability" (January 2021). The following actions are being taken to address these recommendations during 2020/21:

- The Trust Board is undergoing a programme of development, externally- facilitated, with particular emphasis on the financial aspects of the Board's responsibilities focusing on accurate financial reporting, discouragement the use of aggressive accounting policies and practices and providing appropriate challenge of management.
- The finance and other management teams involved in finance are receiving accounting, governance and ethics training to ensure that they are clear on the appropriate accounting practices and the governance standards required by the Trust Board. This includes; Trust Board development sessions; budget holder financial training/governance programme; ethics training provided to all Finance and Procurement staff; proactive engagement of all Finance staff by the Senior Finance team; Finance staff training needs identified as part of the work contained within the Culture and Behaviour action plan and work being undertaken by the Finance & Procurement Staff Development Working Group; review, revision and education of standing financial instructions, scheme of delegation and Standing orders so they are fit for purpose.

- The Trust has undertaken a review of the structure and capacity of the Finance Team, resulting in additional investment in the capacity and capability of the team. Restructure of the Finance Department will be completed and in place for 1st January 2022. In the period leading up to the implementation, further interim support has been put in place to support this transitional period.
- New journal controls were implemented with effect from December 2020 and subjected to internal audit review and a review of journals transacted in 2020/21. External support provided by Deloitte has been undertaken to provide assurance as to the effectiveness of the controls that have been put in place.
- The Trust has undertaken a systematic review of its accounts preparation processes and procedures. Actions have been identified to review and re-design the working papers to ensure adequacy, clarity, linking to accounts and file accessibility.
- The Trust is committed to eliminating the underlying financial deficit as soon as practically possible and to this end is working together with partners in the local health economy to build a system that is both clinically and financially sustainable.

The Trust recognises that as at 31 March 2021, through the actions being taken and controls being put in place, it remains on a journey towards sustainable financial improvement and ultimately to an exit from Financial Special Measures, which when completed will ensure that the Trust will not be able to misreport its financial position ever again. 2020/21 is the first year of this new state, following the 19/20 Accounts re-statement.

Emergency Care

For 2020/2021 we did not meet the Emergency Department 4-hour standard target, for 2020/2021 80.4% of patients were seen, treated and discharged within 4 hours. Whilst we did not meet the Emergency Department 4-hour standard target for 2020/2021 performance did improve on 2019/2020 (69.2%). 2020/2021 started like no other year, following an extended lockdown due to COVID-19 the number of people attending the Emergency Department was still much lower than what the Emergency Department would expect and levels of attendances remained at approximately half of previous years. As 2020/2021 continued, the number of patients attending each month continued to increase however they did not return to pre-pandemic levels, overall University Hospitals of Leicester Emergency Department saw 30% less patients in 2020/2021 (162,500) than in 2019/2020 (235,000). Whilst the number of patients attending has not reached pre-pandemic levels, the additional challenges COVID-19 has created has put additional pressure on the department; in order to ensure patients remain safe and we protect the most vulnerable, the department has operated a Red and Blue model which has in essence meant we have run two Emergency Departments in parallel.

Cancer waiting time standards

Our performance in 2020/21 against the cancer waiting time targets is set out below:

Performance Indicator	Target	2020/21
Two week wait for an urgent GP referral for suspected cancer to date first seen for all suspected cancers	93% or above	92.3%
Two week wait for Symptomatic Breast Patients (Cancer Not Initially Suspected)	93% or above	95.4%
31-Day (Diagnosis To Treatment) Wait For First Treatment: All Cancers	96% or above	91.1%
31-Day Wait For Second Or Subsequent Treatment: Anti-Cancer Drug Treatments	98% or above	99.6%
31-Day Wait For Second Or Subsequent Treatment: Surgery	94% or above	71.7%
31-Day Wait For Second Or Subsequent Treatment: Radiotherapy Treatments	94% or above	93.4%
62-Day (Urgent GP Referral To Treatment) Wait For First Treatment: All Cancers	85% or above	68.5%
62-Day Wait For First Treatment From Consultant Screening Service Referral: All Cancers	90% or above	63.9%
Cancer waiting 104 days	0	70

We are fully committed to improving our performance in this area in 2020/21 and, specifically, to ensure that at least 85 per cent of cancer patients begin their first treatment within 62 days of an urgent GP referral. A comprehensive action plan is in place, with a series of targeted dates, to achieve this objective, with specific actions for each tumour site/cancer specialty. We also continue to work with colleagues in primary care to both reduce demand and reduce late referrals, and in 2020/21 tertiary referral centres will continue to undertake a root cause analysis if any patient is referred to the Trust after day 38.

In 2020/21 the new Faster Diagnosis Standard for cancer (FDS) where patients referred on a cancer pathway must be told if they have cancer or not by day 28 was implemented. This will ensure earlier communication to patients during a worrying time and enable next steps to enable treatment to occur quicker. For LLR, we consistently delivered against the 75% target and have action plans in place to further improve on this during 21/22 at a tumour site level to ensure patients are progressed through their pathways as quickly as possible supporting those with a confirmed diagnosis early access for any further diagnostics or treatment planning.

Performance against the cancer waiting time standards will continue to be the subject of monthly reporting to the People, Process and Performance Committee, acting on behalf of the Trust Board.

