

Annual Report and Accounts 2016 to 2017

Great Ormond Street Hospital for Children
NHS Foundation Trust

Annual Report and Accounts 2016 to 2017

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Cover: Three-year-old Connie's favourite colour is blue. She's treated at GOSH for a heart condition and will need a transplant.

**GREAT ORMOND STREET
HOSPITAL FOR CHILDREN**

Welcome



296,252

admissions and appointments

1,299

research studies
with more than

4,000

patient and family
members involved

Over

1,000

volunteers

4,384

members of staff

58

specialities

98%

of inpatients would
recommend GOSH

93%

of outpatients would
recommend GOSH



George, age nine,
is treated for a heart
condition at GOSH.

Chairman foreword

Twenty-first-century care built on a 19th-century vision

This year, we celebrated GOSH's 165th birthday. In 1852, Dr Charles West had the vision to open the Hospital for Sick Children in his terraced house on Great Ormond Street in London. From these modest beginnings the hospital has flourished to become a world-leading treatment centre for children with rare and complex diseases and, with the UCL Great Ormond Street Institute of Child Health (ICH), the largest paediatric research centre outside North America.

Today we continue to grow to meet demand and provide the best possible treatment and care for the children that need us. This year witnessed our Premier Inn Clinical Building, the second part of the Mittal Children's Medical Centre, taking shape. In parallel, we completed work on the basement construction of the Zayed Centre for Research into Rare Disease in Children. This state-of-the-art facility will add vital capacity to support our growing portfolio of clinical research. GOSH is fortunate to have exceptional and committed people leading our research programme. The work they do can only be done in partnership, a point underlined by the creation of a joint research strategy with colleagues from ICH and the GOSH Charity. In 2016/17 the quality of our research and our ambition were further recognised in an award of £37 million from the National Institute of Health Research (NIHR). This funding ensures the next five years of our unique paediatric Biomedical Research Centre (BRC), in partnership with ICH, and our Somers Clinical Research Facility.

GOSH strives to provide the very best care for children with rare and complex conditions. We also aim to make the experience of being at GOSH as positive as we can for patients and their families who may be going through the toughest times of their lives. Great importance is put on creating nurturing environments, employing friendly and helpful staff and volunteers and providing high-quality facilities.

Our Members' Council ensures the views of the wider hospital community help inform our decision-making and strategy. Thank you to all our councillors for giving their time, energy and expertise to help us improve our work. Thank you also to our skilled and dedicated staff and to our committed team of non-executive directors for all their hard work, and welcome to James Hatchley who joined the non-executive director team this year.

I would also like to thank the GOSH Charity and the donors who have supported the hospital. The contribution of the charity is absolutely vital; without it the capital redevelopment programme and much of our research would be impossible, and GOSH would not be the place it is today.

At the end of April, I stepped down as Chairman of the Board and Members' Council. It has been an immense privilege to serve the many children, families and staff at the hospital and work with the executive team to provide the best and most compassionate care possible. I wish the hospital every success in the future.



Baroness Tessa Blackstone
Chairman



Kaycee, age five, has a neurodegenerative disorder and is on a clinical trial at GOSH. The little girl with a big smile loves driving the toy car around the ward.

Chief Executive foreword

A year to be proud of, and challenges ahead

GOSH is a children's hospital of international renown, and a genuine national resource. This year over 260,000 patients from all over the country attended the hospital for treatment. Every day our incredible staff helped children and young people with rare or complex conditions fulfil their potential. We also continued our work to ensure that, in the future, our expert services are accessible to every child that needs us. We are challenged in that we don't fit neatly into the place-based sustainability and transformation plans (STPs). However, we are finding our own place in the contemporary system, as a collaborator and a provider of highly specialist paediatric support for partners across the country.

Underpinning our position as an expert and innovative provider, we are committed to becoming a hospital in which research is an integral part of the working lives of our staff, and of families' experience of GOSH. By immersing our practice in research we hope to drive improvements in treatment and outcomes not just for our patients, but for children and young people everywhere. I am very proud that work done over the last 12 months is having such impact.

There are many examples, including Katie's story (page 17), where a genetic discovery opened up a new treatment option for her debilitating dystonia. And Jake (page 15) has been participating in a promising treatment trial for his type of Duchenne muscular dystrophy.

In 2015 it became clear that some of the systems to capture data were not up to standard. Over the past year a great deal of time and hard work has gone in to improving data quality, across the Trust. I am very pleased to report that we have transformed the quality of our referral-to-treatment (RTT) data and systems so they are now viewed as among the best in the sector, and we recommenced reporting in February 2017.

Our challenge now is to meet the national waiting time standards. With resourcing support from commissioners, we are confident that in all but a handful of subspecialties we will meet our targets by Christmas 2017. However, GOSH is not protected from the national skills shortages in areas such as spinal surgery and paediatric neurology, which means that meeting the targets set for us in these areas will continue to be challenging.

This year we began our journey towards a more ambitious digital future, and selected our electronic patient records (EPR) system supplier. Our EPR vision is that every member of the team caring for a child can always access the information they need – rapidly, confidently and from a single source. Patients, parents and carers, as well as care providers in other hospitals and care settings, will also be able to see relevant records and contribute information between visits to GOSH. The programme supports our mission to put 'the child first and always' by better informing our decisions about care, and engaging patients and their parents to be active partners in care.

The economic climate in the NHS remains one of the primary challenges to consistently delivering high quality, timely services. We share the financial pressures of the broader health service but, despite this, have improved our bottom line. This year we reduced our adjusted deficit to £4.9 million. We were also able to grow our international and private patient work, with all surpluses used to support our core NHS services. And the GOSH charity has once again made a huge contribution to funding equipment, research and capital projects – such as our redevelopment programme.

To ensure we maximise the potential of the new facilities, and to meet the increasing demand on our services, we must build on our clinical workforce by recruiting from an international pool of talent. EU citizens make an extraordinary contribution at GOSH, with nearly one-third of our senior medical and research personnel, and more than one-fifth of our nurses, originating from EU nations. The impact of Brexit is therefore a major threat to GOSH, and we will continue to urge the government to ensure EU professionals are supported to come and work with us. I would like to thank all staff for their hard work and ongoing commitment to the provision of quality care for all of our patients at GOSH.

This year our Medical Director Dr Vinod Diwakar left us to take up the post of Regional Medical Director for NHS England (London). We are grateful for his dedication and hard work. He was succeeded in an interim capacity by Dr David Hicks, who had until recently been the Service Director for Gastroenterology at GOSH.

We also learned that our Chairman Baroness Tessa Blackstone would be leaving us in April 2017. Baroness Blackstone took up the role in 2009 and brought to it an extraordinary breadth of experience in the public sector, academia and government. Under her leadership GOSH successfully navigated the process of becoming a foundation trust, has seen a 72% increase in annual patient visits, and begun a huge redevelopment of our capital stock. On behalf of everyone at the Trust, and the thousands of children cared for during her tenure, I would like to thank Baroness Blackstone for her exceptional commitment and service.



Dr Peter Steer
Chief Executive

Our purpose and activities

GOSH is an acute specialist paediatric hospital. Our mission is to provide world-class care to children and young people with rare, complex and difficult-to-treat conditions.

At GOSH we provide over 50 different specialist and sub-specialist paediatric health services; the widest range on any one site in the UK.

More than half of our patients are referred to us from outside London and a small proportion come from overseas.

We have a long tradition of clinical research, learning from our special position of treating some of the largest cohorts in the world of children with rare diseases. We host the UK's only paediatric NIHR Biomedical Research Centre in collaboration with University College London Great Ormond Street Institute of Child Health.

Together with London South Bank University we train the largest number of paediatric nurses in the UK and play a leading role in training paediatric doctors and allied health professionals (AHPs).

Our history

In 1852, Dr Charles West founded the Hospital for Sick Children in his terraced house on Great Ormond Street. It was the country's first specialist medical institution for children, with just 10 beds and two clinical staff.

With the generosity and foresight of early patrons such as Charles Dickens and JM Barrie, the hospital grew. Over the decades it has been at the leading edge of treatment and care of children, including pioneering paediatric cardiac surgery and treatment for childhood cancers.

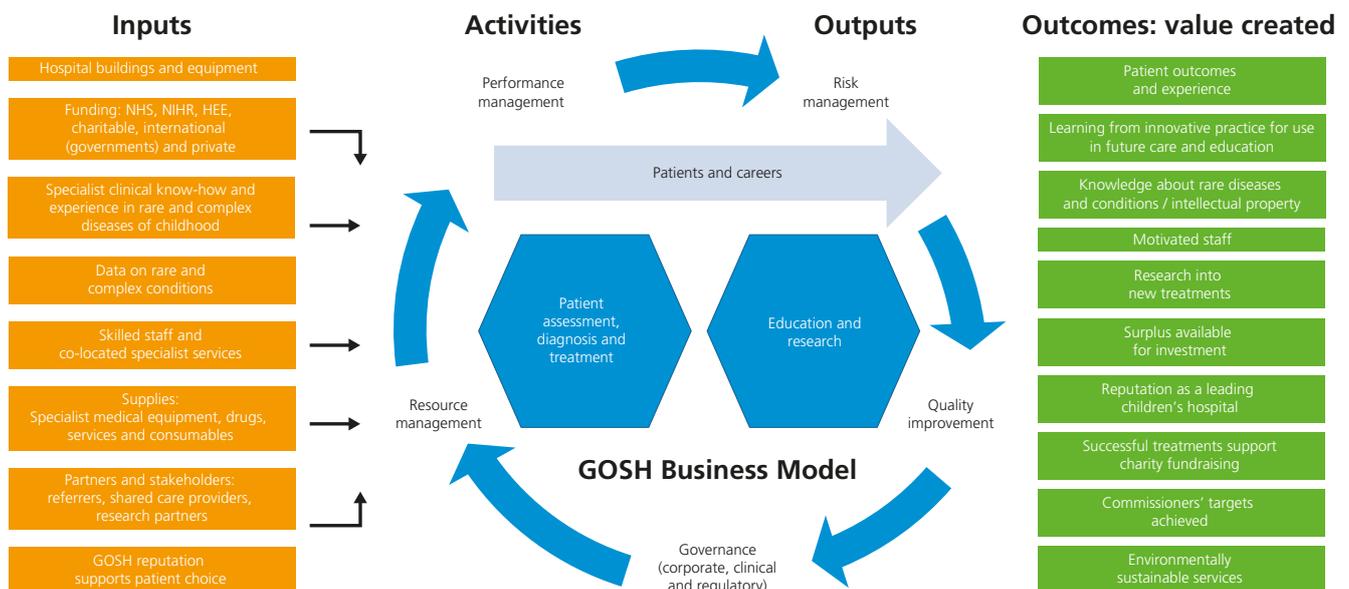
Great Ormond Street Hospital for Children was authorised as an NHS Foundation Trust on 1 March 2012. Much has changed since 1852, but GOSH remains at the forefront of paediatric medicine and research. Every day we do everything in our power to give seriously ill children the best chance to fulfil their potential.

Our business model

The Trust's business model demonstrates how GOSH creates value for its stakeholders through its activities. The model shows the critical inputs and the immediate outputs for its NHS services, education and research, and international and private patient activity and how these create value. The model provides a key focus for strategy development and for identification of strategic risks.

The key outcomes we aim to deliver from our business model are as follows:

- Clinical outcomes – world-class clinical outcomes for our specialised services.
- Patient and family satisfaction – high levels of patient satisfaction with our services.
- Research translated into clinical practice – new and innovative specialist treatments for children with complex or rare diseases.
- Education – the largest programme of specialist paediatric training and education in Europe.
- Financial – financially sustainable activities with the contribution from our private patient business supporting investment in developing our services.
- Reputation – a hospital for the NHS to be proud of with a worldwide reputation for excellence in providing specialist healthcare for children.



Twelve months at GOSH

Between April 2016 and March 2017 thousands more amazing stories happened at GOSH. We welcomed patients, from the tiniest babies to young adults. Some came for an outpatient appointment, while others stayed for many months. All our young patients had a rare, complex or difficult-to-treat health problem that needed help from our world-renowned specialist teams.

Here we tell just 12 of those stories, one for each month of our year and a dozen glimpses into the life of the hospital and the amazing things that happen here.

Each story also reveals something of our work to achieve the four objectives we set ourselves this year, and we have colour coded them accordingly. Our four strategic objectives are:

- **To provide the best patient experience and outcomes**
- **To deliver world-leading paediatric research**
- **To be an excellent place to work and learn**
- **To be sustainable and efficient**

April 2016 ●



Elliott with parents, Candace and Adrian.

A new heart for Elliott

After more than 400 days in GOSH's Bear Ward – most of his young life – in spring 2016 heart transplant patient Elliott finally returned home. He was born with dilated cardiomyopathy – a condition that limited his heart's ability to pump blood around his body. His only hope was a transplant, and after an agonising wait a donor finally arrived.

"We had waited so long to hear this," said his mum Candace. "A full spectrum of emotions overcame us. Out of all the emotions felt, the one that weighed most heavily on our consciences was responsibility. Someone had made the decision

to give Elliott a shot at a new life in the most tragic of circumstances. We had to make the most of this opportunity."

Following a successful seven-hour surgery, Elliott finally returned to his family home in Hampshire at the end of April. "I don't think we actually believed this day would ever come – to actually leave the hospital," said Candace. "We had seen so many other transplant patients come and go in our time that we had resigned ourselves to always be in limbo, waiting for a transplant. I don't think we actually believed it was happening until we were in the car and waving goodbye to everybody."

May 2016: A spaceman makes contact

In May the media reported a long-distance call of a lifetime for GOSH patients. British astronaut Tim Peake spoke, by video link from the International Space Station, to around 30 children. One conversation was with five-year-old Maddison, from her isolation room.

Maddison, who was having a bone marrow transplant to treat her acute lymphocytic leukaemia, discovered she and Tim had many similarities, including being isolated from their families and needing restricted diets.

She was keen to find out what Tim had to eat in space as she began to try food for the first time in over a month. Her mum explained: “Maddison had been in isolation at GOSH for five and a half weeks and so she was very excited to speak to space from her room. She had just started on a special diet of milkshakes and packaged food after her treatment which she didn’t like very much.”

Tim told Maddison and the other children how he spent his days carrying out scientific research. The children asked how he stopped things floating around on the space station, how he cleaned his clothes, and what he missed about home. It was an unforgettable day for staff and patients!



Patient Maddison with mum Stephanie.



Lesley was the first of ORCHID’s trainees to win funding for a PhD project.

Breaking down barriers to research

GOSH aspires to become a fully-fledged research hospital, because when research is embedded into clinical practice, patients benefit from the continual improvement that follows. It’s the very essence of *Our Always Values* to be Always Expert.

But traditionally, carrying out research alongside clinical duties has largely been the preserve of doctors. Barriers including lack of time, skills, training and funding have prevented the wider workforce of nurses and AHPs from getting involved.

In recent years GOSH’s Centre for Outcomes and Experience Research in Children’s Health, Illness and Disability (ORCHID) has been striving to drive up research capability across the hospital. The team deliver training, mentoring and support for nurses and AHPs to develop practical skills and build confidence in assisting, or leading, clinical research studies.

Lesley Katchburian is a Physiotherapy lead in GOSH’s Wolfson Neurodisability Service. In June she became the first of ORCHID’s trainees to win funding for a PhD project. “I’ve always been interested in research, but as a physiotherapist you usually have to make a choice; you either follow a clinical career, or you become a researcher. With support from ORCHID I applied to become an NIHR clinical doctoral research fellow which has allowed me to combine both roles. This means I have the time and funds to conduct research while my clinical position is back-filled so that there’s no impact on our service to patients.

“My PhD aims to understand the long-term effectiveness of botulinum toxin A injections in relieving muscle stiffness in children with cerebral palsy. The treatment is long established, but we want to assess whether better targeting – treating the right patients at the right time, for the right length of time – could improve its impact on children’s quality of life and reduce the wait for treatment.

“AHPs are ideally placed to ask these kinds of research questions, which make sure we’re doing the very best for our patients.”



Sadiq Khan, Mayor of London, meets Scarlett and her mum on Badger Ward with Dr Peter Steer and Dr Colin Wallis.

Progress on pollution

GOSH is a leading centre in the UK for complex paediatric respiratory conditions and many of our patients' symptoms are exacerbated by poor air quality. Research had shown that pollution from car exhausts was a major cause of air pollution outside the hospital, so in 2015 we launched a project to create a local clean air zone.

The collaboration between GOSH's arts and sustainability teams, alongside Camden Council, tackled the problem in several ways. Great Ormond Street became a 'no idling zone', with signage designed with the help of our respiratory patients. More patients helped to draw fun walking maps from all the nearby major stations, to encourage visitors to come on foot, and we changed GOSH's taxi providers to those with hybrid and electric fleets.

When Mayor of London Sadiq Khan visited GOSH in July 2016 to set out his ambitions for air quality, we proudly shared the results of our local project. Low-emission travel between stations and hospital has increased from 63% to 79%, with a total of around 38,000 annual journeys making the shift. The proportion of taxis booked through the hospital that are now low and zero emission has increased from 70% to 91%. Ambulance driver idling has been eradicated and visitors are reporting that Great Ormond Street is a more pleasant place to be – quieter and less polluted.

Towards defying Duchenne

Duchenne muscular dystrophy (DMD) is a life-threatening muscle-wasting disease affecting one in 5,000 boys in the UK. Boys like Jake (pictured), are unable to produce dystrophin, a protein that protects our muscles. The degenerative condition starts in early childhood, and most children use a wheelchair by the time they hit their teens. Treatment options are very limited, but – as a leading UK centre in experimental medicine for DMD – we believe we can do better.

Jake, age 10, carries a genetic mutation seen in about 10% of Duchenne patients. This year he took part in a clinical trial led by Professor Francesco Muntoni, Paediatric Neurologist at GOSH, which targets this rare mutation with a new drug that was developed. The trial aims to see if the drug restores dystrophin production in muscles, and if so, whether this translates into physical improvements for the boys.

Carl, Jake's dad, said: "We knew something was wrong when Jake wasn't hitting his milestones. He had trouble crawling and walking. Then, at about four years old and after numerous tests, the doctors told us it was DMD. We were devastated, but we made the decision that we would travel to the ends of the earth for anything that helps him. The longer we can keep him out of a wheelchair, the better. We're under no illusion that it's going to be a miracle cure – we're just happy to see small improvements."

Exciting progress was made this year towards the wider use of gene-targeting treatments for other types of Duchenne too. In August, the first UK prescription for ataluren was issued at GOSH, after it was approved for use in the UK. This drug – which was



Groundbreaking new treatment for Jake.

tried by several GOSH patients almost a decade ago – acts by masking another genetic fault in dystrophin, carried by about 13% of Duchenne patients. Early data suggests it could help boys retain their ability to walk for several years longer, and reduce the long-term complications associated with the conditions.

More good news arrived when eteplirsen, a drug developed and first tested at GOSH for another subset of Duchenne patients, was approved in the USA. The drug works by helping the protein-making machinery in patients' muscles to 'skip over' a third fault in the dystrophin gene, and produce a more functional form of the protein. The decision in the USA brings the prospect of UK availability of eteplirsen one step closer.



Blood Quest, the app easing anxiety around blood tests.

On a quest to reduce stress

Blood tests are one of the most common procedures our young patients need, but also one that children worry about. We constantly seek ways to help our patients feel less anxious, and in September we launched a free app called Blood Quest. The app combines gaming, fun facts and quizzes to distract, inform and entertain children while blood is taken.

Blood Quest evolved from a GOSH research project led by Dr Kate Oulton from the Centre for Outcomes and Experience Research in Children’s Health, Illness and Disability (ORCHID). This showed that a fun and informative paper-based activity had the potential to alleviate some anxiety about the procedure. Building on those findings, GOSH Arts – in consultation with patients – led the creation of the new digital distraction tool. All the app features can be played one-handed, during the blood test, and the ‘quest’ game lasts for three and a half minutes – matching the usual procedure time.

The app is available, for free, on the App Store. GOSH teams are using it on hospital devices to improve their patients’ experience of this frequent procedure. Parents can download it at home to help a child to prepare for a test, and it is freely available for any other paediatric healthcare setting, anywhere in the world.

A bridge to the future

In November 2016 we welcomed five young people with learning disabilities onto nine-month internships at GOSH. Through a collaboration with City and Islington College, Camden Local Authority and Project SEARCH, the interns are experiencing a rotation of work placements in different teams around the hospital, such as catering and retail.

The project aims to help young people with learning disabilities to bridge the gap between school and employment. It combines on-the-job training to build confidence and capability, and classroom time to learn skills needed for the wider world of work, such as good communication and writing a CV. The interns – aged between 18 and 25 – are supported by a teacher from the college and a job coach, and each has a GOSH mentor.

The Trust’s Consultant Nurse for Learning Disabilities, Jim Blair, says it’s been a positive experience for everyone. “The scheme has been a wonderful opportunity for both interns and staff. We are



Ben was the first person at GOSH to have Gamma Knife Surgery.

A ‘super’ new facility

In October 2016, nine-year-old Ben became the first patient to be treated with Gamma Knife surgery at GOSH. He’d had a bleed on the brain and a scan revealed a small ball of abnormal blood vessels (known as an AVM) in his brain, which was affecting his vision.

Because Ben’s AVM was deep inside his brain it wasn’t suitable for traditional surgery, and Gamma Knife surgery was chosen as a good alternative. It’s one of GOSH’s newest facilities, having been awarded (with University College London Hospital) one of two UK Gamma Knife ‘super centres’.

The technique uses a focused array of intersecting beams of gamma radiation, the most energetic form of electromagnetic radiation, to treat lesions in the brain. It was invented in the 1950s, but the GOSH/UCLH centre is the first time it has been available to treat children in a truly paediatric set-up.

Gamma Knife will offer an effective, non-invasive, alternative for many children with AVM in the coming years. Many will be home the next day and, like Ben, back at school within a week.



Showcasing abilities rather than focusing on disability.

all learning and growing together in a project that embodies our values of ‘Always Welcoming’ and ‘Always One Team’. The young people we’re hosting are changing and challenging perspectives because it’s showcasing ability, rather than focusing on disability, and that helps us to see the person and understand what they can bring to a team.”



Katie took part in the study and was diagnosed with KMT2B dystonia.

A genetic discovery with immediate impact

“Our local hospital had run out of ideas, so Katie was referred to GOSH. Once we got to Dr Kurian, we just knew Katie would be looked after, she knew her stuff; you just felt you are not at the end of the line when we came to her. ”

As an internationally-renowned specialist centre, GOSH has some of the largest cohorts of children with rare and complex diseases anywhere in the world. As Katie’s mum testifies above, this puts us in the best position to make discoveries and improve the diagnosis and treatment of conditions like her daughter’s.

In December, Dr Manju Kurian, GOSH Paediatric Neurologist and Wellcome Fellow, and colleagues published their discovery of a new genetic cause for a progressive movement disorder called dystonia. Children with dystonia endure repetitive twisting movement and postures due to involuntary muscle spasms, which can make walking, holding things, eating and talking increasingly difficult.

Dr Kurian regularly receives referrals of children like Katie, who have movement disorders with no known cause. She started noticing a group with some similarities and had a strong belief that a genetic culprit must link them. She collected DNA from the families and found that 27 of her patients had sections of DNA missing in a gene called KMT2B.

This discovery heralds the start of a long journey to untangle how faults in KMT2B cause dystonia, but it also has an immediate impact for patients. The diagnosis confirms ‘primary dystonia’, in which symptoms often improve dramatically with a treatment called deep brain stimulation.

Katie (pictured) took part in the study and was diagnosed with KMT2B dystonia. She received deep brain stimulation in January and her mum, Sarah, says they are already seeing improvements: “One and a half months later and already she is walking better and she lays in a straighter position. Her physio is getting very excited about movements that she is able to see already. I just want to say a thank you to Dr Kurian for not giving up. The future is bright.”



Lynne, her team and HR Director Ali Mohammed.

Celebrating our amazing staff

The NHS Friends and Family Test (FFT) is an important source of continuous feedback at GOSH. The results highlight where we might need to do things differently, and they give recognition when we get it right.

Fantastic GOSH teams and wonderful GOSH individuals are often given a special mention by patients and parents. This year Lynne Oriatto's name really stood out, when she received 11 different testimonials from parents in a single month.

Lynne is a Senior Healthcare Assistant in Walrus Ward for children with heart and respiratory problems. The comments show that she epitomises GOSH's 'Always Values' of being Always Welcoming and Always Helpful:

"Lynne was extremely friendly and made my daughter feel at ease. She explained exactly what she was going to do which made my daughter feel relaxed."

"Lynne was fantastic, made our son and ourselves feel at ease with her bubbly personality. It was my son's first cannula and she made it a positive experience, highly recommended."

We celebrated Lynne's contribution by giving her a GOSH Exceptional Members of Staff (GEMS) award in January 2017. Congratulations and thanks to all our team and individual GEMS award winners this year.



Rosemary is one of 1,000 volunteers supporting GOSH.

Rosemary's story

My name is Rosemary. I volunteer every Tuesday as a Baby Buddy on Squirrel Ward.

I'm there principally to give the parents a much needed break. As a parent of a sick child, it's vital to have a few precious moments to sip a drink in peace, knowing that your child has a well-trained volunteer in the room either playing a game with them or just having a chat. The parents are incredibly grateful for that time and they so often say "thank you, that break was just what I needed".

Volunteering at GOSH is a very uplifting experience. In February I sat with two babies in the High Dependency Unit who were having time out from their beds. They lay next to each other on a play mat on the floor, smiling and holding hands as I talked and sang to them, helping them feel relaxed.



Building for the future.

Building tomorrow's hospital

In March, staff, patients, families and our neighbours were invited to an exhibition of entries in a competition to design a new clinical building to run the length of the Great Ormond Street side of the hospital site. Some of the world's best architects and engineers submitted designs for this high-profile building and the winning design will be announced in May.

The contest marks the starting point of Phase 4 in our redevelopment programme, which took major steps forward this year. The mammoth programme – supported by GOSH Charity – will replace old and inadequate buildings with world-class healthcare and research environments.

The Premier Inn Clinical building – due to complete fitting-out and welcome its first patient in August 2017 – will provide new facilities for some of the sickest children at GOSH. These will include two new theatres, intensive and high-dependency care facilities, a post anaesthetic care unit and specialist inpatient wards with space for a parent or carer to stay by their child's bedside.

Work also progressed on construction of the Zayed Centre for Research, which will bring clinicians and scientists together to develop our understanding of paediatric rare disease and rapidly translate findings into new treatments. It will provide outpatient clinic space, research laboratories and 'cleanrooms' licensed to create specialist products for treatments and clinical trials. Construction is due to complete in late 2018.



Rhiann, age nine, is a talented rhythmic gymnast. She is preparing to go home after neurosurgery and can't wait to get back to training.

Performance report

Overview

Over the last year we have continued to see a high and increasing demand for many of our services with us seeing more patient visits than ever before. The Trust had 296,252 admissions and appointments in 2016/17. Staff from across GOSH have worked hard to bring our waiting times standards and our digital technology closer to that of world-class clinical care. The work on both RTT and EPR has been intensive, with the former becoming a benchmark for others in the sector and the latter on track for the planned launch in 2019.

Recruitment and retention of staff – in particular nurses and junior doctors – is an increasing challenge and one that Brexit looks set to heighten. While we have taken several steps to address this in 2016/17, we will continue to implement our plans in 2017/18 and beyond.

We have seen some exceptional research outcomes this year, many of which have immediately improved children's lives. Our portfolio of research grants has grown once again in 2016/17, with 1,299 studies active during the year, and we have been awarded another five years of funding for our NIHR Great Ormond Street BRC, and infrastructure funding for our Somers Clinical Research Facility. Alongside £1.2 million investment from GOSH and the charity for research posts, we are well on the way to becoming a fully-fledged research hospital.

The Trust operating deficit (before capital donations and impairments) was £4.9m in 2016/17, which was an improvement from 2015/16 in which the Trust reported an underlying deficit for the first time in several years. This result included delivering a £12 million savings target. For further information on the financial results, refer to page 143.

Key issues and risks

The Trust's Board Assurance Framework (BAF) details the principle risks to the achievement of our operational and strategic plans. It is informed by reviewing internal intelligence from incidents, performance, complaints and internal and clinical audit, as well as the changing external environment we operate in.

The top five risks to our operational or strategic plans in 2016/17 were identified as:

- The inability to recruit and retain sufficient highly skilled staff.
- Completing the review of the management of RTT and ensuring timely access to GOSH services.
- Reduced funding and increasing costs threatening financial sustainability.
- Reliance on international and private patients to support financial viability.
- Implementation of the new Trust-wide EPR.

More detail about these risks and our mitigating actions can be found in the annual governance statement on page 74.

Going concern

Although we are operating in a particularly constrained financial environment, the directors have a reasonable expectation that the Trust has adequate resources to continue to operate for the foreseeable future. For this reason, and following reasonable enquiries, the directors continue to adopt the going concern basis for the preparation of the accounts within this report.

A summary of the Trust's financial position and plans can be found on page 28. Full details of our income and expenditure in 2016/17 can be found in the accounts from page 143.

Analysis of performance in 2016/17

The Trust Board receives a monthly integrated performance report, which is used to monitor progress against our strategic objectives. The report has been redesigned in line with the Care Quality Commission's (CQC's) five questions (are services safe, caring, effective, responsive and well led?) in order to be assured that the Trust's services are delivering to the level that our patients and families, the Board, our commissioners and regulators expect.

Performance against our objectives

In 2015/16, GOSH's strategy was reviewed and refreshed and a new strategic plan was developed. The plan articulated how we will work to ensure access to high-quality, safe and timely care for all our patients, and how we will continue to develop new treatments and innovative practices to improve child health.

To achieve these priorities, four strategic objectives were agreed:

1. to provide the best patient experience and outcomes
2. to deliver world-leading paediatric research
3. to be an excellent place to work and learn
4. to be sustainable and efficient

Underpinning everything we do to achieve these objectives, are *Our Always Values* – Always Welcoming, Always Helpful, Always Expert and Always One Team. The values were developed in consultation with patients, families, Trust members and Members' councillors.

Always



Welcoming



Helpful



Expert



One Team



When Jack was rushed to intensive care, his parents could stay in charity funded parent accomodation. Now aged one month, his parents can't wait to take little Jack home for the first time.

Strategic objective 1: To provide the best patient experience and outcomes

At GOSH we strive to provide world-class care to children and young people with rare, complex and difficult-to-treat conditions. We want patients and families to have the best experience they can from the moment they come into contact with GOSH and throughout their patient journey.

Performance summary	
2016/17 priority	Evaluation
Improve processes and patient records so that the Trust can recommence reporting RTT times	Achieved
Reduce waiting times for appointments, diagnostics tests and treatment	Partially achieved – see below for further information
Fast-track procurement and implementation of an EPR system	Procurement completed with full business case approved to commence implementation
Implement a real-time patient feedback system	Partially achieved – see below for further information
Host more events to listen to patients, family and staff	Achieved
Improve the comfort of the hospital environment, focusing on food and play provision	Achieved
Improve patient satisfaction with overnight accommodation	Achieved
Continue developing GOSH Arts – the Trust’s arts programme – to improve staff, patient and family experience	Achieved
Play an active role in care pathways for delivering congenital cardiac surgery nationally	Achieved
Collaborate with organisations to ensure that patients are receiving the right care, in the right location	Achieved
Streamline care pathways across regional groups	Ongoing
Ensure that appropriate priority is given to specialist children’s services	Ongoing

Waiting times

In 2015 the Trust became aware of major issues with the quality of our waiting time data, due to inaccurate patient pathway data. After careful consideration we took the difficult decision to cease reporting of our RTT and diagnostic waiting times until we had addressed the issues. A Trust-wide programme to improve our processes and patient data was undertaken during 2015 and 2016 and we achieved our aim of recommencing external reporting in this financial year. We recommenced reporting of the RTT return in February 2017 and the diagnostic return in April 2016.

More information on our RTT and diagnostic waiting times can be found on page 104 in the *Quality Report* and page 78 in the annual governance statement.

Electronic patient record

This year we began the biggest clinical transformation GOSH has ever undertaken to implement an EPR system. Due to go live in 2019, the EPR will allow every member of a team caring for a child to access all the information they need, rapidly and from a single source. This project – which reflects our values of being Always Expert and Always One Team – will reduce the time we spend on administration and increase the time we have for clinical care. It will also make our patients and families lives easier, by providing an online booking system for appointments. In March 2017, through a procurement process, the Trust confirmed Epic Systems Corporation as the preferred supplier for its EPR system and Aridhia Informatics Limited as the preferred supplier for the research and innovation platform. We look forward to working with these providers and our staff across the hospital to implement the programme.

Outcomes

Further information about our clinical outcomes can be found in the *Quality Report* on page 132.

Engaging with patients and families

At GOSH we put ‘the child first and always’. One of the key ways we do this is to ensure that we listen to what our patients and their parents tell us about their experience at the hospital, and act on their feedback. We set ourselves a target that 95% of respondents to the Friends and Family Test (FFT) would recommend us to a loved one. In 2016/17 FFT results showed that 98% of inpatients, and 93% of outpatients, would recommend GOSH.

The Trust held a listening event in November 2016 and will continue to do this every 2-3 years. Further information can be found in the *Quality Report* on page 112.

As a result of patient engagement work, and aligned to our values of being Always Welcoming and Always Helpful we have made improvements to catering and accommodation at GOSH, based on feedback from patients and families. In order to provide more variety and choice of food, the patient menu is now rotated every three weeks, instead of every three months, and the ‘Lagoon’ restaurant offers a wider range to accommodate different diets.

The Mother’s Unit – living quarters for mums with young babies at GOSH – was refurbished so it is clean, fresh and restful. Patient accommodation in Weston House (38 rooms) was redecorated and received new flooring and furniture, and a new Freeview TV system was installed in Weston House and the Italian Building.

Play opportunities for young people have also increased with space being made available for the Crocodile Club to provide play activities in the Lagoon every day.

In 2016/17 we took steps towards the procurement of a real-time patient feedback system. This will enable us to report on and respond rapidly to issues raised by patients and families during their time with GOSH.

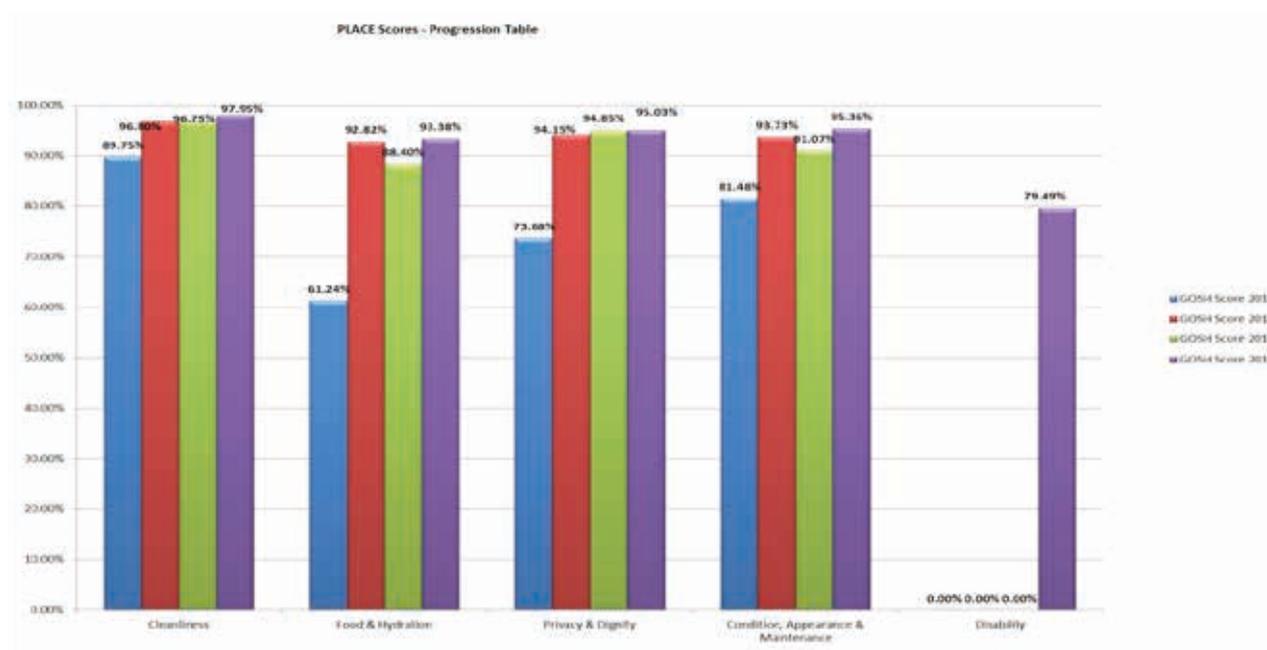
GOSH Arts

This year the Trust’s arts programme was rebranded GOSH Arts – previously, GO Create! – and remains a vital element of our commitment to be Always Welcoming.

In 2016/17 over 12,000 individuals participated in creative activities at GOSH, with many more benefiting from arts in the hospital environment – including music and performance. Surveys showed that arts improved the hospital experience for 99.2% of families visiting GOSH. Reflecting our value of being Always One Team, GOSH Arts is embedded in the hospital’s building master plan. This year we have involved patients, staff and families in the development of new artworks for the coming Premier Inn Clinical Building. See page 16 to read about a GOSH Arts digital project to help children feel less anxious during blood tests.

Patient-Led Assessment of the Care Environment (PLACE) 2016 Results

GOSH recorded its highest scores for PLACE since the introduction of the assessments in 2013.



2016 saw the highest score yet for privacy, dignity and wellbeing. Assessors that spoke to patients, parents and families were encouraged in how we care for the patients, and always provide the best possible environment to ensure all our patients are treated with privacy and dignity.

Following the 2017 PLACE assessment, there were many compliments regarding the taste, selection and appearance of food. However, there is still some work to be done around the engagement on clinical teams in food service during protected meal times.

High praise was given to the housekeepers for their food presentation, attention to detail, practicing excellent food hygiene and for having to get the meals out on time.

We are confident that the scores for 2017, around cleanliness, condition, appearance and maintenance, privacy, dignity and wellbeing have been maintained and that big improvement has been made on the disability access category since last year’s PLACE assessment.

We received feedback from the assessors that took part on how welcoming, friendly, professional and proud of GOSH all the staff were that they met during the assessment which demonstrates *Our Always Values* as an organisation.

Strategic objective 2: To deliver world-leading paediatric research

2016/17 was the first year of our exciting strategy to establish GOSH as a research hospital. We intend that research will become an integral part of the working lives of our staff, and of families' experience of GOSH, and will improve the treatment and outcomes for our young patients.

Performance summary	
2016/17 priority	Evaluation
Successfully apply for funding for the NIHR Great Ormond Street BRC	Achieved – see below for further information
Successfully apply for independent funding for the Somers Clinical Research Facility	Achieved – see below for further information
Work closely with partners to continue to grow a sustainable research infrastructure	Achieved
Set up a process to ensure that every patient has the opportunity to participate in a research study or trial	Achieved – see below for further information
Optimise integration between research and the development of new clinical diagnostics and treatments	Achieved

Funding and investment

Hospital capacity for research was enhanced this year. The Trust, together with GOSH Charity invested £1.2 million in research posts that underpin the work of our leading research teams, such as research nurses and data handlers. We were thrilled to have been awarded a third five-year term of funding (2017-2022) for the NIHR Great Ormond Street BRC. This £37 million award will drive forward our translational research into rare diseases in children. With our partner University College London's GOSH Institute of Child Health, the BRC enables basic scientific discoveries developed in the laboratory to be turned into potentially life-saving 'first in child' clinical studies.

Our Somers Clinical Research Facility is a dedicated space for children taking part in clinical trials at GOSH, and is key component in delivering our BRC work. This vital piece of research infrastructure was secured for a further five years in 2016 by an NIHR award of £3 million.

Participants and data

During 2016/17, we have run 1,299 research projects at GOSH/ICH. In the first three-quarters of 2016/17, more than 4,000 patients and family members took part in research studies.

GOSH is the lead trust for the North Thames Genomic Medicine Centre (GMC), which is recruiting samples for the 100,000 Genomes project for rare diseases. The North Thames GMC has recruited 5,200, making up around 28% of those recruited nationally. GOSH is on course to meet our own target of 2,640 genomes by spring 2017.

For this year's research highlights see Twelve months at GOSH on page 13 and the *Quality Report*, page 125.

Strategic objective 3: To be an excellent place to work and learn

Our staff make GOSH amazing, so attracting, retaining and developing the best people across our clinical and supporting workforce is vital. Education, teaching, and learning are critical to our work and ensure we remain Always Expert. We are the largest provider of pre-registration children's nursing education in the UK and a major provider of postgraduate medical education in paediatrics. The nature of GOSH specialties is such that some training may be unique to us, or only available at one or two other UK centres.

The Trust supports trainees in healthcare science, therapies, dietetics and pharmacy and has a track record of supporting non-clinical career pathways through the introduction of apprentices, the development of competency frameworks and bespoke learning interventions.

Performance summary	
2016/17 priority	Evaluation
Optimise recruitment and retention processes	Partially achieved – see below for further information
Continue to develop apprentices	Achieved
Continue incident planning training and exercise programme for all staff	Achieved

Recruitment and retention

Living and working in central London can be challenging and the Trust has not seen the levels of improvement in recruitment and retention hoped for this year, particularly in our nursing workforce.

We have launched several initiatives to try to address this, including streamlining our recruitment processes to reduce our time-to-hire and marketing our vacancies across social media to capture applicants from a wide talent pool.

We are increasingly using assessment centres to test not just candidates' clinical skills, but also ensure that they share our values and are the right fit for GOSH. During 2016/17, 108 healthcare support workers/healthcare assistants and 119 newly qualified nurses joined us. This year, we also significantly increased student nurse placement opportunities through partnerships with five universities.

The rotational professional development programme for newly qualified nurses (NQN) has helped us to increase retention from 75% to 95% at the end of two years. We now offer the programme to all NQNs joining the Trust, and this year 350 NQN's are enrolled.

Although we recognize that as a teaching hospital we will always have an element of turnover, our current turnover of nursing staff at GOSH is an average of 18%, compared to overall nursing turnover in London at about 15%. We are in the process of finding out what is driving this through a series of staff focus groups and forums and a new improved exit survey.

Postgraduate medical education

Doctors and surgeons in recognised training posts at GOSH are invited to complete the General Medical Council National Training Survey annually. In 2016 we achieved our highest survey completion rate of 97%, and our best ever results.

In September 2016, oncology training posts were reinstated at GOSH. They had been removed in 2014 following a Health Education England's (HEE) assessment. HEE's quality review team returned in January 2017 and identified that considerable improvements had been made to oncology training at the Trust. The whole Oncology team was thanked for their contribution to improving education and training for trainees.

Learning and development

This year we have continued to develop apprentices at GOSH, with programmes running in a number of non-clinical areas such as HR, Finance, and soon Information Services. Around 80% of our apprentices go on to permanent roles within the Trust and in 2016/17 we welcomed 74 new apprentices, which exceeded the target set by the NHS locally.

Across England, over 1,000 nursing associates began training in January, with the aim of creating a new type of care worker with a higher skill set to assist, support and complement the care given by registered nurses. GOSH employs seven trainees and is the lead partner of the only children and young person nursing associate pilot site, which spans North, Central and East London with placements in Chelsea and Westminster. Our prominent position in this partnership will allow us to shape this exciting new role for the nursing workforce.

We continue to offer high-quality clinical placements at GOSH for up to 150 student nurses in training at our partner higher education institutes

We also launched our new e-learning management system. It is a comprehensive platform that allows individuals to learn at a time, place and pace that suits them, and enables GOSH to oversee the training status of our workforce. In parallel, we began a review of all our mandatory training to ensure it is of high quality, contributes to the care and safety of our patients and staff, and can be easily accessed by our staff.

The Trust has continued to work with staff regarding training for incident planning. The NHS England (London) annual assessment reported that the Trust remains compliant against the core standards.

We know from our patient and staff surveys that making sure everyone at GOSH lives *Our Always Values* is essential. We continue to embed the values through leadership development and training, requiring leaders to demonstrate the values at all times, and to support their staff to do so.

Strategic objective 4: To be sustainable and efficient

Financial sustainability remains a key challenge in the context of decreasing real-term funding for specialised services. This year we have found new ways to deliver efficiencies while protecting our high clinical standards and increasing clinical capacity.

GOSH is committed to looking after the environment in which our patients will grow up. For more information on environmental matters, please turn to the sustainability report on page 28.

Performance summary	
2016/17 priority	Evaluation
Find new schemes to deliver £12m efficiency target	Achieved – see below for further information
Minimize water consumption by reviewing water uses with staff and partners	Achieved
Focus on waste management and continue improving recycling rates across the Trust	Ongoing
Continue advocacy work on air quality along Great Ormond Street to further reduce carbon emissions	Achieved
Successfully plan the opening of the Premier Inn Clinical Building	Ongoing– see below for further information
In collaboration with the charity oversee the construction of the Zayed Centre for Research, opening in 2018	Ongoing

Efficiency savings

We met our £12 million savings target in 2016/17, aided by one-off and ongoing activities to boost productivity and efficiency. Of this, £6.1m was achieved through:

- A programme to reduce non-pay spending – £1.1m
- Commercial, international and private increases in revenue generated (excluding NHS clinical) – £1.1m
- Reviews of staffing and skills mix – £2.3m
- Efficiencies in other operating expenses – £1.6m

The remaining target was met through:

- Maintaining vacancies throughout the organisation for the remainder of the year without additional demands on Bank and Agency resourcing, while maintaining income.
- The overall level of NHS Income recovered and IPP income was significantly greater than in the original forecast. Recognising that this income was delivered via better efficiency, the overall level of income achieved can be attributed to the Better Value programme.

A newly embedded Programme Office managed both local and cross-cutting schemes, including an extensive programme of work on non-pay spending, clinical pathway improvement, reviews of staffing mix and skills and work to ensure that we run our buildings and facilities at optimum efficiency.

Importantly, the quality impact assessment process has been reviewed with the Medical Director, Chief Nurse and Head of Quality and Safety. This has ensured that all cost-saving initiatives have taken potential quality impacts into account and mitigated risks accordingly.

Redevelopment

In collaboration with the charity, GOSH's huge redevelopment programme continued apace in 2016/17, to replace outdated and inadequate infrastructure with world-class facilities for patient care and research.

The Operational Commissioning Board for the Premier Inn Clinical Building, the second part of the Mittal Children's Medical Centre, continued to meet during this year in order to prepare the organisation for operational readiness. This culminated in a detailed review of the planned occupants to ensure that the new bed capacity is consistent with current and future demand. The date for handover from the contractor was agreed and the patient moves will begin in August 2017.

The construction of the basement levels of the Zayed Centre for Research continued with Erith and the construction contract for the main works were signed with Skanska in December 2016. Handover of the site between contractors took place in March 2017 with an anticipated completion date at the end of 2018.

At the end of the financial year, contenders for the design of the new clinical building that will replace GOSH's frontage went on display to the public. More information about this and the redevelopment progress made this year can be found in Twelve months at GOSH on page 13.

Optometry makes visible efficiencies

In 2016 GOSH expanded our one-stop optometric service for outpatients. Our aim was to consolidate our previous services to improve safety and quality for patients. We wanted to create a more efficient service that also had income-generating potential.

Patients who require optical aids are given a voucher – ranging from £39 to £215 – to cover the cost of their glasses, contact lenses or other low vision aid. Before this scheme around 30% of the vouchers dispensed by the Ophthalmology service were redeemed through our own optometric service.

By recruiting an additional optician to increase capacity, offering a wider range of accessories and promoting the service prominently, the proportion of vouchers now dispensed at GOSH is close to 50%. In its first year, the scheme has generated savings and income of over £100k for the Trust.

International and private patients

GOSH is internationally-renowned for cutting-edge treatment of children with rare and complex conditions. We work with governments and other sponsors to welcome 5,000 children annually from around 90 countries that lack the facilities and expertise to treat rare or complex paediatric conditions.

We have implemented our plan to develop our International and Private Patients (IPP) services and achieved significant growth in this area over the past two years. This year we met this rising demand by opening Hedgehog Ward, bringing our number of dedicated beds to 53. Our development of IPP generated income growth of 14.1% this year, to be invested in NHS services for the benefit of all our patients.

The majority of private patient service demand is from the Middle East, which carries a degree of geopolitical risk. The Trust continues to implement its strategic objectives to mitigate exposure to this risk through market and product development opportunities.

Financial performance

The Trust's financial position has improved from the previous 12 months, in which we reported an underlying deficit (before capital donations and impairments) for the first time in several years. In 2016/17 Trust earnings before interest, taxes, depreciation and amortisation (EBITDA) increased to £20 million (4.7% of operating income) from £13.6 million (7% of operating income). Some relief came in the form of the sustainability and transformation fund, a national NHS intervention that provided £4.2 million to the Trust. At the end of 2016/17 the Trust reports an underlying deficit of £4.9 million, compared to £11.1 million in 2015/16.

In line with our business intentions, this year our income from IPP grew by £7.2 million (14.1%) over the prior year, due to the opening of a new IPP inpatient ward providing additional bed capacity.

The Trust has had to make significant one-off investments to remedy issues with reporting, particularly in respect of the RTT operating standards. This year, the cost of validating historic data was £3.4 million (£2.9 million in 2015/16). Operating costs before impairment of fixed assets have increased by 6.1% this year compared to the increase in operating income of 7.9%.

The redevelopment of our hospital facilities continued in 2016/17 in line with our published 2015 site masterplan. The Trust resources were generously supported by charitable donations from the GOSH Charity which provided capital funding of £32 million for buildings and equipment this financial year.

The Trust set a savings target of £12 million in 2016/17 and delivered this target (see strategic objective 4, above).

The Trust maintains a strong liquidity position based upon historic surpluses, careful capital expenditure management and support by the charity. At the end of 2016/17 the Trust held £42.5 million in cash reserves and it was able to meet all commitments as and when they fall due. (Also refer to page 20 for the Trust's going concern statement).

The following table outlines the Trust's financial performance this year compared to the prior financial year, excluding income from capital donations and impairments.

£ million		
For the period ended:	31 March 17	31 March 16
Operating income (excluding capital donations)	425.5	394.3
Operating expenses (excluding impairments and depreciation)	(405.4)	(380.7)
EBITDA	20.1	13.6
Depreciation, interest and dividend	(25.0)	(24.7)
Net deficit	(4.9)	(11.1)

The Trust has signed a contract with commissioners for the 2017/18 and 2018/19 financial years. The plan, submitted to NHS Improvement, puts us in financial balance by the end of 2017/18 with a further increase in operating surplus by April 2019. The contracts and plan includes a growth in activity to meet demand for specialty services, and includes the opening of the new Premier Inn Clinical Building which provides additional clinical services capacity for the Trust.

The Trust plan will also need to deliver efficiencies of £15 million in 2017/18 and £12 million in 2018/19, and the Programme Office has developed a two-year plan to achieve this. This includes:

- £3.4m to be delivered through a wide range of schemes developed locally within divisions and directorates, aiming to save 1% of their budgets.
- £9.2m from a range of cross-organisational schemes continuing the work begun in 2016/17 in areas such as non-pay spending, patient flow and pathway improvement, workforce initiatives such as improved rostering, and other schemes including, for example, a range of ICT-enabled efficiency projects. These are all led by identified senior scheme owners, with project management support.
- £2.5m brought forward full year effects of initiatives which began partway through 2016/17.

Sustainability report

As an NHS organisation, largely funded by the public, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. Demonstrating that we consider social and environmental impacts ensures that the legal requirements in the *Public Services (Social Value) Act (2012)* are met.

In 2014, a target was set for the NHS, public health and social care system to reduce our carbon footprint by 34% by 2020, compared to 1990 levels. Our ambitious aim is to exceed this target by reducing our direct carbon emissions by 34% by 2020, compared to 2013 levels.

Overall strategy for sustainability

We consider sustainability in all areas of our processes and procedures, including travel, procurement and the impact of our suppliers. One of the ways in which our organisation has embedded sustainability is through the use of a sustainable development management plan (SDMP), which is visible and well known by staff.

The plan has three strands of activity.

- Strand 1 – focusing on efficiency; activities which use fewer resources, reduce waste and have a financial benefit.
- Strand 2 – focusing on sustainability activities which improve patient health and experience.
- Strand 3 – using GOSH's exemplary reputation to take a public advocacy position on children's health and sustainability with a view to benefitting children nationally and globally.

As part of our work to achieve this we train our staff on a variety of sustainability topics, including modern slavery. We also continue our energy reduction program, Operation TLC, which engages staff to increase use of natural light, maintain comfortable heating levels and switch equipment off.

This year we supported NHS Sustainability Day in conjunction with Operation TLC. This raised awareness of how staff can help reduce energy use and improve patient experience. We also raised awareness of National Clean Air Day which we aim to promote further in 2017.

We plan to update our SDMP in 2017 to better reflect the Trust's vision for how we can adapt services to be more resilient to our changing climate, in particular developing new models of care with sustainability embedded. We also plan to review and improve our 67% score in the Good Corporate Citizen assessment.

We have partnered with Camden Council to reduce the impact of people driving to the hospital. This programme is run in conjunction with the community under our Site Traffic Management Group. This aims to reduce road transport through consolidation of deliveries and by promoting sustainable transport. It also aims to reduce the impact of the hospital on the community through review of the local permit system. For more information on our clean air project see Twelve months at GOSH on page 13.

Carbon footprint

The hospital's environmental impact is proportional to the number of people it employs and the floor space of the Trust's buildings, and we 'normalise' the data to take account for this when assessing our progress toward our target of 34% reduction in carbon emissions by 2019/20. Figure 1 shows that the Trust's improvement has not kept pace with our target (shown by the line plot) when the organisation is normalised by floor space but, has performed ahead of target when normalised by number of employees.

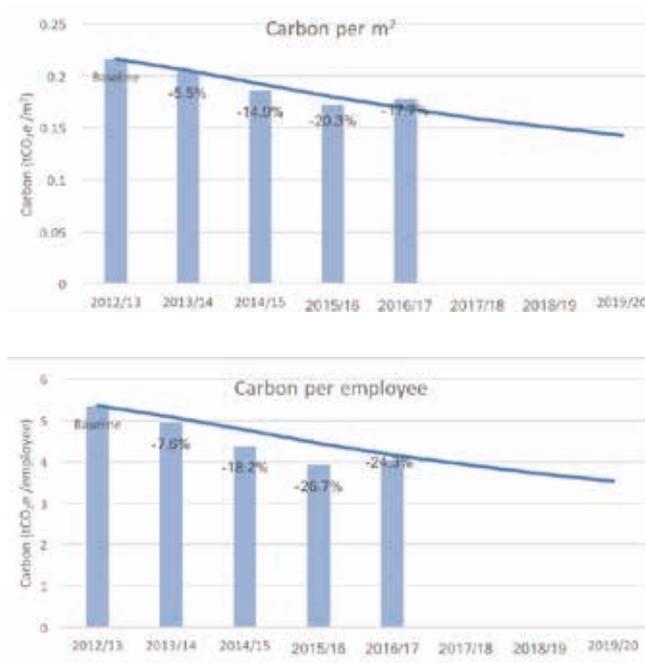


Figure 1: Normalised direct emissions - tCO₂e by m² and by employee, line shows reduction target

The increase in normalised carbon emissions from last year is due to less electrical output from the combined heat and power (CHP) engine, see below, and increased loads associated with the capital redevelopment. This meant that more electricity had to be imported from the grid, leading to higher carbon emissions. The remainder of this report uses figures that have been compared directly to the previous years with no normalisation for floor area or staff numbers so the year-on-year changes can be more clearly seen.

It is important to understand the carbon impact of all aspects of our work and not just our direct emissions. Table 1 shows the proportions of the carbon footprint by major usage areas, revealing that indirect emissions via procurement are the most significant contributor, followed by our direct emissions (energy), then travel.

Area	Emissions (tCO ₂ e) in 2016/17	Proportion of carbon footprint
Procurement	36,553	62.8%
Energy	16,468	27.6%
Travel	4,319	7.4%
Commissioning	1,174	2.0%
Water and sanitation	148	0.3%
Total	58,661	

Table 1: Trust emissions breakdown

Humaira, age five, continues to be treated at GOSH after surviving a rare type of skin cancer. Humaira is pictured in the play room while she waits for an appointment.



Together, procurement and commissioning make up the largest proportion of the Trust's carbon footprint. Using accepted SDU methodology for identifying procurement emissions, we identify that our two largest emitting categories are pharmaceuticals and medical equipment. We plan to investigate these and develop plans to reduce the carbon footprint of these areas. We have already made progress in some lower-emission categories, for example our catering department endeavour to purchase food from London and the South East, where appropriate.

The Trust has undertaken a review and assessment of the whole supply chain at GOSH. This review has highlighted efficiencies can be made in materials management which we are in the process of rolling out to create savings by reducing surplus stock and improving spend controls.

Energy

The biggest change to the Trust's energy usage profile has been the installation of a CHP engine at the end of 2011 which significantly reduced the amount of grid gas and electricity used by the Trust. However, as Figure 2 shows, in 2016/17 the Trust saw an 8.1% increase in energy spend compared to 2015/16 (not including the operation and maintenance costs of the CHP engine). This was due to a reduction in energy generation by the CHP engine, caused by downtime in September 2016 due to a mechanical issue, which has now been rectified.

Another reason for greater use of grid energy this year is the ongoing capital redevelopment, which creates increased loads and caused interruptions to our energy centre.

Despite these challenges, the CHP engine generated 10,833 MWh, equivalent to 40% of GOSH's electricity requirements this year, and consumed natural gas to achieve this. Additionally the Trust installed 37kW of photovoltaic cells in March 2016 to generate our own renewable energy. Over the last year these panels have generated 26,500 kWh, which is equivalent to 0.1% of the sites electricity usage.

We are in the process of installing a second CHP, which should further decrease our dependency on grid electricity and reduce energy costs.

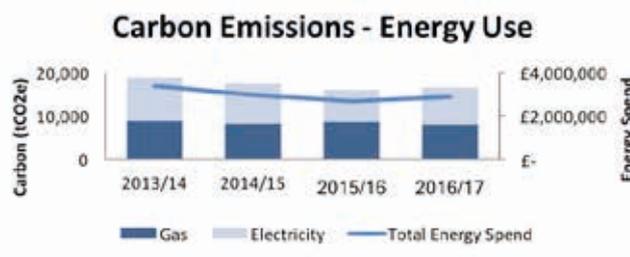


Figure 2: Carbon emissions by year

Figure 2 shows that the overall carbon emissions from energy use have increased by 3.2% from 2015/16, but have decreased by 17.4% from the 2012/13 baseline year.

Travel

We can improve local air quality and improve the health of our community by promoting active and non-carbon intense travel – for our staff, patients and public that use our services. We also support a culture of active travel to improve staff wellbeing and reduce sickness, an example of this is providing secure cycling storage for employees. Our impact from travel is shown in Table 2.

Category	Mode	2013/14	2014/15	2015/16	2016/17
Procurement	miles	422,229	404,360	463,149	466,824
Energy	tCO2e	156	148	167	168
Travel	tCO2e	2,421	2,795	2,762	2,738
Commissioning	miles	3,498,983	3,827,100	3,907,792	3,907,792
Water and sanitation	tCO2e	1,293	1,406	1,413	1,412

Table 2: Travel impact

Staff commuting impact is estimated from total number of staff on site and average distances travelled from *National Travel Survey* figures. It has risen as staff numbers increase but we intend to improve the accuracy of our reporting in this area – and develop bespoke programmes of impact reduction – by understanding GOSH's staff commute profile.

Our business travel impact has been estimated from the Trust's spend profile. Whilst we understand how our travel spend is split as shown in Figure 3, we do not understand the carbon impact of each of the areas and we plan to improve our understanding of this in the coming year to develop mitigation strategies.

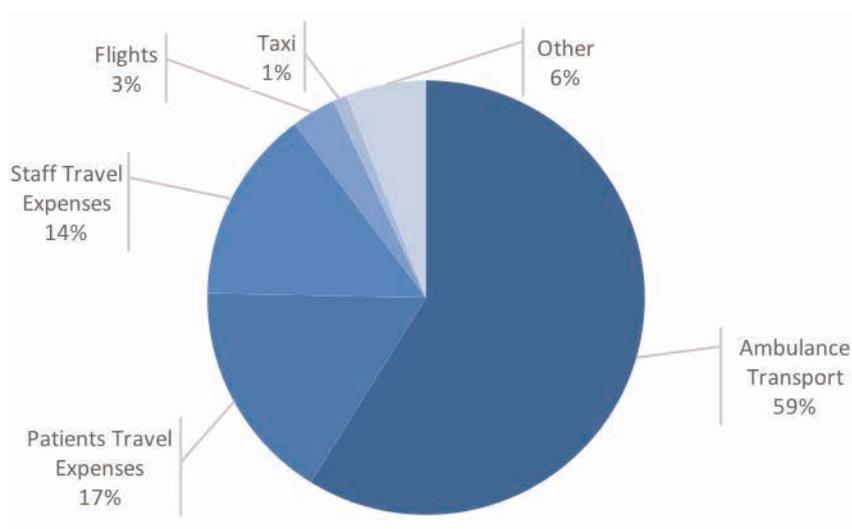


Figure 3: Travel spend breakdown

We also recognise the impact that patient transport has on the environment and have clear guidelines on the use of patient transport. We are in the process of engaging the wards in the importance of this and have been working to reduce unnecessary trips.

In 2014 GOSH started making use of video conferencing to connect clinicians to patients in harder to reach areas. This has helped reduce the number of journeys that patients need to take. Several of our departments, such as Genetics and Cardiac, now use video conferencing.

Waste minimisation and management

The Trust recognises the importance of reducing waste and in particular, waste sent to landfill. This year 1,132 tonnes of waste were created, a 5% reduction from the previous year. Waste to landfill remains virtually zero, with less than one tonne being sent to landfill. It is our aim that zero waste produced by the Trust is sent to landfill and we hope to achieve this in the next two years.

Our waste sent for recycling rose to 30% this year, up from 20% in 2014/15. This increase has been achieved through the development of a group of ‘green champions’ that helped support the implementation of a waste reduction programme. Additionally we have replaced desk bins with centralised recycling units to encourage recycling.

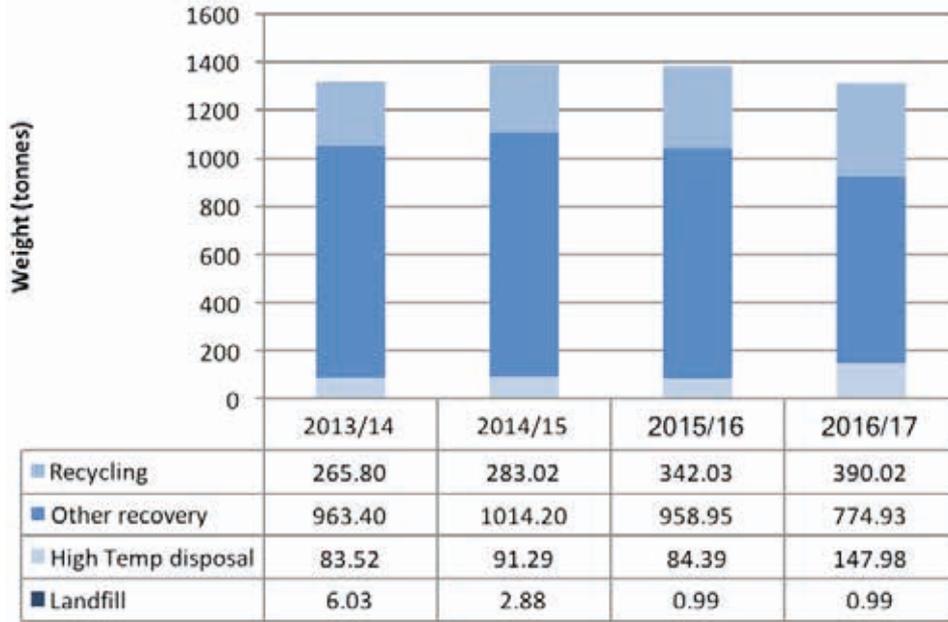


Figure 4. Destinations of Trust waste, landfill accounts for too little to be shown on the chart.

The Trust is currently investigating alternative waste disposal methods to further reduce the environmental and carbon impact of its waste. Additionally, we are looking to reduce incoming packaging waste delivered to site.

Water consumption

GOSH’s focus has in the past been on our carbon use; however, this year we have widened our environmental sustainability efforts to include water use. In 2016/17 we used 6.2% less water than in 2015/16. In the coming year, we plan to implement further changes to reduce our water use as we recognise this is still an improvement area.



Figure 4: Mains water use by year (m3) – orange line shows spend (RHS axis)

Social, community and human rights

Good corporate citizenship means that not only do we care for our patients, their families and our staff, but we also look outside our organisational boundaries. In 2016/17 GOSH continued to expand our apprenticeship programmes and 73 apprentices started work with us.

In November 2016 the Trust welcomed five young people with learning disabilities onto nine-month internships. The students from City and Islington College are participating in Project SEARCH, helping them to bridge the gap between school and employment. For more information see the story on page 16.

GOSH healthcare scientists participated in Reach Out for Healthcare Science week in June – a London-wide initiative to provide taster sessions in healthcare science to GCSE students.

Modern slavery is the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation. Victims are coerced, deceived and forced against their will. The Trust provides training to relevant staff on identifying victims of modern slavery and reports on case and concerns raised at the Quality and Safety Assurance Committee. Although NHS trusts are not bound by the government's 'duty to notify', they are encouraged to do so in order to clarify the picture of modern slavery in the UK.

Important events since year end

Departing chairman

After serving eight years at GOSH, in December 2016, Baroness Blackstone announced that she will be standing down as Chairman of the Trust Board and Members' Council in April 2017. Under Baroness Blackstone's leadership, the Trust achieved foundation trust status and saw a major increase in the number of patients treated at GOSH annually. Large parts of the hospital have been developed, including the opening of the Morgan Stanley Clinical Building and construction of the adjacent Premier Inn Clinical Building (due to open in Summer 2017), along with development of the new Zayed Centre for Research. Baroness Blackstone has been instrumental in the planning of Phase 4 redevelopment (the Frontage Building). We wish to offer our sincere thanks to Baroness Blackstone for her contribution and service to GOSH.

Redevelopment

The Premier Inn Clinical Building, the second part of the Mittal Children's Medical Centre, will open to patients in August 2017. Further information can be found on page 18.

Research

We want more patients to have the opportunity to take part in research and from April 2017 will pilot a generic consent process to allow us to use excess tissue and blood samples for future research. We received a licence from the Human Tissue Authority on 31 March 2017 that allows us to store these samples, which will enable us to develop a unique research resource to aid discovery in paediatric rare diseases.

New chairman

In May 2017, Sir Michael Rake was appointed by the Members' Council as Chairman of Great Ormond Street Hospital from 1 November 2017. Sir Michael brings to Great Ormond Street Hospital a wealth of successful leadership experience in business and service industries at KPMG, easyJet, BT and the CBI. He is a Senior Business Adviser at the Chamber of Commerce and Chatham House, and Vice President of the RNIB.

NHS cyber attack

Following the cyber attack on a number of NHS hospitals in May 2017, the Trust immediately took mitigating action by isolating the computer systems and closing down all external email services. The Trust's IT systems were fortunately not affected by the virus that impacted other NHS trusts and there was no impact on the treatment and care of patients. At the time of writing this report, work is continuing to strengthen our security and implement our cyber security plan.

Looking ahead to 2017/18

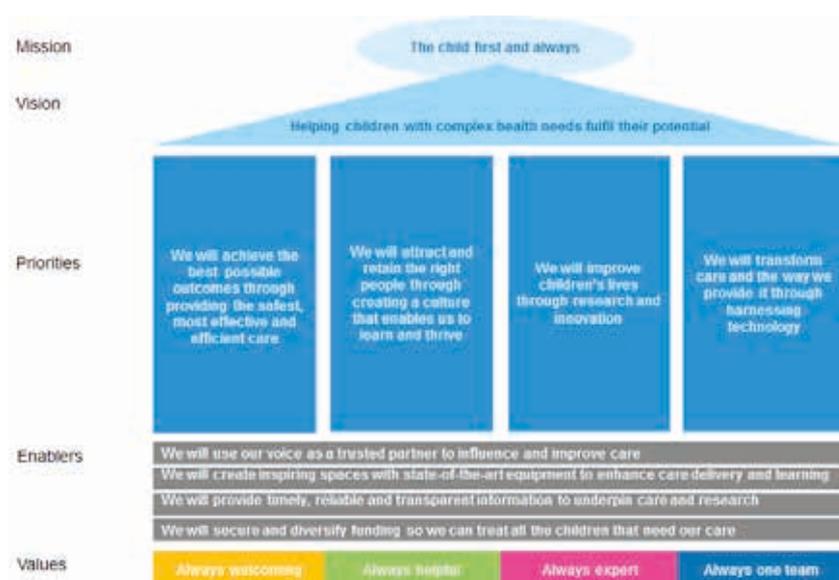
Like many NHS providers, GOSH is operating in a challenging environment. We continue to experience increasing costs, a requirement for stronger collaboration between care providers and commissioners, and a shortage of nurses and junior doctors.

However, the environment also presents some exciting opportunities. For example, research helps us to continuously advance the treatments we offer, our services will become increasingly digital to reduce costs and improve access, and our buildings and facilities are being redeveloped to be inspiring and uplifting for our patients.

In spring 2017 we worked with our staff and Members' Council to refresh our strategy (now called Fulfilling Our Potential) in the context of this new reality. We have assessed the issues and opportunities that face us, and thought carefully about our vision and our future. In particular, we have identified four critical priorities:

- We will provide the safest, most effective care, with the best possible outcomes.
- We will attract and retain the right people and together create a culture that enables us to learn and thrive.
- We will improve children's lives through research and innovation.
- We will harness digital technology to transform the care we provide and the way we provide it.

These priorities are presented in a 'strategy house' below along with our mission, vision, enablers and *Our Always Values*. Together, they form a framework for our staff and leadership team to use as a framework to plan and make decisions.



Statement from directors

The directors consider that this *Annual Report and Accounts*, taken as a whole, is fair, balanced and understandable and provides the information necessary for readers to assess the Trust's performance, business model and strategy.

Signed by the Chief Executive on behalf of the Trust Board of Great Ormond Street Hospital for Children NHS Foundation Trust.

Dr Peter Steer
Chief Executive

25 May 2017



Delano is 10 years old and comes to GOSH for dialysis every week. When he's not at GOSH, he loves being outside and playing football in the park.

Accountability report

Directors' report

In this section of the accountability report we provide an overview of our governing structures. We outline how we ensure we are involving, listening and responding to the groups that have a stake in what we do, particularly our staff, our patients and their families and our members.

How GOSH is governed

The Trust Board is responsible for overseeing the Trust strategy, managing strategic risks, and providing managerial leadership and accountability. The Executive team has delegated authority from the Board for the operational and performance management of clinical and non-clinical services of the Trust. It is responsible for coordinating and prioritising all aspects of risk management issues that may affect the delivery of services.

The Senior Management team reports to the Executive team and provides a regular forum for discussing and making decisions on a range of issues relevant to the day-to-day operational management, including efficiency, effectiveness and quality.

In 2015 the Trust's introduced a new 'three-division' structure; two NHS divisions and one IPP division. This has helped us provide a more integrated and efficient service for the children we treat. It has also accelerated our decision-making by strengthening the involvement of the clinical leadership in the management of the hospital. Corporate functions have increasingly been integrated with the operational teams – in particular through business partnering with Finance and HR.

The Trust Board – who we are and what we do

The Board is normally comprised of a chairman, deputy chairman, senior independent director (SID), four additional independent non-executive directors, and six executive directors (including the Chief Executive). One of the non-executive directors is appointed by ICH.

With the departure of Chairman Tessa Blackstone, on 30 April 2017 (see page 46), Deputy Chairman Mary MacLeod was appointed by the Members' Council as Interim Chairman from 1 May 2017 whilst the appointment process for a substantive post was conducted. Until this appointment is filled, the Board will comprise an interim chairman and five non-executive directors. With the impending departure of Mary MacLeod in October 2017, an appointment process for a new non-executive director (agreed by the Members' Council) is also underway.

The executive directors are responsible for managing the day-to-day operational and financial performance of the Trust, while the non-executive directors provide scrutiny based on board-level experience of private and public sector organisations.

This year an independent Well-Led Governance Review concluded that the executive directors and non-executive directors bring substantial experience to the Board and come from a range of professional backgrounds, including higher education, local authority, business and healthcare. All Board members have been assessed against the requirements of the Fit and Proper Person Test.

Trust Board members 2016/17

Non-executive directors

Baroness Tessa Blackstone

Chairman of the Trust Board and Members' Council

Term: 1 January 2009 – 30 April 2017

Attended 11 out of 11 Board meetings in 2016/17

Chairman of:

- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Member of:

- Trust Board Remuneration Committee (attended 2 meetings of 2 in 2016/17)

Experience:

- Member, House of Lords
- Chair of the British Library Board
- Director of University College London (UCL) Partners
- Chair of Orbit Group
- Co-Chair of the Franco-British Council



Ms Mary MacLeod OBE

Interim Chairman (from 1 May 2017)

Deputy Chairman (from 1 September 2016) and Senior Independent Director

Term: 1 September 2008 – 31 October 2017

Attended 10 out of 11 Board meetings in 2016/17

Chairman of:

- Quality and Safety Assurance Committee (attended 4 meetings of 4 in 2016/17)

Member of:

- Trust Board Remuneration Committee (attended 2 meetings of 2 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Non-executive Equality and Diversity lead at Great Ormond Street
- Deputy Chairman of the Child and Family Court Advisory and Support Service (CAFCASS)
- Chairman of the Internet Watch Foundation Ethics Committee
- Trustee of Columbia 1400
- Non-Executive Director of the Video Standards Council
- Chief Executive of the Family and Parenting Institute (1999–2009)
- Director of Policy, Research and Development and Deputy CEO of Childline (1995–1999)



Mr Akhter Mateen

Non-Executive Director and Deputy Chairman (from 1 May 2017)

Term: 28 March 2015 – 27 March 2018

Attended 11 out of 11 Board meetings in 2016/17

Chairman of:

- Audit Committee from 1 September 2016 (attended 4 meetings out of 4 in 2016/17)

Member of:

- Finance and Investment Committee (attended 6 meetings of 7 in 2016/17)
- Trust Board Remuneration Committee (attended 1 meetings of 2 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Group Chief Auditor of Unilever (2011–2012)
- Senior Global and Regional Finance roles Unilever, leading finance teams in Latin America, South East Asia and Australasia (1984–2011)
- NED and Audit Committee Chairman for Agriculture and Biosciences International
- Director of The British Pakistan Foundation



Mr David Lomas

Non-Executive Director

Term: 1 March 2012 – 28 February 2018

Attended 11 out of 11 Board meetings in 2016/17

Chairman of:

- Finance and Investment Committee (attended 7 meetings of 7 in 2016/17)
- Trust Board Remuneration Committee (attended 2 meetings of 2 in 2016/17)

Member of:

- Audit Committee (attended 4 meetings of 4 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Qualified accountant
- Chief Financial Officer of Achilles
- Chief Financial Officer of Elsevier (until July 2014)
- Chief Executive of British Telecom Multimedia Services (2004–2005) (previously Chief Operating Officer)
- Vice President Operational Effectiveness of British Telecom Global Services (2003–2004)
- Chief Commercial and Operations Officer, ESAT British Telecom, Dublin (2002–2003)



Professor Rosalind Smyth CBE

Non-Executive Director

Term: 1 January 2013 – 31 December 2018

Attended 9 out of 11 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 4 meetings of 4 in 2016/17)
- Trust Board Remuneration Committee (attended 1 meeting of 2 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Director of the UCL Great Ormond Street Institute of Child Health
- Honorary Consultant Respiratory Paediatrician at Great Ormond Street Hospital
- Honorary Professor of Paediatric Medicine at the University of Liverpool
- Chairman of the MRC Clinical Training and Careers Panel
- Chairman of the Paediatric Expert Advisory Group of the Commission on Human Medicines (2002–2013)
- Previously the Director of the UK Medicines for Children Research Network



Professor Stephen Smith

Non-Executive Director

Term: 1 March 2016 – 28 February 2019

Attended 11 out of 11 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 4 meetings of 4 in 2016/17) – Chairman (from 1 May 2017)
- Trust Board Remuneration Committee (attended 2 meetings of 2 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Professor of Obstetrics and Gynaecology
- Chief Executive, Imperial Healthcare NHS Trust (October 2007 – December 2010)
- Dean, Faculty of Medicine Dentistry and Health Sciences, University of Melbourne (September 2013 – October 2015)
- Chairman of the Melbourne Academic Centre for Health (July 2014 – October 2015)



Mr James Hatchley

Non-Executive Director and Senior Independent Director (From 1 May 2017)

Term: 1 August 2016 – 31 July 2019

Attended 7 out of 7 Board meetings in 2016/17

Member of:

- Audit Committee (attended 2 meetings of 2 in 2016/17)
- Quality and Safety Assurance Committee (attended 2 meetings of 2 in 2016/17)
- Finance and Investment Committee (attended 4 meetings of 4 in 2016/17)
- Trust Board Remuneration Committee (attended 2 meetings of 2 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Qualified accountant
- Former independent member of the GOSH Audit Committee and Quality and Safety Assurance Committee
- Group Strategy Director 3i Group
- Chief Operating Officer KKR (2014–2016)



Mr Charles Tilley

Deputy Chairman (until 31 August 2016)

Term: 1 March 2012 – 31 August 2016

Attended 4 out of 4 Board meetings in 2016/17

Member of:

- Trust Board Remuneration Committee (attended 1 meeting of 1 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Qualified accountant
- Chief Executive Officer at The Chartered Institute of Management Accountants (CIMA)
- Director (corporate representative) CIMA China Ltd
- Director (corporate representative) CIMA Enterprises Limited
- Board member of the Association of International Certified Professional Accountants
- Member of the International Integrated Reporting Council (IIRC)
- Chairman of the Professional Accountants in Business Committee (PAIBC)
- Member of the Advisory Council of HRH The Prince of Wales' Accounting for Sustainability Project (A4S)



Executive directors

Dr Peter Steer

Chief Executive

Peter Steer is responsible for delivering the strategic and operational plans of the hospital through the Executive Team.

Attended 11 out of 11 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 4 meetings of 4 in 2016/17)
- Finance and Investment Committee (attended 7 meetings of 7 in 2016/17)

Attendee of:

- Audit Committee (attended 4 meetings of 4 in 2016/17)
- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)
- Trust Board Remuneration Committee (attended 2 meetings of 2 in 2016/17)

Experience:

- Chief Executive – Children's Health Queensland Hospital and Health Services (2009–2014)
- Professor of Medicine, University of Queensland (2009–2014)
- Adjunct Professor, School of Public Health, Queensland University of Technology (2003–2008)
- President – McMaster Children's Hospital, Hamilton, Ontario (2003–2008)
- Professor and Chair, Department of Paediatrics, McMaster University, Canada (2003–2008)



Ms Nicola Grinstead

Deputy Chief Executive

Nicola Grinstead is responsible for the Trust's strategic planning and is responsible for the operational management of the clinical services within the Trust. She is the named Senior Information Risk Owner. Attended 10 out of 11 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 3 meetings of 4 in 2016/17)
- Finance and Investment Committee (attended 6 meetings of 7 in 2016/17)

Attendee of:

- Audit Committee (attended 3 meetings of 4 in 2016/17)

Experience:

- Director of Operations, Imperial Healthcare NHS Trust (2013–2016)
- Deputy Director of Operations, Guy's and St Thomas' NHS Foundation Trust (2009–2013)
- Chairman of the World Board for the World Association of Girl Guides and Girl Scouts



Dr David Hicks

Interim Medical Director (from 1 January 2017)

David Hicks is responsible for clinical performance and standards (including patient safety) and Leads on quality governance. Attended 3 out of 3 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 1 meeting of 1 in 2016/17)

Experience:

- Previously consultant in sexual health
- Clinical and Professional Adviser to the Care Quality Commission
- Medical Director, Barnsley Hospital NHS Foundation Trust (2002–2009) include one year as Acting Chief Executive
- Non-Executive Director, Mid Yorkshire Hospitals NHS Foundation Trust (2013–2017)
- Medical Director, Rotherham NHS Foundation Trust (2013–2014)



Ms Juliette Greenwood

Chief Nurse

Juliette Greenwood is responsible for the professional standards, education and development of nursing. She is also the Lead Executive responsible for patient and public involvement and engagement, safeguarding and infection prevention and control. Attended 11 out of 11 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 4 meetings of 4 in 2016/17)

Experience:

- Registered Sick Children's Nurse
- More than 12 years' experience as a Chief Nurse, most recently at Bradford Teaching Hospitals NHS Foundation Trust (2013–2015) and prior to this at Rotherham NHS Foundation Trust and Barnsley Hospital NHS Foundation Trust



Ms Loretta Seamer

Chief Finance Officer

Loretta Seamer responsible for the financial management of the Trust and leads on contracting. Attended 11 out of 11 Board meetings in 2016/17

Member of:

- Finance and Investment Committee (attended 7 meetings of 7 in 2016/17)

Attendee of:

- Audit Committee (Attended 4 meetings of 4 in 2016/17)

Experience:

- More than 30 years of experience in executive leadership, consulting and financial management including thirteen years in the hospital and health sector
- Chief Finance Officer, Children's Health Queensland and Health Services in Brisbane, Australia
- General Manger of a Health Consulting and advisory Practice, Brisbane, Australia



Mr Ali Mohammed

Director of HR and OD

Ali Mohammed is responsible for the development and delivery of a human resources strategy and organisational development programmes.