CQC Warning Notice – Emergency Department, Leicester Royal Infirmary

On 30th April 2020, the CQC published their report following an unannounced inspection of our Emergency Department on 27th January 2020. The CQC rated the Department as Requires Improvement overall and issued the Trust with a Warning Notice to significantly improve the care of patients by 4th March 2020.

Areas for improvement included the timeliness of ambulance handovers, patient assessments, staffing levels and measures to tackle space at times when the Department is at its busiest.

All of these matters have been addressed, and the actions taken have been reported to, and reviewed by, the Trust Board and the CQC.

The COVID-19 outbreak has led to a new model of working in the Emergency Department and the timeliness of patient assessment have improved, complemented by medical and nurse staffing improvements and actions taken to improve the privacy and dignity of patients.

The timeliness of ambulance handovers remains outside acceptable parameters. Work has been on-going with NHSE/I to improve handover times and patient safety. The implementation of Professional Standards for Patients on Ambulances has been fully completed, alongside a harm review process which identified that whilst patient experience may be compromised by increased waits, patient safety is not.

The People, Process and Performance Committee will continue to review the Trust's urgent and emergency care performance monthly, and report to the Trust Board.

Conclusion

My review confirms that we, the University Hospitals of Leicester NHS Trust, have a generally sound system of internal control in relation to clinical systems. However, the Trust recognises that there was a fundamental breakdown in the control of some of its financial systems, governance and processes, which supports the achievement of our policies, aims and objectives.

We recognise that the internal control environment can always be improved and strengthened, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In 2020/21, we identified the following significant control issues which have impacted on our overall performance:

- non-delivery of the requirement to achieve financial break-even taking one year with another over a three year rolling period;
- non-delivery of the national A&E 4 hour standard;
- CQC Warning Notice – Emergency Department, Leicester Royal Infirmary;
- non-delivery of a number of the national cancer waiting time standards.

In addition to the actions taken/to be taken to address the specific significant control issues identified above, further work will also be carried out in the coming year to review and

strengthen our governance, risk management, and internal control systems, policies and procedures as part of our commitment to continuous improvement.

Signed: INSERT RICHARD MITCHELL SIGNATURE

Richard Mitchell

Chief Executive (on behalf of the Trust Board)

Date: xx September 2022

Our Staff and Remuneration Report

Staff numbers (subject to audit)

	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Summary	WTE					
Medical and Dental	1,898	1,825	1,805	1,682	1,725	1,641
Administration and Estates	4,162	4,126	4,071	3,977	3,825	2,501
Healthcare Assistants and other support staff	2,540	2,500	2,388	2,265	2,185	2,007
Registered Nursing and Midwifery	3,941	3,869	3,692	3,577	3,583	3,571
Scientific, Therapeutic and Technical	1,581	1,526	1,504	1,465	1,397	1,323
TOTAL	14,122	13,847	13,460	12,966	12,714	11,044

Composition by gender

	31st March 2020		31st March 2020		31st March 2019		31st March 2018	
Gender	Heads	WTE	Heads	WTE	Heads	WTE	Heads	WTE
Female	12,656	10,664	12,731	10,544	12,345	10,183	11,892	9,807
Male	3,696	3,458	3,742	3,326	3,666	3,283	3,537	3,191
TOTAL	16,352	14,122	16,473	13,870	16,011	13,466	15,429	12,998

Salary and pension entitlements of senior managers – salary 2020/21 (subject to audit)

Name and Title	Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension- related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
BOARD MEMBERS						
EXECUTIVE DIRECTORS						
J Adler, Chief Executive (sickness absence from 4 March 2020, resigned 18 September 2020)	125 - 130	0	0	0	0	125 - 130
A Furlong, Medical Director	215 - 220	0	0	0	45 - 47.5	260 - 265
R Brown, Acting Chief Executive	195 - 200	0	0	0	160 - 162.5	355 - 360
C Fox, Chief Nurse	150 - 155	0	0	0	50 - 52.5	200 - 205
D Mitchell, Acting Chief Operating Officer (from 1 April 2020)	140 - 145	0	0	0	265 - 267.5	410 - 415
S Lazarus, Interim Chief Financial Officer (to 11 December 2020), Chief Finance Officer (from 12 December 2020)	170 - 175	0	0	0	0	170 - 175
NON EXECUTIVE DIRECTORS						
K Singh, Chairman	40 - 45	0	0	0	0	40 - 45
M Traynor, Non-Executive Director (resigned 5 February 2021)	10 - 15	0	0	0	0	10 - 15
Colonel (retired) I Crowe, Non-Executive Director	10 - 15	0	0	0	0	10 - 15
A Johnson, Non-Executive Director	10 - 15	0	0	0	0	10 - 15
Professor P Baker, Non-Executive Director	10 - 15	0	0	0	0	10 - 15
B Patel, Non-Executive Director	10 - 15	0	0	0	0	10 - 15
V Bailey, Non-Executive Director	10 - 15	0	0	0	0	10 - 15
K Jenkins, Non-Executive Director (resigned 27 July 2020)	0 - 5	0	0	0	0	0 - 5
M Williams, Non-Executive Director (from 2 September 2020)	5 - 10	0	0	0	0	5 - 10
SENIOR MANAGERS						
S Ward, Director of Corporate and Legal Affairs	110 - 115	0	0	0	27.5 - 30	140 - 145
D Kerr, Director of Estates and Facilities	160 - 165	0	0	0	0	160 - 165
A Carruthers, Chief Information Officer	120 - 125	0	0	0	65 - 67.5	185 - 190
H Wyton, Director of People and Organisational Development	150 - 155	0	0	0	25 - 27.5	175 - 180
M Wightman, Director of Strategy and Communications	130 - 135	0	0	0	40 - 42.5	170 - 175