Attended 10 out of 11 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 3 of 4 meetings in 2016/17)

Attendee of:

- Trust Board Nominations Committee (attended 1 meeting of 1 in 2016/17)
- Trust Board Remuneration Committee (attended 2 meetings of 2 in 2016/17)

Experience:

- Director of Human Resources and Organisational Development (Service Design) for the NHS Commissioning Board (2012–2013)
- Director of Human Resources and Organisational Development at Barts and The London NHS Trust (2009–2012)
- Director of Human Resources at Brighton and Sussex University Hospitals NHS Trust (2007–2008)
- Director of Human Resources at Medway NHS Trust (2001–2007)

**Dr Vinod Diwakar**

Medical Director (until 31 December 2016)

Attended 5 out of 8 Board meetings in 2016/17

Member of:

- Quality and Safety Assurance Committee (attended 2 of 3 meetings in 2016/17)

Experience:

- Practising Consultant Paediatrician
- Medical Director at Birmingham Children's Hospital NHS Foundation Trust (2010–2015)
- Appointed member of the London Clinical Senate
- Chairman of the Clinical Reference Group for Paediatric Medicine in NHS Specialised Commissioning
- Appointed member of the London Children and Young People's Healthy Partnership Clinical Reference Group

**Other directors****Professor David Goldblatt**

Director of Research and Innovation

David Goldblatt leads the strategic development of clinical research and development across the Trust. He is an Honorary Consultant Immunologist and Director of the NIHR Biomedical Research Centre.

Mr Matthew Tulley

Director of Development

Matthew Tulley leads the work to redevelop the Trust's buildings and ensures that it is suitable to support the capacity and quality ambitions of our clinical strategy.

Ms Cymbeline Moore

Director of Communications

Cymbeline Moore is the Director of Communications for the hospital and the GOSH Children's Charity.

Mr Trevor Clarke

Director of International and Private Patients

Trevor Clarke is responsible for the strategic development and management of the Trust's IPP division.

Mrs Claire Newton

Interim Director of Strategy and Planning (until 21 July 2016)

Claire Newton was responsible for the Trust's strategic planning. She was the named Senior Information Risk Owner and Executive Lead for risk management.

Register of interests

The Trust Board has signed up to a code of conduct setting out the requirement for all Board members to declare any interests that may compromise their role. This is also a standing item at the beginning of each board and committee meeting.

A register of directors' interests is published on the Trust website, www.gosh.nhs.uk, and can also be obtained by request from the Company Secretary, Great Ormond Street Hospital for Children NHS Foundation Trust, Executive Offices, Paul O'Gorman Building, Great Ormond Street, London WC1N 3JH.

Trust Board meetings

In 2016/17, the Board held a total of 11 meetings of which six included a session held in public. In October 2016 and February 2017 the Board held strategy development sessions. The Board did not meet in August 2016. An extraordinary Board meeting was held in November 2016. Board seminar meetings were held in April and June 2016.

Board committees

The Board delegates certain functions to committees that meet regularly. The Board receives any amendments to committee terms of reference, annual reports and committee self-assessments. One non-executive director sits on both the Audit Committee and Quality and Safety Assurance Committee to provide a link and ensure that information is effectively passed between them. Members of both assurance committees meet annually to discuss strategic risk and consider how the committees effectively share responsibility for monitoring strategic risk on behalf of the Board.

Audit Committee

The Audit Committee is chaired by a non-executive director and has delegated authority to review the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes to support the organisation's objectives. A summary of the work of the committee can be found on page 64.

Quality and Safety Assurance Committee

In 2016 the Clinical Governance Committee was renamed the Quality and Safety Assurance Committee. The new name reflects its extended remit to seek assurance of the quality of care and treatment in all services, including clinical effectiveness and outcomes, safety, service user and carer experience, equality and inclusion. The committee is chaired by a non-executive director and has delegated authority from the Board to be assured that the correct structure, systems and processes are in place within the Trust to manage quality and safety related matters and that these are monitored appropriately. A summary of the work of the committee can be found on page 68. The committee receives regular internal audit and clinical audit reports.

Finance and Investment Committee

The Finance and Investment Committee is chaired by a non-executive director and has delegated authority from the Board to oversee financial strategy and planning, financial policy, investment and treasury matters and to review and recommend for approval major financial transactions. The committee also maintains an oversight of the Trust's financial position, and relevant activity data and workforce metrics.

Trust Board Remuneration Committee

The Remuneration Committee is chaired by a non-executive director and is responsible for reviewing the terms and conditions of office of the Board's executive directors, including salary, pensions, termination and/or severance payments and allowances. A summary of the work of the committee can be found on page 52.

Trust Board Nominations Committee

The Trust Board Nominations Committee is chaired by the chairman of the Board. It has responsibility for reviewing the size, structure and composition of the Board and making recommendations with regard to any changes – giving full consideration to succession planning and evaluating the balance of skills, knowledge and experience in relation to the appointment of both executive and non-executive directors.

During the year, following the announcement that Dr Vinod Diwakar would step down from the role of Medical Director, the committee recommended the appointment of Dr David Hicks as Interim Medical Director while the post was reviewed prior to advert and appointment.

Evaluation of Board performance

An independent review against the Monitor Well-Led Governance Framework (incorporating elements of the quality governance framework) was conducted by Deloitte in June 2016 following a competitive tender process. Deloitte LLP is the Trust's appointed external auditor. None of the engagement team undertook any external audit work at the Trust in the previous three years. In addition, a number of robust and effective safeguards were put in place to enable Deloitte to undertake this additional advisory work.

The results and action plan were presented to the Board in December 2016. The review highlighted a number of positive areas in relation to the governance and leadership of the Trust, with some recommendations for improvement around Board reporting, Board development and the relationship between the Board and Members' Council.

The Board and Council have received regular updates on progress with the action plan. A Well-Led Governance Review Group has been established, with members from both the Board and the Council to oversee recommendations on roles and responsibilities of the Board and the Council and benchmark against other trusts on engagement and communication.

How we govern quality at GOSH

The Trust places the highest priority on quality, measured through our clinical outcomes, patient safety and patient experience indicators. Our patients, carers and families deserve and expect the highest quality care and patient experience. Despite a range of changing and increasing pressures, we must ensure we manage and deliver services in a way that never compromises our commitment to safe and high-quality care. The key elements of the Trust's quality governance arrangements are outlined in the annual governance statement on page 74 and include:

- Clear accountability at Trust Board level for safety and clinical quality objectives and structured reporting of performance against these objectives.
- Clear committee reporting structures with the Patient Safety and Outcomes Committee and Patient Family Experience and Engagement Committee.
- Internal processes to check that we meet our own quality standards and those set nationally.

- KPIs are presented at the Trust Board, including:
 - progress against external targets, such as how we minimise infection rates
 - internal safety measures, such as the effectiveness of actions to reduce cardiac and respiratory arrests outside of the intensive care units
 - process measures, such as waiting times
 - external indicators assessed and reported monthly by Monitor
- The Board is committed to encourage continuous improvement in safety and quality indicators and to establish mechanisms for recording and benchmarking clinical outcomes.
- Patient stories at public Board highlighting where the quality of care could be improved and celebrating excellent practice and patient experience.

Further information can be found in the *Quality Report* on page 89.

Following the independent review against the requirements of the Well-Led Governance Framework, actions have been taken to strengthen representation of clinical risk on the Board Assurance Framework and enhance reporting to the Board via scorecards and focused reports from the assurance committees.

Through these methods, all of the data available on the quality of care in each specialty and service is considered as part of our internal and external management and assurance process.

Gastroenterology review

The Royal College of Paediatrics and Child Health (RCPC) was invited by the Trust in 2015 to conduct a review of the Gastroenterology service, following a number of concerns expressed from within and outside the hospital about waiting times, communication and clinical governance of the service. The review found that the vast majority of our patients and their families received good standards of care. This included all patients being treated for inflammatory bowel diseases, motility, autoimmune gut diseases, congenital pseudo obstruction and nutritional management.

In a small group of patients with, or suspected as having, a complex condition known as eosinophilic lower gastroenterology disease or complex food allergies, the reviewers acknowledged that this was a rare and complex clinical area with a lack of national or international consensus on the best way to manage these patients. There are no agreed clinical guidelines for the treatment of these patients.

The reviewers found the care of some of these patients to be of the highest standard. However, they also found some examples where care provided could have been better. In all these cases, the care packages have since been discussed with patients and their families and treatment has, where necessary, been modified. There is no evidence of any long-term consequences to these patients.

The review also made recommendations to further enhance patient care and their experience particularly in our communication with patients, our administration processes and better patient and family access to psychological support. We are now implementing a robust action plan to ensure improvements in these areas take place.

Registration with the Care Quality Commission (CQC)

GOSH is registered with the CQC as a provider of acute healthcare services. The CQC visited the Trust in April and May 2015 as part of its rolling schedule of inspections. The report was published in January 2016 and services were rated as 'good' overall and 'outstanding' for being caring and effective. The Trust has implemented the majority of the recommendations. Further information can be found in the *Quality Report* on page 127.

The Members Council – who we are and what we do

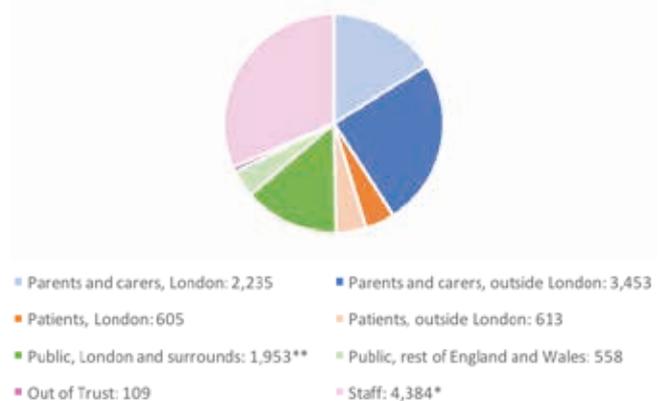
As a foundation trust we are accountable to our members through our Council of Governors, which at GOSH we call our Members' Council. The Members' Council is made up of 27 elected and appointed governors (councillors). They are the guardians of *Our Always Values*, and support and influence the strategic direction of the Trust by representing the views and interests of our members.

Membership

Anyone living in England and Wales over the age of 10 can become a GOSH member and we strive for our membership to reflect the broad and diverse public communities we serve as well as patients, their families and carers and staff. Automatic membership applies to all employees who hold a GOSH permanent contract or fixed-term contract of 12 months or more. There is more on becoming a member at www.gosh.nhs.uk/about-us/foundation-trust/foundation-trust-membership.

On 31 March 2017, our membership totalled 13,910 (including staff). We have met and exceeded our estimated annual non-staff membership target of 9,481 by 45 and have increased our membership by 321 in the last year.

Membership numbers and constituencies on 31 March 2017



*Headcount of foundation trust staff on permanent contracts and fixed-term contracts of one year and more

**The electoral areas that comprise these public constituencies are detailed on page 45.

In September 2016 we contracted an external membership database provider, Membership Engagement Services (MES) to hold and manage our public and patient carer data. The database enables the Trust to have direct control over data management and analysis, which supports the development of our membership strategy and evaluates the effectiveness of the Trust's membership recruitment process. In order to ensure that our membership is current, a data cleansing exercise of our membership database was conducted on the migration to MES.

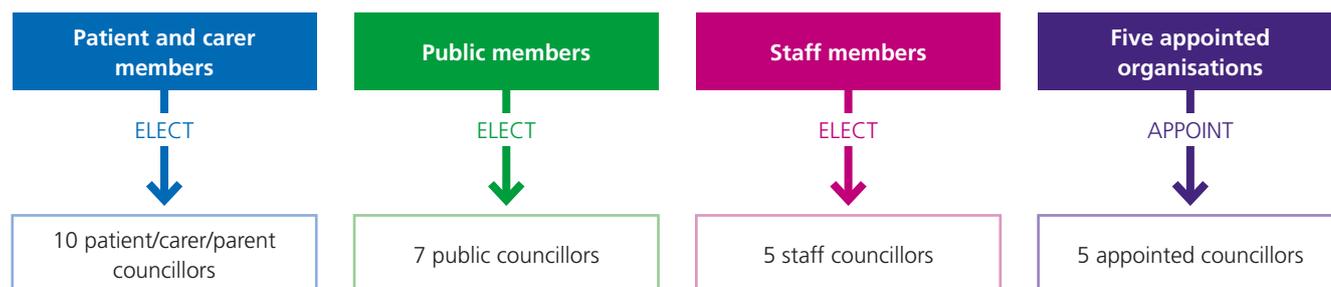
The role of the Members' Council

The Members' Council act as a link to the hospital's patients, their families, members, staff and the wider community ensuring that their views are heard and reflected in the strategy for the hospital. Although the Council is not involved in the operational management of the Trust, it is responsible for holding the non-executive directors individually and collectively to account for the performance of the Trust Board in delivering the Trust's strategic objectives. More about the responsibilities of the Members' Council can be found at www.gosh.nhs.uk/about-us/foundation-trust/members-council.

Councillors

Councillors represent specific constituencies and are elected or appointed to do so for a duration of three years, with the option to stand for re-election for a further three years. As a specialist Trust with a UK-wide and international catchment area, GOSH does not have a defined 'local community'. Therefore, it is important that our geographically diverse patient and carer population is represented in our membership and in the composition of our Members' Council.

Councillors are elected or appointed from constituencies as follows:



In November 2017, the Trust will begin the election process for 22 seats across the patient and carer, public and staff constituencies for appointment from 1 March 2018.

Councillor members 2016/17

Name	Constituency	Date role began (still active unless end date given)	Attendance at meetings		
			Members' Council (out of 5 unless otherwise stated)	Nominations and Remuneration Committee (out of 7 unless otherwise stated)	Membership Engagement Recruitment and Representation Committee (out of 5 unless otherwise stated)
Edward Green*	Patients: outside London	1 March 2015	4	6 (6) Elected in April 2016	Not a member
George Howell*	Patients: outside London	1 March 2015	3	Not a member	3
Sophie Talib†	Patients: London	1 March 2015	4	Not a member	2
Susanna Fantoni**	Patients: London	1 March 2015 – February 2017		Not a member	0 (4)
Matthew Norris‡	Parents and carers: London	1 March 2015	5	1 (1) Appointment ended in April 2016	Not a member
Lisa Chin-A-Young**	Parents and carers: London	1 March 2015 – September 2016	2 (2)	1(1) Appointment ended in April 2016	3 (3)
Fran Stewart^	Parents and carers: London	October 2016	2 (2)	Not a member	2 (2)
Mariam Ali†	Parents and carers: London	1 March 2015	5	6 (6) Elected in April 2016	Not a member
Claudia Fisher† Lead councillor – endorsed in April 2016 for a further year	Parents and carers: outside London	1 March 2015	5	Not a member but co-opted in for Q4 for purposes of Chairman appointment	2
Camilla Alexander-White†	Parents and carers: outside London	1 March 2015	3	Not a member	0 (4)
Carley Bowman†	Parents and carers: outside London	1 March 2015	4	Not a member	5

Name	Constituency	Date role began (still active unless end date given)	Attendance at meetings		
			Members' Council (out of 5 unless otherwise stated)	Nominations and Remuneration Committee (out of 7 unless otherwise stated)	Membership Engagement Recruitment and Representation Committee (out of 5 unless otherwise stated)
Trevor Fulcher [‡]	Public: North London and surrounding area ¹	1 March 2015	1	Not a member	Not a member
Rebecca Miller [‡]	Public: North London and surrounding area ¹	1 March 2015	4	7 Re-elected in April 2016	Not a member
Mary De Sousa ^{**}	Public: North London and surrounding area ¹	1 March 2015 – April 2016	1 (1)	Not a member	Not a member
Teskeen Gilani [^]	Public: North London and surrounding area ¹	December 2016	0 (1)	Not a member	Not a member
Simon Hawtrey-Woore [‡]	Public: North London and surrounding area ¹	1 March 2015	4	Not a member	4
Gillian Smith [†]	Public: South London and surrounding area ²	1 March 2015	5	Not a member	4
Stuart Player [‡]	Public: The rest of England and Wales	1 March 2015	3	Not a member	Not a member
David Rose [‡]	Public: The rest of England and Wales	1 March 2015	0	Not a member	Not a member
Jilly Hale [‡]	Staff	1 March 2015	4	7 Re-elected unopposed in April 2016	Not a member
Clare McLaren [‡]	Staff	1 March 2015	4	Not a member	Not a member
James Linthicum [‡]	Staff	1 March 2015	4	Not a member	Not a member
Rory Mannion [†]	Staff	1 March 2015	4	Not a member	Not a member
Prab Prabhakar [‡]	Staff	1 March 2015	4	Not a member	Not a member
Jenny Headlam-Wells [‡]	London borough of Camden	1 March 2015	4	Not a member	Not a member
Christine Kinnon [‡]	University College London, Great Ormond Street Institute of Child Health	1 March 2015	5	Not a member	Not a member
Olivia Frame ^{**}	Self management uk	1 March 2015 – July 2016	0 (2)	Not a member	0 (2)
Lucy Moore [^]	Self management uk	October 2016	1 (2)	Not a member	Not a member
Muhammad Miah [‡]	Great Ormond Street Hospital School	1 March 2015	3	Not a member	Not a member
Hazel Fisher	NHS England	31 March 2015	1	Not a member	Not a member

* uncontested election in March 2015 for a second three-year term

‡ re-elected or re-appointed in March 2015 for a second three-year term

† newly elected in March 2015 for a three-year term

^ newly elected or appointed in 2016

** stood down in 2016/17

¹ The public constituency of North London and surrounding area incorporates the electoral areas of:

- North London: Barking and Dagenham, Barnet, Brent, Camden, City of London, Hackney, Ealing, Enfield, Hammersmith and Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Kensington and Chelsea, Newham, Redbridge, Tower Hamlets, Waltham Forest, Westminster.
- Bedfordshire: Bedford, Central Bedfordshire, Luton.
- Hertfordshire: Broxbourne, Dacorum, East Hertfordshire, Hertfordshire, Hertsmere, North Hertfordshire, St Albans, Stevenage, Three Rivers, Watford, Welwyn Hatfield.
- Buckinghamshire: Aylesbury Vale, Buckinghamshire, Chiltern, Milton Keynes, South Bucks, Wycombe.
- Essex: Basildon, Braintree, Brentwood, Castle Point, Chelmsford, Colchester, Epping Forest, Essex, Harlow, Maldon, Rochford, Southend on Sea, Tendring, Thurrock, Uttlesford.

² The public constituency of South London and surrounding area incorporates the electoral areas of:

- South London: Bexley, Bromley, Croydon, Greenwich, Royal Borough of Kingston upon Thames, Lambeth, Lewisham, Merton, Richmond upon Thames, Southwark, Sutton, Wandsworth.
- Surrey: Elmbridge, Epsom and Ewell, Guildford, Mole Valley, Reigate and Banstead, Runnymede, Spelthorne, Surrey Heath, Tandridge, Waverley, Woking.
- Kent: Ashford, Canterbury, Dartford, Dover, Gravesham, Maidstone, Medway, Sevenoaks, Shepway, Swale, Thanet, Tonbridge and Malling, Tunbridge Wells.
- Sussex: Brighton and Hove, East Sussex, Eastbourne, Hastings, Lewes, Rother, Wealden, Adur, Arun, Chichester, Crawley, Horsham, Mid Sussex, West Sussex, Worthing.

Members' Council expenses

Councillors can claim reasonable expenses for carrying out their duties. For the year 2016/17 the total amount claimed by five councillors was £522.43.

Register of interests

Councillors sign a code of conduct and declare any interests that are relevant and material. The register of interests for all members of the Members' Council is published annually and can be found at www.gosh.nhs.uk/about-us/foundation-trust/members-council/meet-councillors and may also be obtained from the Company Secretary, Executive Offices, Paul O'Gorman Building, Great Ormond Street, London WC1N 3JH.

Contacting a councillor

Anyone wanting to get in touch with a councillor and/or directors can email foundation@gosh.nhs.uk and the message is forwarded on to the relevant person. These details are included within the foundation trust 'contact us' section of the Great Ormond Street Hospital NHS Foundation Trust website, www.gosh.nhs.uk.

Trust Board and Members' Council working together

The Trust's Chairman is responsible for the leadership of both the Members' Council and the Trust Board. The Chairman is also responsible for effective relationship building between the Trust Board and councillors to ensure that councillors effectively perform their statutory duties and contribute to the forward planning of the organisation. There has been continued focus on developing relationships between the Members' Council and non-executive directors in this reporting period, with a dedicated group of councillors and board members developing a programme of work to facilitate future engagement.

Examples of how the Council and Board work together include:

- Executive and non-executive directors attend each Members' Council meeting
- Summaries of the Board assurance committees (Audit Committee, Quality and Safety Assurance Committee and Finance and Investment Committee) are presented by the relevant non-executive director chairs of the committees at each Council meeting
- Summaries of Members' Council meetings are reported to the Trust Board
- The Members' Council has an open invitation to attend all Trust public Board meetings
- The Members' Council receive the agenda and minutes of both the public and confidential Trust Board sessions
- Councillors observe at Trust Board assurance committee meetings
- Councillors and Board members sit on the Well-Led Governance Working Group

In 2016/17 the Members' Council has:

- Contributed to the development of the Trust's new EPR programme
- Participated in the GOSH Well-Led Governance Review and Well-Led Governance Review Group
- Been consulted on Phase 4 of the Trust's Redevelopment Project
- Been consulted on the selection of an indicator for auditing for the Trust's *Quality Report 2016/17*
- Been consulted on and developed the GOSH integrated Business Plan and strategy
- Approved and conducted the appointment process for a new chairman and a new non-executive director

Members' Council Nominations and Remuneration Committee

The Members' Council Nominations and Remuneration Committee has delegated responsibility from the Members' Council to:

- Review the balance of skills, knowledge, experience and diversity of the non-executive directors
- Succession plan for the chairman and non-executive directors in the course of its work
- Identify and nominate candidates to fill non-executive posts
- Consider any matter relating to the continuation of any non-executive director
- Review the results of the performance evaluation process for the chairman and non-executive directors

The committee is chaired by the Chairman of the Trust Board and Members' Council. Councillor members nominate themselves each year to sit on the committee, and the length of tenure for a councillor will normally be three years.

Membership and attendance of councillors at meetings is detailed on page 44.

Non-executive director appointments

Non-executive directors are appointed for a three-year tenure and can be reappointed for a further three years (subject to consideration and approval by the Members' Council).

In December 2016, Baroness Tessa Blackstone, Chairman of the Trust Board and Members' Council announced that she would be stepping down from role on 30 April 2017. The appointment process for a new chairman was approved by the Members' Council in February 2017. External advisers from Harvey Nash supported the process, speaking to over 400 interested people across a range of sectors

Short-listed candidates were invited to attend the Trust to meet key stakeholders including representatives from the GOSH Children's Charity, University College London, senior GOSH clinicians and a parent representative. They were also taken on a tour of the hospital with an ex-GOSH patient and a senior nurse. The interview panel included a majority of councillors (four) and the Interim Chairman. An independent panel member attended (a current chairman of a large foundation trust). The panel recommended to the Members' Council a preferred candidate. The Council was appraised of the outcome of the stakeholder panel meeting, tour, interview and information from referees. The Council approved the appointment of Sir Michael Rake as substantive Chairman, subject to satisfactory completion of relevant employment checks. The new chairman will start in post on 1 November 2017 and will be invited to start a comprehensive induction programme on the lead up to his appointment.

In 2016/17, the following recommendations made by the Members' Council Nominations and Remuneration Committee were approved by the Members' Council:

- The appointment of Mr James Hatchley, a new Non-Executive Director, for a period of three years from 1 September 2016 – 31 August 2019
- The appointment of Mary MacLeod, Non-Executive Director, as Deputy Chairman from 1 September 2016

- The process for appointing a new chairman of the Trust Board and Members' Council
- Extension of the deputy chairman's tenure for two months ending on 31 October 2017
- The appointment of Mary MacLeod as Interim Chairman from 1 May 2017
- The appointment of James Hatchley as Senior Independent Director from 1 May 2017
- The appointment of Akhter Mateen as Deputy Chairman from 1 May 2017

The Trust constitution explains how a Board member may not continue in the role if he/she has been:

- Adjudged bankrupt
- Made a composition or arrangement with, or granted a trust deed for, creditors and has not been discharged in respect of it
- In the preceding five years, convicted in the British Islands of any offence if a sentence of imprisonment (whether suspended or not) for a period of not less than three months (without the option of a fine) was imposed on him

Annex 7 of the constitution outlines additional provisions for the removal of the chairman and non-executive directors, which requires the approval of three-quarters of the members of the Members' Council. If any proposal to remove a non-executive director is not approved at a meeting of the Members' Council, no further proposal can be put forward to remove such non-executive director based upon the same reasons within 12 months of the meeting.

Other work of the committee

The Members' Council Nominations and Remuneration Committee conducted a benchmarking exercise on non-executive director remuneration packages. Further information can be found on page 52.

The committee considered the results of the appraisals of the chairman and non-executive directors as well as revised objectives for the chairman and non-executive directors for 2017-18. The Members' Council approved the results of the appraisals and the revised objectives at its meeting in April 2017.

Engaging GOSH patients, families and members

Patients and parents

We are committed to delivering the best possible patient experience and involving patients and families in making improvements. To understand how we are performing, we seek feedback from these groups in a variety of ways. Crucially, we ensure that we actively listen to both positive and negative feedback, and respond with action when it's needed. To read about the improvements we made this year in response to comments, see page 23 in the performance report.

Our routes for patient/parent feedback include some in common with other settings, such as the national Friends and Family Test (FFT) and the Patient Advice and Liaison Service (Pals). We also have bespoke ways through which we welcome views, such as our open listening events and our growing Young People's Forum for 11–25 year olds.

This year our Patient and Family Experience and Engagement Committee (PFEEC), which includes four parent representatives and key staff from across the hospital, drove several improvements. Parent representatives go on 'walkabouts' in the hospital, seeing the environment and feeling the atmosphere for themselves. For more information about the way we've developed the use of FFT at GOSH, see page 110 of the *Quality Report*.

Members

Members receive updates on hospital news and are invited to get involved throughout the year. We have seen an increase in members attending Members' Council meetings as observers. Members also have the opportunity to vote in elections and stand for election to the Members' Council, see page 43.

The Membership and Engagement Committee, a subcommittee of the Members' Council, oversees the recruitment and retention of members and seeks to maximise engagement opportunities with members for the benefit of the Trust. The committee undertook a review of its role during the year and updated its terms of reference, changing its name to the Membership Engagement Recruitment and Representation Committee. This change reflects the importance of the role of councillors in representing members.

The committee is chaired by a parent and carer councillor, with the support of a deputy chair from the public constituency. Last year's achievements included:

- Development of membership case studies continued during an away day in September
- A steady growth of our patient and carer and public membership
- Planning and delivery of a successful Annual General Meeting and Annual Members Meeting, including filming of the event which was published on the Trust website

Complaints

All complaints are dealt with openly and honestly with the aim of providing appropriate remedy for the complainant. The Complaints team coordinate the investigation of complaints to timescales agreed with the complainant, who is kept updated throughout. A final response is sent from a member of the Executive team and we usually offer a meeting with relevant staff to discuss any remaining concerns. If the complainant is not satisfied by the Trust's response, they can request the Parliamentary and Health Service Ombudsman (PHSO) to review their complaint.

As part of complaint investigations, we identify lessons learnt and areas for service improvement and devise action plans. These are logged and the Complaints team follows up for regular progress reports from the staff responsible. Collaboration with Quality Improvement and Clinical Audit assures learning and accountability.

In 2016/17 GOSH received 103 formal complaints. Ninety-nine of these complaints were investigated in line with the NHS Complaint Regulations (some were withdrawn or related to care in previous years). During the year, one complaint was referred to the PHSO and accepted for investigation. The PHSO reached their final decision on two complaints during 2016/17 (one from a previous year). Of these, one was not upheld by the Ombudsman and one was partly upheld.

Consultations

In 2016/17, the Trust and Trust Board has consulted patients, families, members, the public and staff on a variety of issues:

- The Trust held a Listening Event in November 2016 (see page 112 of the *Quality Report*)
- The Young People's Forum and our staff took part in the Takeover Challenge, a national event launched by the Children's Commissioner for England, which challenges young people to take over prominent job roles within professional organisations
- The Young Person's Forum took part in workshops to review how electronic patient records could work, including ideas for a 'patient portal' for patients to access information about appointments and test results
- A survey was conducted about the breadth of research and interaction with research by staff, patients and parent/carers in the hospital to inform development of plans for the Research Hospital strategy
- Some of the world's leading architects took part in a competition to design a new clinical building for the fourth phase of our ongoing redevelopment programme. Staff, patients, families, carers and neighbours were invited to an exhibition showcasing their design ideas
- An audit was conducted to learn from the experience of bereaved parents and carers whose children died at GOSH and evaluate how supportive the experience at GOSH was for the bereaved. Families noted the high quality and great value to the care they received at and following bereavement at GOSH and provided feedback on how communication between families could be further improved
- In July 2016, NHS England published a set of proposals regarding the future commissioning of congenital heart disease (CHD) services for children and adults. They describe the actions which commissioners propose to take in order to ensure a consistent standard of care for CHD patients across the country. A consultation on the implications of the proposals started in February 2017, due to run to June 2017, to better understand how any changes might affect patients, carers and staff. The consultation outlines how GOSH is very close to meeting all of the national service standards. GOSH has submitted a response to NHS England about the implication of the standards on capacity at the Trust. In March 2017, a public event was held in partnership with NHS England, aimed at engaging staff and families in the proposals. The outcome of the consultation is awaited.

Volunteering

The Trust has an excellent reputation in the way we include, support and train our volunteers in diverse and exciting roles that add tremendous value. GOSH volunteers exemplify *Our Always Values*, being Always Welcoming, Always Helpful, Always Expert and Always One Team through all of their work.

This year we saw a significant increase in the number of people volunteering at GOSH, rising by more than 20% to just over 1,000 individuals.

Volunteers provide emotional and practical support for staff, patients and parents, as well as bringing some fun to a hospital stay for many children. Our volunteers work across 72 different roles, ranging from play volunteers and befrienders, to information desk volunteers and ward administrators.

Working with partner and stakeholder organisations

During 2016/17, the Trust has entered into or continued with formal arrangements with the following organisations, which are essential to the Trust's business.

The UCL Great Ormond Street Institute of Child Health

In August 2016, the UCL Institute of Child Health became the UCL Great Ormond Street Institute of Child Health (ICH). This name change reflects the close and unique partnership between GOSH and our research partner, ICH, in driving the successful development of innovative new treatments for children with rare diseases. Together, we host the NIHR Great Ormond Street BRC and represent the largest concentration of paediatric research expertise in Europe, and the largest outside of North America.

Great Ormond Street Hospital Children's Charity

GOSH Children's Charity is a vital partner that offers tremendous support both by raising money and through its network of corporate partners. The charity makes it possible for GOSH to redevelop its buildings, buy new equipment, fund paediatric research conducted at the hospital and at ICH, and to make the patient experience as good as it can be. In 2016/17, the charity's total income was just over £92 million – another strong year. Further information about the work of the charity can be found at www.gosh.org.

UCLPartners

One of five accredited academic health science systems in the UK, UCLPartners (UCLP) is an academic health science centre between UCL, Queen Mary University of London, the London School of Hygiene and Tropical Medicine, and four of London's most prestigious hospitals and research centres, including GOSH. By sharing knowledge and expertise between different specialist institutions through UCLP, GOSH can better support the advancement in scientific knowledge and ensure healthcare benefits are passed to patients as quickly as possible. Further information about UCLP can be found at www.uclpartners.com.

Our commissioners

More than 90% of our clinical services are commissioned by NHS England, with the remaining 10% being delivered through arrangements with 205 clinical commissioning groups (CCGs). The Trust has a proactive working relationship with NHS England, and holds regular contract meetings with commissioners to discuss service demand, quality indicators and finance. Many of our clinicians are engaging with the clinical reference groups established by NHS England to provide clinical input into standards and strategic planning of each specialised service.

Referrers and clinical networks

Many GOSH specialised services operate with other healthcare providers in local, regional and national clinical networks of care. GOSH teams also play a role in working with other healthcare organisations, such as through the provision of outreach clinics, as a source of specialist clinical advice and as members of clinical reference and formulary groups. Working closely with referrers and within networks of care to strengthen shared care arrangements is a key strategic aim for the Trust.

Children's Healthcare Alliance and European Children's Hospital Organisation

The Trust is a member of the Children's Healthcare Alliance, a strategic oversight body involving children's hospitals in the UK. The European Children's Hospital Organisation is a new organisation made up of different children's hospitals from across Europe, providing an opportunity for hospitals that share a common mission and face similar challenges to share expertise and contribute to the advancement of paediatric services. Dr Peter Steer, Chief Executive, chairs both of these meetings.

Monroe is two years old and having tests for suspected epilepsy on Koala Ward.



Remuneration report

The Trust Board Remuneration Committee is chaired by a non-executive director and is responsible for reviewing the terms and conditions of office of the Board's executive directors, including salary, pensions, termination and/or severance payments and allowances.

Directors' remuneration

Details of remuneration, including the salaries and pension entitlements of the Trust Board, are provided on page 53. The only non-cash element of the most senior managers' remuneration packages is pension-related benefits accrued during membership of the NHS Pension Scheme. Contributions into the scheme are made by both the employer and employee in accordance with the statutory regulations.

Remuneration policy

The structure of pay for senior managers is designed to reflect the long-term nature of the Trust's business and the significance of the challenges we face. The remuneration should therefore ensure that it acts as a legitimate and effective method to attract, recruit and retain high-performing individuals to lead the organisation. That said, the financial and economic climate across the health sector position must also be considered.

NHS trusts, including foundation trusts, are free to determine the pay for senior managers, in collaboration with the Trust Board's Remuneration Committee. Historically, reference has been made to benchmarking information available from other comparable teaching hospitals, and any recommendations made on pay across the broader NHS, when looking to recommend any potential changes to the remuneration for senior managers. This includes those under the Agenda for Change terms and conditions, and those senior managers in the NHS covered by national pay frameworks.

Our commitment to senior managers' pay is clear. Whilst consideration is given to all internal and external factors, it is important that GOSH remains competitive if we are to achieve our vision of being the world's leading children's hospital. The same principles of rating performance and behaviour will be applied to senior managers, in line with the Trust's appraisal system. This in turn may result in senior managers having potential increases withheld, and even reduced, as is the case with senior managers under the Agenda for Change principles, should performance fall below the required standard.

Future policy

The future policy table below highlights the components of directors' pay, how we determine the level of pay, how change is enacted and how directors' performance is managed.

How the component supports the strategic objective of the Trust	How the component operates (including provisions for recovery of sums paid; how changes are made)	Maximum potential value of the component	Description of framework used to assess performance
Salary and fees			
Set at an internationally competitive level to attract high-quality directors to a central London base; benchmarked across other NHS Trusts in order to deliver the Trust's strategic objectives.	Salaries are reviewed annually and any changes are normally effective from 1 April each year. Such changes are proposed and made via the Board's Remuneration Committee, chaired by a non-executive director. In exceptional circumstances, reviews of salary may be made outside of this cycle, but are made by the Remuneration Committee and ratified by the Board. Any sums paid in error, malus or recovered due to breach of contract are followed up with the individual.	Change to basic salary is usually enacted as a percentage increase in line with national Agenda for Change pay arrangements, to ensure parity across the Trust (directors are proportionally not treated more favourably than the rest of the Trust).	Trust performance and development review (PDR)/ annual appraisal to set objectives linked to the Trust's strategic objectives. Failure to meet objectives is managed via the Trust's performance frameworks.
Taxable benefits			
Not applicable.			
Annual performance-related bonuses			
Not applicable.			
Long term-related bonuses			
Not applicable.			
Pension-related benefits			
Pension benefits (which may be opted out of) are part of the total remuneration of directors to attract high-calibre staff to enable the Trust to meet its strategic objectives.	Pension is available as a benefit to directors and follows national NHS Pension Scheme contribution rules (or alternative pension provider).	Pension is available as a benefit to directors and follows national NHS Pension Scheme contribution rules (or alternative pension provider). Pension entitlements are determined in accordance with the HMRC method.	Not applicable.
Directors with remuneration (total) greater than £142,500			
The Trust balances the market forces factors for recruiting top director talent with social responsibility in relation to executive pay. Remuneration is regularly benchmarked across peer UK NHS organisations.			
Service contract obligations			
The Trust does not stipulate any special terms in relation to severance arrangements for directors. In any occasion of termination of a contract, directors would not be treated differently from any other member of staff.			
Policy on payment for loss of office			
Directors' contracts primarily stipulate a minimum notice period of six months. Payment in lieu of notice, as a lump sum payment, may be made at the discretion of the Trust and with the approval of the Trust's Remuneration Committee, in line with government limits.			
Statement of consideration of employment conditions elsewhere in the Foundation Trust			
Any changes to directors' remuneration is usually enacted as a percentage increase in line with national Agenda for Change pay arrangements to ensure parity across the Trust. Directors' remuneration is set at the Remuneration Committee and formally ratified by the Trust Board. Initial salary setting and review is undertaken by benchmarking ourselves with peer trusts.			

Remuneration for executive directors

The remuneration and conditions of service of the Chief Executive and executive directors are determined by the Board's Remuneration Committee. The remuneration for other staff is paid in accordance with national terms and conditions of service. The Remuneration Committee is chaired by a non-executive director and meets twice a year, in November and March. Attendance at meetings held in during 2016/17 can be found on page 37.

The committee determines the remuneration of the Chief Executive and executive directors after taking into account uplifts recommended for other NHS staff, any variation in or changes to the responsibilities of the executive directors, market comparisons, and job evaluation and weightings. There is some scope for adjusting remuneration after appointment as directors take on the full set of responsibilities in their role.

Affordability is also taken into account in determining pay uplifts for directors. Where it is appropriate, terms and conditions of service are consistent with NHS pay arrangements, such as Agenda for Change.

Performance is closely monitored and discussed through both annual and ongoing appraisal processes. All executive directors' remuneration is subject to performance – they are employed on contracts of employment and are substantive employees of the Trust. Their contracts are open-ended employment contracts, which can be terminated by either party with six months' notice. The Trust redundancy policy is consistent with NHS redundancy terms for all staff. All new directors are now employed on probationary periods in line with all non-medical staff within the Trust.

In the event of loss of office (eg through poor performance or misconduct), the Trust will apply the principles and policies set out in this area within its relevant employment policies. Any such termination of employment would be a matter for consideration by the Board's Remuneration Committee and subject to audit by its Audit Committee.