The Trust has determined that the senior managers shown in the above table are the regular attendees at the Trust Board meetings. There are no benefits in kind, performance related pay, nor severance payments (2019/20 - £nil) paid to any board member.

Salary and pension entitlements of senior managers - pension benefits 2020/21 (subject to audit)

Name and Title	Real Increase in accrued pension at pension age (bands of £2500) £'000	Real Increase in lump sum at pension age (bands of £2500) £'000	Accrued pension at pension age as at 31/03/21 (bands of £5000) £'000	Lump Sum at pension age as at 31/03/21 (bands of £5000) £'000	CETV AS AT 31/03/21 £'000	CETV AS AT 31/03/20 £'000	Real increase in CETV £'000
J Adler, Chief Executive (resigned 18th September 2020, pension figures at that date)	0	0	80 - 85	250 - 255	N/A	2,105	N/A
A Furlong, Medical Director	2.5 - 5.0	0.0 - 2.5	55 - 60	135 - 140	1,219	1,122	55
S Ward, Director of Corporate & Legal Affairs	0.0 - 2.5	5.0 - 7.5	50 - 55	160 - 165	1,317	1,221	60
M Wightman, Director of Strategy and Communications	2.5 - 5.0	0.0 - 2.5	45 - 50	90 - 95	850	779	38
H Wyton, Director of People and Organisational Development	0.0 - 2.5	5.0 - 7.5	20 - 25	70 - 75	581	508	43
R Brown, Chief Operating Officer	7.5 - 10.0	12.5 - 15.0	70 - 75	165 - 170	1,416	1,212	155
C Fox, Chief Nurse	2.5 - 5.0	0.0 - 2.5	55 - 60	140 - 145	1,101	1,011	51
A Carruthers, Chief Information Officer	2.5 - 5.0	2.5 - 5.0	25 - 30	55 - 60	423	360	41
D Mitchell, Acting Chief Operating Officer (from 1 April 2020)	12.5 - 15.0	30.0 - 32.5	55 - 60	135 - 140	1,177	887	255

As Non-Executive Directors do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive Directors.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

Directors and senior managers' remuneration

We classify our Directors and Senior Managers as Very Senior Managers (VSM) these members of staff are deemed to be on a VSM payscale which is non agenda for change. The remuneration of these individuals is set by our remuneration committee and each case is considered on an individual basis. On an annual basis the remuneration committee decides on any pay uplift or pay award for VSM for the forthcoming year.

Staff costs (subject to audit)

The table below shows an analysis of staff costs. Employee charges are included in the social security costs and pension contributions.

Employee benefits (Group) (subject to audit)		
	2020/21	2019/20
	£000	£000
Salaries and wages	590,319	552,454
Social security costs	57,612	50,562
Apprenticeship levy	3,045	2,629
Employer's contributions to NHS pensions	64,999	61,499
Pension cost - employer contributions paid by NHSE on Trust's behalf (6.3%)	28,460	26,919
Termination benefits	-	134
Temporary staff (including agency)	21,821	19,895
Total staff costs	766,256	714,092
Of which		
Costs capitalised as part of assets	2,221	1,976

Average number of employees (WTE basis) (subject to audit)

Average number of employees (WTE basis) (subject to audit)				
	Total	Permanent	Other	Total
	2020/21	2020/21	2020/21	2019/20
	No.	No.	No.	No.
Medical and dental	1,863	665	1,199	1,875
Administration and estates	2,700	2,405	295	4,275
Healthcare assistants and other support staff	2,320	2,025	294	649
Nursing, midwifery and health visiting staff	4,097	3,451	646	3,901
Nursing, midwifery and health visiting learners	1,559	1,559	0	2,499
Scientific, therapeutic and technical staff	1,677	1,569	107	466
Healthcare science staff	4	0	4	491
Total average numbers	14,220	11,674	2,546	14,156
Of which:				
Number of employees (WTE) engaged on capital projects	43	43		34

Senior Manager Gender Split

At 31 March 2021

Grade	Heads		WTE		Total Heads	Total WTE
	Female	Male	Female	Male		
Band 8 - Range A	353	117	319	111	470	430
Band 8 - Range B	90	51	81	49	141	130
Band 8 - Range C	38	21	36	20	59	56
Band 8 - Range D	19	9	19	9	28	28
Band 9	13	5	13	5	18	18
Senior Manager	1	3	1	3	4	4
Executive Director	3	2	3	2	5	5
Director	1	2	1	2	3	3
Grand Total	518	210	473	201	728	675

All Staff	12,656	3,696	10,664	3,458	16,352	14,122
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Exit Packages (subject to audit)

Reporting of compensation schemes - exit packages 2020/21

Exit package cost band (including any special payment element)	Number of compulsory redundancies No.	Cost of compulsory redundancies £000	Total number of exit packages No.
<£10,000	12	40	12
£10,000 - £25,000	0	0	0
£100,001 - £150,000	0	0	0
Total	12	40	12

Reporting of compensation schemes - exit packages 2019/20

Exit package cost band (including any special payment element)	Number of compulsory redundancies No.	Cost of compulsory redundancies £000	Total number of exit packages No.
<£10,000	0	0	0
£25,000 - £50,000	1	14	1
£50,000 - £100,000	1	120	1
Total	2	134	2

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme. Exit costs in this note are accounted for in full in the year of departure. Where the NHS Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table. This disclosure reports the number and value of exit packages taken by staff leaving in the year.

Off payroll payments (subject to audit) - Reporting related to the Review of Tax Arrangements of Public Sector Appointees

We are required by HMRC to make formal tax assessments of all workers directly engaged by the Trust, either through a personal service company (PSC) or through an agency, to ensure those individuals are paying the appropriate amount of tax and national insurance (known as IR35)..

Our tax policy ensures compliance with the Department of Health and HMRC guidelines. During 2020/21 all existing off-payroll engagements were subject to a risk-based assessment as to whether assurance needed to be sought that the individual was paying the right amount of tax. Where necessary, that assurance has been sought.

We do not have any cases where assurances have not been received or terminations have taken place as a result of assurances not being received.

HM Treasury requires public sector bodies to report arrangements where individuals are paid through their own companies (and so are responsible for their own tax and NI arrangements, not being classed as employees). We are required to disclose:

- For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months.
- For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months.
- For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021.

The Trust has 151 relevant off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months. All off-payroll engagements have been subject to a risk based assessment and assurance has been sought as to whether the individual is paying the right amount of tax.

For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2021	127
Of which, the number that have existed:	
for less than one year at the time of reporting	24
for between one and two years at the time of reporting	26
for between 2 and 3 years at the time of reporting	11
for between 3 and 4 years at the time of reporting	18
over 4 years at the time of reporting	48

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and March 2021, for more than £245 per day and that last for longer than six months:

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	58
Of which:	
No. assessed as caught by IR35	18
No. assessed as not caught by IR35	35
No. engaged directly (via PSC contracted to the entity) and are on the entity's payroll	5
No. of engagements reassessed for consistency / assurance purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021.

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements.	20

Expenditure on consultancy (subject to audit)

We spent £2.8m on consultancy services.

Pay multiples (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of our highest paid director in the financial year 2020/2021 was £215k-£220k (2019/20 £205k-£210k). This was 6.7 times (9.2 times in 2019/20) the median remuneration of the workforce, which was in the banding £30k-£35k (2019/20 £20k-£25k). Average pay has increased due to the extra demands placed on the workforce during the pandemic.

In 2020/21, 12 employees received remuneration in excess of the highest-paid director (6 employees in 2019/20). Remuneration across the Trust ranged from £8k-£360k (2019/20 £1k-£305k).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. For the purposes of this disclosure the remuneration of each employee is stated on an annualised, full time equivalent basis.

Sickness absence figures and reducing staff absence

We recognise our staff are our most valuable resource and the approach taken by the Trust to reduce sickness absence in the last year goes hand in hand with promoting staff health and wellbeing.

Managers are supported by Human Resources, Staff Engagement/Health and Wellbeing Service, Occupational Health and AMICA (the Trust confidential staff counselling and psychological support service) to manage sickness absence in line with the revised Trust policy and supporting staff to attend work regularly or sustain a return to work following a period of absence.

We recognise that there are many positives benefits from improving employee health and wellbeing; these include increased staff productivity, better morale and improved communication between teams. This, in turn leads to better quality services, improved patient satisfaction and a decrease in staff turnover.

Our sickness absence target is 3%. Absence rates have continued to be proactively managed throughout 2020/21. These are reported retrospectively and an overall Trust sickness absence rate of 6.33 % (excluding Estates and Facilities in view of under-reporting until systems are fully implemented) was reported for the year.

In terms of reasons for absence we have a number of key areas of action. Including support staff mental health, we committed to the 'Time to Change' pledge which is a national initiative run by the charities Mind and Rethink Mental Illness. Its aim is to change how we think and act about mental health. We pledged:

"To create a culture where our staff feel they can openly discuss and manage their mental health and wellbeing. We will raise awareness of the importance of mental health and wellbeing at work, encourage staff to share their experience to break down stigma".

We have Time to Change champions across our services that have agreed a programme of work that has been endorsed by the Trust Board. It includes, line managers training, senior leadership champions, use of Wellness Action Plans, Mental Health First Aid training at all levels, sharing experiences/case studies and promoting best practice.

We have also continued to improve and promote access to fast track physiotherapy for Trust staff through a self-referral process, in order for them to receive early intervention to avoid or reduce sickness absence. During the pandemic we facilitated a support group for staff that were shielding in order to ensure these staff had guidance. Also additional support was put in place for colleagues that were disproportionately impacted in terms of health inequalities.