For the financial year 2016/17, the committee:

- Approved a correction to the Medical Director's salary (from 1 April 2016)
- Approved an uplift in salary to the Director of Redevelopment's salary in recognition of additional duties through incorporation of the estates and facilities portfolio. The new role is now known as Director of Development and Property Services
- Conducted a benchmarking exercise on executive director remuneration packages to ensure they are competitive in terms of total remuneration when compared to similar jobs in genuinely comparatively NHS organisations. To inform the benchmarking exercise, data was used from NHS Providers, the AUKUH (Association of UK University Hospitals – the organisation for teaching hospitals in the UK) and from specific requests to comparable trusts where this data was not available through the former two means

Remuneration for non-executive directors

The Members' Council Nominations and Remuneration Committee conducted a benchmarking exercise on non-executive director remuneration packages to ensure they are competitive in terms of total remuneration when compared to other NHS organisations. To inform the benchmarking exercise, data was used from NHS Providers. Following a recommendation from the committee, the Council approved the remuneration of the chairman and non-executive directors for 2017/18:

- Chairman's remuneration 1 April 2017–31 March 2018: £55,000pa
- Non-executive directors' remuneration 1 April 2017–31 March 2018: £14,000pa
- Deputy chairman/Chairman of Audit Committee and SID's remuneration 1 April 2017–31 March 2018: £19,000pa for each of the two posts

Details of remuneration for the executive and non-executive directors are provided on the right:

Non-executive directors 2016/17 (£000)

Name	Title	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits	Total
Baroness Tessa Blackstone	Chairman of Trust Board	50–55	0	0	0	0	50–55
Mr James Hatchley	Non-Executive Director (from 1 September 2016)	5–10	0	0	0	0	5–10
Mr David Lomas	Non-Executive Director	10–15	0	0	0	0	10–15
Ms Mary MacLeod OBE	Non-Executive Director	15–20	0	0	0	0	15–20
Mr Akhter Mateen	Non-Executive Director	10–15	0	0	0	0	10–15
Professor Stephen Smith	Non-Executive Director	10–15	0	0	0	0	10–15
Professor Ros Smyth	Non-Executive Director	0–5	0	0	0	0	0–5
Mr Charles Tilley	Non-Executive Director (until 31 August 2016)	5–10	0	0	0	0	5–10

Non-executive directors 2015/16 (£000)

Name	Title	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits	Total
Baroness Tessa Blackstone	Chairman of Trust Board	50–55	0	0	0	0	50–55
Mr James Hatchley	Non-Executive Director (from 1 September 2016)	n/a	n/a	n/a	n/a	n/a	n/a
Mr David Lomas	Non-Executive Director	10–15	0	0	0	0	10–15
Ms Mary MacLeod OBE	Non-Executive Director	15–20	0	0	0	0	15–20
Mr Akhter Mateen	Non-Executive Director	10–15	0	0	0	0	10–15
Professor Stephen Smith	Non-Executive Director	0–5	0	0	0	0	0–5
Professor Ros Smyth	Non-Executive Director	0–5	0	0	0	0	0–5
Mr Charles Tilley	Non-Executive Director (until 31 August 2016)	15–20	0	0	0	0	15–20

Executive directors 2016/17 (£000)

Name	Title	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits	Total
Mr Trevor Clarke	Director of the International and Private Patients Division	80–85	0	0	0	30–32.5	115–120
Dr Vinod Diwakar	Medical Director (until 31 December 2016)	80–85	0	0	0	120–122.5	205–210
Professor David Goldblatt	Director of Clinical Research and Development	7.5–10	0	0	0	0	5–10
Mrs Juliette Greenwood	Chief Nurse	125–130	0	0	0	32.5–35	160–165
Ms Nicola Grinstead	Deputy Chief Executive	135–140	0	0	0	135–137.5	275–280
Dr David Hicks	Interim Medical Director (from 1 January 2017)	95–100	0	0	0	0	95–100
Mr Paul Labiche	Director of Estates and Facilities	70–75	0	0	0	22.5–25	95–100
Mr Niamat (Ali) Mohammed	Director of Human Resources	120–125	0	0	0	75–77.5	200–205
Mrs Claire Newton	Interim Director of Strategy and Planning (until 21 July 2016)	45–50	0	0	0	7.5–10	50–55
Mr Ward Priestman	Interim Director of Information and Communication Technology	140–145	0	0	0	0	140–145
Mrs Loretta Seamer	Chief Finance Officer	150–155	0	0	0	0	150–155
Dr Peter Steer	Chief Executive	210–215	0	0	0	47.5–50	260–265
Mr Matthew Tulley	Director of Development	130–135	0	0	0	67.5–70	200–205

Executive directors 2015/16 (£000)

Name	Title	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits	Total
Mr Trevor Clarke	Director of the International and Private Patients Division	80–85	0	0	0	15–20	95–100
Dr Vinod Diwakar	Medical Director (until 31 December 2016)	90–95	0	0	0	0	90–95
Professor David Goldblatt	Director of Clinical Research and Development	5–10	0	0	0	0	5–10
Mrs Juliette Greenwood	Chief Nurse	110–115	0	0	0	65–70	180–185
Ms Nicola Grinstead	Deputy Chief Executive	n/a	n/a	n/a	n/a	n/a	n/a
Dr David Hicks	Interim Medical Director (from 1 January 2017)	n/a	n/a	n/a	n/a	n/a	n/a
Mr Paul Labiche	Director of Estates and Facilities	85–90	0	0	0	20–25	110–115
Mr Niamat (Ali) Mohammed	Director of Human Resources	120–125	0	0	0	15–20	140–145
Mrs Claire Newton	Interim Director of Strategy and Planning (until 21 July 2016)	125–130	0	0	0	15–20	145–150
Mr Ward Priestman	Interim Director of Information and Communication Technology	70–75	0	0	0	0	70–75
Mrs Loretta Seamer	Chief Finance Officer	n/a	n/a	n/a	n/a	n/a	n/a
Dr Peter Steer	Chief Executive	205–210	0	0	0	45–50	255–260
Mr Matthew Tulley	Director of Development	125–130	0	0	0	25–30	150–155

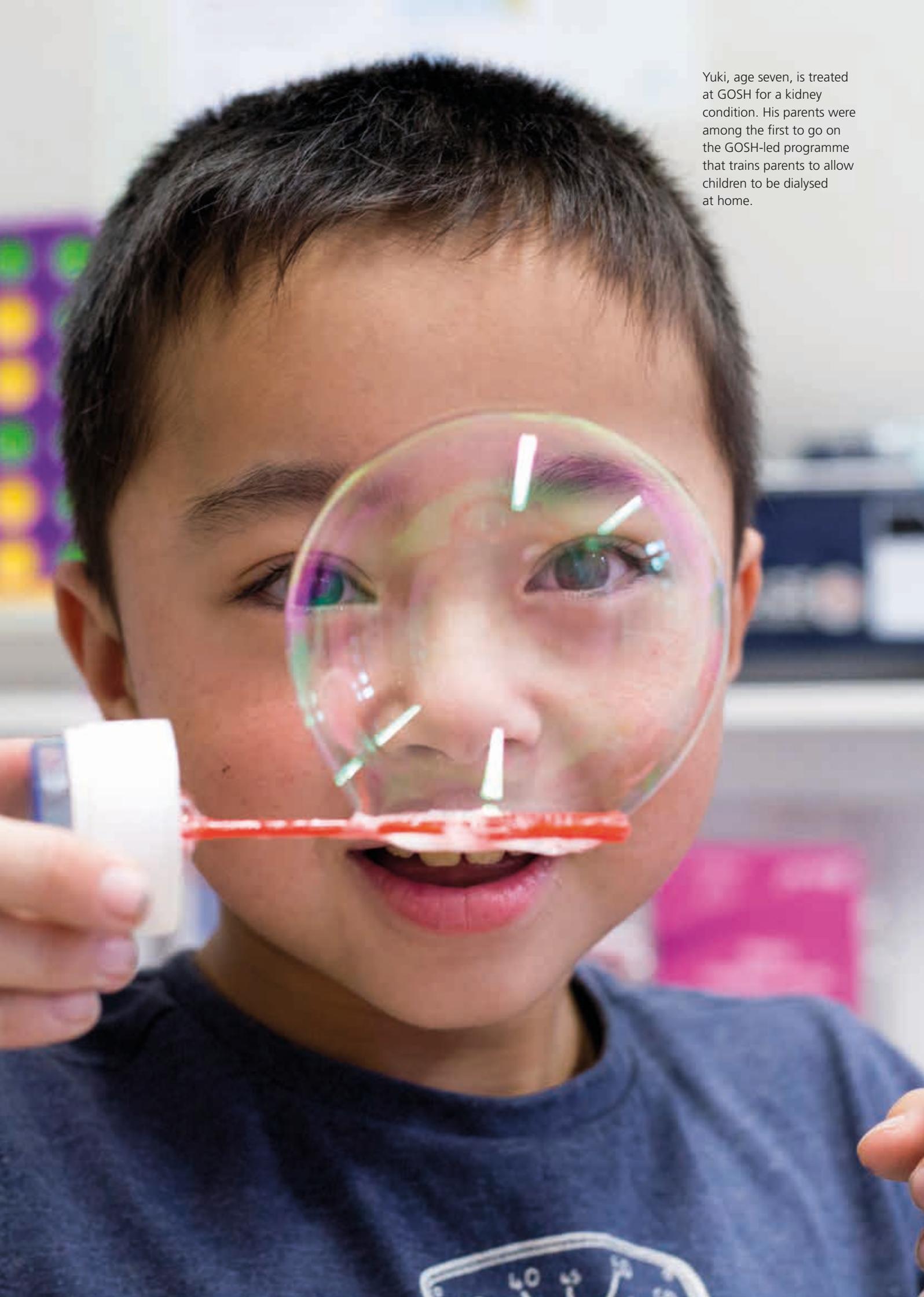
Pension entitlements of senior managers (£000)

Name	Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2017 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2017 (bands of £5,000)	Cash equivalent transfer value at 1 April 2016	Real increase/(decrease) in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2017
Mr Trevor Clarke	Director of the International and Private Patients Division	0–2.5	5–7.5	40–45	125–130	846	88	934
Dr Vinod Diwakar	Medical Director (until 31 December 2016)	7.5–10	10–12.5	45–50	125–130	638	135	773
Mrs Juliette Greenwood	Chief Nurse	0–2.5	5–7.5	55–60	165–170	1,006	76	1,082
Ms Nicola Grinstead	Deputy Chief Executive	5–7.5	12.5–15	30–35	75–80	296	68	364
Mr Paul Labiche	Director of Estates and Facilities	0–2.5	0	10–15	20–25	216	32	248
Mr Niamat (Ali) Mohammed	Director of Human Resources	2.5–5	5–7.5	40–45	125–130	722	110	832
Mrs Claire Newton	Interim Director of Strategy and Planning (until 21 July 2016)	0–2.5	0–2.5	10–15	40–45	300	24	324
Dr Peter Steer	Chief Executive	2.5–5	0	5–10	0	65	59	124
Mr Matthew Tulley	Director of Development	2.5–5	2.5–5	30–35	80–85	419	60	479

Median pay

	2016/17	2015/16
Band of the highest paid director's total remuneration (£000)	210–215	205–210
Median total remuneration	39,192	42,106
Ratio	5.4	4.9

The highest paid director in 2016/17 was the Chief Executive whose remuneration was in the band £210,000–£215,000. This was 5.4 times the median remuneration for all members of the Trust. The calculation is based upon full-time equivalent Trust staff for the year ended 31 March 2017 on an annualised basis.



Yuki, age seven, is treated at GOSH for a kidney condition. His parents were among the first to go on the GOSH-led programme that trains parents to allow children to be dialysed at home.

Staff report

Staff numbers

In 2016/17, the Trust employed an average of 4,384 full-time equivalent (FTE) staff. This included 115 FTE staff on maternity leave. The main increase from the prior year was in the administration group, which included approximately 100 FTE to assist in the validation of data. This project is now complete at the end of March 2017. Our staff group profile is as follows:

Average number of people employed, including agency, maternity leave and bank staff	Year to 31 March 2017			Year to 31 March 2016
	Total Number	Permanently employed Number	Other Number	Total Number
Medical and dental	626	586	40	587
Administration and estates	1,200	1,029	171	1,020
Healthcare assistants and other support staff	297	269	28	291
Nursing, midwifery and health visiting staff	1,479	1,366	113	1,421
Scientific, therapeutic and technical staff	777	748	29	743
Other staff	5	5	0	6
Total	4,384	4,003	381	4,068
Staff on maternity leave included in above	115			112

Staff costs

Gross staff costs were £19.3m higher in 2016/17 compared to 2015/16. In addition to the costs of the nationally agreed 1% cost of living uplift for staff and incremental point increases, social security costs increased by £4.4m as a result of an increase in employer National Insurance costs from April 2016. Pension costs increased by £1.3m and temporary staff costs increased by £1.7m due to increased staff numbers to validate RTT activity.

Employee costs	Year to 31 March 2017			Year to 31 March 2016
	Total £000	Permanently employed £000	Other £000	Total £000
Salaries and wages	193,437	191,013	2,424	181,307
Social security costs	19,440	19,440	0	15,000
Pension cost – defined contribution plans employer's contributions to NHS pensions	21,194	21,194	0	19,926
Pension costs – other	82	82	0	0
Temporary staff – agency/contract staff	9,318	0	9,318	7,574
Termination benefits	46	46	0	414
Total gross staff costs	243,517	231,775	11,742	224,221
Recoveries from DH Group bodies in respect of staff cost netted off expenditure	(1,401)	0	(1,401)	(1,770)
Recoveries from other bodies in respect of staff costs netted off expenditure	(292)	0	(292)	0
Total staff costs	241,824	231,775	10,049	222,451
Included within:				
Costs capitalised as part of assets	2522	1,549	973	1,874
Analysed into operating expenditure				
Employee expenses – staff	224,789	215,231	9,558	206,394
Employee expenses – executive directors	1,781	1,781	0	1,899
Research and development	12,686	12,686	0	11,870
Redundancy	46	46	0	414
Total employee benefits excluding capital costs	239,302	230,226	9,076	220,577

Health and safety

We are committed to effectively controlling risks and preventing harm to all patients, visitors and staff. GOSH employees reported 760 health and safety incidents in 2016/17, including 148 patient safety incidents and one serious incident. This is a reduction from 2015/16, when 822 incidents were reported, 142 of which were patient safety incidents.

In conjunction with the incident reporting system, the Trust uses proactive means of identifying and subsequently mitigating risks. These include auditing the entire Trust using a tool which monitors compliance against statutory regulations and measures performance against any safety critical alerts or Trust/paediatric specific criteria. The governance structure ensures that any statutory compliance is undertaken within stated legislative guidelines.

Our capital redevelopment program brings with it inherent risks, especially as it is in such close proximity to the clinical environment. Measures are in place that put additional controls on the construction work and ensures that redevelopment fits around the delivery of the clinical care, not vice versa.

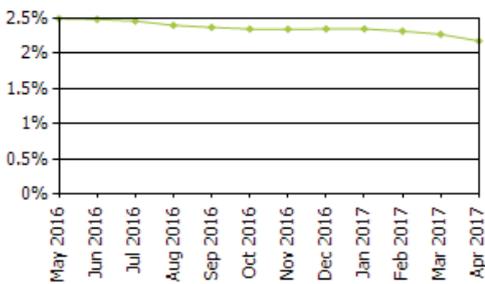
Health and sickness

The health of our staff is a top priority and we offer a range of wellbeing support and benefits including:

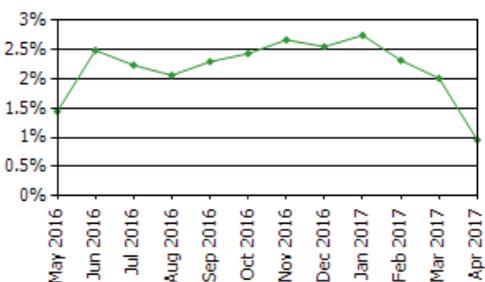
- A free on-site staff physiotherapy service
- Counselling and advice service available 24/7
- A full Occupational Health service (which helped ensure in 2016 that over 60% of our staff were vaccinated against flu)
- A wide range of sports and social activities, including yoga, netball and football teams, Pilates, and a pedometer challenge

The detailed results of our staff survey (see below) showed that our staff feel supported by their managers to manage their health (GOSH scored 3.72 out of 5, compared to an average for all NHS trusts of 3.62) and are highly committed to not letting down their patients, families and each other. This passion is a key component in our low absence rates, but the support we provide is essential in helping our workforce to keep well.

Rolling 12 Month Sickness Rate



Monthly Sickness Rate - All Staff Groups



Equality, diversity and inclusion

Living our 'Always Value' of One Team means recognising and celebrating diversity at GOSH. In 2016 our senior leadership team participated in events on faith, ethnicity and gender, and we started to provide new unconscious bias training for our HR and Organisational Development (OD) teams and other managers. Meeting the requirements of the new NHS Workforce Race Equality Scheme, we published our extensive annual data report on equality, diversity and inclusion issues in January.

We will work with our staff in the coming year to meet the new gender pay gap reporting regulations.

On 31 March 2017, the gender mix of GOSH directors, senior managers and staff was:

Total employees



	Female	Male
Directors	43% (6)	57% (8)
Senior managers	75% (15)	25% (5)
Staff	78% (3,402)	22% (961)

Disability

The Trust was compliant with the Two Ticks standard which recognises our commitment to employ, support and develop staff who have disabilities. This commitment remains unchanged, and in 2017/18 GOSH will become a Disability Confident employer. We have an Equal Opportunities Policy and a Recruitment and Selection Policy and procedure which support applications from disabled candidates to receive full and fair consideration. We also provide training on fair recruitment and advice to managers.

If a GOSH employee becomes disabled, our Occupational Health department (with input from specialist agencies as necessary) advises on how we can support their needs. This might include adjustments to job roles and their training needs in order to continue working safely and effectively. Our Managing Attendance Policy has specific provision to support staff with disabilities.

We have a policy of regular appraisals for all our staff, which provides an opportunity for the training and personal development of all employees to be discussed on an individual basis, taking into account their particular needs. In the coming year we will prepare for the introduction of the Workforce Disability Equality Standard in April 2018.

Engaging and listening to staff

We provide frequent opportunities for staff across the hospital to ask questions and share ideas, particularly with senior colleagues. This is important in helping us to live *Our Always Values* of Always One Team and Always Expert.

Our monthly executive talks, led by the Chief Executive, have an open invitation to all employees. In 2016 we also introduced breakfast sessions and visibility walk rounds, where staff can meet with members of the executive team in a less formal setting. Another introduction was to extend monthly senior management

team meetings and include a wider audience of clinical leaders, such as matrons. These meetings have provided an opportunity for discussion of topical issues such as the electronic patient record programme and our refreshed strategy.

We continue to hold regular discussions with formal staff representatives through our Staff Partnership Forum and Members' Council. We consult staff on changes that may affect them, such as organisational restructures, and carefully review the feedback they give as part of the annual staff survey and Staff FFT.

Staff survey

Our response rate of 60% in the 2016 annual staff survey is among the highest in the country. The findings are discussed by our Trust Board and senior management teams, as well as being shared widely with staff, along with the results of the quarterly Staff FFT.

Ninety per cent of our staff would recommend GOSH as a place to be treated and over 70% as a place to work. We will ask our staff for ideas on how we can continue to make improvements in their experience at work.

We are confident from the results of the survey that our knowledgeable staff not only recognise errors and near misses when they witness them, but that they consistently report them and have high levels of confidence in the incident reporting mechanisms. We carefully review all incidents to ensure we learn from them and avoid them in the future.

We know that our young patients can sometimes express anxiety or frustration physically, and our staff may not always report this. Similarly, parents in stressful situations very occasionally become aggressive. In all circumstances, we are committed to balancing the care of the child with the wellbeing of our staff and will continue to emphasise the importance of reporting violent incidents so that together we can improve how we prevent or manage them.

We will continue to listen to our staff as we develop our work on equality, diversity and inclusion. We aim to increasingly incorporate unconscious bias training into development for our leaders, and will be reviewing our recruitment practices in the coming year.

Recognising and rewarding performance

This year we emphasised the importance of regular staff appraisals as a formal opportunity for line managers to recognise the achievements of individuals. Staff rated the quality of their appraisal at GOSH higher than average (see staff survey above).

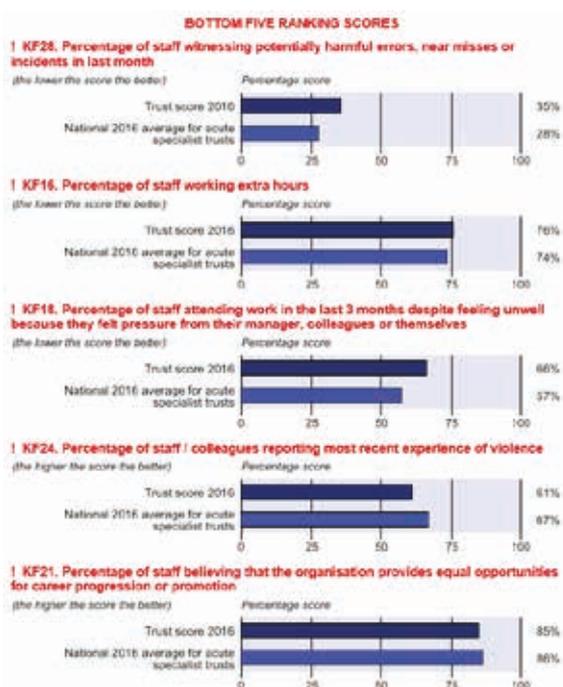
Our GOSH GEMS awards attract high quality nominations from a wide range of clinical and non-clinical staff groups, and increasingly from patients and families (see page 13 under Twelve months at GOSH).

In 2016, the Chief Executive started to present these awards formally at the monthly open briefing sessions, so that he and the executive team can visibly celebrate outstanding staff. Our annual award ceremony is one of the highlights of the GOSH year, with many clinical and non-clinical teams gathering to recognise the achievements of colleagues and hear directly from patients and parents about the difference we make to their lives through outstanding clinical care and living *Our Always Values*.

Raising concerns at GOSH

Implementation of the Trust's Raising Concerns in the Workplace Policy is monitored by the Audit Committee. The 2016 staff survey found that 94% of our staff would know how to report a concern about unsafe clinical practice, and 71% would feel secure about raising their concerns. These results are on a par with those of other acute specialist hospitals.

Following the recommendations of *Freedom to speak up?* – a review into creating an open and honest reporting culture in the NHS – GOSH has appointed volunteer ambassadors to help staff who want to raise concerns. The new service helps signpost staff to the most appropriate informal and formal routes available for raising any concerns. The ambassadors act as a first point of contact for staff who have concerns that fall under the policy.



NHS Foundation Trust

code of governance – disclosures

Principal activities of the Trust

Information on the principal activities of the Trust, including performance management, financial management and risk, efficiency, employee information (including consultation and training) and the work of the research and development division and IPP division is outlined in the performance report. Page 12 summarises GOSH's purpose and activities.

Code of governance

Great Ormond Street Hospital NHS Foundation Trust has applied the principles of the *NHS Foundation Trust Code of Governance* on a 'comply or explain' basis. The *NHS Foundation Trust Code of Governance*, most recently revised in July 2014, is based on the principles of the *UK Corporate Governance Code* issued in 2012.

The Trust Board considers that from 1 April 2016 to 31 March 2017 it was compliant with the provisions of the *NHS Foundation Trust Code of Governance*.

The Well-Led Governance Review recommended that the Board code of conduct (see A1.1.8) is aligned to the Trust's 'Always' values. A review of the code of conduct will be conducted in Q2 2017/18. Further information about the review can be found on page 42.

Better Payment Practice Code

The Trust aims to pay its non-NHS trade creditors in accordance with the Prompt Payment Code and government accounting rules. The Trust has registered its commitment to following the Prompt Payment Code.

The Trust maintained its Better Payment Practice Code performance for non-NHS creditor payments and achieved payment within 30 days of 85% of non-NHS invoices measured in terms of number (85% in 2015/16) and 89% by value (88% in 2015/16).

Income from the provision of goods and services

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

Disclosure of information to auditors

The Trust Board directors who held office at the date of approval of this *Annual Report and Accounts* confirm that, so far as they are each aware, there is no material audit information of which the Trust's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The directors consider that this *Annual Report and Accounts*, taken as a whole, is fair, balanced and understandable and provides the information necessary for readers to assess the Trust's performance, business model and strategy.

Expenditure on consultancy

Information about expenditure on consultancy can be found on page 158.

Off-payroll engagements

Information about off-payroll engagements can be found on page 174.

Political and charitable donations

The Trust has not made any political or charitable donations during 2016/17.

Exit packages

Information about exit packages can be found on page 160.

Going concern

Our going concern disclosure can be found on page 20.

Directors' responsibilities

The directors acknowledge their responsibilities for the preparation of the financial statements.

Safeguarding external auditor independence

While recognising that there may be occasions when the external auditor is best placed to undertake other accounting, advisory and consultancy work on behalf of the Trust, the Board seeks to ensure that the auditor is, and is seen to be, independent. The Trust has developed a policy for any non-statutory audit work undertaken on behalf of the Trust to ensure compliance with the above objective. This policy has been approved by the Members' Council.

Transactions with related parties

Transactions with third parties are presented in the accounts on page 170. None of the other Board members, the Foundation Trust's councillors, or parties related to them have undertaken material transactions with the Trust.

Pension funding

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme, which covers all NHS employers. The Trust makes contributions of 14% to the scheme. From July 2013, staff who are not eligible for the NHS Pension Scheme are subject to the auto-enrolment scheme offered by the National Employment Savings Trust. The Trust contributes 1% for all staff who remain opted in.

Accounting policies for pensions and other retirement benefits are set out in note 1.8 to the accounts.

Remuneration of senior managers

Details of senior employees' remuneration can be found on page 54 of the remuneration report.

Treasury policy

Surplus funds are lodged with the National Loan Fund through the Government Banking Service.

Statement of compliance with cost allocation and charging

The Trust has complied, to the extent relevant, with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Countering fraud and corruption

The Trust has a countering fraud and corruption strategy. Counter-fraud arrangements are reviewed during the year by the Local Counter Fraud Service (LCFS). The LCFS undertakes an ongoing programme of work to raise the profile of counter fraud measures and carries out *ad hoc* audits and specific investigations of any reported alleged frauds. This includes the use of fraud awareness presentations and fraud awareness surveys. The Audit Committee receives and approves the Counter Fraud Annual Report, monitors the adequacy of counter fraud arrangements at the Trust and reports on progress to the Board.

NHS Improvement's Single Oversight Framework

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

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

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework was applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and first two quarters relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation

As at May 2017, the Trust has been placed in Segment 2 by NHS Improvement. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2016/17 Q3	2016/17 Q4
		Score	Score
Financial sustainability	Capital service capacity	2	1
	Liquidity	1	1
Financial efficiency	I and E Margin	2	1
Financial controls	Distance from financial plan	1	1
	Agency spend	3	3
Overall scoring		2	1

Statement of accounting officer's responsibilities

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

Under the NHS Act 2006, Monitor has directed Great Ormond Street Hospital for Children NHS Foundation Trust ('the Trust') to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- Observe the Accounts Direction issued by NHSI, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Prepare the financial statements on a going concern basis

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

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



Dr Peter Steer
Chief Executive

25 May 2017

Audit Committee report

Introduction from the Chairman of the Audit Committee

I am pleased to present the Audit Committee's report on its activities during the year ending 31 March 2017.

The Audit Committee is a non-executive committee of the Trust Board with delegated authority to review the establishment and maintenance of an effective system of integrated governance, risk management and financial, non-financial and non-clinical internal controls, which support the achievement of the Trust's objectives. Key responsibilities include monitoring the integrity of the Trust's accounts, and the effectiveness, performance and objectivity of the Trust's external and internal auditors. In addition, the committee is required to satisfy itself that the Trust has adequate arrangements for countering fraud, managing security and ensuring that there are arrangements by which staff of the Trust may raise concerns.

The Quality and Safety Assurance Committee (QSAC) considers clinical risks and their associated controls (see page 68). An independent non-executive director member of that committee is also an independent non-executive director member of the Audit Committee to ensure that the work of each committee is complementary.

The table on page 65 sets out, in detail, the responsibilities of the Audit Committee and how we have discharged those duties. The report also highlights the key areas considered by the committee in 2016/17, but I will draw particular attention to a small number of these items here.

During 2015/16, issues were identified in relation to the data and information processes required to robustly track patients through their elective pathway, as well as a number of operational processes in place to support these. This action plan to address this issue was finalised in February 2017 with the Trust returning to reporting (see page 78). The action plan was agreed with commissioners and is routinely monitored through a four-party meeting of the Trust, NHS Improvement, CQC and commissioner. During 2016/17, the Audit Committee received regular reports on progress with implementation of this action plan. Further information can be found in the annual governance statement on page 74.

The committee commissioned a detailed review of data quality in response to this matter. The report of our internal auditors noted a number of data quality issues and data management and reporting issues. The report recommended actions and Trust management has responded. The Audit Committee routinely monitored the implementation of the agreed actions during the year and a further internal audit was completed in March 2017 with an outcome of significant assurance.

In keeping with last year, the Trust has undertaken a review of the appropriateness of the adoption of the going concern basis for the preparation of the accounts. This effectively reflects the confidence of the Trust that the organisation remains financially viable. In December 2016 the Trust also signed a two-year contract with the commissioners and has agreed a two-year financial plan with NHS Improvement. As described below, we are confident that these plans support the Trust's planning period up until 31 May 2018 and that the Trust management has therefore clearly adopted the appropriate accounting basis. However, the longer-term challenges facing the Trust, like the wider NHS, are significant.

I am satisfied that the committee was presented with papers of good quality during the year, and that they were provided in a timely fashion to allow due consideration of the subjects under review. I am also satisfied that meetings were scheduled to allow sufficient time to enable a full and informed debate. Each meeting is fully minuted and summaries of the matters discussed at each meeting are reported to the Trust Board and Members' Council. Members of the Members' Council observed committee meetings throughout the year.

The committee reviews its effectiveness annually and no material matters of concern were raised in the 2016/17 review.

The members of the Audit Committee are listed on page 37 and during 2016/17 included an independent member Mr James Hatchley, until September 2016, and three independent non-executive members. During this financial year the previous Audit Committee Chair and Non-Executive Director Mr Charles Tilley has retired and I have commenced in the role of Audit Committee Chair from October 2016. Two of the non-executive members of the committee are qualified accountants and at least three members of the Audit Committee have recent and relevant financial experience.



Mr Akhter Mateen
Audit Committee Chairman

25 May 2017

Audit Committee responsibilities

The committee's responsibilities and the key areas discussed during 2016/17, whilst fulfilling these responsibilities, are described in the table below:

	Principal responsibilities of the Audit Committee	Key areas formally discussed and reviewed by the committee during 2016/17
Review of the Trust's risk management processes and internal controls	<ul style="list-style-type: none"> Reviewing the Trust's internal financial controls, its compliance with NHS Improvements guidance for foundation trusts and the effectiveness of its internal control and risk management systems Reviewing the principal non-clinical risks and uncertainties of the business and associated annual report risk management disclosures. (Clinical risks are reviewed by the Quality and Safety Assurance Committee) 	<p>The outputs of the Trust's risk management processes including reviews of:</p> <ul style="list-style-type: none"> The Board Assurance Framework The principal risks and uncertainties identified by the Trust's management and movement in the impact and likelihood of these risks in the year Further developments in the Trust's risk management processes and risk reporting An annual assessment on the effectiveness of internal control systems taking account of the findings from internal and external audit reports An annual report and fraud risk assessment prepared by the Trust's Counter-Fraud Officer An annual report from the Trust's Security Manager The Trust's Cyber Security Strategy A review of Supply Chain and Inventory Management
Financial reporting and external audit	<ul style="list-style-type: none"> Monitoring the integrity of the Trust's financial statements and annual financial returns; reviewing significant financial reporting judgements contained within them Making recommendations to the Board regarding the appointment of the external auditor Monitoring and reviewing the external auditor's independence, objectivity and effectiveness Developing and implementing policy on the engagement of the external auditor to supply non audit services, taking into account relevant ethical guidance 	<ul style="list-style-type: none"> A commentary on the annual financial statements Key accounting policy judgements, including valuations Impact of changes in financial reporting standards where relevant Basis for concluding that the Trust is a going concern External auditor effectiveness and independence External auditor reports on planning, a risk assessment, internal control and value for money reviews External auditor recommendations for improving the financial systems or internal controls
Internal audit	<ul style="list-style-type: none"> Monitoring and reviewing the effectiveness of the company's internal audit function, including its plans, level of resources and budget 	<ul style="list-style-type: none"> Internal audit effectiveness and charter defining its role and responsibilities Internal audit programme of reviews of the Trust's processes and controls to be undertaken, and an assurance map showing the coverage of audit work over three years against the risks Status reports on audit recommendations and any trends and themes emerging The internal audit reports discussed by the committee, include: <ul style="list-style-type: none"> key financial controls EPR implementation complaints cyber security temporary staffing reporting revalidation of nurses information governance data quality
Other	<ul style="list-style-type: none"> Reviewing the committee's terms of reference and monitoring its execution Considering compliance with legal requirements, accounting standards Reviewing the Trust's Whistle-Blowing Policy and operation 	<ul style="list-style-type: none"> Updates to Audit Committee's terms of reference Annual report sections on governance The impact of new regulations Updates on the management of information governance and data quality risks Updates on staff raising concerns policy Reporting to the Board and Members' Council where actions are required, and outlining recommendations

Effectiveness of the committee

The committee reviews its effectiveness and impact annually, using criteria from the *NHS Audit Committee Handbook* and other best practice guidance, and ensures that any matters arising from this review are addressed.

The self-assessment for 2016/17 continues to show progress and the minor procedural issues identified by the survey respondents are addressed on an ongoing basis to ensure that the effectiveness of the committee is optimised. In particular this year the committee reviewed the workplan to ensure there was not unnecessary duplication between committees. The information from the survey was used to review and update the committee's terms of reference in April 2017.

The committee also reviews the performance of its internal and external auditor's service against best practice criteria as detailed in the *NHS Audit Committee Handbook*.

Following a recommendation in the Well-Led Governance Review Report (see page 42), the three chairmen of the assurance committees at GOSH (Audit Committee, Quality, Safety and Assurance Committee and Finance and Investment Committee) established a formal committee chairman meeting and met during the year to discuss the degree of duplication between the committees and reviewed the appropriateness and effectiveness of the reporting between the committees and to the Trust Board. As a result of this changes to the Audit Committee's terms of reference and workplan were made.

External audit

A competitive tendering process of the audit contract took place during 2013, involving members of the Audit Committee and two members of the Members' Council. Deloitte LLP was appointed for a three-year term from 2014/15, with an option to extend for a further two years.

Their audit and non-audit fees are set, monitored and reviewed throughout the year and are included on page 88 of the accounts.

Internal audit and counter-fraud services

The Board uses independent firms to deliver the internal audit and counter-fraud services:

KPMG LLP. The internal audit service covers both financial and non-financial audits according to a risk-based plan agreed with the Audit Committee. The Trust also has a team of staff carrying out clinical and health and safety audits.

The Trust's separate counter-fraud service is provided by TIAA Ltd who provide fraud awareness training, carry out reviews of areas at risk of fraud and investigate any reported frauds.

Key areas of focus for the Audit Committee in the past year

Risk reviews

The committee reviews all non-clinical strategic and high scoring operating risks at least annually. Current significant risks include the potential reduction in the Trust's funding arising from the challenging external environment and commissioning changes and delivery of the Trust's productivity and efficiency (P&E) target. In addition, the risk of delivery of the P&E targets, the contribution of the IPP Division and the risk that operational capacity is not sufficient to deliver future demands have also been assessed as part of this programme of review. For each risk, the committee reviews the risk assessment (including risk definition, risk appetite, and likelihood and impact scores), the robustness of the controls and evidence available that the controls are operating.

Data quality reviews

In 2015/16, following suspension of reporting of waiting time data, the committee sought assurance that the systems and processes for assuring data completeness, timeliness, relevance, accuracy and appropriateness were operating effectively. The Trust developed a detailed action plan including a significant programme of data quality reviews. This is now complete and the Trust returned to reporting RTT waiting times in February 2017.

Board Assurance Framework

The Audit Committee reviewed the BAF in detail this year. The Risk Assurance and Compliance Group review each strategic risk on the BAF along with the related mitigation controls and assurances. The Audit Committee reviewed the consistency and presentation of the BAF and receives routine presentations on strategic risks at each committee meeting.

Productivity and efficiency

The Finance and Investment Committee monitors the identification, planning, monitoring, delivery and post implementation review of Trust savings schemes. The QSAC receives assurances from the Quality Impact Assessment Group that those schemes do not adversely or unacceptably affect the quality of services delivered. The Audit Committee seeks independent assurance that the systems and processes supporting those assurances are operating effectively. The committee links closely with the Finance and Investment Committee and receives the minutes of that Trust Board committee and the QSAC.

International Private Patient (IPP) debtors

The Audit Committee also monitored and reviewed the IPP debt levels for each major customer and discussed with management strategies to reduce the level of exposure. The final quarter of the financial year saw a decrease in the debt exposure for the organisation, but not yet reduced to remove this as a key risk that the committee will continue to monitor.

Internal controls

We focused in particular on controls relating to cyber security and credit control management; delays in debt collection. Action plans were put in place to address issues in operating processes.

The Audit Plan of the internal auditors is risk based and the Executive team work with the auditors to identify key risks to inform the Audit Plan. The Audit Committee considers the links between the Audit Plan and the BAF. The Audit Committee approves the Internal Audit Plan and monitors the resources required for delivery. During the course of the year the committee considers any proposed changes to the Audit Plan and monitors delivery against the plan approved at the start of the financial year.

Fraud detection processes and whistle-blowing arrangements

We reviewed the levels of fraud and theft reported and detected and the arrangements in place to prevent, minimise and detect fraud and bribery. The Trust's counter-fraud service conducted an awareness survey which demonstrated that 84% of staff are aware of the Counter-Fraud, Bribery and Corruption Policy.

Financial reporting

We reviewed the Trust's financial statements and how these are positioned within the wider Annual Report. To assist this review we considered reports from management and from the internal and external auditors to assist our consideration of:

- The quality and acceptability of accounting policies, including their compliance with accounting standards
- Their compliance with accounting standards

- Key judgements made in preparation of the financial statements
- Compliance with legal and regulatory requirements
- The clarity of disclosures and their compliance with relevant reporting requirements
- Whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the Trust's performance and strategy

Going concern

The Trust management has carefully considered the appropriateness of reporting on the 'going concern' basis.

In 2016/17 the Trust reported an operating deficit prior to capital donations and impairments. This position is an improvement from 2015/16 in which the Trust reported an underlying deficit for the first time in several years. In 2016/17, national intervention was provided by the NHS of £4.2 million via the Sustainability and Transformation Fund which provided some relief.

The Trust has signed a two-year contract with its commissioners for the 2017/18 and 2018/19 financial years. The two-year financial plan submitted to NHS Improvement indicated the organisation will be in financial balance by the end of 2017/18, with a further increase in the following year. The two-year plan includes growth in activity to meet the demand and access targets for specialty services, including the opening of the new Premier Inn Clinical Building capacity. To achieve the financial plan, the Trust will also need to deliver efficiencies at an increased level of £15 million and £12 million respectively.

The 2016/17 financial year showed an increase in income for IPP services of £7.2 million or 14.1% over the prior year. This included the opening of additional bed capacity. The majority of private patient service demand is from the Middle East region which carries a degree of geo-political risk. The Trust continues to actively seek other private markets to diversify to reduce exposure to one key market.

The Trust maintains a strong liquidity position based upon historic surpluses and careful capital expenditure management and support by the charity. At the end of 2016/17 financial year, the Trust held £42.5 million in cash reserves and was able to meet all commitments as and when they fell due.

Although we are operating in a particularly constrained financial environment, the directors have a reasonable expectation that the Trust has adequate resources to continue to operate for the foreseeable future. For this reason, and following reasonable enquiries, the directors continue to adopt the going concern basis for the preparation of the accounts within this report.

Significant financial judgements and reporting for 2016/17

We considered a number of areas where significant financial judgements were taken, which have influenced the financial statements.

We identified through discussion with both management and the external auditor the key risks of misstatement within the Trust's financial statements. We discussed these risks with management during the year, and with the auditor at the time we reviewed and agreed the external auditors' audit plan during the year and also at the conclusion of the audit. We set out in the table below how we satisfied ourselves that these risks of misstatement had been appropriately addressed.

Level of debt provisions

The financial statements include provisions in relation to uncertainty. Judgements in this area are largely related to the timing of recognition of these provisions, the quantum recognised and the amount which has been utilised in previous years. We reviewed and discussed the level of debt and debt provisions with management. This included consideration of new provisions and any release and utilisation of existing provisions. Management confirmed to us that they have applied a consistent approach to the recognition and release of provisions. We also considered the views of the external auditors in respect of the provisions and associated disclosures in the accounts. We concluded that we were satisfied with the level of provisions carried and the disclosure in respect of those provisions.

Valuation of property assets

The Trust has historically revalued its properties each year, which combines properties held under freehold with those held under finance and operating leases. Judgements relate to the future life of these buildings, which can change the appropriate accounting treatment and affect the carrying value on the balance sheet. We reviewed reports from management which explained the basis of valuation for the most significant buildings, including the future life and rationale for any impairments associated with structural refurbishment expenditure. We also considered the auditors' views on the accounting treatment for these buildings. We are satisfied that the valuation of these properties within the financial statements is consistent with management intention, and is in line with accepted accounting standards.

Other areas of financial statement risk

Other areas where an inappropriate decision could lead to significant error include:

- the recognition of commercial revenue on new contracts
- the treatment of expenditure related to capital contracts

We consider that the Trust's existing financial control systems should ensure that such items are properly treated in the financial statements. We have discussed the external auditors' findings in these areas. There were no issues of concern reported to us in these areas and consequently we are satisfied that the systems are working as intended.

Conclusion

The committee has reviewed the content of the *Annual Report and Accounts* and advised the Board that, in its view, taken as a whole:

- It is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy
- It is consistent with the annual governance statement, Head of Internal Audit (HoIA) opinion and feedback received from the external auditors, and there are no matters that the committee is aware of at this time that have not been disclosed appropriately
- It is appropriate to prepare accounts on a going concern basis

Quality and Safety Assurance Committee report

Introduction from the Chairman of the Quality and Safety Assurance Committee

I am pleased to present the Quality and Safety Assurance Committee's report on its activities during the year ended 31 March 2017.

As outlined in the report, the Quality and Safety Assurance Committee (QSAC) is an assurance sub-committee of the Trust Board, with delegated authority to ensure that the correct structure, systems and processes are in place within the Trust to appropriately manage and monitor clinical governance and quality related matters and strategic and operational risks. The committee was previously named the Clinical Governance Committee and in May 2016 updated its terms of reference and broadened its remit to seek assurance of the quality of care and treatment in all services provided by the Trust. As part of this, the committee changed its name to the Quality and Safety Assurance Committee (QSAC).

As Chairman, I am satisfied that the committee was presented with the appropriate level of information and in a timely fashion. Each meeting is fully minuted and summaries of the matters discussed at each meeting are reported to the Trust Board and Members' Council.

The members of the Quality and Safety Assurance Committee are listed on page 37 and, during the first half of 2016/17, included three non-executive directors and an independent member of the committee. In September 2016, James Hatchley was appointed as a new non-executive director member on the Board and the QSAC. Representatives from the Members' Council attended the CGC and QSAC meetings throughout the year.

I have been Chairman of the committee since the foundation trust was authorised on 1 March 2012. In May 2017 I will step into the Interim Chairman role and Stephen Smith will take on chairing the QSAC.

Quality and Safety Assurance Committee responsibilities

The principal purpose of the Quality and Safety Assurance Committee is to assure the Board that the necessary structures and processes are in place to deliver safe, high-quality, patient-centred care and an excellent patient experience.

The committee requests assurance on scheduled matters as well as quality and safety issues arising during the year. The committee's responsibilities and the key areas discussed during 2016/17 are outlined in the table to the right.

Principal responsibilities of the committee	Key areas formally reviewed during 2015/16
<p>Review and seek assurance on any issues identified by the Trust Board (as requiring more detailed review that fall within the remit of the committee) including on any quality, safety or patient experience matters or shortcomings arising from the Trust's operational and quality and safety performance.</p>	<ul style="list-style-type: none"> • Implementation of the Trust's Quality Strategy and review of the annual <i>Quality Report</i> • Reports from the Clinical Ethics Committee • Regular review of performance reports • Learning from patient stories • IT issues impacting clinical work • Updates from service areas (play service)
<p>Review when an issue occurs which threatens the Trust's ability to enable excellent clinical care to flourish, that this is managed and escalated appropriately and actions are taken and followed through.</p>	<ul style="list-style-type: none"> • Assurance of maintenance of the compliance register • A range of specific, emergent issues were considered in 2016/17 including: <ul style="list-style-type: none"> - Review of the Gastroenterology service - Quality and safety impact of the productivity and efficiency programme - Access Improvement Programme workplan - Recruitment and retention - Implementation of the CQC action plan - Cancellations of operations
<p>Assure the Trust Board that the controls to mitigate risk within the areas of responsibility of the committee are in place and working within a regulatory and legislative framework.</p>	<ul style="list-style-type: none"> • Summary reports on the relevant risks on the Board Assurance Framework • Reports received on specific and/or high risk areas: <ul style="list-style-type: none"> - Health and Safety - Safeguarding - Raising Concerns - Research Governance - Summary from the Patient Safety and Outcomes Committee and the Patient and Family Experience and Engagement Committee - Staffing information report
<p>Review of findings and recommendations from internal audit, clinical audit and learning from external investigations and reports.</p>	<ul style="list-style-type: none"> • The internal audit annual plan and strategy was presented to the committee in April 2016 with an update on progress with the plan covered at subsequent meetings • Gastroenterology Review Progress Report • Findings and recommendations of clinical focused internal audit reports are presented to every committee meeting. The following audits were discussed this year: <ul style="list-style-type: none"> - Education Strategy and Governance - IT Operations and Infrastructure - Discharge Arrangements - Self-certifications - Electronic Patient Record Programme Management - CQC Action Plan Follow-Up - Temporary Staff Reporting - Revalidation of Nurses and Midwives • Quarterly reports from the Trust's Clinical Audit Manager
<p>Other.</p>	<ul style="list-style-type: none"> • Reviewed committee purpose and amended focus and name • Reviewed Freedom of Information Annual Report

Key areas of focus for the Quality and Safety Assurance Committee in the past year

It has been a busy year for the Quality and Safety Assurance Committee with the committee seeking assurance on a number of quality and safety matters:

Risk reviews

The committee reviews all clinical strategic and high-scoring operating risks at least annually. Following discussion at the annual Risk Management meeting and the October 2016 Quality and Safety Assurance Committee meeting, a new BAF risk was approved at by the Trust Board in December 2016 covering the risk to not being able to sustainably provide and deliver specialist clinical services to the required level. As at 31 March 2017, the Trust's most significant risks relating to clinical delivery include recruiting and retaining sufficient highly skilled staff; the risk of insufficient nursing graduates available to work at GOSH; and, compliance with the 2016/17 regulatory framework, particularly in relation to the national RTT standard.

Access Improvement Programme

In conjunction with the Trust Board and Audit Committee, the Quality and Safety Assurance Committee has sought assurance of the implementation of the Access Improvement Programme and its impact on the safety of care provided to patients.

Quality impact of the Productivity and Efficiency Programme

The Quality and Safety Assurance Committee has received assurance of the refreshed quality impact assessment (QIA) processes in place for productivity and efficiency schemes in 2016/17 and reviewed some specific services' productivity plans to ensure they have a robust quality governance framework and that quality and safety are not compromised.

Under the 'Better Value' programme, the committee sought assurance that QIAs will be signed off by relevant divisions and other stakeholders prior to the beginning of the year.

Gastroenterology

During the year, the committee sought assurance of the impact of the findings of the review on patients and the quality of the communications to affected families. The committee was also concerned to establish how the service would be restructured in the future and the plans in place to develop guidelines for complex conductions such as eosinophilic colitis where there is limited evidence-based consensus on treatment. Further information can be found on page 43.

CQC compliance

The committee reviewed the actions taken to implement the recommendations arising from the CQC report of January 2016. At the end of financial year, the majority of the actions have already been closed and the one remaining is on track to be completed within agreed due dates. The Quality and Safety Assurance Committee will continue to monitor and support the Trust's efforts to deliver all opportunities for improvement highlighted during the CQC's 2015 inspection.

Patient stories

The Quality and Safety Assurance Committee received stories from patients about their experiences of their care either in person or in writing. The stories were found to be extremely helpful in illuminating matters needing improvements as well as those that could be more widely shared across other teams. Patient stories now feature at every public Board meeting (from March 2017 onwards) and the actions agreed are monitored at the following Quality and Safety Assurance Committee.

Review of effectiveness

The three committee chairmen (Audit Committee, Quality and Safety Assurance Committee and the Finance and Investment Committee) have established regular meetings to discuss how the committees can operate effectively and reduce duplication. This has resulted in refreshed workplans for all three committees.

Conclusion

As Chairman, I am satisfied that the committee adequately discharged its duties in accordance with its terms of reference throughout 2016/17.



Mary MacLeod
Quality and Safety Assurance Committee Chairman

25 May 2017

Head of Internal Audit opinion

Basis of opinion for the period

1 April 2016 to 31 March 2017

Our internal audit service has been performed in accordance with KPMG's internal audit methodology which conforms to *Public Sector Internal Audit Standards (PSIAS)*. As a result, our work and deliverables are not designed or intended to comply with the *International Auditing and Assurance Standards Board (IAASB)*, *International Framework for Assurance Engagements (IFAE)* or *International Standard on Assurance Engagements 3000 (ISAE)*. PSIAS require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform our work to obtain sufficient, appropriate evidence on which to base our conclusion.

Roles and responsibilities

The Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. The annual governance statement (AGS) is an annual statement by the Accountable Officer, on behalf of the Board, setting out:

- How the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- The purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the assurance framework process; and
- The conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures together with assurances that actions are or will be taken where appropriate to address issues arising.

The assurance framework should bring together all of the evidence required to support the AGS.

The Head of Internal Audit is required to provide an annual opinion in accordance with PSIAS, based upon and limited to the work performed, on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes (ie the system of internal control). This is achieved through a risk-based programme of work, agreed with management and approved by the Audit Committee, which can provide assurance, subject to the inherent limitations described below.

The purpose of our HoIA opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the system of internal control. This opinion will in turn assist the Board in the completion of its AGS, and may also be taken into account by other regulators to inform their own conclusions.

The opinion does not imply that the HoIA has covered all risks and assurances relating to the Trust. The opinion is derived from the conduct of risk-based plans generated from a robust and management-led assurance framework. As such it is one component that the Board takes into account in making its AGS.

Opinion

Our opinion is set out as follows:

- Basis for the opinion;
- Overall opinion; and
- Commentary.

Basis for the opinion

- The basis for forming our opinion is as follows:
 - An assessment of the design and operation of the underpinning aspects of the risk and assurance framework and supporting processes; and
 - An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account of the relative materiality of these areas.

Overall opinion

Our overall opinion for the period 1 April 2016 to 31 March 2017 is that:

'Significant assurance with minor improvements' can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Note: the opinion is currently based on our work performed to date, however we do not expect our overall assurance rating to change.

Commentary

The commentary below provides the context for our opinion and together with the opinion should be read in its entirety. Our opinion covers the period 1 April 2016 to 31 March 2017 inclusive, and is based on the 12 audits that we completed in this period.

The design and operation of the assurance framework and associated processes

The Trust's Board Assurance Framework (BAF) does reflect the Trust's key objectives and risks and is regularly reviewed by the Board. The Executive reviews the BAF on a monthly basis and the Audit Committee and Quality and Safety Assurance Committee review it on a quarterly basis. The Audit Committee reviews whether the Trust's risk management procedures are operating effectively.

The range of individual opinions arising from risk-based audit assignments, contained within our risk-based plan that have been reported throughout the year

We issued one PARTIAL ASSURANCE WITH IMPROVEMENTS REQUIRED (AMBER-RED) and one 'NO ASSURANCE (RED)' opinions in respect of our 2016/17 assignments. The partial assurance report relates to temporary staff reporting and the no assurance report related to electronic patient record (EPR) implementation.

We have raised three high priority recommendations in this period and there are two high priority recommendations from our 2015-16 audit plan that have not yet been implemented. These relate to the following:

- Ensuring there was a full and up-to-date business case for the EPR implementation;
- Developing appropriate governance processes for overseeing and approving changes to the EPR project;
- Identifying the dependencies associated with the implementation of the EPR;
- Having an up-to-date contract register containing all of the Trust's contracts; and
- Ensuring there are contract managers assigned to manage the contracts with the Trust's suppliers.

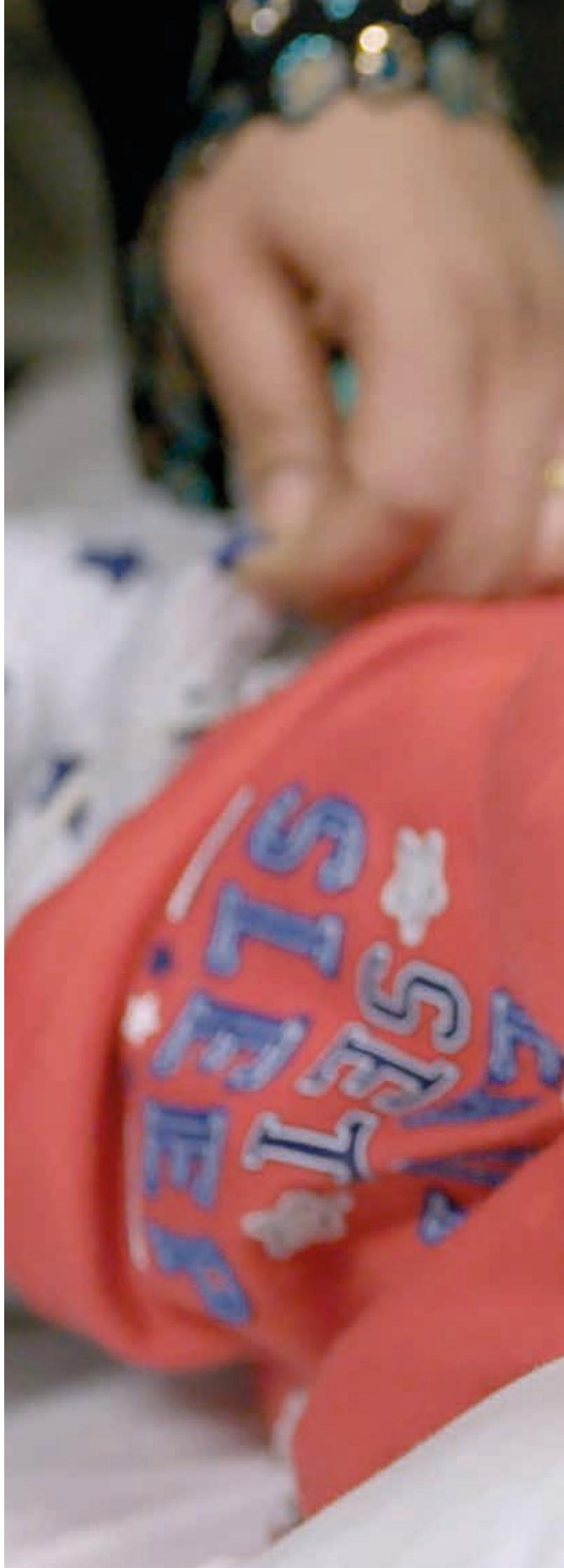
We have agreed actions with management for the implementation of the high priority recommendations in our EPR report. Two of the three recommendations were implemented during the year, the remaining recommendation is on course to be implemented in July 2017. The contract management recommendations are anticipated to be implemented in July 2017 following the implementation of the Trust's new procurement and contract management software.

KPMG LLP Chartered Accountants London 25 May 2017.

KPMG LLP

KPMG LLP Chartered Accountants
London

25 May 2017





One-year-old Adam, who has a respiratory condition, has been charming the nurses with his happy smile.

Annual governance statement

1. Scope of responsibility

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

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Great Ormond Street Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Great Ormond Street Hospital NHS Foundation Trust for the year ended 31 March 2017 and up to the date of approval of the *Annual Report and Accounts*.

3. Capacity to handle risk

As Chief Executive, I have overall responsibility for ensuring there is an effective risk management system in place within the Trust for meeting all relevant statutory requirements and for ensuring adherence to guidance issued by regulators which include NHS Improvement and the Care Quality Commission. Further accountability and responsibility for elements of risk management are set out in the Trust's Risk Management Strategy.

The Board has a formal schedule of matters reserved for its decision, and delegates certain matters to committees as set out below. Matters reserved for the Board are:

- determining the overall strategy
- creation, acquisition or disposal of material assets
- matters of public interest that could affect the Trust's reputation
- ratifying the Trust's policies and procedures for the management of risk
- determining the risk capacity of the Trust in relation to strategic risks
- reviewing and monitoring operating plans and key performance indicators
- prosecution, defence or settlement of material incidents and claims

The Board has a work programme which includes all matters the Board is required to consider by statutory, regulatory and other forms of guidance. It also has a range of strategic and operational performance information, which enables it to scrutinise the effectiveness of the Trust's operations, and deliver focused strategic leadership through its decisions and actions. The Board maintains its commitment that discussion of patient safety will always be high on its agenda. The Board has carried out an internal review of its effectiveness during the year and agreed actions to improve its oversight of risk.

There are two Board assurance committees, being the Audit Committee and the Quality and Safety Assurance Committee, which assess the assurance available to the Board in relation to risk management, review of Trust non-clinical and clinical risk management processes and also raise issues requiring attention by the Board. In addition to the two assurance committees, the Finance and Investment Committee considers financial performance, productivity and use of resources. The chairman of each committee reports to the Board meeting following the committee's last meeting. Each committee is charged with reviewing its effectiveness annually.

The Risk Assurance and Compliance Group (comprising executives, quality, safety and compliance leads) reports to the Audit Committee and the Quality and Safety Assurance Committee. This group monitors the effectiveness of risk management systems and the control and assurance processes and monitors the Board Assurance Framework.

The Trust has a Patient Safety and Outcomes Committee (PSOC), chaired by the Interim Medical Director (comprising executives, and senior managers and clinicians from the clinical divisions and corporate teams). This committee monitors the implementation of clinical risk management processes throughout the Trust, ensuring that risks are identified, registered and managed at appropriate levels of responsibility in the clinical divisions and corporate departments. It receives reports of risks, incidents and risk-mitigating actions from division and department groups and specialist subcommittees. In addition, each clinical division's Board considers risks, quality and safety indicators, incidents and complaints on a regular basis. These are the key senior management forums for consideration of risks.

The Trust has a central Risk Management team who administer the risk management processes. Within each clinical division, safety is championed by a clinical lead for patient safety supported by an individual within the Risk Management team. The Risk Management team also meet regularly with their peers at other Trusts to share learning.

All staff receive relevant training to enable them to manage risk in their division or department. At a Trust level, emphasis is placed on the importance of preparing risk assessments where required, on reporting, investigating and learning from incidents.

There are a range of other processes to ensure that lessons are learned from specific incidents, complaints and other reported issues. These include reports to risk action groups, divisional boards and articles within internal newsletters. There are also periodic seminars open to all staff where learning from an event is presented and discussed.

4. The risk and control framework

The Risk Management Strategy

In early 2016, the Trust's Risk Management Strategy, which sets out how risk is systematically managed, was reviewed and updated. This extends across the organisation, from the front-line service through to the Board, to promote the reduction of clinical and non-clinical risks associated with healthcare and research, and to ensure the business continuity of the Trust.

The strategy identifies the organisational risk management structure, the roles and responsibilities of committees and groups that have some responsibility for risk, and the duties and authority of key individuals and managers with regard to risk management activities. It describes the process to provide assurance for the Trust Board review of the strategic organisational risks, and the local structures to manage risk in support of this policy.

The Trust has reviewed its compliance with the NHS Foundation Trust license conditions and in relation to condition four, it has concluded that it fully complies with the requirements and that there are processes in place to identify risks to compliance. No significant risks have been identified.

The strategy is integrated into the management, performance monitoring and assurance systems of the Trust, to ensure that safety and improvement is embedded in all elements of the Trusts work, partnerships and collaborations and existing service developments. This enables early identification of factors, whether internally or externally driven, which may prevent the Trust from achieving its strategic objectives of ensuring that care is provided in a cost effective way without compromising safety.

It provides the framework in which the Trust Board can determine the risk appetite for individual risks and how risks can be managed, reduced and monitored. The Board has recently reviewed and revised its risk appetite statement.

The Board recognises that the Trust's clinical services and research activity are delivered within a high-risk environment. The delivery of GOSH's strategic objectives and its relationships with its patients, the public, its funders and other strategic partners determines the Trust's long-term sustainability. As such, the Board has agreed that the Trust has an overall low appetite for risks relating to its clinical service and research delivery. The lowest risk appetite applies to all safety and compliance objectives, including preventable patient harm, public and employee health and safety. The Trust has a marginally higher risk appetite for the pursuit of innovation and its strategic and operations objectives. This means that the risks originating from clinical and research processes as well as meeting legal and other regulatory obligations will take priority over other business objectives.

Key elements of the Trust's quality governance arrangements

The Trust places a high priority on quality, measured through its clinical outcomes, patient safety and patient experience indicators. The Board is committed to placing quality and safety at the top of

its own agenda, to encourage continuous improvement in safety and quality indicators, and to establish mechanisms for recording and benchmarking clinical outcomes.

The key elements of the Trust's quality governance arrangements are:

- There is clear accountability at Board level for safety and clinical quality objectives and structured reporting of performance against these objectives
- Internal processes are in place to check that we meet both our own internal quality standards and those set nationally and in conjunction with our commissioners (CQUINS)
- Key performance indicators are presented, on a monthly basis to the Trust Board. This includes progress against external targets, internal safety measures, operational efficiency/process measures, well-led and other clinical quality measures. It also includes the external indicators assessed and reported monthly by the CQC
- The Board regularly receives reports on the quality improvement initiatives and other quality information (such as complaints, incidents and reports from specific quality functions within the Trust such as the Patients Advice and Liaison Service). The Quality and Safety Assurance Committee receive reports from clinical and health and safety audits
- Each specialty and clinical division has an internal monitoring structure to enable teams to regularly review their progress and identify areas where improvements may be required. Each specialty must measure and report a minimum of two clinical outcomes. Each division's performance is considered at quarterly strategic performance reviews
- Patient and parent feedback is received through the Friends and Family surveys, a more detailed survey at least once a year, through the work programme of the recently reviewed Patient and Family Experience and Engagement Committee and through a range of other patient/parent engagement activities
- Risks to quality are managed through the Trust risk management process which includes a process for escalating issues
- There is a clear structure for following up and investigating incidents and complaints, and disseminating learning from the results of investigations

Through these processes all data on the quality of care in each specialty and service is considered as part of our internal and external management and assurance process. The data quality improvement plan is monitored by the Audit Committee to ensure that the Board receives assurance of the quality of this data.

Risks to data security are managed in the same way as other Trust risks but are subject to separate evaluation and scrutiny by the Information Governance Steering Group which reports to the Trust's Audit Committee. This group uses the Information Governance Toolkit assessment to inform its review.

A never event which occurred in the Trust during the year, involving a misplaced nasogastric tube. Following a detailed investigation, it was highlighted the need to ensure staff undertake appropriate training, 'position check' a nasogastric tube on placement and document check results clearly. Audits will be undertaken in this area.

Compliance with the foundation trust licence conditions

An assessment has been carried out of the Trust's processes to ensure that it complies with the licence conditions, and, in particular, licence condition four (governance). The conclusion of the review was that the Trust's governance processes and structures are effective.

In 2015 a review of information and performance indicators provided to the Finance and Investment Committee and the Trust Board was commissioned from our internal audit service, following the decision of the Trust to suspend reporting of referral-to-treatment (RTT) waiting times. This report identified a number of weaknesses in reporting processes and systems and therefore in 2015/16 only partial assurance was reported as to the accuracy of reporting to the Trust Board. In response, the Trust has developed a detailed action plan including a significant programme of data quality reviews which the Trust Board monitored the delivery of this action plan closely. This is now complete and the Trust has returned to reporting RTT waiting times in February 2017. Therefore only partial assurance can be reported against G6 licence condition (systems for compliance with licence conditions and related obligations).

Compliance with CQC registration

The Trust has identified an executive director and a manager who are respectively accountable and responsible for ensuring compliance with each element of the CQC registration standards. It is the responsibility of these staff to provide evidence of compliance with the standards. The evidence is reviewed periodically by compliance staff. The CQC carried out an inspection in April 2015 and the trust is fully compliant with the registration requirements of the CQC. Further information can be found on page 127 in the *Quality Report*.

The risk management process

The Trust's Assurance and Escalation Framework sets out how the organisation identifies, monitors, escalates and manages concerns and risks in a timely fashion and at an appropriate level.

The Trust's Board Assurance Framework (BAF) is used to provide the Board with assurance that there is in place a sound system of internal control in place to manage the key risks to the Trust of not achieving its strategic objectives. The BAF is used to provide information about the controls in place to manage the key risks, and details the evidence provided to the Board indicating that the control is operating. The BAF includes cross-references to assurance obtained from internal and external audits, and self-assessments of compliance with other regulatory standards. It has been monitored and updated throughout the year.

Each strategic risk on the assurance framework, the related mitigation controls and assurance available as to the effectiveness of the controls, is reviewed by the Risk Assurance and Compliance Group and by either of the Quality and Safety Assurance Committee or the Audit Committee at least annually. The committees look for evidence that the controls are appropriate

to manage the risk and for independent assurance that the controls are effective and monitor actions to reduce or remove control or assurance gaps.

In addition, the Trust Board recognises the need to 'horizon scan' for emerging risks and review low-probability/high-impact risks to ensure that contingency plans are in place, and has included such matters in Board discussions of risks.

Each division and department is required to identify, manage and control local risks whether clinical, non-clinical or financial in order to provide a safe environment for patients and staff, and to reduce unnecessary expenditure. This ensures that the early identification of risks and the devolution of responsibility for management of risks to staff at all levels of the organisation. In practice, this is achieved through the involvement of staff in risk action groups, risk training and occasional surveys.

Risks are identified through diverse sources of information such as:

- formal risk assessments
- audit data
- clinical and non-clinical incident reporting
- complaints
- claims
- patient/user feedback
- information from external sources in relation to issues which have adversely affected other organisations
- operational reviews
- use of self-assessment tools

Further risks are also identified through specific consideration of external factors, progress with strategic objectives, and other internal and external requirements affecting the Trust.

Risks are evaluated using a '5x5' scoring system that enables the Trust to assess the impact and likelihood of the risk occurring and prioritise accordingly. Assessments are made as to whether the prioritised risks are acceptable or not.

Control measures aimed at both prevention and detection are identified for accepted risks, in order to either reduce the impact or likelihood of the risk. An assessment is then made of the effectiveness of the control on reducing the risk score, and what assurance is available to the Board that the control is both in place and operating effectively to reduce risk. A designated person becomes responsible for monitoring, reviewing and reporting on the effectiveness of the control in place. Risks and controls are evaluated periodically and when new or changed risks are identified, or if the degree of acceptable risk changes.

The principal risks for the Trust during the year and in the immediate future are:

- In an environment where it is recognised there has been a long-standing issue of underfunding core services, a further reduction in funding available to NHS organisations, coupled with the high costs of maintaining delivery of specialised services but being able to meet the two-year plan control total target set by NHS;
- Recruitment and retention of sufficient highly skilled staff with specific experience;
- Completing the review of the management of RTT administration processes (note the Trust returned to reporting in February 2017) which found no patient care issues but did cause considerable additional cost to the Trust;

- reliance on International Private Patients to support financial viability;
- Implementation of the new Trust-wide electronic patient record system approved in March 2017.

Each of these risks are broken down into a number of component parts covering the different drivers of these risks, and appropriate mitigating actions for each component identified.

A summary of the top three risks to our operational or strategic plans in 2016/17 and the mitigations in place to manage them, is outlined below.

Risk	Explanation	Mitigating actions implemented and underway
Recruitment and retention of sufficient highly skilled staff with specific experience	The inability to recruit and retain enough skilled staff could lead to a reduction in services that can be safely provided. This potential reduction could lead to GOSH being unable to accommodate all referrals to the Trust and/or result in longer waiting times.	Specific action plans are in place for key service areas and professions including; <ul style="list-style-type: none"> • A Trust-wide nursing recruitment and retention programme • Enhanced processes to ensure GOSH is an attractive employer • Tactical use of temporary staff to fill vacancies • Education commissioning plans to increase numbers of potential staff
Timely access to services at GOSH	Failure to treat all patients within clinically appropriate timeframes. Inability to analyse data and subsequently make business decisions conducive to timely service provision.	Implementation of a change programme across the Trust including; <ul style="list-style-type: none"> • Training for staff on the application of the Trust Access Policy • Regular monitoring of waiting lists, supported by ongoing validation of patient lists and processes • Initiatives to increase activity capacity including as operational bed meetings, theatre scheduling meetings. Flow work programme, outpatient redesign • Validation of underlying data reported to Trust Board and divisions
Failure to continue to be financially sustainable	A reduction in funding and/or increasing costs will lead to a need to reduce activity which could potentially impact on our ability to deliver our vision, despite efforts to ensure excellent patient experience and outcomes.	<ul style="list-style-type: none"> • Robust financial planning including downside contingency planning, regular performance reviews and establishment of a Programme Management Office to support the Trust in identifying and delivering productivity and efficiency schemes • Development of commercial strategies • Monthly monitoring of capital expenditure • Working with commissioners to support the Trust's service and growth strategy • Continued involvement in forums influencing paediatric tariff discussions • Ongoing cost benchmarking
Reliance on international and private patients to support financial viability	The risk that the organisation will not deliver IPP contribution targets.	<ul style="list-style-type: none"> • Clear and regular reporting against operational activity and financial targets • A range of market development and brand recognition activities underway • Recruitment and retention plan in place to ensure IPP has the quality and quantity of skilled staff to support the required activity levels • Work underway to identify additional capacity for IPP activity in the Trust • Escalation processes in place to minimise IPP debt and aging debt
Implementation of the new Trust-wide electronic patient record	The risk that the EPR programme will not be delivered on time or within budget.	<ul style="list-style-type: none"> • Robust programme governance led by the EPR Programme Board, including engagement with clinical experts, patients and families, finance, IT, research and operational management • Clinical and research leadership in place • Communication strategy in place, including specific strategies to ensure thorough engagement with clinicians and to ensure all staff and stakeholders are aware of program and impacts of changes • Project closely integrated with Quality Improvement and Operations teams to ensure the EPR is delivered as a change programme • Engaged external expert advisors for legal, commercial and procurement processes

Emerging risks with medium or high scores are reported through the quality and safety and KPI performance reports and at clinical division and corporate department level through the Trust's quarterly strategic reviews.

Assurance is obtained by the Board from the results of internal audit reviews which are reported to the Audit Committee and Quality and Safety Assurance Committee. The Quality and Safety Assurance Committee also receive the results of clinical audits and health and safety reports. The counter-fraud and security management programmes are also monitored by the Audit committee.

Both Committees take a close interest in ensuring that system weaknesses and assurance gaps are addressed. An internal and external audit action recommendation tracking system is in place, which records progress in closing down the recommendations. The committees also seek other forms of assurance, which include the results of regulatory and other independent reviews of compliance with standards, relevant performance information, and management self-assessments coupled with the associated evidence base.

Involvement of stakeholders

The Trust recognises the importance of the involvement of stakeholders in ensuring that risks and accidents are minimised, and that patients, visitors, employees, contractors and other members of the public are not exposed to any unnecessary risks or hazards. Risks are assessed and managed to ensure that the Trust's systems reflect consideration of all these stakeholder interests. Stakeholders are also involved in the Trust's risk management process where appropriate. For example, patient views on issues are obtained through the Patient Advice and Liaison Service and patient representatives are involved in Patient-Led Assessments of the Care Environment (PLACE) inspections. There are regular discussions of service issues and other pertinent risks with commissioners. Staff are also involved in strategic planning groups with commissioners and other healthcare providers.

Other regulations

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

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

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

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the *Climate Change Act* and the adaptation reporting requirements are complied with.

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

The Board has agreed Standing Orders and Standing Financial Instructions, which provide the framework for ensuring appropriate authorisation of expenditure commitments in the Trust. The Board's processes for managing its resources include approval of annual budgets for both revenue and capital, reviewing financial performance against these budgets, and assessing the results of the Trust's cost improvement programme on a monthly basis. In addition, the Trust has a prescribed process for the development of business cases for both capital and revenue expenditure and, where significant, these are reviewed by the Trust Board.

The Trust implemented a new performance management framework in May 2016 aligning to the new divisional management structure. The framework included adopting a performance dashboard including metrics based on the Carter Report recommendations and includes a series of performance metrics. The Finance and Investment Committee reviews the operational, productivity and financial performance, and use of resources both at Trust and divisional level. More details of the Trust's performance and some specific Trust projects aimed at increasing efficiency are included in the performance report.

The Trust's external auditors are required to consider whether the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. They report the results of their work to the Audit Committee. Their report is on page 82.

6. Governance

The governance section within the Annual Report explains how the Trust is governed and provides details of its Board committee structure, the frequency of meetings of the Board and its committees, attendance records at these meetings and the coverage of the work carried out by committees. The Board has assessed its compliance with the Monitor Corporate Governance code (see page 62).

The Trust did declare a governance target 'at risk' in its plans for 2016/17. The Trust reported that it is unable to declare compliance through the routine governance statements to the Regulator because the Trust is unable to report on performance against the national standard for referral-to-treatment (RTT) times; that is, the requirement that 92% of all patients are seen within 18 weeks of their referral. In addition, the Trust suspended reporting against the national diagnostic standard, which requires Trusts to carry out a defined list of diagnostic tests within six weeks for at least 99% of patients.

Since then the Trust has had the Intensive Support team (IST) carry out a review of its RTT systems and processes. The Trust developed and has now implemented an improvement plan (agreed with external parties including NHS Improvement and NHS England). The plan involved the Trust validating all planned and other patients on waiting lists to ensure that they comply with the RTT guidance, and that treatment is prioritised where required. Policies and processes were reviewed and revised, and clinical and non-clinical staff trained in the management of RTT pathways. A clinical review panel was set up with the primary role of overseeing the review of patients who have waited longer than the nationally required wait times, to provide assurance

and rigor that the length of time any patient has waited has not been clinically disadvantageous. The Trust requested that a comprehensive review of data quality across the organisation which was conducted by the internal audit team in February 2016 which found for the majority of the indicators sampled, reported numbers could be reconciled to data sources. The review concluded the need for establishment of a robust data quality framework at the Trust. A follow-up internal audit was undertaken in March 2017 and indicates significant assurance with minor improvement opportunities.

The Trust has recommenced external RTT reporting in February 2017.

The internal auditors conducted a review of information governance audit in April 2017 and this indicated significant assurance with minor improvement potential.

Information governance

We have significantly improved records management across GOSH this year. The Trust's information register (what information is held on all of the systems used by individual departments) has been updated and improved and we continued to roll out an electronic document management system. The shift to electronic records reduces lost paperwork, allows the right information to be available at any time and has given us greater control over who can view the patient's records. The planned move to EPR in the coming years will improve things even further.

This year there has been one serious incident in information governance (classified as Level 2 in the Information Governance Incident Reporting Tool) involving sensitive information for one patient being sent to the wrong address. The incident has been reported to the Information Commissioner's Office and an internal root cause analysis is underway.

7. Annual Quality Report

The directors are required under the *Health Act 2009* and the *National Health Service (Quality Accounts) Regulations 2010* (as amended) to prepare quality accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS Foundation Trust boards on the form and content of annual quality reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

There are a number of controls in place to ensure that the *Quality Report* presents a balanced view of the Trust's Quality agenda. Many of the measures in the *Quality Report* are monitored throughout the year either at the Board or the Patient and Safety Outcomes Committee which reports into the Clinical Quality and Safety Committee. The Trust has a wide range of specific clinical policies in place to ensure the quality of care. These address all aspects of safety and quality. Policies are used to set required standards and ensure consistency of care.

The Trust's annual corporate objectives include targets for quality and safety measures and performance relative to these targets is monitored by the Trust Board and also measures specific to clinical divisions are monitored at the quarterly strategic reviews of performance.

The Audit Committee is responsible for monitoring progress on data quality. Objectives for data quality are defined and data quality priorities are monitored. Particular focus has been directed at key measures of quality and safety, which are relied upon by the Board and are collected from locally maintained systems. These measures are reported regularly through the Trust's quality performance management processes and reviews of deterioration in any such measure are fully investigated.

As noted already, during last year, a review of the Trust's waiting list data revealed a very high level of patients on waiting lists with unknown clock starts. The Trust was asked by its commissioners to carry out an audit of this data, and support was requested from the national response team. An action plan was agreed with commissioners and is routinely monitored through a four-party meeting of the Trust, Monitor, CQC and commissioner. The Trust has now completed the implementation of the action plan to correct the issues and has now returned to reporting in February 2017.

External assurance statements on the *Quality Report* are provided by our local commissioners and our local LINKs as required by Quality Account Regulations.

8. Review of effectiveness

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

My review is also informed by:

- the reviews of compliance with CQC standards
- consideration of performance against national targets
- the assessment against the information governance toolkit
- health and safety reviews
- results from the PLACE assessment
- relevant reviews by the Royal Colleges

I have also considered the reviews of the BAF risks by the assurance committees, the Risk, Assurance and Compliance Group and internal audit who seek evidence that the controls are in place and effective in mitigating the risk and by the work of clinical audit. In the 2016/17 audit program the audit work found most areas with significant assurance with minor improvements required.

The instances where the assurance was not sufficient or controls were not adequate, when subject to routine audits during the 2016/17 year were:

- A review of the temporary staff Reporting arrangements was undertaken and given partial assurance with improvements required. The audit identified a requirement to improve the reconciliations of the data held by the bank team to other data, such as the general ledger, to verify the completeness of the reported data are not undertaken. The Trust will be completing the implementation of the new e-roster system over the next 18 months which will improve the capture and recording of the agency and staff
- A review of the EPR implementation programme indicated no assurance. The findings included ensuring there was a full and up-to-date business case for the EPR implementation; developing appropriate governance processes for overseeing and approving changes to the EPR project; identifying the dependencies associated with the implementation of the EPR: recommendations have been actioned and completed with governance processes not significantly improved leading to the approval of a full business case by the Board to implement the EPR and research platform. All actions have now been implemented to correct any weaknesses where there was no assurance

There is one instance that has carried over from 2015/16 where the assurance was not sufficient or controls were not adequate which have action plans to be addressed in 2016/17, specifically being:

- The Trust has identified weaknesses in the processes for managing contracts resulting in delays to procurement. A contract management system has been procured and implementation will commence in April 2017 and a revised process of contract management is being implemented ensuring contract managers are assigned to each contract

Assurance of core systems and controls

- The Trust audit programme has identified significant assurances for financial controls and risk management, and has found that the Trust Board Assurance Framework does reflect the organisation's key objectives and risks, and is regularly reviewed by the Board
- In all cases, action plans have been put in place to remedy any controls or assurance gaps, and the remedial action is being monitored by the assurance committees of the Board
- In addition, the Board has reviewed the risks and assurance available in relation to both its redevelopment programme and its information technology strategy, which is focusing on the introduction of electronic patient records and moving towards a fully digital hospital. It has been agreed that due to the challenges inherent within these projects and their importance to the ongoing strategy, further actions are required to ensure that both programmes can be carried out within the required timescales and achieve their objectives

I have also considered the results of the assessment of compliance with the *NHS Foundation Trust Code of Governance* (which are set out in the Annual Report on page 62)

The Board is committed to continuous improvement and ensures there are regular reviews of the Trust's performance in relation to its key objectives and that processes for managing risks are continually developed and strengthened.

Conclusion

With the exception of the gaps in internal controls and matters where assurances can be improved, as set out above, my review confirms that GOSH has a generally sound system of internal controls that supports the achievement of its policies, aims and objectives, and I am confident that all minor gaps are being actively addressed. In the area where there was a significant control issue identified during the period (EPR implementation programme as outlined above), by the time the audit was carried out, management had already identified the relevant issues and implemented the necessary mitigations.



Dr Peter Steer
Chief Executive

25 May 2017



Nirali, age 14, has seen at least five different teams at GOSH as specialists search for a diagnosis. Here, pictured with nurse Georgie, Nirali is making a scrapbook of photographs of her favourite GOSH staff.

Independent auditor's report

Independent auditor's report to the Board of Governors and Board of Directors of Great Ormond Street Hospital for Children NHS Foundation Trust

Opinion on financial statements of Great Ormond Street Hospital for Children NHS Foundation Trust

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – independent regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the *National Health Service Act 2006*.

The financial statements that we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Cash Flows;
- the Statement of Changes in Equity; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – independent regulator of NHS Foundation Trusts.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the *National Health Service Act 2006* and the *Code of Audit Practice*.

Summary of our audit approach

Key risks	The key risks that we identified in the current year were: <ul style="list-style-type: none">• Recognition of unsettled NHS revenue• Management override of controls• Valuation of land and buildings• Appropriate capitalisation of costs in relation capital projects• Recoverability of overseas private patient debt
Materiality	The materiality that we used in the current year was £6.8m (2015/16: £4.0m) which was determined on the basis of 1.5% of revenue (2015/16: 0.9%).
Scoping	The Trust is a single entity. Audit work was performed at the Trust's head offices directly by the audit engagement team.
Significant changes in our approach	In the current year, we have separated our key risk into two risks, valuation of land and buildings and appropriate capitalisation of costs in relation to capital projects. In the prior year these were combined in our audit plan, though both were addressed as key risks. We have also removed going concern as a key risk.

Going concern

We have reviewed the Accounting Officer's statement contained within the performance report on page 20 that the Trust is a going concern.

We confirm that:

- we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Trust's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Independence

We are required to comply with the *Code of Audit Practice* and *Financial Reporting Council's Ethical Standards for Auditors*, and confirm that we are independent of the Trust and we have fulfilled our other ethical responsibilities in accordance with those standards.