Occupational Health

Our Occupational Health (OH) service continues to be an integral part of our organisation and plays an ever-important role in supporting our staff and their managers with all matters relating to health and work.

The challenges for the service presented by COVID-19 have been numerous, beginning with the development of 'drive-through' testing, exclusively for NHS staff and their households, in the early phase of the pandemic when the national network for testing was not fully established. The requirement to develop and support risk assessment tools and processes for staff followed, with staff members with complex health problems requiring bespoke advice in order to reduce the potential risks posed by work to a minimum.

In May 2020, a collaboration between the OH Service and the Clinical Support and Imaging Directorate brought COVID-19 antibody testing availability to NHS staff in our hospitals and beyond, completing over 18,000 tests in just a few weeks.

In December 2020, the OH Service was a key party in the working group which established the Trust's COVID-19 vaccination centres, alongside numerous other services and departments, launching the first vaccination hub in Leicester, Leicestershire and Rutland (LLR) at Leicester General Hospital in December 2020.

Alongside these challenges, the OH Service has been operating a team of COVID-19 Duty Nurses – responding to hundreds of calls and general enquires daily, and supporting the Infection Prevention and Control Team and departmental managers with the testing, tracing and isolation of staff involved in outbreaks of COVID-19 in clinical areas.

The OH service has also been a key party in the establishment of the innovative LLR Mental Health and Wellbeing Hub, which is now open for staff across the region.

The annual staff influenza campaign this year reached 75.6% of frontline staff, a strong performance for the Trust as a whole, given the pressures on all staff and the simultaneous availability of the COVID-19 vaccine. This achievement has again been made possible by a dedicated and hard-working team of peer vaccinators.

The Occupational Health service retained its independent accreditation as a Safe, Effective, Quality Occupational Health Service (SEQOHS) following annual review in February 2021, and remains a centre for training in Occupational Medicine, being one of only three units in the UK able to support three medical trainees.

Trade Unions

Relevant TU/PO Representative

Number of employees who were relevant TU/PO Representatives during the relevant period	Full-time equivalent employee number
40	37.38

Percentage of time spent on facility time

Number of employees who were relevant TU/PO representatives employed during the relevant period who spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time

Percentage of time	Number of employees
0%	16
1-50%	22
51%-99%	1
100%	1

Percentage of pay bill spent on facility time

Percentage of our total pay bill spent on paying employees who were relevant TU/PO representatives for facility time during the relevant period.

	Figures
Total cost of facility time	£114,246.95
Total pay bill	£683230,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.017% (114246.95/683230000 x 100)

Paid TU/PO activities

As a percentage of total paid facility time hours, number of hours spent by employees who were relevant TU/PO representatives during the relevant period on paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant TU/PO representatives during the relevant period ÷ total paid facility time hours) x 10	5.64% (6440.34/114,246.95 x100)
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Modern Slavery Act

As an organisation, we are committed to ensuring the absence of slavery in our organisation and supply chain. In line with the requirements of the Modern Slavery Act (MSA) 2015 we continue to take the following actions:

Ongoing assessment of our contracts which have the highest risk of modern slavery
Use of MSA compliant supplier Pre-Qualification Questionnaire (PQQ), to support assurance that our suppliers comply with MSA

Inclusion of MSA clause in our standard terms and conditions

Our Parliamentary Accountability and Audit Report

Fees and Charges

Refer Note 6 in the Financial Statements

Remote contingent liabilities

Land Disposal

In 2018/19, the Trust disposed of surplus land to Davidsons Homes for the development of local housing units. The contract for the sale of the land was completed within the year with the associated transfer of legal title. The contract includes a put option to the effect that the sale and proceeds received is contingent upon Davidsons Homes obtaining appropriate access and planning permission within a reasonable timeframe. On the event of these conditions not being met, the buyer has the right to exercise the put option for the Trust to repurchase the land at the original selling price plus indexation. The Directors of the Trust have reviewed the put option and based upon information available has concluded that it is 'highly probable' that the revenue (consideration) associated with the sale would not be reversed (repaid).

Davidson's chose to exercise this 'buy back' provision and served notice to this effect. However, the Trust was not notified of this intention until June 2021. The legal deeds to re-purchase the land were signed by the Trust on 15th July 2021. The Trust Board, at the time of the sale in March 2019, considered it 'highly probable' (IFRS 15) that the Trust would not have to re-purchase the land. The decision took place after the reporting period and therefore represents a non-adjusting post balance sheet event (refer note 38.0). The return of the asset and liability is accounted for at £nil value in the 2020/21 financial statements. The sale transaction would therefore remain recognised at 31/3/2021 without any recognition of the potential liability to repurchase.

Other contingent liabilities

There are no known contingent liabilities in 2020/21.

Losses and special payments

Refer Note 30 in the Financial Statements

Gifts

The Trust has published maintains up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance.

Our Finance Report

Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the Trust
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Chief Executive:

Date:

Statement of Directors' responsibilities in respect of the accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The Directors confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Trust's performance, business model and strategy.