We confirm that we are independent of the Trust and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Recognition of unsettled NHS revenue	
Risk description	<p>There are significant judgments in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> • the complexity of the Payment by Results regime and other locally set tariffs for specialised services, in particular in determining the level of overperformance; and • the judgemental nature of provisions for non-payment, including in respect of outstanding overperformance income for Quarters 3 and 4; and • the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and the status of agreement of future year contracts and tariff arrangements. <p>The majority of the Trust's income from patient care activities of £374.2m (2015/16: £349.6m) is commissioned by NHS England, increasing the significance of associated judgements. The Trust also works with numerous disparate clinical commissioning groups (CCGs) on a smaller scale which increases the complexity of agreeing a final year-end position.</p> <p>The settlement of income with NHS England and clinical commissioning groups continues to present challenges, leading to delays in the agreement of year-end positions. The year-end NHS debtors balance per note 14.1 of the financial statements is £19.7m (2015/16: £9.8m).</p> <p>See also note 1.4 to the financial statements, critical accounting judgements and key sources of estimation uncertainty, note 2, revenue from patient care activities and note 14.1, trade and other receivables.</p>
How the scope of our audit responded to the risk	<p>We tested the design and implementation of key controls in relation to revenue recognition, including how the IT systems feed through from activity being carried out to income being billed.</p> <p>We performed detailed substantive testing on a sample basis of unsettled overperformance, non-contractual and other unsettled NHS income items.</p> <p>We evaluated the results of the agreement of balances exercise, testing a sample of mismatches to validate the Trust position.</p> <p>We agreed STF income to award letters from the Department of Health.</p>
Key observations	<p>We are satisfied that revenue and provisions have been recognised appropriately.</p>

Recovery of overseas private patient debt

Risk description	<p>The Trust has a significant private patient and overseas (non-reciprocal) patient practise, accounting for £55.1m of revenue in 2016/17 (2015/16: £47.9m in 2015/16). As at 31 March 2017, the Trust has receivables of £31.9m (2015/16: £26.8m) in regards to this revenue. The year-end debtor in relation to international private payment debt is contained within the £36.3m of other receivables disclosed in note 14.1.</p> <p>Due to the nature of the debt (predominantly embassy or privately funded) amounts typically take longer to recover than NHS amounts and can be individually large and hence judgement is required to determine the level of provision required.</p> <p>See also note 1.5 to the financial statements, critical accounting judgements and key sources of estimation uncertainty and note 14.1, trade and other receivables and the Audit Committee's report on page 64.</p>
How the scope of our audit responded to the risk	<p>We evaluated the design and implementation of controls over recognition and collection of overseas, private patient and non-NHS revenue.</p> <p>We traced a sample of debtors at an interim date to subsequent cash receipts and performed roll forward procedures to year-end balance. We tested a sample of patients to confirm the validity of the revenue. We also tested new debt arising since the interim date on a sample basis.</p> <p>We tested the mechanical accuracy of the bad debt provision and challenged assumptions made to assess the adequacy of the provision, including reviewing aging of the debts, write-offs in the year and analysing the impact of changes in the provisioning approach on the valuation of the balance.</p> <p>Where there was no evidence of cash receipts, the prior payment history was assessed relevant correspondence reviewed and we challenged management in relation to their judgement around recoverability to assess whether payments will be made.</p> <p>We agreed a sample of debtors to letters of guarantee to support recoverability.</p> <p>The provisions were also assessed to determine whether individual balances were overstated by considering the historical accuracy of the provision.</p>
Key observations	<p>We are satisfied that revenue, receivables and provisions have been recognised appropriately.</p>

Valuation of land and buildings

Risk description	<p>The Trust holds land, building and dwellings within properly, plant and equipment at a modern equivalent use valuation of £304.9m (2015/16 £339.3m). The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a modern equivalent asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.</p> <p>There has been an overall reduction in valuation of £36.9m, of which £24.7m is reduction in the Trust's revaluation reserves, whilst there is a £12.2m impairment in the Statement of Comprehensive Income.</p> <p>Further details on the associated estimates are included in notes 1.5 and 11 to the financial statements and the Audit Committee's report on page 64.</p>
How the scope of our audit responded to the risk	<p>We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Trust to the valuer.</p> <p>We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties, including through benchmarking against revaluations performed by other trusts at 31 March 2017.</p> <p>We have reviewed the disclosures in notes 1.5 and 11 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.</p> <p>We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.</p>
Key observations	<p>We are satisfied that the Trust assumptions and valuation methodology are appropriate and are not indicative of management override or manipulation to achieve a preferred outcome.</p>

Appropriate capitalisation of costs in relation to capital projects

Risk description	The Trust has £32.7m (2015/16: £35.9m) of additions to assets under construction as per note 11.1 of the financial statements, primarily in relation to the development of new clinical buildings. The Trust has also begun to capitalise costs in relation to a new electronic patient records (EPR) system. Determining whether expenditure should be capitalised can involve significant judgement as to whether costs should be capitalised under International Financial Reporting Standards, and when to commence depreciation. In addition, previously capitalised works that are being replaced or refurbished need to be appropriately written down. Further details on the associated estimates are included in note 11 to the financial statements.
How the scope of our audit responded to the risk	<p>We have tested the design and implementation of controls around the capitalisation of costs.</p> <p>We have tested spending on a sample basis to confirm that it complies with the relevant accounting requirements, and that the depreciation rates adopted are appropriate.</p> <p>We have reviewed the status of individual projects to evaluate whether they have been depreciated from the appropriate point.</p> <p>We have challenged the treatment of capitalised costs in regards to the Trust's EPR programme, ensuring that such costs (mainly professional fees and project team staff costs) are directly attributable to the asset and that the project is sufficiently advanced for capitalisation to commence.</p>
Key observations	We are satisfied that capital expenditure has been recognised appropriately.

Appropriate capitalisation of costs in relation to capital projects

Risk description	<p>We consider that in the current year there is a heightened risk across the NHS that management may override controls to fraudulently manipulate the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and the incentives to meet or exceed control totals to receive STF funding.</p> <p>All NHS trusts and foundation trusts were requested by NHS Improvement in 2016 to consider a series of "technical" accounting areas and assess both whether their current accounting approach meets the requirements of International Financial Reporting Standards, and to remove "excess prudence" to support the overall NHS reported financial position. The areas of accounting estimate highlighted included accruals, deferred income, and partially completed patient spells, bad debt provisions, property valuations, and useful economic lives of assets.</p> <p>Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.4.</p>
How the scope of our audit responded to the risk	<p>Manipulation of accounting estimates</p> <p>Our work on accounting estimates included considering each of the areas of judgement identified by NHS Improvement. In testing each of the relevant accounting estimates, engagement team members were directed to consider their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.</p> <p>We tested accounting estimates (including in respect of NHS revenue and provisions and property valuations discussed above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third-party sources.</p> <p>We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in accordance with accounting requirements and were appropriate in the circumstances of the Trust.</p> <p>Manipulation of journal entries</p> <p>We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting focusing in particular upon manual journals.</p> <p>We traced the journals to supporting documentation, considered whether they had been appropriately approved, and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias.</p> <p>We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial statements.</p> <p>Accounting for significant or unusual transactions</p> <p>We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this risk.</p>
Key observations	We are satisfied as to the reasonableness of the journal entries posted by management and management's accounting estimates, and are satisfied that the financial statements are not materially misstated due to management override of controls

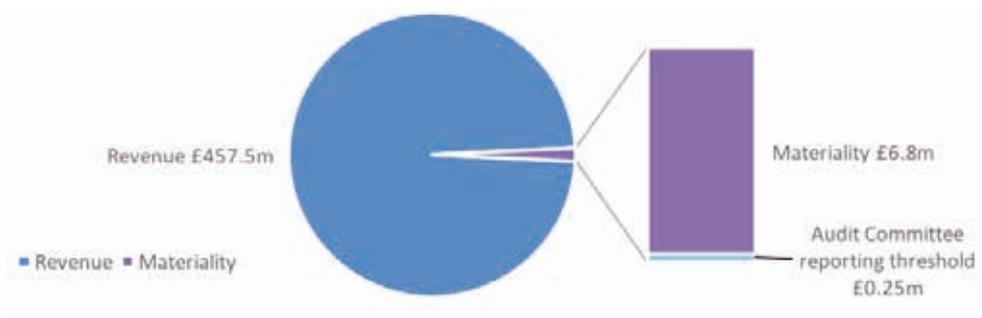
These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£6.8m (2015/16: £4.0m)
Basis for determining materiality	1.5% of revenue (2015/16: 0.9% of revenue) We reassessed the percentage used in the context of our cumulative knowledge and understanding the audit risks at the Trust and our assessment of those risks for this year.
Rationale for the benchmark applied	Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the committee all audit differences in excess of £250k (2015/16: £198k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work was performed at the Trust’s head offices in London directly by the audit engagement team, led by the audit partner.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and information technology systems.

Data analytic techniques were used as part of audit testing, in particular to support profiling of populations to identify items of audit interest.

Opinion on other matters prescribed by the *National Health Service Act 2006*

In our opinion:

- the parts of the directors’ remuneration report and staff report to be audited have been properly prepared in accordance with the *National Health Service Act 2006*; and
- the information given in the performance report and the accountability report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual governance statement, use of resources, and compilation of financial statements

Under the *Code of Audit Practice*, we are required to report to you if, in our opinion:

- the annual governance statement does not meet the disclosure requirements set out in the *NHS Foundation Trust Annual Reporting Manual*, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the annual governance statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

Under the *Code of Audit Practice*, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the *National Health Service Act 2006* in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the *National Health Service Act 2006* because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Our duty to read other information in the Annual Report

Under *International Standards on Auditing (UK and Ireland)*, we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Accounting Officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the *Code of Audit Practice* and *International Standards on Auditing (UK and Ireland)*. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team.

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Great Ormond Street Hospital for Children NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the *National Health Service Act 2006*. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Heather Bygrave FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

25 May 2017



Erin, age three, has a complex combination of symptoms and no diagnosis for her condition. Erin loves Power Rangers and dinosaurs and her bright personality has made her lots of friends across the hospital.

Quality Report 2016/17

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Baby Hope has been at GOSH with her twin sister Maria for the eight months of their life.

Understanding the *Quality Report*

We recognise that some of the information provided may not be easily understood by people who do not work in healthcare. So, for clarity, we have provided explanation boxes alongside the text.

This is a 'what is' box
It explains or describes a term or abbreviation found in the report.

"Quotes from staff, patients and their families can be found in speech bubbles."

What is the *Quality Report*?

The *Quality Report* is an annual report produced for the public by NHS healthcare providers about the quality of services they deliver. Its aim is to enhance accountability and engage leaders of NHS organisations in their quality improvement agendas. The *Quality Report* is a mandated document, which is laid before Parliament before being made available to patients, their families, and the public on the NHS Choices website.

What does it include?

The content of the *Quality Report* includes:

- Local quality improvement information, which allows trusts to:
 - demonstrate their service improvement work
 - declare their quality priorities for the coming year and how they intend to address them
- Mandatory statements and quality indicators, which allow comparison between trusts
- Stakeholder and external assurance statements

Great Ormond Street Hospital for Children NHS Foundation Trust (GOSH) has a long-standing reputation as one of the finest paediatric hospitals in the world. We are keen to share information publicly about the quality of our services and about our continuous improvement work.

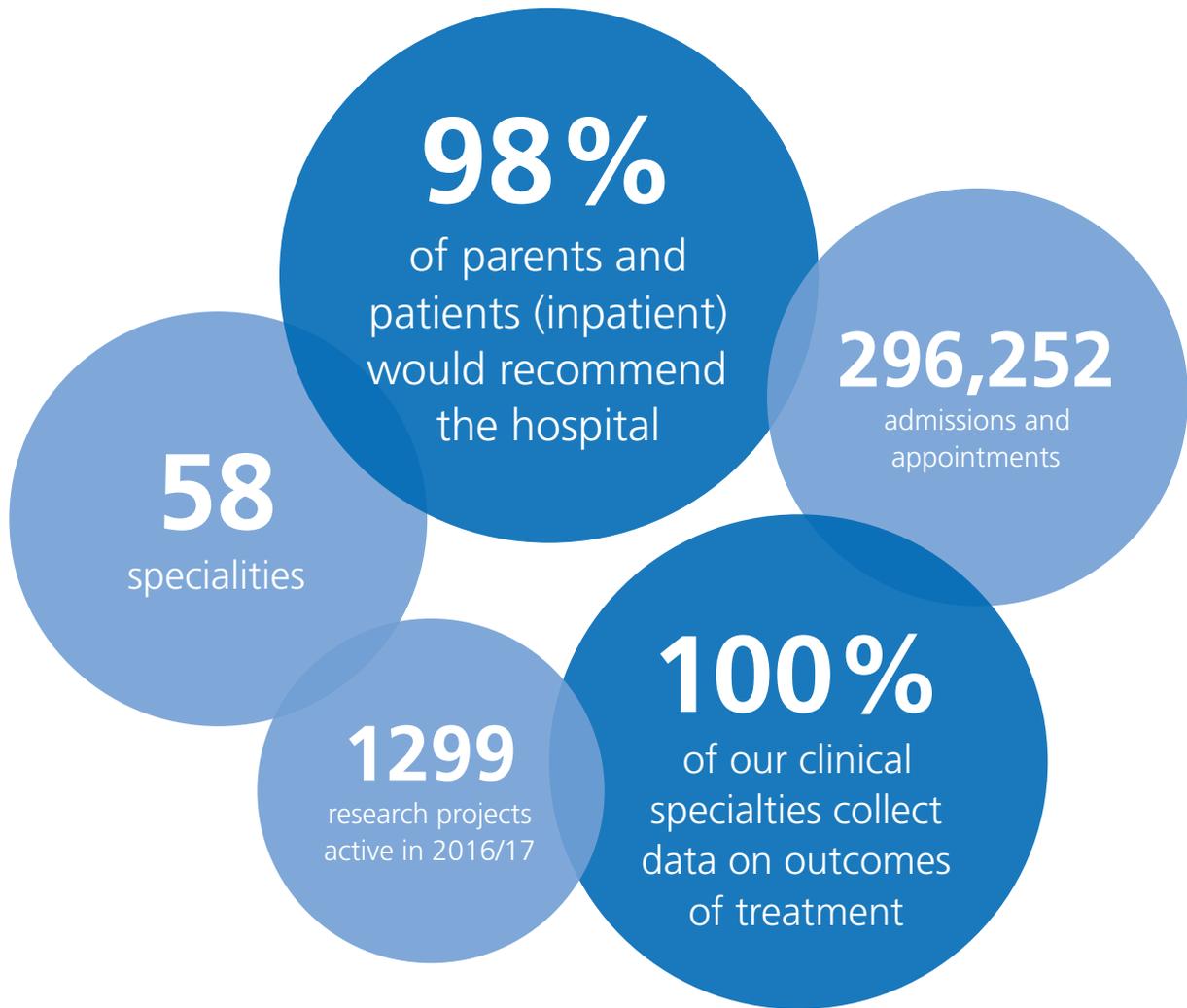
What is NHS Choices?

NHS Choices is the UK's biggest health website. It provides a comprehensive health information service to patients and the public.

What is a Foundation Trust?

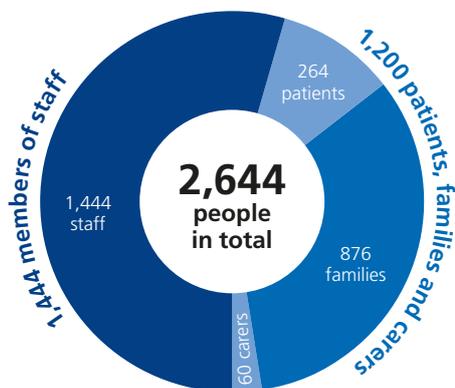
A Foundation Trust is a type of NHS trust in England that has been created to devolve decision-making from central government control to local organisations and communities. NHS Foundation Trusts provide and develop healthcare according to core NHS principles – free care, based on need and not on ability to pay. NHS Foundation Trusts have members drawn from patients, the public, and staff, and are governed by a board of governors comprising people elected from and by the membership base.

Our hospital



Our Always Values

We consulted very widely with staff, patients and families to derive our values:



After an extensive consultation and development period on values and the behaviours that demonstrate them, we formally launched *Our Always Values* in March 2015. Since then, *Our Always Values* has been a visible representation of our commitment to our patients, families and staff. These logos appear throughout the report where work described reflects *Our Always Values*.

Always



Part 1:

A statement on quality from the Chief Executive

At GOSH we are committed to continual improvement in everything we do. The *Quality Report* details our performance in the year's key improvement projects aligned to our three quality priorities, which are:

- **Safety** – to eliminate avoidable harm
- **Clinical effectiveness** – to consistently deliver excellent clinical outcomes, with the vision to be the leading children's hospital in the world
- **Experience** – to deliver kind and compassionate care, and communicate clearly to build confidence and ease

Areas for improvement are spotlighted in a number of ways. Issues may be flagged via internal or external audit or review, or via any of the gamut of ways through which we invite feedback from our patients and their families.

As detailed in Part 2c and Part 3, we have performed well against quality indicators set by Department of Health and met nearly all of our reportable healthcare targets set by NHS improvement. An urgent overhaul of our processes and systems for data collection and handling means we have been unable to report referral to treatment (RTT) for 2016/17. We are back on track to have complete waiting time data for 2017/18.

I am particularly proud of the further progress made this year to prevent and identify deterioration in our young patients (see below). Over recent years this programme of work has brought together a wide range of initiatives – from new technology and better equipment, to staff training and awareness raising – to deliver the excellent quality of care our patients deserve.

Safety

A new protocol was introduced at GOSH, and supported by staff training, to increase timely recognition and treatment of sepsis, which is a life-threatening condition that can arise as a result of infection. Swift action is vital in sepsis, so it is very encouraging that in the first few months of the protocol being rolled out hospital-wide, nearly 70% of actions were taken within one hour – far in excess of the international average.

Work was also undertaken this year to cut preventable cardiac and respiratory arrests. By reviewing our monitoring systems, improving staff's preparedness for a clinical emergency and bringing in new equipment, potentially preventable arrests reduced substantially over the 12 months.

Finally, we built on last year's introduction of electronic Patient Status at a Glance (ePSAG) boards, by establishing safety huddles into the daily routine of inpatient wards. These short meetings of clinical staff take place at the ward ePSAG. They ensure that all staff understand each patient's status, and that there is collective awareness of those children that may be at risk of deterioration.

An audit of neonatal care at GOSH spotlighted some areas for safety improvement that we intend to address in the coming year. This work will focus on three main areas: bloodspot testing for early detection of serious conditions, identification and evidence-based treatment of neonatal jaundice, and management of neonatal intravenous fluids.

Clinical effectiveness

In 2015 the quality of our referral-to-treatment data began to cause concern. It was failing to accurately reflect waiting times, so we were unable to keep track of our performance against national targets. Over the past year a great deal of time and hard work has gone in to transforming the quality of our data and systems so they are now viewed as among the best in the sector. We recommenced reporting in 2017, and the first few months of data put us well ahead of our recovery trajectory. This gives me great confidence that in all but a handful of sub-specialties we'll meet the national standard in 2017/18 – that 92% of patients should wait less than 18 weeks from referral to treatment.

To be truly world-leading in our practice it is crucial we care for the whole child, rather than treating a patient's condition in isolation. Evidence shows that people with long-term conditions are at high risk of mental health problems, so this year we proactively, but unintrusively, increased our psychological support services across four clinical areas. Mental health screening – in the form of a questionnaire offered to families – confirmed that our patients with long-term conditions do exhibit a higher rate of mental health difficulties than children in the general population. Our psychological services staff followed up every patient whose screening caused concern. Going forward, we plan to refine and establish mental health support as part of the patient journey in high risk clinical areas at GOSH.

In 2017/18 we will bring clinical outcomes to the forefront. Currently, Trust-wide access to teams' outcome data is patchy. We will take a consistent approach to collecting and reporting outcome information internally through the Clinical Outcomes Hub. This will enable teams to more readily use this evidence in decision-making and service improvement.

Experience

The views of our patients and families are paramount in informing the continual improvement of clinical and support services across GOSH. We place the results from the NHS Friends and Family Test (FFT) in high regard, and have worked hard to make it easy for more of our patients and parents to tell us what they think. It is encouraging to see a 7% increase in comments received this year. Crucially, we have established practices to ensure teams throughout the Trust use the feedback to recognise their achievements as well as understand where improvement is needed.

The FFT results from inpatients have this year exceeded our own ambitious target of a 95% rate of recommendation for the hospital, but for outpatients it stands at 93%. Work continues to address this shortfall in outpatient responses, and we will soon begin a demographic analysis of FFT results. This will help us to identify and address any differences in the quality of experience at GOSH according to ethnicity, age and additional needs.

Many of GOSH's patients have conditions that persist beyond their time in our care. We therefore have a duty to ensure that the transition from paediatric to adult services is as positive as it can be. It's a complex challenge, and an area that GOSH patients and parents have told us needs improvement. This year we laid the foundations of our trust-wide Transition Improvement Project. This work included the identification of a doctor in each specialty who will be the transition lead, and an audit of relevant data and information about our transitioning or near-transition patients. There is a great deal of work to do now to improve the experience of transition, and the project will remain a priority in the coming year and beyond.

Accuracy of data

We are very mindful that much of the information we have provided in this report is dependent on the quality of the data we can obtain. In preparing the Quality Accounts, there are a number of inherent limitations which may impact the reliability or accuracy of the data reported. These include:

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance, or included in internal audits programme of work each year
- Data is collected by a large number of teams across the trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted. In many cases, data reported reflects clinical judgement about individual cases, where another clinician might reasonably have classified a case differently
- National data definitions do not necessarily cover all circumstances, and local interpretations may differ
- Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years. The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data

Where we have been unable to provide accurate data in relation to key healthcare targets, it is clearly stated.

The Trust and its executive team have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported, but recognises that it is nonetheless subject to the inherent limitations noted above.

Following these steps, to my knowledge, the information in the document is accurate.



Peter Steer
Chief Executive



Hassan, age five, having treatment at GOSH for leukaemia.

Part 2a:

Priorities for improvement

This part of the report sets out how we have performed against our 2016/17 quality priorities. These have been determined by a combination of national priorities as well as local priorities identified by staff, patients and their families, and wider stakeholders such as referrers and commissioners. The quality priorities fall into three categories: safety, clinical effectiveness and experience. These categories were defined by Lord Ara Darzi in his NHS review for the Department of Health, in which he emphasised that quality should be a central principle in healthcare.



Safety

We are committed to reducing avoidable harm and improving patient safety as rapidly as possible. Our safety initiatives aim to ensure that each patient receives the correct treatment or action the first time, every time.

Clinical effectiveness

At GOSH, we seek to provide care for our patients commensurate with the best in the world. As a major academic centre, we work with our patients to improve the effectiveness of our care through research and innovation. We use national and international benchmarks to measure our effectiveness whenever possible, and we publish this outcomes data on our website and in renowned academic journals. To measure our effectiveness from the patient's perspective, we use Patient-Reported Outcome Measures (PROMS).

Experience

We want our patients and their families to have the best possible experience of our treatment and care. Therefore, we measure patient experience across the hospital and seek feedback from our patients, their families and the wider public to improve the services we offer. We do this via:

- Membership, patient and member surveys
- Focus groups and events
- Social media
- Asking patients and families about their experience within 48 hours of discharge

Reporting our quality priorities for 2016/17

The six quality priorities reported for 2016/17 are:

Safety

- Improving the monitoring and escalation of the deteriorating child
- Implementing safety huddles

Clinical effectiveness

- Reducing the number of patients with incomplete pathways at 18 weeks
- Implementing mental health screening in children and young people with long-term physical health conditions

Experience

- Improving young people's experience of transition to adult services
- Utilising Friends and Family Test data for improvement

This section reports on our performance against each quality priority by outlining:

- What we said we'd do
- What we did
- What the data shows
- What's going to happen next
- How this benefits patients

In this section, we also provide information about other ways we have sought the views of our patients and families in 2016/17.

Improving the monitoring and escalation of the deteriorating child

What we said we'd do

We said we would further improve the monitoring of patients on the ward to ensure early identification every time when a child's health is deteriorating. Effective monitoring means staff can seek support early on to provide intervention to stabilise the child. The improvement work had two strands:

1. Improving sepsis awareness
2. Preventing cardiac and respiratory arrests

1. Improving sepsis awareness

What we did

Since a national report in November 2015¹, sepsis awareness has grown as an NHS priority to avoid preventable health problems or death through early detection and treatment. Research shows that for every hour of delay in treatment of a septic patient, mortality increases by 7%. We've always been conscious of the risk of sepsis, but this report has influenced us to further our efforts to identify these cases early.

As part of our improvement workstream on the deteriorating child, we developed and implemented a new sepsis protocol in 2016/17 to increase timely recognition and treatment of sepsis in our patients.

In July 2016, a project team was set up to implement the 'Sepsis 6' protocol at GOSH. The steering group was led by a specialist neonatal and paediatric surgeon and had representation from intensive care units (ICU), resuscitation services, clinical site practitioners, frontline nursing and medical teams and the Quality Improvement team. The GOSH Sepsis 6 protocol was adapted from the national Paediatric Sepsis 6, developed by the UK Sepsis Trust.



What is sepsis?

Sepsis is a life-threatening condition that arises when the body's response to an infection injures its own tissues and organs. Sepsis leads to shock, multiple organ failure and death, especially if not recognised early and treated promptly.

UK Sepsis Trust

What is 'Sepsis 6'?

Sepsis 6 is a list of six actions that can double the chances of survival, if applied within the first hour of presentation. The actions are:

1. Provide high flow oxygen
2. Obtain intravenous (into vein)/intraosseous (into bone marrow) access and take bloods (gas, lactate and blood cultures)
3. Give intravenous/intraosseous antibiotics
4. Consider fluid resuscitation
5. Involve senior clinician early
6. Consider inotropic support early (medicines that change the force of heart contractions)

What is a Clinical Site Practitioner?

A Clinical Site Practitioner (CSP) is a senior nurse in charge of the day-to-day operational management of the hospital.

¹ National Confidential Enquiry into Patient Outcome and Death (2015). Just Say Sepsis! A review of the process of care received by patients with sepsis. London: NCEPOD

The protocol was piloted on Squirrel (surgical) Ward and then rolled out to Elephant, Lion and Giraffe (haematology and oncology) Wards. The pilot included:

- Ward-based training for nursing and medical teams
- A hotline for support to staff implementing the sepsis care protocol
- Data collection on the timeliness of delivery of the protocol

Following the positive results of the pilot, the Sepsis 6 protocol was rolled out Trust-wide at the end of January 2017. Sepsis champions were recruited from all clinical specialties and participated in a train-the-trainer programme. A Sepsis Awareness Week was held in the hospital to promote knowledge among all staff, parents and patients about the signs of sepsis. This was delivered through lunchtime lectures, information stands and simulation exercises on the wards.

What the data shows

The current international average for completing the Sepsis 6 protocol within one hour is 47%². Figure 2 demonstrates compliance with the protocol significantly above the international average now that it has been rolled out to all inpatient areas.

These early results are encouraging. In addition, staff reported that they felt empowered by the protocol and that it facilitated fast response to deterioration and good communication across the multidisciplinary team.

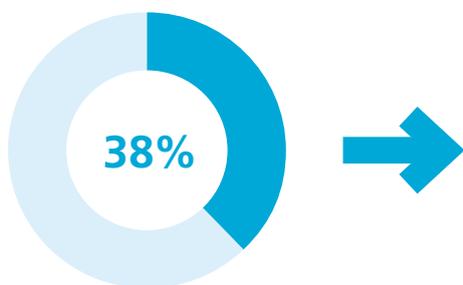


Figure 1: Sepsis 6 protocols completed within one hour in the pilot areas (Squirrel, Elephant, Lion and Giraffe Wards) from September 2016 to January 2017.

What's going to happen next?

We will continue to make improvements within our system to facilitate early recognition of the signs of sepsis and fast delivery of the protocol. Next steps are:

- Ensure all first-line antibiotics are stocked on every ward so that they can always be delivered within the first hour
- Incorporate an automated alert for sepsis into our electronic patient observation system, which will guide staff through to an electronic Sepsis 6 tool when a patient triggers against the flag signs for sepsis
- Provide further education to ward areas to overcome specific challenges in delivering the Sepsis 6 protocol in one hour
- Raise greater awareness among parents through leaflets given post-surgery and in outpatients, and via general communications on the hospital website



One Team

“Sepsis 6 means that I don’t need to ask permission to do what I know is right. I can take the bloods and start treatment without waiting to ask someone. We could never have delivered the treatment so quickly before this protocol. It is so clear and makes it really easy to do the right thing.”

Senior Staff Nurse,
Squirrel Ward

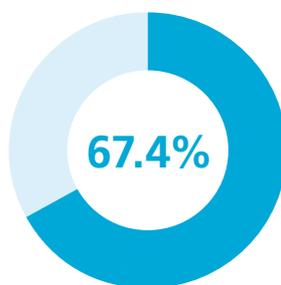


Figure 2: Sepsis 6 protocols completed within one hour in all inpatient areas (including ICUs) from January to March 2017.

² Levy MM et al (2014). Surviving Sepsis Campaign: association between performance metrics and outcomes in a 7.5-year study. Intensive Care Medicine 40(11) pp 1623-33.

2. Preventing cardiac and respiratory arrests

What we did

Cardiac and respiratory arrest is sometimes inevitable in the care of very sick patients. However, we want to ensure any arrest that could be prevented is prevented. We divided this workstream into three projects:

- Evaluation of Early Warning Score systems to determine the best scoring system for our patients
- Establish Just-in-Case training to prepare in advance for predicted clinical emergencies
- Roll out new defibrillators (devices that deliver electric current to the heart to correct life-threatening cardiac rhythms)

Early Warning Score: We undertook an in-depth evaluation of the Childrens' Early Warning Score (CEWS) that we use at GOSH to identify patients at risk of deterioration. We compared it with the Bedside Paediatric Early Warning Score (B-PEWS) developed by SickKids, the children's hospital in Toronto, Canada. By the assessment parameters, B-PEWS was found to be superior to CEWS for identifying clinical deterioration in children. We are now planning our replacement of CEWS with B-PEWS.

Just-in-Case training (JIC): We implemented a JIC training programme on non-ICU wards that look after the highest number of very sick children. Using the safety huddles and the clinical emergency team brief, the sickest patients are identified on these wards and the bedside nurses are trained to prepare for a clinical emergency, enabling them to be specifically equipped, whether the child deteriorates or not.

New technology in defibrillators:

Supported by the GOSH Charity, we installed new defibrillators across the Trust. Two styles were introduced:

- A top-specification defibrillator with full advanced life support features. This was installed in areas of high clinical risk such as theatres, interventional labs, ICUs and high dependency areas
- A first-responder defibrillator, which may be used in either automated external defibrillation or manual mode for all age groups. This was installed in all other clinical areas including outpatients, and in public areas around the Trust with high footfall

The higher-specification defibrillator has been used to help clinical staff in the recognition and management of the acutely unwell by being used early in an arrest event. The technology of the defibrillator enables us to monitor the quality of ventilation and chest compressions by the defibrillator. It also provides real-time feedback to the resuscitating team.

What the data shows

We reviewed all respiratory and cardiac arrests outside ICU and theatre, using a classification system devised to reflect the complexity of our patients and the degree of certainty we can have about whether an arrest could have been prevented. We use the term 'probably' to show a level of certainty greater than 50%, and the term 'potentially' to show a level of certainty less than 50%.

This simple classification of three categories seeks to identify any practice that could be improved in relation to a cardiac or respiratory arrest at GOSH:

1. Probably not preventable
2. Probably not preventable but with modifying factors
3. Potentially preventable

The 'probably not preventable but with modifying factors' category enables us to identify improvements we can make to the process, even where it wouldn't have changed the outcome. Modifying factors are defined as:

1. Mismanagement of deterioration

- Failure to act on or recognise deterioration
- Failure to give ordered treatment/support in a timely way
- Failure to observe

2. Failure of prevention

- For example, healthcare associated infections, pressure sores, etc

3. Deficient checking and oversight

- Medication error
- Misinterpretation or mishandling of test results

4. Dysfunctional patient flow

- Inappropriate discharge
- Poor/inadequate handover
- Unavailability of ICU beds

5. Equipment-related errors

- Necessary equipment failed or faulty
- Necessary equipment misused or misread by practitioner
- Necessary equipment not available

6. Other

- Other modifying factor specified

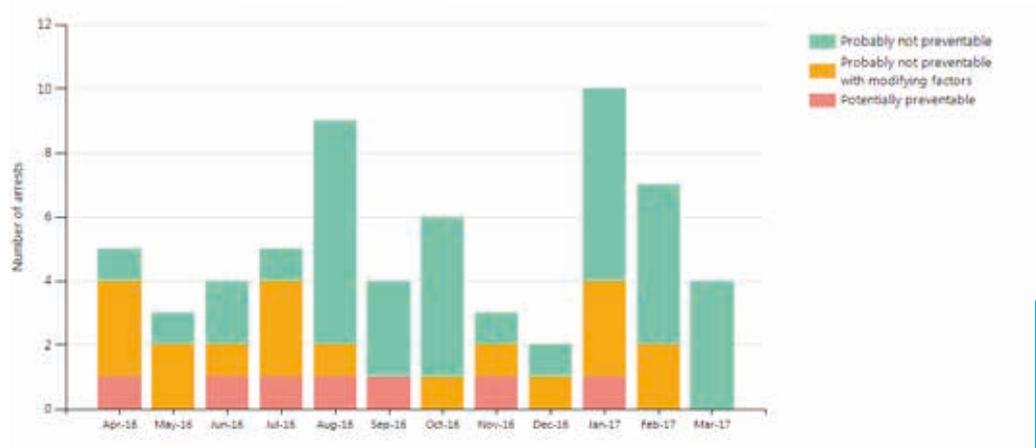
What is cardiac and respiratory arrest?

Cardiac and respiratory arrest, also known as cardiopulmonary (heart and lungs) arrest, is a term used to describe the sudden loss of heart function, breathing and consciousness. It can occur due to an electrical disturbance in the heart, but can also be caused by structural heart abnormalities that disrupt the heart's normal pumping action. This loss of function stops blood flowing to the rest of the body and stops lung function.

What is an Early Warning Score?

There are several Early Warning Score tools available in paediatrics to support staff to recognise and respond to children who may be deteriorating. Early Warning Scores are generated by combining the scores from a selection of routine observations of patients including pulse, respiratory rate, blood pressure, oxygen saturation and consciousness level.

All cardiac and respiratory arrests outside ICU and theatres – by review category:



"It's been great to recap my skills and be better prepared for any event."
Nurse on JIC training

2016/17 shown in 6-month blocks:



"The metronome helps keep me to the right compression rate."
"Quality CPR feedback from the defibrillator pads is amazing."
"It is very clear, no confusion."
Staff on defibrillator training



Expert

Every event that we determine as potentially preventable undergoes a comprehensive process that includes a root cause analysis. Potentially preventable arrests have reduced over the last 12 months, as have arrests that are probably not preventable but with modifying factors.

The higher number of arrests in August 2016 and January 2017 is due to a small number of extremely sick children in these months having multiple events. This is not reflective of the hospital-wide trend.

We continue to review and monitor this data closely. This enables us to use the findings in our work to eliminate potentially preventable arrests and to address modifying factors, where they are present in arrests that are probably not preventable.

What's going to happen next?

Preventing cardiac and respiratory arrests:

- Implement the B-PEWS at GOSH by the end of September 2017
- Continue to roll out JIC training across the Trust
- Further develop our dashboard of measures to identify issues in escalation of the deteriorating child
- Work with the high-specification defibrillator manufacturer to improve the accuracy of its clinical feedback for paediatric patients as part of an international study

How this benefits patients

Earlier detection of patients who deteriorate means:

- Better outcomes
- A safer environment
- Better communication and clarity between families and medical teams in the delivery of end-of-life care

Implementing safety huddles

Over the past two years, GOSH has been involved in a national programme called Situational Awareness For Everyone (SAFE), a joint initiative between the Royal College of Paediatrics and Child Health and the Health Foundation. The purpose of SAFE was to increase the ability to recognise and manage the deteriorating patient. As part of the programme, the Quality Improvement team rolled out electronic Patient Status at a Glance (ePSAG) boards in 2015/16 to enable staff to access clear, accurate and real-time patient information. The new 'watcher' category was also introduced on the ePSAG boards for monitoring. 'Watchers' are patients whose Early Warning Scores do not trigger an alert, but where the patient's family/carer or a clinical member of staff has a concern.

What we said we'd do

As part of the situational awareness programme, we also committed to implement safety huddles across all GOSH inpatient wards.

The first safety huddle took place in October 2012. But without the visual aid of electronic patient boards, traction was difficult on our busy wards. The safety huddle workstream was relaunched in September 2015, after the implementation of the ePSAG boards. This meant staff were better able to access in real time the clinical information they needed to inform their safety huddle discussions.

What we did

In 2016/17, safety huddles were successfully rolled out to every inpatient³ ward using a staggered approach. The project steering group included clinical leads from each division to ensure local champions were engaged from the outset. Key figures such as matrons, practice facilitators and nursing leads were also identified to ensure the overarching strategy for rollout was clear. Ward staff were trained and key departmental meetings were attended for dissemination of information about the project before the intervention was fully implemented. Spread was facilitated by the Quality Improvement team and medical leads.

The analysts/developers in the Quality Improvement team also created a number of tools and documents to improve the success of the project:

- A 'huddle attendance' monitoring tool was provided to assist in assessing the attendance and timeliness of the huddles
- A reflection tool helped us analyse different aspects of the huddle to support the embedding of the practice
- An education and situational awareness video provided accurate and succinct information for all new clinicians during their induction at GOSH
- A four-week training package was developed and distributed to all ward managers as part of the implementation. The documentation provides all information necessary to commence, test and sustain the huddles at a ward level

What are safety huddles?

At GOSH, a safety huddle is defined as a five-minute daily gathering at the ePSAG board at a specified time. They are attended by all nurses on the ward, the lead doctors and any other appropriate staff members to discuss all patients' Early Warning Scores and escalation plans, and to identify the sickest patient on the ward and identify any 'watchers'.

"I feel the safety huddles have made my ward more organised with better team work and awareness."

Medical Registrar

"I think that nurses' confidence in raising their concerns has improved since the introduction of the huddle, especially the more junior nurses."

Ward Manager

"As long as I am around at GOSH I will always be looking at the ePSAG boards, or watching a huddle, and feeling a deep sense of pride that I was able to work with you all and to contribute freely."

Parent representative on the project group

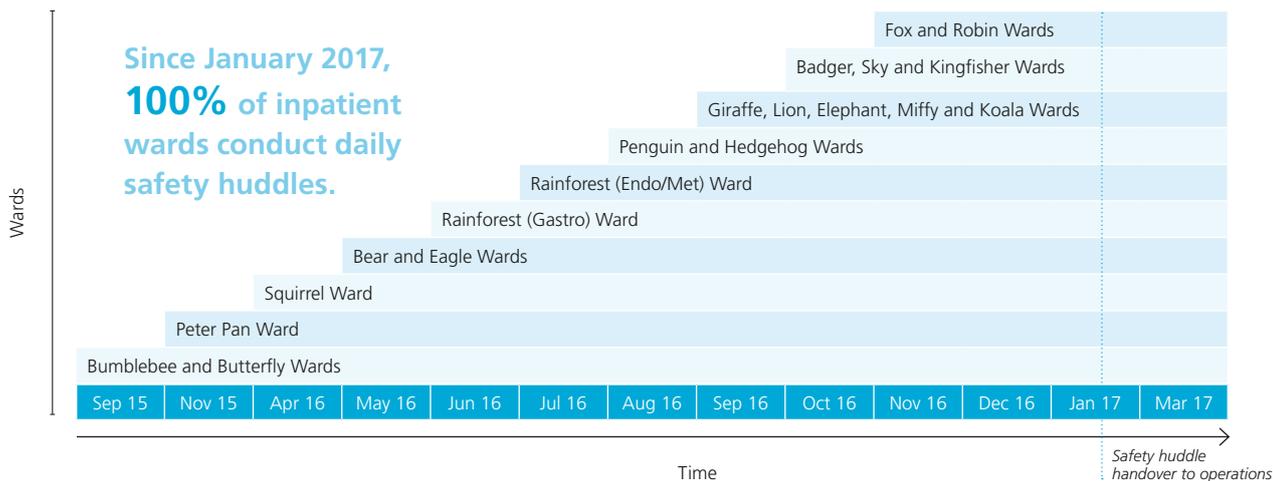


One Team

³ Except intensive care units, which already have specific safety procedures embedded as part of their 1:1 care.

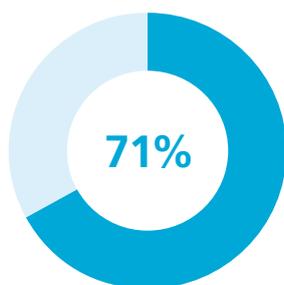
What the data shows

1. Inpatient wards that have daily safety huddles:



The project team is currently handing over the formal management of the safety huddles to operational staff to ensure sustainability of practice.

2. Inpatient wards currently fulfilling all of the 'gold standard' huddle criteria:



The GOSH 'gold standard' huddle takes place daily using an agreed script, with medical and nursing attendance. The multidisciplinary team identifies all patients with an elevated EWS and/or who fit the 'watcher' definition, and agree an escalation plan. The remaining 29% of wards (six wards) perform safety huddles daily but do not always have the wider multidisciplinary team in attendance. Local clinical managers are working with these wards to achieve consistent attendance by the full multidisciplinary team.

What's going to happen next?

To support a smooth transition from project status to 'business as usual' throughout 2017/18, we will:

- Develop a more sensitive safety indicator dashboard, devised in partnership with clinicians, which will focus on key indicators of timely intervention and avoidance of preventable deterioration in a child's condition
- Give a 'watcher' leaflet to all parents and families of children admitted to GOSH
- Finalise and include the situational awareness content in both the junior doctor induction programme and the Trust induction programme
- Hand over to wards the monitoring of their huddles for frequency and quality, so that they are locally owned and proactively sustained

How this benefits patients

- Early detection of deterioration
- Accurate and timely escalation of concerns
- Shared decision-making and contingency planning to mitigate risk of child deterioration
- Improved safety culture and staff confidence

"Safety huddles improve patient safety and communication between the team. They also help us to acknowledge who may be at risk of deteriorating and to consider patient dependency. If we do identify someone as a watcher it helps us to think about whether to share information with the CSPs, if we have not already done so."

Practice Educator

"Being up to date with all patients on the ward has definitely improved the safety culture, as we are now all aware of each other's concerns about patients."

Staff Nurse

Clinical effectiveness

Reducing the number of patients with incomplete pathways at 18 weeks

Incomplete referral-to-treatment (RTT) pathways are the care pathways of those patients who are still awaiting treatment for their condition. This is measured against the national 'incomplete' standard, which states that 92% of patients waiting at any point in time should be waiting less than 18 weeks from referral (the length of time defined as a patient's constitutional right). This measure ensures that patients on an RTT pathway are seen and treated within 18 weeks and thus receive timely care.