By order of the Board

Chief Executive:

Date:

Chief Financial Officer:

Date:

Overview of the 2020/21 Financial Position

We are required to meet certain financial duties in order to provide assurance to the taxpayer of how public funds have been managed. The performance of these is shown in the table below:

Statutory Duty	Description	Target	Performance	Variance	Duty
		£m	£m	£m	£m
Adjusted Financial Performance	ICS Financial Control Total Delivered	(B/E)	57.3	57.3	Met
Reported Surplus before impairment and impact of capital donations/grants (Break Even Duty) Break Even Duty	Expenditure does not exceed income	(B/E)	46.2	46.2	Met
External Finance Limit (EFL)	How much more (or less) cash UHL can spend over the amount it generates from its activities.	61.7	120.9	59.2	Met
Capital Absorption Rate	UHL is required to pay a dividend to DHSC of 3.5% of its average relevant net assets (Cost of Capital)	3.50%	3.50%	0.0	Met
Revised Capital Resource Limit	UHL must not spend more than the limit set	67.3	62.6	(4.7)	Met

1 Trust as part of the ICS with partner organisations performance met the revised ICS Control Total for 2020/21

2 Adjusted Financial Performance removes the impact of impairments, capital donations, and the donated PPE I&E impact

Alongside the statutory duties mentioned above, NHS Improvement (NHSI) would usually measure the use of resources through the Single Oversight Framework (SOF). This was suspended during 2020/21 due to the Covid-19 pandemic.

Executive Summary of Financial Performance

Income and Expenditure

As a result of the Covid-19 pandemic the funding regime for the organisation changed in 2020/21; the organisation's income was established on a block contract basis with funding top ups to support the expenditure run rates and any additional funds required to address specific Covid-19 related items such as the additional cost of personal protective equipment - PPE.

The position was enhanced by:

- Donations of capital items from charitable funds, together with donations of Covid equipment and consumables from NHSE (£11m)
- Reduced expenditure across a range of areas due to the reduced activity, in particular, clinical supplies and services (£13m) and premises costs (£7m)

The impact of the Covid-19 pandemic affected activity levels due to the reduction in the planned care program.

The Trust delivered a £57.3m reported surplus before adjustment for the impairment reversals (£0.1m), the removal of capital donations and grants (£9.4), and the net impacted of PPE consumables donated by Department of Health (£1.7m). These factors resulted in an adjusted financial performance total of £46.2m surplus. The Trust had a much smaller efficiency target for 2020/21, as a result of Covid and delivered £8.8m in line with the plan.

We are required to meet certain statutory financial duties in order to demonstrate appropriate financial stewardship and control. In 2020/21 we achieved our annual breakeven financial duty after the inclusion of top up funding relating to the pandemic, as well as its other statutory financial duties, including maintaining capital spending, cash and borrowing within the limits set by the Department of Health. We invested £63m in our capital infrastructure in 2020/21, to primarily ensure patients were treated in the best possible clinical environment whilst addressing specific factors arising from the Covid-19 pandemic.

Like most acute providers, nationally, we have been exposed to unprecedented operational and financial pressures over the last five years, culminating in the ongoing Covid-19 response since March 2020.

Cash

The NHS Finance regime changed from a cash perspective during 2020/21. To support the rapid response to the pandemic and ensure prompt payments, the Trust received block and core top up payments for the majority of the year. This resulted in higher average cash balances and an associated reduction in PDC dividend.

IN addition, during the year, the national policy decision to convert existing financial revenue support from DHSC loans into a public dividend capital was enacted, eliminating historical loan debt held on UHL's balance sheet on 1 April 2020 (£350m). A combination of favourable working capital movements, combined with the operating cash surplus led to an increase in the year end cash balance of £74m to £90m at 31 March 2021.

Capital Investment

The Trust made significant investment in its capital infrastructure of over £72m in 2020/21, including £11m in the Congenital Heart Centre and £8m in the ICU. This ensured patients continued to be treated in the best possible clinical environment, whilst addressing specific factors arising from the Covid pandemic.

Statement of Comprehensive Income (SOCl)

Income

The Trust's turnover increased to £1.28 billion – an increase of £191m (18%).

Patient Care Income (£1.069 billion)

The Trust's income was mainly generated from CCG Commissioners (£686m) for the delivery of acute care and NHS England (£381m) for specialised patient care activities. The way income was earned by the organisation changed in 2020/21 in response to the pandemic, with nationally mandated block payments replacing normal contract mechanisms to cover the cost of services. This ensured that NHS organisations had sufficient funding to respond to the pandemic and could focus on delivering safe patient care during this challenging time. The block payments were based on costs incurred during 2019/20, uplifted to cover increased costs including the pay award and inflation.

Covid top up income of £82m was received in 2020/21. Patient care income increased from £946m to £1,069m. Both income and expenditure were also enhanced by £11m of matched items, supported by NHSE, including funding for the increase in untaken leave during the pandemic.

Non-patient care income (£212.4m)

As a major acute teaching hospital and centre of excellence for teaching, education and research, the Trust receives significant funding for these services. Other operating income is also generated from trading and commercial activities.

Other income increased from £144m to £212m in 2020/21, mainly as a consequence of Covid related funding of £62m. The Trust also received the benefit of additional research and development funding (£6m), although the Trust suffered a loss of income (c£7m) as a consequence of the suspension of car parking charges and reduced activity through the Trust's catering outlets during Covid.