What we said we'd do

Having paused our reporting of RTT incomplete pathways in August 2015 in order to address issues with our data and processes, we committed to resuming reporting in this financial year. To achieve this, we said we would launch new operational processes to ensure our waiting list management complies with national best practice, and continue to work with commissioners to ensure sufficient capacity for the referrals that we receive into the Trust.

Part of this work included the roll out of the electronic Clinic Outcome Form system (eCOF) to support the timely and accurate capture of outcomes related to the patient pathway.

What we did

A considerable amount of improvement work has been completed by the organisation over the last year in relation to the delivery of elective care. The Trust returned to reporting against the incomplete RTT standard in January 2017, almost at target with a performance of 91.2% for the month and above the Trust's recovery trajectory that was agreed with our commissioners.

We established a clinical review process for all our children and young people who had waited longer than they should have, which was chaired by the Trust's Medical Director. Following the completion of our transformation work, we have reviewed this and formalised a process for review of any child who waits longer than their constitutional right of 18 weeks.

We entirely rewrote our processes, from data handling through to management and reporting of RTT to ensure it was robust and in line with national guidance. The new reporting system tracks all elective care patients across all parts of the elective care pathway to ensure total transparency. An external review of the

reporting solution was completed by the NHS Improvement Intensive Support team, who endorsed the product as "best practice".

Particular focus has been placed on receiving complete information from referring organisations about the length of time patients have already waited prior to their referral to GOSH. As a specialist centre, 85% of our patients are first seen at a local hospital before being referred to us for more complex care. The date the patient was originally referred to their first hospital is known as the 'clock start'. In April 2016, we had an 'unknown clock start' position for 78% of all patients on the incomplete waiting list. Despite this being a difficult problem to influence directly, we sent communications to our many referrers to ensure they understood the importance of providing this information to us when they refer.

In order to improve the accuracy and completeness of outcome codes, the eCOF system was designed and implemented. Appointment outcomes and follow-up appointment requests were historically recorded by clinicians on paper and taken by patients to reception staff. We found that paper forms were not always returned, creating a risk of losing patients to follow-up and challenges in being able to track where a patient was in their RTT pathway.

eCOF was developed for clinicians to record RTT outcomes and request follow-up appointments electronically at the time of the appointment, eliminating paper forms and providing real time information on incomplete outcomes and outstanding follow-up requests for administration. Patient experience is improved as patients are now more likely to have their follow-up booked before they leave the hospital.

What is a care pathway?

A care pathway is an outline of anticipated care in an appropriate timeframe to treat a patient's condition or symptoms.

"Much better system."

"Faster than paper."

"Recording outcomes is easier."

Clinicians

"Good way of tracking patients."

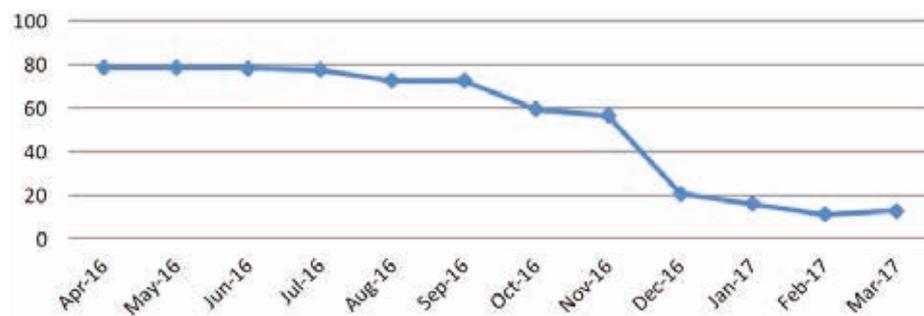
Specialty administrative staff

"This should stop the follow-ups being missed."

Outpatients department reception staff

What the data shows

1. Percentage of unknown clock starts on RTT pathways:



After working hard with our many referrers to reduce ‘unknown clock starts’, much progress has been made in receiving referrals that have complete information to enable us to know how long the patient has already been waiting.

2. Percentage of appointments with RTT outcome within five working days:



eCOF has been fully implemented and the improvement has sustained as the chart above shows. Outpatient appointment outcomes were recorded within five days for 80.4% of appointments in January 2016. In March 2017, we recorded 92.6% of appointment outcomes within five days.

Any remaining outcomes and appointments that are outstanding are booked through weekly outpatient performance meetings, which will in future form part of the permanent Trust Patient Tracking List meetings.

3. RTT incomplete pathways:

As we only returned to reporting against the RTT standard in January 2017, we are continuing to monitor our position. However, 91.2% is a very encouraging return position against the 92% standard, with 91.6% achieved in February 2017 and 91.85% achieved in March 2017.

What's going to happen next?

The RTT standards work is now focused on a number of dedicated areas to embed good practice and sustain improvement. This includes the establishment of the Data Assurance team, who will focus on the prevention and correction of errors at source. This team will also be responsible for the establishment of training in the processes to support delivery of elective care, including RTT, cancer pathways, eCOF, and discharge summaries.

Finally, the Trust will return to compliance with the 92% incomplete pathway standard in 2017/18.

How this benefits patients

Improving our processes for elective care and strengthening assurance of our data means that patients can be seen within the most clinically appropriate timescales.



“Providing timely access to care for all GOSH patients is one of the organisation’s key priorities and I am immensely proud of the improvement work completed over the last year. The Trust has not only returned to reporting, but we have been cited as a “best practice” organisation related to the tracking and managing of our patients through their pathway with absolute transparency across all aspects of care.

“We have now a solid foundation established and the future focus needs to be on making our processes sustainable to ensure that we provide timely elective care for all our patients going forward.”

*Nicola Grinstead,
Deputy Chief Executive*



Helpful

Implementing mental health screening in children and young people with long-term physical health conditions

Introducing a standardised mental health screening tool as part of routine clinical practice is in line with the government's strategy to improve the mental health and wellbeing of the nation and to improve outcomes for people with mental and physical health problems. Physical health and mental health are related, with a compelling body of evidence highlighting that people with long-term conditions (LTCs) are particularly vulnerable to mental health problems.

At GOSH, we have well-established psychosocial services offering a good level of support related to specific physical conditions, which includes adjustment to illness and adherence to treatment regimes. However, we wanted to improve our recognition and treatment of mental health problems, such as depression and anxiety, where these co-occur with physical health problems. Ultimately, our aim is to strive for optimal holistic care of children, young people and their families and to be leaders in the field.

What we said we'd do

We said we would introduce and then embed routine mental health screening and linked provision of mental health input across four identified LTC areas: Nephrology, Metabolic Medicine, Cardiology and Cleft/Craniofacial. Over the year we wanted to increase the number of inpatients offered the Strengths and Difficulties Questionnaire (SDQ) as part of routine care. The SDQ is a robust, well-validated, standardised screening measure that identifies children and young people at risk of significant mental health problems.

We also wanted to introduce a standard pathway to follow up those patients whose scores indicated they were likely to be experiencing mental health difficulties. This approach would enable us to initiate treatment as required with our trained paediatric mental health professionals.

What we did

Firstly, we worked across clinical, administrative and management staff groups to introduce routine screening to supplement our existing provision. With the help of colleagues in our Quality Improvement team, we were able to offer families the option of completing the SDQ electronically with support by nurses and other clinical staff on the ward as needed. This was easier for patients and families, more efficient for us, and allowed us to keep careful track of which children and young people needed a follow-up conversation and support from our psychological services staff. Over the year we were slowly able to build up the number of patients screened. We successfully followed up every screened patient who flagged as being at risk of mental health problems.

"Great to see that all patients have their outcomes completed on the eCOF."

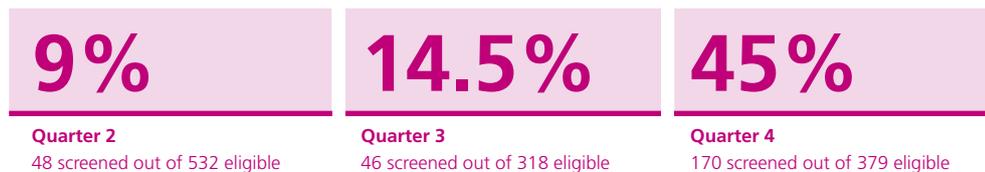
Outpatients department reception staff



Expert

What the data shows

1. Number of children under a physical health specialty who received a mental health screening:



2. Number of mental health-screened children, who scored above the SDQ threshold:

Of the total of 264 individuals offered the SDQ, 30 scored above the SDQ threshold. In quarter four, which was most representative, 17% of Metabolic Medicine patients screened, 13% of Nephrology patients screened, and 12% of Cardiology patients screened scored above the SDQ threshold. National research indicates that one child in 10 in the UK has a diagnosable mental health problem⁴. So, the figures are slightly higher than the general population, as we expected. This indicates a significant opportunity to attend to our patients' mental health as well as their physical healthcare needs.

3. Number of mental health-screened children, who scored above the SDQ threshold, who were followed up by a member of the Psychological Services team:



Of the 30 patients who scored above threshold, all were followed up.

What's going to happen next?

While we want to ensure that we identify mental health problems so we can offer intervention or support, we want to be careful that we offer screening at a time that is appropriate for families. We are exploring the best ways to do this, including the commencement of screening before children reach the stage of admission to an inpatient bed. Over the coming year we aim to:

- Commence screening earlier in the patient journey
- Increase our screening rates further
- Develop further the protocol for assessment type after a child scores 'above threshold'
- Standardise our approach across screening areas
- Develop a shared protocol for assessing the value of our mental health interventions and support to children, young people and their families

How this benefits patients

- Improved care of our patients through an integrated mental and physical health approach
- Increased opportunities to improve wellbeing of patients and their families

"This initiative allows patients to be assessed in a way that does not rely on staff judgement or opinion. The family do not have to approach the team to vocalise their need for help and it helps to avoid waiting for crisis before intervention. Children and their families at GOSH will be aware of our views on the importance of an integrated physical and mental health approach to improve their health-related quality of life."

*Carly, Matron,
Barrie Division*

⁴ Green H et al (2005). Mental health of children and young people in Great Britain, 2004. Basingstoke: Palgrave MacMillan.

Experience

Improving young people's experience of transition to adult services

How young people with long-term conditions and their families are prepared for their move from paediatric to adult services has come under increasing scrutiny nationally. In 2016, NICE published the guidelines, *Transition from Children's to Adults' Services for Young People Using Health or Social Care Services*. The CQC also started to include transition in their inspections.

At GOSH, transition to adult care has long been a challenge that we have sought to improve in different ways. More recently, transition was raised as an area that required attention by our Young People's Forum and by parents at the GOSH Listening Event held in November 2016.

What we said we'd do

We said we would commence a Trust-wide transition improvement project, led by the Assistant Chief Nurse for Patient Experience and Quality and coordinated by a full-time transition improvement manager.

In accordance with NICE recommendations, we said we would identify a transition lead in every clinical specialty at GOSH, with the intention of building consistency of approach within and across teams.

To understand the scope of the project ahead of us, we said that we would determine the number of young people being treated by each specialty aged 13, 14, 15, 16 and 17+. To understand the complexity of coordination required, we also said we would identify the percentage of young people in this data set who were being cared for by three or more clinical specialties.

What we did

The Chief Nurse is the executive lead for transition and has overall responsibility for transition and the transition improvement project.

Transition lead

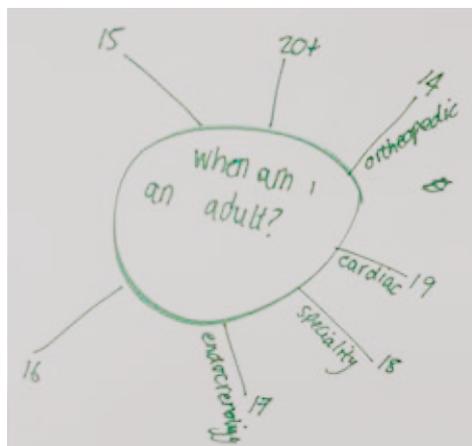
We have confirmed a doctor in every specialty to take forward the leadership role of medical transition lead for their specialty. We are currently working on the reporting requirements to meet national guidance.

Data and feedback

We completed a data snapshot in August 2016 on:

- The number of young people aged 13, 14, 15, 16 and 17+
- The specialty of first open referral received
- The consultant to whom the first open referral was made
- The number of these young people under the care of three or more specialties
- The number of these young people with a future inpatient admission or outpatient appointment

We ran a discussion group with our young people as part of the GOSH Listening Event in November 2016. The group explored the many challenges of transition from paediatric to adult health services. This diagram created by the young people during the discussion demonstrates how complex transition can be, especially for those who are cared for by multiple specialties.



What is transition?

Transition is 'the purposeful, planned process of preparing young people under paediatric care and their families or carers for, and moving them to, adolescent- or adult-oriented healthcare'

GOSH, 2017, adapted from Blum et al, 1993⁵

What is the National Institute for Health and Care Excellence?

The National Institute for Health and Care Excellence (NICE) provides national guidance and advice to improve health and social care in England and the rest of the UK.

What is the Care Quality Commission?

The Care Quality Commission (CQC) is the independent regulator of health and social care in England.



Helpful

⁵ Blum RW, Garell D, Hadgman CH et al. Transition from child-centred to adult health-care systems for adolescents with chronic conditions. A position paper of the Society for Adolescent Medicine. *J Adol Health* 1993; 14: 570-6.

Comments gathered at the listening event also helped us to understand the experience of our young people and their families in transition to adult services. This feedback helps us to prioritise our next steps in getting transition right at GOSH:

"It happens at different times in different departments. You may still be treated at GOSH even if you have transitioned in other departments. This is confusing – am I an adult or not?"

"GOSH is a bubble – there is an outside world. You can feel lost when you leave GOSH – no-one should be lost in the system or be transitioned without a bye."

"I'm just so scared. We've been coming to GOSH since he was a baby – he knows everyone and everyone knows him and what he's like. GOSH is like our second home."

In addition, our Transition Improvement Manager visits our transition clinics to support staff, to gather examples of good practice to learn from, and to identify improvement opportunities. The following comments were from transition clinics:

"It was really good, really reassuring. We had the chance to meet the other team and they seem really nice. It feels good knowing who we'll be seeing."
Parent after Gastro Transition Clinic appointment

"It was different. Better. I was scared at first, but one thing they did – they talked to me, it felt like it was my appointment. At GOSH they always talked to my mum. I really felt they were treating me like an adult."
18 year old, after attending first adult appointment

Understanding current practice

We also undertook an audit of all transition information and Transition Plans developed and currently used by specialties in the Trust. The Transition Improvement Steering Group, working with young people and parents/carers, is reviewing the information to ensure that processes and information are of a consistently high quality that meets the needs of young people and their parents/carers.

What the data shows

1. A data snapshot from August 2016 shows the numbers of young people aged 13 years and above:

Age	Total
13 year olds	903
14 year olds	826
15 year olds	876
16 year olds	552
17 and over	3,592

By examining the data, we found that the higher number of 13-year-old patients is because many attended GOSH for diagnosis only or second opinion. The majority of these patients return to their local services for treatment and support, so do not need a GOSH transition plan.

The higher figure for those aged 17+ years old was examined in detail. This has allowed us to identify services and groups for whom transition is not relevant so that these can be excluded from subsequent data sets. For example, our Clinical Genetics Service provides testing and advice for people of all ages, and the Cardiac Foetal Heart Service is a service for parents-to-be.

We are refining our data use to further inform the order of project priorities. We know that focusing on our young people who are 17+ is the first priority.

2. Of the patients in table 1, these are the numbers receiving care under three or more specialties:

Age	Total	As a % of total
13 year olds	467	37%
14 year olds	209	16%
15 year olds	189	15%
16 year olds	165	13%
17 and over	240	19%

The higher number of 13 year olds was expected, as young people aged 14 and 15 are more likely to be referred directly to adolescent services. The Trust generally does not accept initial referrals for 16 year olds and over. The higher number in the 13-year-old group also helps us to understand more about the complexity of transition planning for our young people whose health problems require them to be seen across multiple specialties.

The care of patients accessing three or more specialties is complex, and there are conditions treated at GOSH for which there is no equivalent adult specialist service. The challenge of identifying appropriate services often causes delayed transfer to adult services, resulting in slightly higher numbers in the 17+ age group. The transfer of some young people is also delayed until the course of treatment, such as those involving multiple surgeries, is completed.

What's going to happen next?

We aim to:

- Define and set standards for Transition Plans
- Focus on putting Transition Plans in place for young people aged 16 and over in 2017/18, and from 14 and over in 2018/19
- Work in partnership with Barts Health NHS Trust and University College London Hospitals NHS Foundation Trust to improve support for young people with learning disabilities or additional needs
- Build IT infrastructure to better support planning and documentation of transition

The Transition Improvement Project is anticipated to continue for a minimum of three years and we will report the coming year's progress in next year's *Quality Report*.

How this benefits patients

Well-coordinated transition empowers young people to be as involved in their future health and healthcare as they are able, and supports them to develop to their full potential.

Utilising Friends and Family Test data for improvement

We began to use the national Friends and Family Test (FFT) at GOSH in April 2014, starting with inpatient areas before extending to outpatient and day care areas six months later. Since then, we have collected nearly 33,000 pieces of feedback from patients and their families.

What we said we'd do

Initially, the NHS FFT programme required feedback from adult patients and service users. We said we wanted to extend the use of the FFT to children and young people too, because we need to hear their voices to have a full picture of experience here at GOSH.

We said we wanted to collect demographics on all FFT cards so that we can better understand experience and determine if there are any differences in quality of experience by ethnicity, age, and additional needs.

We also said we wanted to make sure that the data collected from the FFT was used throughout the Trust to inform service improvement work.

The core component of FFT is the percentage of respondents to recommend the hospital. For this, we set ourselves an ambitious target of 95%.

What we did

After conducting focus groups with patients and their families and consulting with our Young People's Forum in late 2015/16, we had information that could guide us. Our young people told us that they were happy to complete the adult cards, but felt that child-friendly feedback cards were needed. In 2016/17, we used a combination of their input and NHS England guidance to produce our own feedback cards for children eight years and under. We began using our new cards for children from July 2016. By 31 March 2017, 1,028 cards had been completed by children and young people, giving us a unique view of their experience as patients.

Inpatient (above) and outpatient (right) feedback cards for young children.

We have also increased awareness of FFT among children, young people and families at GOSH through high visibility feedback stations in all areas.

We worked with the Quality Improvement team to design and implement a new FFT database to enable collection of additional demographic information and improve reporting. We began collecting demographic data in December 2016. Once we have enough data, we will begin to look for trends so that we can target improvements in the equity of services and experience.

All the data and comments received are reported back to the areas they concern on a monthly basis. Positive comments about individual members of staff are passed to their manager and used to support nomination for staff awards. We also provide word clouds of comments to boost staff morale.



Word cloud of feedback about Eagle Ward, April 2016.

Now that we hold so much experience data, teams have been encouraged to review this before undertaking other surveys. In addition, FFT data has been used to support workstreams at GOSH, including development of the patient portal for the Electronic Patient Record programme, support of nurse revalidation, and use of *Our Always Values*. FFT data was also used to inform the topics discussed at our listening event in November 2016.

What is FFT?

The Friends and Family Test is a national feedback tool for NHS service users to provide feedback on their experience of the care they receive.

What is the Young People's Forum?

The Young People Forum (YPF) is a group of young people aged 11–25 who are or have been patients, or siblings of patients, at GOSH. The mission of the YPF is to improve the experience of teenage patients at GOSH. The group meets formally six times a year, as well as participating in Trust projects and consultations, and meeting with the executive team and other key decision-makers.



Helpful



Welcoming

"The food is very repetitive."

Parent – Badger Ward

The catering team has now amended the menu cycle from weekly to three weekly, so it is less repetitive for long-stay patients.

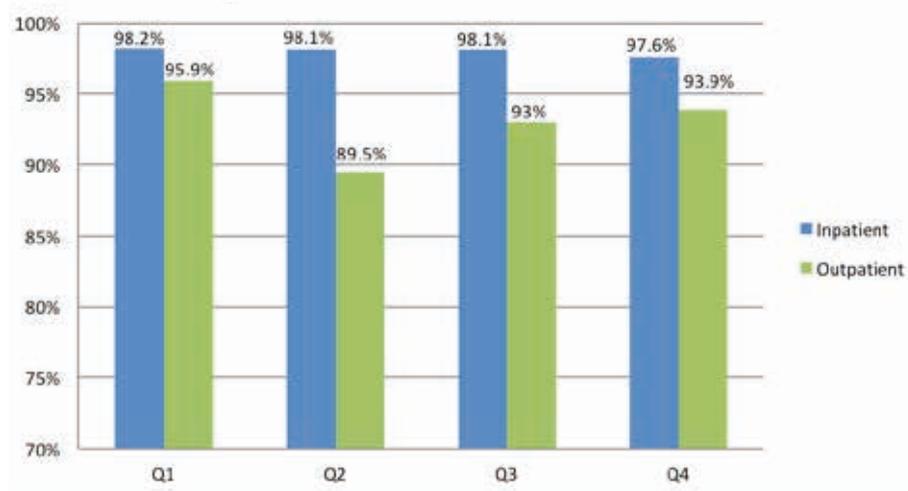
What the data shows

1. Response rate:

Feedback through FFT has increased from around 6,300 comments in 2014/15 to more than 13,000 in 2016/17. In the last year, the number of comments received has increased by 7%. We have a total response rate of 24% (inpatient) for 2016/17. While our response rate is lower than our challenging chosen target of 40%, it is broadly similar to the response rates of other children's hospitals. We continue to widely promote the FFT cards to patients and families, while being sensitive to the complex and, at times, difficult circumstances for families with a sick child.

2. Percentage of respondents to recommend the Trust:

The percentage of inpatients to recommend GOSH has remained above 97% throughout 2016/17. The percentage of outpatients to recommend GOSH has been slightly lower at an average of 93%, and we have used these responses to define an improvement project in outpatients that is currently underway.



3. Percentage of feedback that is provided to departments:



100% of feedback that specifies wards, specialties or individuals is fed back to managers in those areas for sharing with staff, to encourage with the positive feedback and to target improvement through feedback about what could be better.

What's going to happen next?

We will start to analyse demographic data for experience trends, to enable us to better understand differences and target improvement work to achieve greater equity in our service delivery.

As FFT is currently delivered in paper form, we are exploring ways to provide it electronically to improve ease and accessibility, and increase uptake.

In 2017/18 we plan to implement a real-time feedback system, which will enable comment at any time throughout a patient's stay or visit using mobile phones and tablet computers. This will enable staff to respond to negative feedback and/or problems in a much timelier manner. We want the system to be interactive, with separate modules for different ages, as well as adaptations to enable feedback from non-English speakers and those with additional needs.

How this benefits patients

- Listening to the experience of our children, young people and families helps us improve the services we provide – according to what matters to them
- The 'percentage to recommend' measure gives the Trust a broad view of patient experience, but the qualitative comments allow further analysis to target improvements where needed
- The data also allows us to monitor positive themes, so that we can celebrate individual wards and departments who provide an excellent experience

"Lynne was fantastic. With her bubbly personality, she made all of us feel at ease. It was my son's first cannula and she made it a positive experience, highly recommended."

Parent – Walrus Ward

Lynne, Senior Healthcare Assistant, was nominated for a GOSH GEMS award as a result of many comments like this. Lynne successfully won the individual GEMS award in January 2017. Read Lynne's story on page 18 of the Annual Report.

"The only thing that needs improving is the Wi-Fi. We rely on technology while our child is in hospital."

Parent – Bumblebee Ward

The GOSH ICT department are working closely with a mobile telecommunications company to install Wi-Fi boosters across the site to tackle the Wi-Fi signal weak spots.

"The staff were very open and professional, and communicated really well with us and responded to all of our questions/needs. There was always a nurse available, which is so important to help with feelings of anxiety in hospital. Thank you."

Parent – Penguin Ward

This feedback was communicated to the Matron and Penguin team to celebrate their excellent approach and compassionate manner.

Other ways that we listen to our patients and families

Listening event

On Saturday 19 November 2016, GOSH held an outer-space-themed listening event where patients and parents shared their ideas and experiences of the hospital.

The day centred on four topics identified through FFT feedback and social media. The key areas chosen by the children, young people and parents were: communication, food, transition and outpatients.

A range of senior members of staff attended the day, including the Chief Executive, Deputy Chief Executive, Medical Director and Chief Nurse.

There was also a marketplace area so families could meet a number of our teams and learn about other projects taking place at the hospital. There were representatives from the following teams: Chaplaincy, Charity, Digital, Electronic Patient Records programme, GOSH Arts, Hospital School, Patient Advice and Liaison (PALS), Redevelopment, Research, Sustainability, Volunteers and Learning Disabilities.

Everything we learned about the four topics during the day was themed to help us understand what matters most to our patients and families. The themes included:

Communication

- Face-to-face communication
- Staff-to-staff communication
- Fewer and more comprehensive letters, and more use of text and email

Food

- More information on ingredients
- More variety of meals
- Flexible mealtimes

Transition

- Clearer communication
- Transition spoken about sooner
- More support when going through transition

Outpatients

- Advising of delays
- Staff to introduce themselves to children and young people more
- More things for older children to do while waiting
- Appointments requested at early mornings or weekends

The themes that emerged from our listening event have been shared with families. Staff are working on short- and long-term actions, which will also be shared with families as we progress.



Breakout room for children and young people to discuss the four chosen topics.



Peter Steer, Chief Executive, receiving feedback from children and young people on the topic of communication.



Ruth Evans, Involvement and Engagement Officer for Research, teaching attendees about research at GOSH and biology.

Video booth

As there is no 'one size fits all' when it comes to feedback, GOSH piloted a video booth to allow families who may not want to fill out surveys or attend focus groups, to share their experiences at the hospital.

The video booth was placed in the GOSH entrance for four days in November, with the Patient Experience team and PALS supporting booth use by answering questions and offering outer space props!

Inside the video booth, the screen displayed a series of steps to record a message if the participant provided their name and email address. There was a disclaimer that if anyone had any specific questions or urgent worries they should speak to a member of staff, as the booth was for non-urgent messages.

In four days (17–21 November), 101 videos were recorded and 175 people took part. One hundred of those (57%) were children and young people and the other 75 (43%) were adults.

91%

of comments were positive and all were themed to inform our improvement work.

A wide variety of people left messages, ranging from patients to their siblings, aunts, uncles, cousins, other family members and friends. A range of ethnicities was represented by contributors. Feedback was also collected from two people who had not felt able to engage in other feedback mechanisms – one adult who could not read or write and one child whose multiple health conditions meant a video recording made giving feedback more achievable.

Following the video booth pilot, videos that contained specific staff, ward, or team feedback (whether praise or comments about what can be improved) were collated. Consent was obtained so that the films could be shared with staff, and a compilation video is due to be completed shortly. Any concerns raised (eg comfort of parent beds) were shared with the teams responsible.

A number of individuals have also been offered the opportunity to share their experience as part of our patient story programme.

GOSH's space station-themed video booth.



2017/18 Quality priorities

The following table provides details of three of the quality improvement projects that the Trust will undertake in 2017/18. These priorities were determined with input from staff, patients and their families, and commissioners. This input was sought through a range of mechanisms including a survey, consultation and use of established meetings such as our Members' Council, Young People's Forum, and Patient and Family Engagement and Experience Committee. The new quality improvement projects are in line with our strategic priority to provide the safest, most effective and efficient care, with the best possible outcomes.

Safety

To eliminate avoidable harm.

Improvement initiative	What does this mean and why is it important?	How will progress be monitored, measured and reported?
<p>Improving the quality and safety of care for inpatient neonates/small infants – this work will focus on three main areas: bloodspot screening, neonatal jaundice and intravenous fluid management.</p> <p>This work is to act upon a need for improvement that was identified through an audit of neonatal care.</p>	<p>Bloodspot testing, which is part of the national newborn screening programme, ensures early detection and treatment for nine rare but serious conditions. It is essential that all newborn babies at GOSH receive bloodspot screening if this has not already happened prior to their admission.</p> <p>We also want to ensure that ward staff are able to effectively identify and manage the treatment of neonatal jaundice in line with evidence-based practice.</p> <p>We have developed a Trust guideline for the management of neonatal intravenous fluids with speciality, pharmacy and neonatal leads. We will be working to implement this and raise awareness of the importance of neonatal fluid management – both in terms of safety and to ensure that we are able to provide a standardised approach for all babies.</p>	<ol style="list-style-type: none"> 1. By the number of blood spot screening tests carried out 2. By the number of blood spot tests not taken within the appropriate timeframe 3. By the number of blood spot tests that could have been avoided 4. Audit compliance with neonatal jaundice guidelines 5. Audit compliance with the neonatal intravenous fluid management guidelines <p>The data will be published on our intranet dashboards, and reported to the Quality Improvement Committee.</p>

Clinical effectiveness

To consistently deliver excellent clinical outcomes, with the vision to be the leading children's hospital in the world.

Improvement initiative	What does this mean and why is it important?	How will progress be monitored, measured and reported?
Developing Trust-wide access to outcomes data through the Clinical Outcomes Hub.	<p>Clinical outcomes are broadly agreed, measurable changes in health or quality of life that result from our care.</p> <p>Here at GOSH, every speciality collects outcomes and many teams have published outcomes to the Trust website. But, we need greater visibility of that data internally to enable teams to more readily use outcomes data in decision-making, to notice trends, and in service improvement.</p> <p>By working closely with the specialties, the Clinical Outcomes Hub will display effectiveness data in ways the clinical teams find most informative.</p>	<ol style="list-style-type: none"> 1. By the number of specialities with a dashboard of outcome measures published on the Hub 2. By the total number of outcome measures published on the Hub 3. By the number of patient-reported outcome measures collected via an electronic survey tool linked from the Hub <p>Progress will be reported monthly to the Quality Improvement Committee.</p>

Experience

To deliver kind and compassionate care, and communicate clearly to build confidence and ease.

Improvement initiative	What does this mean and why is it important?	How will progress be monitored, measured and reported?
Improving young people's and parents'/carers' experience of transition to adult services.	<p>Good experiences of transition from paediatric to adult healthcare services are associated with improved levels of independence for young people with long-term conditions. A good transition also increases engagement with adult services, improving health in adulthood.</p> <p>Features of a good transition include:</p> <ul style="list-style-type: none"> • Ongoing incremental preparation, from the age of 14 at the latest • Use of a Transition Plan to inform a programme of education and support including the opportunity to meet the adult service(s) prior to the transfer of care • Good communication between the paediatric team, local primary care services and the receiving team • Consistency of approach, especially for young people who are under the care of multiple specialties 	<ol style="list-style-type: none"> 1. By the numbers of young people aged 16 and over with a Transition Plan in place, identifying specialty and consultant initially referred to (for focused improvement work in 2017/18) 2. By the numbers of young people aged 13 and over under three or more specialties, identifying specialties and consultants involved (for continuing to enhance our understanding of our population of young people) <p>Monthly reports will be sent to the Specialty Transition Leads and Divisional Boards.</p> <p>In addition, the Transition Improvement Steering Group will report to the Quality Improvement Committee and the Patient and Family Engagement and Experience Committee on a monthly basis.</p>

Sadie, age one,
is on Miffy Ward
while her mum learns
to use the ventilator
equipment before
they can go home.



Part 2b:

Statements of assurance from the Board

This section comprises the following statements:

- Review of our services
- Participation in clinical audit
- Participation in clinical research
- Use of the Commissioning for Quality and Innovation (CQUIN) payment framework
- Care Quality Commission (CQC) registration
- Data quality
- Implementation of the duty of candour

Review of our services

GOSH is commissioned by NHS England to provide 58 specialised, or highly specialised, paediatric services. These services account for approximately 90% of the Trust's healthcare activity. The remaining 10% of our activity is typically care which, although not specialist, is provided to patients with complex conditions and is commissioned by clinical commissioning groups.

In order to ensure that we maintain excellent service provision, we have processes to check that we meet our own internal quality standards and those set nationally. These processes include scrutiny by committee. One example is our Quality, Safety and Assurance Committee, where there is a focus on improvements in quality, safety and patient experience. Assurance is provided through reports on compliance, risk, audit, safeguarding, clinical ethics, and performance. Patient stories are often presented to this forum and to the Trust Board.

As a matter of routine, key measures relating to the Trust's core business are presented to the Trust Board. These include measures of quality and safety, patient and referrer experience, and patient access to services.

The Trust's performance framework enables clinical divisions to regularly review their progress, to identify improvements, and to provide the Trust Board with appropriate assurance.



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Participation in clinical audit

During 2016/17, 12 national clinical audits and clinical outcome review programmes covered the NHS services that GOSH provides. The Trust has participated in them all and data submissions are outlined below.

Name of national audit/clinical outcome review programme	Cases submitted, expressed as a percentage of the number of registered cases required
Cardiac arrhythmia – National Institute for Cardiovascular Outcomes Research (NICOR)	100% (186/186)
Congenital heart disease including paediatric cardiac surgery – NICOR	100% (1,372/1,372)
Diabetes (paediatric) – National Paediatric Diabetes Association	100% (34/34)
Inflammatory bowel disease – Royal College of Physicians	100% (34/34)
Maternal, Newborn and Infant Clinical Outcome Review Programme – Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries across the UK (MBRRACE-UK)	100% (18/18)
Medical and Surgical Clinical Outcome Review Programme – National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Cases have been submitted for the three outcome reviews that cover GOSH services. The deadlines for submissions are in 2017/18.
National Confidential Inquiry into Suicide and Homicide by people with Mental Illness (NCISH)	No clinical reviews were identified for GOSH in 2016/17.
National Cardiac Arrest Audit – Intensive Care National Audit and Research Centre (ICNARC)	100% (33/33)
National Neurosurgical Audit Programme	Data is taken from national Hospital Episode Statistics rather than submitted by the Trust.
Paediatric Intensive Care Audit Network	100% (1,881/1,881)
Renal replacement therapy – UK Renal Registry	100% (197/197)
UK Cystic Fibrosis Registry – Cystic Fibrosis Trust	100% (183/183)

The following national audit reports have been published during 2016/17, which are relevant to GOSH practice:

- Cardiac Rhythm Management Audit Report 2015/16
- Congenital Heart Disease (CHD) Audit Annual Report 2012–2015
- Inflammatory Bowel Disease Programme: Biological Therapies Report 2016
- National Cardiac Arrest Report
- National Confidential Inquiry into Suicide and Homicide by people with Mental Illness (NCISH) Annual Report 2016
- National Neurosurgical Audit Programme: Continuous Outcome Data
- National Paediatric Diabetes Audit Report 2015/16
- Paediatric Intensive Care Audit Network (PICANET) Annual Report 2016
- Pulmonary Hypertension Audit Report 2016
- UK Cystic Fibrosis Registry Annual Data Report 2015

GOSH has a process to ensure that all national audit reports are reviewed by appropriate professionals within the organisation. The process includes assurance that any relevant data or recommendations are discussed by the clinical teams and any actions identified.

The Congenital Heart Disease Annual Report highlights excellent clinical outcomes reported at GOSH for paediatric cardiac surgery. This also highlights the outstanding work of the Clinical Information team for the West Division, which maintains systems that have allowed high-quality data to be reviewed as part of this registry.

⁶ www.england.nhs.uk/ourwork/qual-clin-lead/clinaudit/

What is clinical audit?

“Clinical audit is a way to find out if healthcare is being provided in line with standards, and lets care providers and patients know where their service is doing well and where there could be improvements. The aim is to allow quality improvement to take place where it will be most helpful and will improve outcomes for patients. Clinical audits can look at care nationwide (national clinical audits) and local clinical audits can also be performed locally in trusts, hospitals or GP practices.”

NHS England⁶

“It is also noteworthy and reassuring to families that five centres have results with an overall risk-adjusted survival at 30 days higher than predicted level, one of whom (Great Ormond Street Hospital) at a much higher than predicted level.”

Congenital Heart Disease Annual Report

Key learning from clinical audit in 2016/17

The Clinical Audit team sits within the Quality and Safety team to ensure that there is integrated clinical governance. A central clinical audit plan is used to prioritise work to support learning from serious incidents, risk and patient complaints, and to investigate areas for improvement in quality and safety. A selection of this work is highlighted below.

Quality of World Health Organization (WHO) Surgical Safety Checklist

The Trust collects data continuously on WHO checklist completion. The mean average for completion of all three stages of the checklist across the Trust is 94%. While the data is useful, we also wanted to understand how *effectively* the checklist is being used to promote quality and safety in the operating theatres.

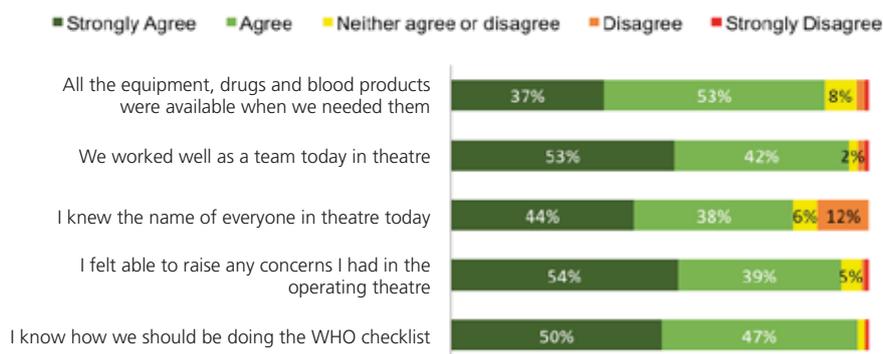
The following audit helps to answer the question: ‘How well are we doing the checklist?’

What is the WHO Surgical Safety Checklist?

The WHO Checklist is a three-stage set of documented safety checks that are performed by clinical staff in the operating room to enhance safety practices and ensure communication and teamwork.

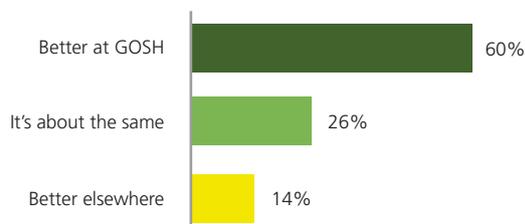
Key findings

Theatres checklist culture



GOSH compared with other centres

“How well are the team briefs and the WHO checklist observed at Great Ormond Street Hospital compared with where else you currently practice, or have practised in the last three months?”



The audit shows good engagement in the team brief and WHO Checklist, and a positive safety checklist culture. An area for improvement that the audit highlighted was that checks should always be performed with reference to the checklist rather than at times performed from memory.

Action taken

- Theatre staff were asked to identify solutions as to how the checklist can be better used for each case. This took the form of an electronic suggestion box to engage staff energy and ideas for improvement
- The Lead Nurse for Theatres has introduced an additional minute into the morning theatres handover for communication with the sisters about using the checklist each day

Clinical emergency trolley audit

Background

Resuscitation services audited the contents of emergency trolleys across the Trust in January 2017.

Results

84% of trolleys reviewed met the required quality standard. This is a 24% increase on the 2016 results. All trolleys not meeting the standard were corrected as part of the audit and later re-audited.

How have we improved?

- Ownership from the ward staff to ensure their trolley is safe and well-maintained
- Nursing Visible Leadership programme included the raising of awareness about emergency trolleys
- New defibrillators were introduced, requiring extra training that included highlighting with staff the importance of their emergency equipment



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Bereaved parent survey

Aim

The purpose of this audit is to learn from the experience of bereaved parents and carers whose children have died in hospital and to evaluate the support offered.

Key findings

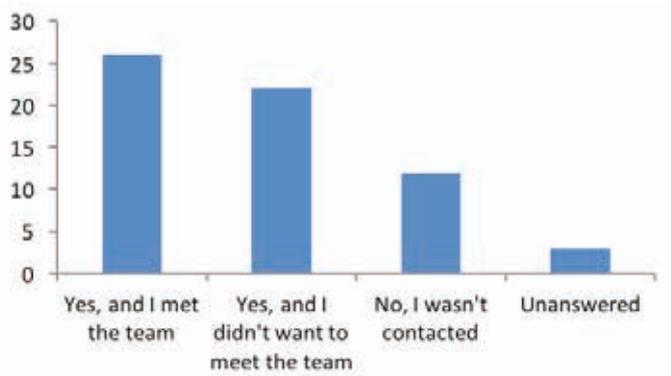
The audit demonstrates the excellence of the support that is provided to children and their families. The feedback from parents highlights the high praise and esteem that our staff have received for the support they provide to families:



98%

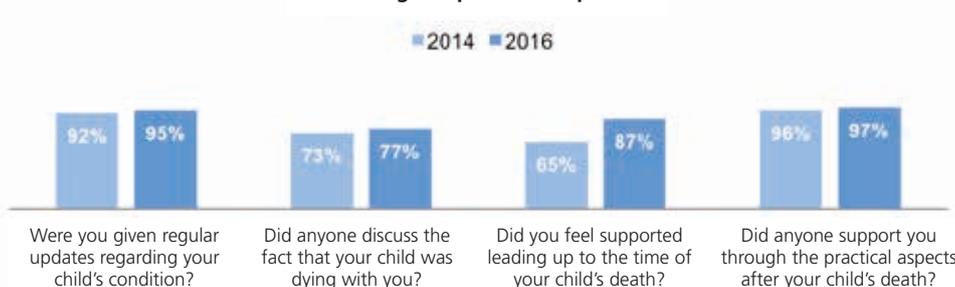
of respondents who answered the question reported that they had been contacted by bereavement services since their child had died.