Expenditure

Operating expenditure of £1.212bn was incurred in delivering Trust services in 2020/21, compared with £1.197bn in 2019/20; an overall increase of £15m.

Pay Costs (£745.6m)

Staffing costs increased by £46.4m (6.6%). This is consistent with the increase in the previous year (£42.5m; 6.8%). There was a very small reduction on overall headcount.

The main components of the increase were as follows:

- A general pay increase of £21m (3%).
- Increased payments to cleaning staff (£6.7m).
- Increased costs to support Covid-19 related working (£10.8m).
- Additional employer pension contributions (£3.8m)

Non Pay Costs (£429.6m)

Meaningful year on year comparisons with previous years' performance, are very challenging given the enormous complexity of restatement of the 2019/20 financial accounts. Non-pay operating expenses (excluding depreciation and impairments) reduced by £33.4m, from £462.6m to £429.6m. However, the 2019/20 Accounts re-statement inflated non pay expenditure in that year by £22.9m, mainly in relation to retrospective adjustments to other operating expenses and provisions. These adjustments were necessary to reflect the accurate re-presentation of the financial position in that year.

However, if we remove these adjustments from the 2019/20 position and the impact of one off impairments, there is a level of parity of non-pay operating expenses across the 2 years, providing a better indication of the Trust's underlying financial position (£429.6m in 20/21 compared with £439.7m in 19/20). As highlighted in 3.2, operating costs were suppressed in 2020/21 by the Covid-19 impact as the Trust experienced much lower levels of elective activity, although this was partially mitigated by additional revenue expenditure incurred on personal protective equipment (mirroring the increase in income).

Non-Operating Items

Non-operating items are an accounting term used to describe those items of income or expenditure that occur outside a company's core day-to-day activities. These types of expenses include depreciation and amortisation charges, dividends, interest payments and interest receipts, corporation tax and profit or loss on the disposal of assets.

Depreciation having been reassessed in 2019/20, following revaluation of land and buildings and a review of the useful lives of plant and equipment, was £34m in 2020/21, compared to £32m in 2019/20, driven by increased capital investment and the full year impact of the 2019/20 property revaluation.

Statement of Financial Position

The transfer of loan funding to Public Dividend Capital (PDC) increased Trust Capital employed by £350m, with further PDC issued to support capital schemes of £23m. The increase in PDC combined with the surplus for the year of £57.3m, largely explains increase in capital employed of £433.1m.

Property, plant and equipment increased by £27.8m (see below), reflecting increased in year capital investment, offset by disposals and depreciation. There was a £23m reduction in receivables, as the Trust benefited from the certainty of the block funding arrangement rather than having to wait for performance monies to be invoiced in arrears and then reviewed by commissioners before receiving payment. Payables increased by £21m due to a variety of factors, but primarily as a result of increased accruals, including for Covid related expenditure and untaken annual leave. The increase in payables and reduction in receivables, together, together with Covid funding flows in support of the operating cash surplus, helped the Trust to grow its cash balance from £16m to £90m at the end of the year (excluding the consolidation of charitable funds).

Property Valuation

The Accounts restatement work for 19/20 and 20/21 incorporated:

- A complete re-working and remapping of the revaluation reserve.
- A full revaluation exercise on an modern equivalent (MEA) basis, linked to the Trust's Estate Strategy and updated gross internal areas of its property portfolio as at 31 March 2021
- Review of assets under construction.
- Review of equipment lives.
- Asset verification exercise/impairment review.

Property, plant and equipment increased by £27.8m, reflecting the additional capital expenditure of £72.5m, the impact of the property valuation (£2.5m), offset by depreciation and amortisation charges (£37.1m) and the sale of Hospital Close (£10.1m). The movements in the value of property in 2020/21 was much more moderate compared with the rebased 2019/21 position, which had included the 'wash up' of full property valuation (c£55m)

Better Payments Performance Code (BPPC)

All providers are required to pay their suppliers promptly, by ensuring that payments are made within 30 days of receipt of each invoice for 95 per cent of invoices. The Trust achieved 92 per cent of the value and 91 per cent by volume of the invoices we processed, which still benchmarks in the upper quartile of all providers, providing further evidence of our strengthened cash position and our ability to pay suppliers within agreed terms.

The Financial Outlook

Like most acute providers, nationally, we have been exposed to unprecedented operational and financial pressures in relation to the Covid-19 response over the last year. Despite these pressures in 2020/21 we have delivered a surplus of £46.2m on a control total basis. This excludes the impact of impairments and other non-performance related DH accounting.

The financial regime that has been in operation during 2020/21 has led to a suspension of the normal activity based contract arrangements between providers and commissioners for the entire year. These have been replaced by system envelopes with block contracts based on actual spend from 2019/20 with additional incremental Covid-19 costs also reimbursed. For the first six months of 2020/21 the financial framework included top up expenditure to enable providers to break even. This amended financial regime came with clear expectations that while finances should not be a barrier to managing the response to the pandemic normal financial management and governance requirements remained in place throughout and that all claims for additional funding could be subject to external audit.

For the second half of 2020/21 the financial regime was changed to reflect policy expectations that the NHS would begin to recover from Covid-19 and to incentivise restoration and recovery of normal activity. While system envelopes and block arrangements remained there was no longer a reimbursement of all reasonable costs to break even and systems were expected to operate within a financial envelope including most Covid-19 costs. Another key assumption was the recovery of all non NHS income,

which has not been possible. Delivery of a surplus in the second half has only been possible due to additional monies being received for all trusts in relation to other income shortfalls and timing of investments.

An operational restoration and recovery plan has been developed and is being implemented which is aligned to the national direction issued by the overall NHS Chief Executive. It includes key programmes of work and action plans that are needed to support our transition out of the Covid-19 phase and ultimately into business as usual. There was not an immediate return to the normal historical approach to full year planning 2021/22. Instead there was a planning approach focused on the first six months of 2021/22 which is largely a continuation of the regime in place for the second half of 2020/21 with a few significant exceptions. The main focus of the planning guidance 2021/22 was the delivery of elective and cancer related work. The financial regime for the first half incentivises delivery in relation to this with an incentive scheme in place for the system to earn more income as long as it met non-emergency activity thresholds based on delivery of activity in the equivalent month of 2019/20.

However, there is a clear expectation that there will be a transition towards business as usual which is applied to the financial regime would see overall funding levels reduced from those currently experienced as a result of the pandemic.

As the Trust moves away from the Covid funding regime the challenge of managing our finances will continue. With a strengthened finance team and a favourable cash position, the Trust is ready to engage in this challenge.

Going Concern

The Accounts are presented for both the 'Trust' and 'Group', including the consideration of the Trust's private Pharmacy Company subsidiary and the Trust charity. The Accounts have been prepared on a 'going concern' basis. The definition of going concern in the public sector focuses on the expected continued provision of services by the public sector rather than a specific organisational form. This means that even when a body is going to cease to exist, it does not affect its going concern status. The FReM (financial reporting manual) guidance is that the financial statements are prepared on a going concern basis unless there are plans for, or no realistic alternative other than the dissolution of the Trust without the transfer of its services to another entity within the public sector. It is reasonable for the Directors of University Hospitals of Leicester NHS Trust to assume the continuation of provision of clinical services in the future by as sufficient evidence of going concern.

The Board of Directors has carefully considered the principle 'going concern' and the Directors have concluded that, having made appropriate enquiries, the Trust has adequate financial resources and there are not material uncertainties related to the financial position of the Trust and Group that would compromise the continued delivery of the operational services of the Trust. As directed by the DHSC Group Accounting Manual 2020/21 the Directors have therefore prepared the financial statements on this basis as they consider that the services currently provided by the Trust will continue to be provided in the future.

Financial Statements

Accounting Policies

The Annual Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and accounting policies. Their preparation has been guided by the 2020/21 Group Accounting Manual issued by the Department of Health and Social Care. They represent a “true and fair view” of our activity in 2020/21, are materially accurate and contain no known misstatements or errors of such magnitude that they would mislead the reader with regard to the financial standing of the Trust. We are required to disclose related undertakings as required by the section 409 of the Companies Act 2006. Trust Group Holdings (TGH) Hospital Pharmacy Services Nottingham (HPSN) Limited is a wholly owned subsidiary of The University of Leicester Hospitals NHS Trust. The Accounts are presented for both the “Group” and “Trust”, in accordance with the Group accounting standards (IFRS 10).

External Auditors

We employed the services of Grant Thornton as the external auditor for the Trust. The auditors perform their work in accordance with the Audit Commission’s Code of Practice. The Codes of Audit Practice define the scope, nature and extent of local audit work. The main areas of work included the audit of financial statements and review of our arrangements for securing economy, efficiency and effectiveness in our use of resources (value for money).

Grant Thornton charged audit-related fees of £903k (excluding VAT) for The Trust and £55k (excluding VAT) for TGH. We did not receive any non-audit services from Grant Thornton in 2020/21.

Fraud Awareness

We comply with the National Counter Fraud Initiative and the Trust has an accredited local counter fraud specialist.

Foreword to Accounts

The Accounts for the year ended 31 March 2021 have been prepared by the University Hospitals of Leicester NHS Trust under section 98(2) of the NHS Act 1977 (as amended by section 24(2) schedule 2 of the NHS and Community Care Act 1990) in the form which the Secretary of State has, with the approval of the Treasury, directed

<Insert Statement of CEO’S Responsibilities as the Accountable Officer of the Trust>

<Insert Statement of Director’s CEO’S Responsibilities>

<Insert External Auditors Report>

<Insert Glossary>

<Insert Financial Statements and Notes to the Accounts>

If you would like this information
in another language or format
such as EasyRead or Braille,
please telephone **0116 250 2959**
or email **equality@uhl-tr.nhs.uk**

اگر آپ کو یہ معلومات کسی اور زبان میں درکار ہیں، تو براہ کرم مندرجہ ذیل نمبر پر ٹیلی فون کریں۔

ਜੇ ਤੁਸੀਂ ਇਹ ਜਾਣਕਾਰੀ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੁੰਦੇ ਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਹੇਠਾਂ ਦਿੱਤੇ ਗਏ ਨੰਬਰ 'ਤੇ ਟੈਲੀਫੋਨ ਕਰੋ।

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