Have you been contacted by your child's medical team and offered a follow-up meeting?



Improvements have been noted in a number of key measures when compared with results from 2014.

Percentage of positive responses



Recommendations for improvement included:

- Developing and improving the hospital information available to families
- Delivering training opportunities for staff in communicating with families about the death of their child, particularly on our ICU
- Delivering training opportunities for doctors to feel more comfortable and confident in discussing post-mortem examinations with families
- Ensuring that families are contacted by the medical team within 6–8 weeks following their child's death

These recommendations have been reviewed by the End of Life Care Committee and by the Patient and Family Experience and Engagement Committee. Actions will be taken forward by the Bereavement Services Manager.

Learning from complaints

As part of the complaint investigation process, lessons learnt and areas for service improvement are identified and actions plans are devised. This section of the report shows a selection of completed audits in 2016/17 to assess the implementation and effectiveness of learning from patient complaints.

Background

Multiple attempts at cannulation (insertion of a thin plastic tube into a vein for blood sampling and giving of medicines and fluids) were made on a patient who was difficult to cannulate.

What we said we would do

We said we would identify whether the complaint reflected a wider patient safety issue.

What did the audit tell us?

The data showed an increased prevalence over time of patients having multiple attempts at cannulation, contrary to our escalation policy.

Actions

Learning from the audit was circulated as a Trust Safety Message of the Week. The data shows challenges with cannulae and is being used to inform a Quality Improvement project to reduce extravasation, a particular kind of harm associated with cannulae.

Background

A patient was discharged without blood tests being reviewed and subsequently deteriorated.

What we said we would do

Improve the process of requesting urgent blood tests and improve the recording of the correct contact details on the blood test request form on one inpatient ward.

What did the audit tell us?

100% of standards to minimise the risk of this event from reoccurring had been implemented.

Background

A variation in a patient's DNA was incorrectly transcribed onto a report. This single variation altered the interpretation of the result.

What we said we would do

Improve the process of checking DNA variants forms, by changing the protocol to include an additional level of review by an independent reviewer.

What did the audit tell us?

In 98% (98/100) of cases variant forms were independently reviewed. 98% of cases (98/100) were correctly transcribed onto the report. Actions have been taken to reinforce the process of independent reviews, and to implement an automated report to reduce human error. A re-audit is planned.

Local clinical audit

The summary reports of 134 completed clinical audits by clinical staff were reviewed at GOSH during 2016/17. Our data shows we are improving our completion and sharing of local clinical audit:



To promote the sharing of information and learning, a summary of completed projects is published on the Trust's intranet and shared with the Patient Safety and Outcomes Committee.

Examples of actions intended to improve the quality of healthcare, or work that has made a difference as a result of local clinical audit, are listed below:

Audit name	Key findings	How did the clinical audit help patients and staff
Oxygen levels in children with severe lung disease in the Paediatric Intensive Care Unit	Children with severe lung disease are unable to maintain their oxygen levels without intensive care support. Current guidelines based on adult evidence suggest that patients with severe lung disease should have oxygen saturations (measure of how much oxygen is carried by the blood) between 88–94%. We examined the amount of time spent by patients with the most severe lung disease at different levels of oxygen saturation. Overall, children spent over 40% of the time with oxygen saturations above 97%.	While a lack of oxygen is not good for patients, emerging research suggests that high levels of oxygen may also not be good for patients. This piece of work helped us obtain a GOSH Children's Charity grant to study the impact of different oxygen saturations in children in a randomised controlled trial. The trial will test feasibility for a larger-scale trial and is currently underway in three UK paediatric intensive care units. We believe that the knowledge gained from this wider work will improve the care given to children on intensive care units at GOSH and worldwide.
Indications for use of parenteral nutrition in bone marrow transplant patients	Earlier nutrition intervention via tube feeding may help reduce the number of patients starting intravenous nutrition. This would cut overall costs, reduce line infection risk, and potentially reduce the length of hospital stay.	This has provided the team with a greater awareness when considering intravenous nutrition and greater confidence to encourage earlier tube feeding wherever possible.
Time to clinical remission in juvenile idiopathic arthritis (JIA) patients commencing on etanercept and adalimumab (biologics)	Area of improvement identified to achieve the standard of regular review after starting biologic treatment.	Plan to set up shared care with local hospitals in order to review JIA patients after commencing new biologics.
Continuous assessment of basic gastrostomy care in the Trust	Higher levels of confidence were reported in: <ul style="list-style-type: none"> • Determining why a gastrostomy may be required • Identifying gastrostomy devices • Providing basic care • Escalating concerns 	There was significant improvement across the Trust.
Trends in obesity amongst patients undergoing general anaesthesia	A significant proportion of patients were found to be obese (12.9%), which represents an immediate risk during operations.	Development of a perioperative protocol for the management of the obese child undergoing general anaesthesia.
Use of cuff pressure manometers and review of cuff pressures during anaesthesia	We used this audit to identify that we could reduce the risk to patients in theatre associated with cuffed airway devices.	More cuff pressure monitors have been purchased following these results.
Review of the feeding outcomes of children with a diagnosis of posterior laryngeal cleft	The audit enabled better understanding of the type of swallowing problems children with a laryngeal cleft have pre- and post-surgery, their feeding prognosis and the need for ongoing support and/or intervention.	It helped to inform parents, children and the multidisciplinary team about feeding problems and resulted in refinement of the clinical care pathway.

Clinical Audit Heroes

As part of National Clinical Audit week in November 2016, the Healthcare Quality Improvement Partnership launched 'Clinical Audit Heroes' to celebrate individuals who make a positive difference in audit and quality improvement across the NHS. Of 25 NHS staff members nominated nationally, three nominees were GOSH staff. This signals our commitment to clinical audit here at GOSH, and the integration of audit with quality improvement, outcomes and research. It also demonstrates the peer support of colleagues in their work to improve the care of our children.



Participation in clinical research

At GOSH, we understand the immense importance to patients and their families of pushing the edges of medical understanding to make advancements in the diagnosis and treatment of childhood diseases. As a specialist hospital with strong academic links, many of our doctors are clinician-scientists who specialise in research and we are dedicated to harnessing opportunities for collaboration between clinicians and scientists to deliver more research findings from 'bench to bedside' and 'bedside to bench'. In other words, medical research is a two-way process that allows us to offer the very latest treatments for our patients. Much of what we do is at the forefront of research in diseases of children and young people and we are also working to implement new evidence-based practice beyond GOSH, so that more patients can benefit in the UK and abroad.

GOSH's strategic aim is to be a leading children's research hospital. We are in the unique position of working with our academic partner, the University College London (UCL) Great Ormond Street Institute of Child Health (ICH), to combine enviable research strengths and capabilities with our diverse patient population. This enables us to embed research in the fabric of the organisation. In addition to ICH, GOSH benefits from access to the wealth of the wider UCL research capabilities and platforms.

Together, GOSH and ICH form the largest paediatric research centre outside North America. Continued investment in research infrastructure is critical, with current examples including:

- The National Institute for Health Research (NIHR) GOSH Biomedical Research Centre has been awarded a further five-year term of funding. A total of £37m has been awarded, which will drive forward translational research into rare diseases in children. The successful application is part of our ongoing partnership with ICH as the UCL Great Ormond Street Institute of Child Health
- For a period of five years, £3m has been awarded by the NIHR to support our Somers Clinical Research Facility (CRF). The CRF is a dedicated space for children taking part in clinical trials at GOSH. This funding will allow the CRF to support more complex early phase research for some of the rarest childhood conditions
- The Trust together with GOSH Children's Charity invested £1.2m into research infrastructure posts, which underpin the work of our leading research teams
- The Trust also received £1.9m from the NIHR Clinical Research Network to support key research delivery posts

GOSH also hosts one of the few centres dedicated to supporting nurses and allied health professionals in research activity. This team of researchers prioritises understanding the patient and family experience, helping to describe the care that families receive, and exploring both processes and outcome.

[Together, GOSH and ICH form the largest paediatric research centre outside North America.](#)

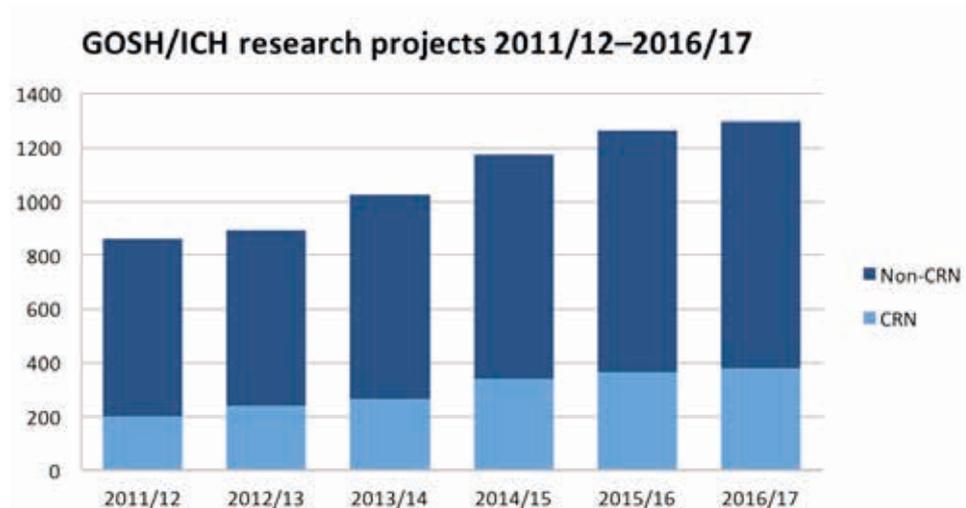


Research activity

Our research activity is conducted with a range of national and international academic partners, and we work very closely with industry to support the development and introduction of new therapeutics, devices and diagnostics for the NHS.

During 2016/17, we ran 1,299 research projects at GOSH/ICH. Of these, 379 were adopted onto the NIHR Clinical Research Network (CRN) Portfolio, a prestigious network that helps deliver research across the NHS. In the first three quarters of 2016/17, more than 4,000 patients and family members took part in research studies. In addition to these, GOSH is the lead trust for the North Thames NHS Genomic Medicine Centre (GMC), which is sequencing patient genomes for the 100,000 Genomes project for rare diseases. The North Thames GMC has recruited 5,200 participants, making up around 28% of those recruited nationally.

Our already extensive research activity has consistently increased year on year. The chart below shows the numbers over time of all our research, including the CRN portfolio projects:



Year	CRN	Non-CRN	Total
2011/12	199	662	861
2012/13	239	653	892
2013/14	266	758	1,024
2014/15	339	835	1,174
2015/16	367	898	1,265
2016/17	379	920	1,299

Note: These figures may differ from those previously reported due to a change in the measure of research activity from 'Number of active research projects at year end' to the more representative 'Number of research projects active within a financial year'.

Journal publication

In addition to high levels of research activity, we also have high citation impact. This means that our published research papers are often referenced in others' research. An analysis by Thomson Reuters of our publication output for the five years to 2014 showed that GOSH and ICH has the highest citation impact of the top children's hospitals we compared ourselves with internationally. This analysis is undertaken periodically and is currently underway for the five years to 2016. We will report the result in next year's *Quality Report*.



Research highlights include

Researchers at GOSH and ICH have discovered a new genetic mutation that causes a rare form of epilepsy. The faulty gene was identified in seven out of 32 children with a rare strain of vitamin B6-dependent epilepsy who are unresponsive to standard anti-epilepsy drugs. These findings are extremely important as they will allow easier identification of patients who will benefit from treatment with vitamin B6.

A study has identified a set of 614 genetic markers that can be used to speed up diagnosis of suspected neurometabolic disease. Currently, patients can undergo extensive and often invasive testing, and delays or difficulties in establishing a diagnosis are commonly encountered. A GOSH team showed that testing for defects in 614 different genes could at least partially diagnose neurometabolic conditions in up to 89% of cases. This powerful tool could assist timely diagnosis in many patients, meaning that crucial treatment can begin more quickly.

Pharmaceutical company BioMarin has pre-released promising results from a novel trial testing a new treatment for CLN2 disease. CLN2 disease is a subtype of the fatal neurodegenerative condition called Batten disease, which is caused by a genetic mutation that results in reduced activity of the CLN2 protein. In this trial, an active copy of the protein was administered directly into patients' brains. One year after treatment, affected patients showed an 80% reduction in the progression of the disease. It is expected that BioMarin will now look to implement an early access programme to enable additional CLN2 patients to have access to this novel treatment.

We've seen promising results in a pilot project at GOSH to test whether genome sequencing of patients' blood samples can be used as a diagnostic tool in the clinic. The project aimed to test 10 patients (and their parents) from GOSH's Paediatric Intensive Care Unit whom consultants suspected may have a rare genetic disease. For five of the first eight patients, definite or possible genetic causes of the disease were returned within five days, helping clinicians to take rapid and appropriate action to treat these patients.

In collaboration with the University of Cambridge, researchers at GOSH/ICH have identified a new genetic cause of complex early-onset dystonia. Dystonia is a movement disorder, characterised by abnormal body movements and postures. The condition affects around 70,000 people in Britain. However, for a large proportion of children with childhood-onset dystonia, the underlying cause remains unknown. This research demonstrated that children with the faulty gene could be treated using 'deep brain stimulation' – a new therapy where electric impulses are delivered to specific areas of the brain.

Use of the CQUIN payment framework

A variety of CQUINs have been undertaken by the Trust in 2016/17. Some of these are national indicators, which may also be undertaken by other trusts across the country, and some were locally defined in order to improve our individual performance. Due to the specialist nature of our care, some of the national CQUINs needed to be adapted to fit with the services we provide for our patients.

CQUIN schemes 2016-17	Overview
National schemes	
Clinical Utilisation Review system	The Clinical Utilisation Review is a pilot to improve the flow of patients through GOSH. This CQUIN involves the procurement, installation and implementation of a system, and the reporting of results and evaluation of the pilot.
Antimicrobial resistance – Part 1 (20%)	To increase the number of patients' antibiotic prescriptions that are reviewed in hospital, in order to prevent overuse of antibiotics.
Antimicrobial resistance – Part 2 (80%)	To reduce the use of specific antibiotics when they are no longer needed.
HAEMTRACK	The HAEMTRACK system is a patient-reported record of usage of self-managed blood and blood-product home therapy. The aim of the CQUIN is to encourage patients to record their treatment at home, on a device that enables viewing from a central system. In turn, the necessary drugs are delivered straight to the patient's home.
Optimal devices (Cardiac)	The optimal devices scheme relates to the maintenance and improvement in optimisation of cardiac device usage, while the service is moving to a centralised national procurement and supply chain arrangement.
Critical care	This CQUIN is for collection of information about bed utilisation on our paediatric ICU. The aim of this is to obtain a better understanding of potential flow issues and how these could be improved, for example to support optimal scheduling of surgical patients.
Difficult asthma	This CQUIN scheme aims to ensure assessment and investigation of children with difficult-to-control asthma, by a multidisciplinary team, within 12 weeks of referral.
Univentricular home monitoring	This CQUIN scheme implements home monitoring programmes for children following palliative cardiac surgery. These are aimed at patients with certain primary diagnoses that collectively are referred to as univentricular hearts or univentricular circulations.
Child and Adolescent Mental Health Service (CAMHS) – long-term conditions	This CQUIN is to support the screening of patients aged 2–17 with one or more of four specified long-term conditions, when they are admitted as inpatients. The screening tool used, the Strengths and Difficulties Questionnaire (SDQ), enables the identification of patients who may have mental health needs. Once identified, the swift initiation of additional support is facilitated, as well as input from psychological and mental health services as appropriate.
CAMHS – pathways	This CQUIN concerns the implementation of good practice regarding the involvement of family and carers through a CAMHS journey to improve longer-term outcomes.

What is CQUIN?

The Commissioning for Quality and Innovation (CQUIN) payment framework makes a proportion of NHS healthcare providers' income conditional upon improvement. The framework aims to support a cultural shift by embedding quality and innovation schemes as part of the discussion between service commissioners and providers, and constitutes 2.5% of the Actual Contract Value between commissioner and provider.

CQUIN schemes 2016-17	Overview
NHS staff health and wellbeing	
Introduction of staff health and wellbeing initiatives (30%)	<ul style="list-style-type: none"> • Introducing a range of physical activity schemes for staff • Improving access to physiotherapy services for staff • Introducing a range of mental health initiatives for staff
Healthy food for NHS staff, visitors and patients (30%)	The aim of this indicator is to change the organisational behaviour and culture towards the food and drink sold on NHS premises. This is to be achieved by focusing on making healthier food and drink more widely available.
Improving the uptake of 'flu vaccinations for frontline staff (40%)	61% or more of frontline healthcare workers to have received the flu vaccine by 31 December 2016.
Internal schemes	
Patient access improvement – complaints	To increase the number of complaint responses sent out within agreed timescales, and to reduce the number of concerns relating to lack of communication with patients.
Patient access improvement – discharge summaries	To measure the content of the discharge summaries against best practice standards, and to improve the timescales for the dispatch of summaries from the Trust.
Patient access improvement – clinic letters	To measure the content of the clinic letters against best practice standards, and improve timescales for the dispatch of summaries from the Trust.
Patient access improvement – cancelled operations	To review the Trust's processes for recording cancelled operations, along with the implementation of an agreed improvement plan to reduce cancellations.
Patient access improvement – consultant-to-consultant referrals	To reduce unnecessary consultant-to-consultant referrals by producing a Standard Operating Procedure (SOP) of consultant-to-consultant referrals, and undertaking a clinical audit of three specialties to test against the SOP.
Cryopyrin-Associated Periodic Syndrome (CAPS), haemophilia, factor VIII bloods	To deliver more efficient utilisation of pass-through drugs and blood products.
Telemedicine	To pilot the replacement of physical outpatient attendances, where appropriate, with virtual contact through telephone calls, video calls or other technology-facilitated methods.
Transition to adult services	To design a clear transition pathway for young people aged 13 years and above that will be used across the Trust.



Welcoming



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In 2016/17, 2% of GOSH's NHS income (activity only) was conditional upon achieving CQUIN goals agreed with NHS England for the above schemes. If the Trust achieves 100% of its CQUIN payments for 2016/17, this will equate to £4.8 million.

During Q1 to Q3 of the financial year, we reported high compliance against all our CQUIN indicator milestones. We expect to report approximately 95% compliance at year end.

CQC registration

GOSH is required to register with the CQC and is currently registered, without conditions, as a provider of acute healthcare services. GOSH has not participated in any special reviews or investigations by the CQC in 2016/17.

The CQC visited the Trust as part of its rolling schedule of inspections in April 2015. The report was published in January 2016 and services were rated as 'good' overall and 'outstanding' for being caring and for being effective. The report identified concerns about the Trust's management of referral-to-treatment (RTT) and associated data and required action to be taken via a Requirement Notice. The Trust and the Board is committed to making the improvements to fully address the issues identified. Our efforts in 2016/17 and the improvements achieved can be read about on pages 104–105.

What is the CQC?

The Care Quality Commission (CQC) is the independent healthcare regulator for England and is responsible for inspecting services to ensure they meet fundamental standards of quality and safety.

Data quality

Good quality data is crucial to the delivery of effective and safe patient care and to the running of GOSH. Data is vital to enable us to run our services efficiently as well as to identify any care quality issues and predict trends in order to take early action.

In the past year, we have embarked on an improvement programme to enhance the provision of good quality data. We have also introduced data quality 'kitemarking' for key metrics used by senior managers so they can at a glance see how reliable and robust the information used for decision-making is.

In early 2017/18, GOSH will take the following actions to improve data quality:

- We will establish a dedicated Data Assurance team who will work closely with staff to improve data quality. This will be achieved through improved training and coaching as well as tailored initiatives to target common problem areas.

Secondary Uses Service

As required by NHS Digital, GOSH submitted records during 2016/17 to the Secondary Uses Service (SUS) for inclusion in the national Hospital Episode Statistics. These are included in the latest published data.

The table below shows key data quality performance indicators within the records submitted to SUS:

Indicator	Patient group	Trust score	Average national score
Inclusion of patient's valid NHS number	Inpatients	99.1%	99.4%
	Outpatients	99.6%	99.5%
Inclusion of patient's valid General Practitioner Registration Code	Inpatients	99.9%	99.9%
	Outpatients	100%	99.9%

Notes:

- The table reflects the most recent data available (April 2016–January 2017 at month 10 SUS inclusion date)
- Nationally published figures include our international private patients, who are not assigned an NHS number. These published figures are consequently lower at 91.4% for inpatients and 93.6% for outpatients
- Figures for accident and emergency care are not applicable as the Trust does not provide this service

Clinical coding

GOSH has a dedicated and highly skilled clinical coding team which continues to maintain high standards of inpatient coding. Due to the complexities of our patients, each inpatient stay tends to have a higher than average number of codes applied. GOSH carries out internal audits to ensure that accuracy and quality are maintained. The most recent audit showed results of over 96% accuracy for all of the areas audited. GOSH was not subject to the Payment by Results clinical coding audit during the 2016/17 reporting period.

Information governance

The Information Governance Toolkit* provides NHS organisations with a set of 45 standards, against which we declare compliance annually. GOSH's Information Governance Assessment Report overall score for 2016/17 was 76% and was graded red. This means that we did not meet minimum standards in two out of the 45 standards: to train all staff every year in information governance, and to log and include information governance clauses in all supplier contracts. To address these shortfalls in the coming year, we will:

- Communicate directly with staff who have not completed their training and also underscore the importance of this training via managers
- Include as a mandatory part of the procurement logs an assessment of whether there is any information sharing and if the relevant terms have been included within contracts. Guidance will be provided to the procurement department to enable them to make this assessment

Implementation of the duty of candour

The Trust formalised its approach to openness and transparency in 2009 with the introduction of its Being Open Policy. This policy informed staff of the expectations of the Trust, that open and honest communication would take place with patients, parents and their families throughout all aspects of their care, including when patient safety events may have occurred.

The policy was updated to encompass the legal requirements that came into force on 1 April 2015, which described a legal responsibility to be open with patients and/or their families when a patient safety event caused harm graded as moderate, severe or death.

The Trust continues to engage in transparent communication with patients, parents and families and has robust processes to manage patient safety events that are reported at the Trust.

*More information about the Information Governance Toolkit can be viewed at www.igt.hscic.gov.uk.

What is data quality?

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

What is NHS Digital?

NHS Digital is the national provider of information, data and IT systems for commissioners, analysts and clinicians in health and social care.

What is the Secondary Uses Service (SUS)?

The SUS is a single source of specified data sets to enable analysis and reporting of healthcare in the UK. SUS is run by NHS Digital and its reporting is based on data submitted by all provider trusts.

What is an NHS number?

Everyone registered with the NHS in England and Wales has their own NHS number, a unique 10-digit number that helps healthcare staff to find a patient's health records. The NHS number increasingly helps to identify the same patient between organisations.

"The culture was very open and transparent. Parents and children were kept fully involved in their treatment. There was an evident commitment to continually improve the quality of care provided."

"Children and young people were involved in decision-making as far as possible."

Quotes from GOSH's CQC report, published January 2016



Eight-year-old Abdal comes to GOSH twice a week for dialysis.

Part 2c:

Reporting against core indicators

NHS trusts are subject to national indicators that enable the Department of Health (DH) and other institutions to compare and benchmark trusts against each other. Trusts are required to report against the indicators that are relevant to them. The table below shows the indicators that GOSH reports against on a quarterly basis to our Trust Board and also externally. The data is sourced from NHS Digital, unless stated otherwise. Where national data is available for comparison, it is included in the table.

What is the Department of Health?
The Department of Health (DH) is a department of the UK government with responsibility for government policy for England alone on health, social care and the NHS.

Performance against Department of Health quality indicators

Indicator	From local trust data			From national sources				GOSH considers that this data is as described for the following reasons:	GOSH intends to take the following actions to improve this score, and so the quality of its services, by:
	2016/17	2015/16	2014/15	Most recent results for Trust	Best results nationally	Worst results nationally	National average		
Domain 4: Ensuring that people have a positive experience of care									
				Source: NHS Staff Survey					
				Time period: 2016 calendar year					
The percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends	90% (2016)	88% (2015)	87% (2014)	90%	95%	87%	90% (median score)	The survey is carried out under the auspices of the DH, using their analytical processes. GOSH is compared with other acute specialist trusts in England.	Ensuring that divisions and directorates develop and implement local action plans that respond to areas of weakness.
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	25% (2016)	25% (2015)	24% (2014)	25%	17%	30%	25% (median score)		
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	85% (2016)	87% (2015)	89% (2014)	85%	94%	81%	86% (median score)		

Indicator	From local trust data			From national sources				GOSH considers that this data is as described for the following reasons:	GOSH intends to take the following actions to improve this score, and so the quality of its services, by:
	2016/17	2015/16	2014/15	Most recent results for Trust	Best results nationally	Worst results nationally	National average		
Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm									
				Source: Public Health England Time period: 2015/16 financial year					
Number of clostridium difficile (C.difficile) in patients aged 2 and over†	1	7	14	7	0	139	33.5	The rates are from Public Health England.†	Continuing to test stool samples for the presence of C.difficile, investigate all positive cases, implement isolation precautions and monitor appropriateness of antimicrobial use across the organisation.
Rate of C.difficile in patients aged 2 and over (number of hospital acquired infections/100,000 bed days)	1.79	8.3	12.2	8.5*	0	66	14.9		
<p>Note: C.difficile colonisation is common in children and, while severe disease may occur at any age, it is rare. At GOSH, we test for C.difficile toxin in all diarrhoeal stool that 'conforms to the shape of the pot' (minimal national standard), as well as other stool where diarrhoea, fever or blood in stool was reported; where a request is made for enteric viruses; and as part of the surveillance programme in children with congenital immunodeficiency and undergoing bone marrow transplants. On agreement with our commissioners, we investigate all positive detections and report to Public Health England those aged 2 and above with diarrhoea (or a history of diarrhoea) where no other cause is present or, if another possible cause is present, clinical opinion led to treatment as a possible case. We report on the Healthcare Acquired Infection database according to a locally agreed paediatric modification of the national definition, to enable year-on-year comparison in our specialist trust. Our approach means we find more positive samples compared with the number of cases that we report.</p> <p>* One case of C.difficile was attributed (due to onset after third day of admission) to GOSH for 2016/17, but was not classed as a lapse of care in line with guidance published by NHS Improvement. Of the seven cases of C.difficile attributed to GOSH for 2015/16, two were attributed to a lapse of care, and of the 14 cases of C.difficile attributed to GOSH for 2014/15, one was attributed to a lapse of care.</p> <p>† National report used estimated bed days at time of reporting.</p> <p>† www.gov.uk/government/collections/healthcare-associated-infections-hcai-guidance-data-and-analysis</p>									
Patient safety incidents reported to the National Reporting and Learning System (NRLS):				Source: National Reporting and Learning Service (NRLS) Time Period: 1/04/2016 to 31/03/2017					
Number of patient safety incidents	5,429	5,338	5,231	5134	-	-	-	GOSH uses electronic incident reporting to promote robust reporting and analysis of incidents. It is expected that organisations with a good safety culture will see higher rates of incident reporting year on year, with the severity of incidents decreasing.	Initiatives to improve the sharing of learning to reduce the risk of higher-graded incident recurrence. Initiatives are reported and monitored by the Patient Safety and Outcomes Committee.
Rate of patient safety incidents (number/100 admissions)**	12.40	12.50	12.83	-	-	-	-		
Number and percentage of patient safety incidents resulting in severe harm or death	8 (0.1%)	11 (0.2%)	26 (0.5%)	5	-	-	-		
<p>Note: There is a time lag between NHS Trusts uploading data to the NRLS (performed twice a month at GOSH) and the trend analysis reports issued by the NRLS.</p> <p>** An inaccuracy in the rate calculation reported in 2015/16 was detected and has been corrected here.</p>									

Explanatory note on patient safety incidents resulting in severe harm or death

It is mandatory for NHS trusts in England to report all serious patient safety incidents to the CQC as part of the CQC registration process. GOSH also reports its patient safety incidents to the NRLS, which runs a national database designed to promote learning.

There is no nationally established and regulated approach to reporting and categorising patient safety incidents. Different trusts may choose to apply different approaches and guidance to reporting, categorisation and validation of patient safety incidents. The approach taken to determine the classification of each incident, such as those 'resulting in severe harm or death', will often rely on clinical judgement. This judgement may, acceptably, differ between professionals. In addition, the classification of the impact of an incident may be subject to a lengthy investigation, which could result in the classification being changed. This complexity makes it difficult to do a formal comparison.

What is the median?

The median is an average that is derived by finding the middle point in a sorted range of values. Unlike the mean average, which is the total divided by the number of values, the median provides an average that is not skewed by 'outlier' or extreme data points.

Part 3:

Other information

NHS Improvement uses a limited set of national mandated performance measures, described in its *Single Oversight Framework*, to assess the quality of governance at NHS Foundation Trusts.

Performance is measured on an aggregate (rather than specialty) basis and trusts are required to meet the appropriate threshold each month. Consequently, any failure in one month is considered to be a quarterly failure. The table below sets out the relevant national performance measures used to assess the Trust's quality governance rating.

What is NHS Improvement?
NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care.

Performance against key healthcare targets 2016/17

Domain	Indicator	National threshold	GOSH performance for 2016/17 by quarter				2016/17 mean	Indicator met?	
			Q1	Q2	Q3	Q4			
Effectiveness	All cancers: 31-day wait from decision to treat to first treatment	96%	97.5%	97.9%	100%	100%	98.9%	Yes	
Effectiveness	All cancers: 31-day wait for second or subsequent treatment, comprising:								
	· surgery	94%	95%	100%	100%	100%	98.8%	Yes	
	· anti-cancer drug treatments	98%	100%	100%	100%	100%	100%	Yes	
Experience	Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	92%	Following the identification in 2015/16 of challenges with delivery of the RTT standards, GOSH agreed with NHS England a pause in the reporting of its RTT figures until confidence in the data had been returned. The improvement work (see pages 104–105) has progressed and reporting resumed in February 2017.				Jan: 91.2% Feb: 91.6% Mar: 91.85%	N/A as the indicator is a snapshot at a given census date.	No
Experience	Certification against compliance with requirements regarding access to healthcare for people with a learning disability	Compliance against requirements*	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	

Additional indicators – performance against local improvement aims

In addition to the national mandated measures identified in the above tables, the Trust has implemented a range of local improvement programmes that focus on the quality priorities as described in Part 2a. The table below sets out the range of quality and safety measures that are reviewed at each Trust Board meeting. Statistical Process Control charts are used to measure improvements in projects over time and to identify areas that require further investigation. All measures remain within expected statistical tolerance.

Domain	Indicator	GOSH performance for 2016/17 by quarter				2016/17 mean
		Q1	Q2	Q3	Q4	
Safety	Central Venous Line (CVL) related bloodstream infections (per 1,000 line days)	1.7	1.8	1.7	1.4	1.65
Effectiveness	Inpatient mortality rate (per 1,000 discharges) [†]	4.2	5.6	7.0	5.7	5.6
Experience	Friends and Family Test (FFT) – % of responses (inpatient)	25.4%	17.7%	26.0%	26.2%	23.8%
Experience	FFT – % of respondents who recommend the Trust (inpatient)	98.2%	98.1%	98.1%	97.6%	98%
Experience	Discharge summary completion time (within 24 hours)	87.4%	88.7%	86.6%	89.9%	88.2%
Effectiveness	Last minute non-clinical hospital cancelled operations: Breach of 28-day standard					
	· cancellations	197	191	157	180	725 (total)
	· breaches	32	32	23	25	112 (total)
Experience	Formal complaints investigated in line with the NHS complaints regulations	33	22	26	18	99 (total)
Effectiveness	% of patients aged 0–15 readmitted to hospital within 28 days of discharge	1.73%	1.67%	1.86%	1.39%	1.66%
Effectiveness	% of patients aged 16+ readmitted to hospital within 28 days of discharge	1.35%	1.60%	0.68%	3.91%	1.80%

Performance against key healthcare targets 2015/16

Domain	Indicator	National threshold	GOSH performance for 2015/16 by quarter				2015/16 mean	Indicator met?
			Q1	Q2	Q3	Q4		
Effectiveness	All cancers: 31-day wait from decision to treat to first treatment [^]	96%	97.1%	100%	98%	100%	98.8%	Yes
Effectiveness	All cancers: 31-day wait for second or subsequent treatment, comprising:							
	· surgery [^]	94%	94.9%	100%	90.9%	100%	96.5%	Not in Q3
	· anti-cancer drug treatments	98%	100%	100%	100%	100%	100%	Yes
Experience	Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	92%	2015/16 was a challenging year for the Trust related to delivery of the RTT standards, with a number of significant issues identified following an Elective Care Intensive Support team review in May 2015. As a result, GOSH agreed with NHS England a pause in the reporting of its RTT figures until confidence in the data had returned.					
Experience	Certification against compliance with requirements regarding access to healthcare for people with a learning disability	Compliance against requirements [*]	Achieved	Achieved	Achieved	Achieved	Achieved	Yes

Additional indicators – performance against local improvement aims

Domain	Indicator	GOSH performance for 2015/16 by quarter				2015/16 mean
		Q1	Q2	Q3	Q4	
Safety	CVL related bloodstream infections (per 1,000 line days)	0.9	1.3	1.8	1.7	1.4
Effectiveness	Inpatient mortality rate (per 1,000 discharges) ^{**}	7.0	5.0	7.3	5.0	6.0
Experience	FFT – % of responses (inpatient)	28.1%	19.9% ^{**}	19.2% ^{**}	24.2%	22.8%
Experience	FFT – % of respondents who recommend the Trust (inpatient)	98.7%	98.7%	98.3%	98.8%	98.6%
Experience	Discharge summary completion time (within 24 hours)	81.0%	80.8%	79.3%	76.8%	79.5%
Effectiveness	Last minute non-clinical hospital cancelled operations: Breach of 28-day standard ^{††}					
	· cancellations	11	39	17	309	376 (total)
	· breaches	0	0	0	52	52 (total)
Experience	Formal complaints investigated in line with the NHS complaints regulations	36	44	32	39	151 (total)
Effectiveness	% of patients aged 0–15 readmitted to hospital within 28 days of discharge	1.82%	1.83%	1.77%	1.69%	1.78%
Effectiveness	% of patients aged 16+ readmitted to hospital within 28 days of discharge	0.93%	0.56%	4.32%	0.76%	1.62%

^{*} Target based on meeting the needs of people with a learning disability, from recommendations set out in *Healthcare for All* (Department of Health, 2008).

[‡] Does not include day cases.

[†] 'Last minute' is defined as: on the day the patient was due to arrive, after the patient has arrived in hospital, or on the day of the operation or surgery. The Trust is working to minimise its level of last-minute cancelled operations for non-clinical reasons and the 'Better Value' work over the next year will help to provide more clarity on what expected levels should be.

[^] Reporting corrections from 2015/16 *Quality Report* included.

^{**} Does not include day cases, thus producing higher figures than the previous Hospital Mortality Rate. This new definition provides a more accurate measure of inpatient mortality.

^{**} Percentage dropped as a result of Trust including from Q2 all ward discharges in the denominator, including frequently returning patients who had previously been excluded from the figures as per the national definition.

^{††} As part of the Trust's ongoing review of submissions and returns, an issue was identified with the methodology used to capture data items related to cancellations and 28-day breaches. The Trust developed a robust methodology for the capture and reporting of the standard, which was supported through a CQUIN programme of work in 2016/17.

Annex 1:

Statements from external stakeholders

Statement from NHS England (London), Specialised Commissioning Team

NHS England would like to thank Great Ormond Street Hospital NHS Foundation Trust for the opportunity to review and provide a response to the 2016/17 Quality Account.

NHS England is the lead commissioner and has a very positive relationship with the Trust. We continue to work together to consider improvements in the quality of care and accessibility for those children whose healthcare needs are ideally managed by GOSH.

We continually reviewed feedback from families and other stakeholders, clinical quality review meetings and other external sources including the Care Quality Commission, Health Education North Central and East London, and Public Health England to inform decisions about where improvements can be delivered; notable examples this year include the gastroenterology and spinal surgery services.

We commend the Trust for the considerable work undertaken to improve access to elective care, to return to national reporting during 2016/17 and we note that the development of a reporting solution which has been identified as best practice by the NHS Improvement Intensive Support team. The Trust will continue to manage its patient tracking processes and will embed clinical harm reviews as business as usual. We are confident that the Trust will also continue to work with referring hospitals to improve the position with unknown clocks and that it has a plan in place to achieve the national standard for diagnostic waits.

We acknowledge the areas of achievement reported this year which includes the implementation of the Sepsis 6 superheroes and the focused work to prevent and manage cardiac arrests, both of which will continue into the coming year.

There are a number of areas where work to facilitate the improvements outlined in the quality account are underway, that is:

- Good transition of children and young people to adult services
- Improving the quality and safety of care for inpatient neonates/ small infants
- Developing Trust-wide access to outcomes data
- More broadly, the Trust is also focusing on improvements with:
 - Late cancellation of operations
 - Patient flow and productivity with some changes in capacity occurring with the opening of the Premier Inn Clinical Building
 - Sustaining better staff appraisal and statutory and mandatory training rates

We look forward to considering these areas of work and values to ensure continuous improvement for patients are delivered in 2017/18.

Statement from Healthwatch Camden, incorporating comments from Camden Health and Adult Social Care Scrutiny Committee

The draft *Quality Report* is commendable. Although only a small percentage of GOSH's patients are Camden residents, Healthwatch Camden has always found the Trust to be open and welcoming of our input. Camden Health and Adult Social Care Scrutiny Committee also welcomes the Trust's Quality Accounts. We would have liked to have seen further detail about collaborating with, and reaching out to, North Central London councils to share learning about working with and supporting vulnerable children and families.

We have some specific comments on the report.

We commend the 'safety huddles' and particularly incorporating the parents' concerns in the 'watchers' list. We note the very positive feedback from the patient representative. 29% of wards are not yet at 'gold standard' and we would welcome more specific information on actions to get all wards to the gold standard most wards are already at.

Although significant improvements have been made to reach the 92% national target for referral-to-treatment (RTT) pathways, we note the last result was still below 92%. We suggest feedback from parents be built into the process to gain insight from this key group to further support improvements.

Friends and Family Test (FFT) data for inpatients was above the 95% target, but for outpatients it was below the target. Some commentary in the final report as to why the outpatients result was below target would be welcome, as would some brief indications of what specific actions to improve the figure are being undertaken. We would imagine direct input from patient groups could well provide useful input into this. The way GOSH went about gathering the FFT information to engage patient feedback was highly innovative and impressive (the child friendly forms, listening event and video booths clearly demonstrate this). Some more detailed analysis (beyond the themes on page 112), with specific actions against each identified area would be welcome additions to the report.

With regard to the engagement quality improvement project around transition to adult services that the Trust will undertake in 2017/18, we feel some further and ongoing direct feedback from young adults themselves into proposed improvements would be helpful. The Patient and Family Engagement and Experience Committee could give guidance on how this might occur.

The data from the Bereaved Parent Survey was positive. This surely must be the most challenging of areas, so the training identified to support staff is welcome. We note the data showed that 77% responded yes to "Did anyone discuss the fact that your child was dying with you", so 33% would have responded no. Perhaps this might be one of the areas where additional staff training might be targeted. We presume the End of Life Care Committee, the Patient and Family Experience and Engagement Committee and the Bereavement Services Manager would be able to feed into what this training might entail.

GOSH's Information Governance Assessment Report overall score for 2016/17 was 76% and was graded red. We suggest a quality improvement project around this could be something to consider for 2017/18.

There does seem to be an excellent learning culture with GOSH that looks to people's real experiences of the Trust, and some excellent engagement of both parents and children. We would encourage even more of these innovative and excellent engagement processes, but also encourage more openness of the actual results and particularly what actions will be undertaken as a result of the feedback. We would encourage parents and patient groups to be involved in the analysis of the feedback as well as disseminating of the outcomes and resultant actions.

Comments from patient councillor:

It is clear to see the outstanding work that GOSH carries out daily to improve services for children and young people. Furthermore, the innovative research the Trust has undertaken demonstrates how GOSH is at the forefront of advancements in medical treatments. Having been a patient at GOSH, and now representing patients outside of London, it has been extremely heartening to read how a significant amount of work has been undertaken over the last year to improve the safety, clinical effectiveness and experience of patients and parents at GOSH.

Safety:

The work the Trust has done to improve the awareness of sepsis is fantastic. As detailed in this report, the variety of events undertaken by the Trust, such as the Sepsis Awareness Week and the creation of Sepsis Champions has all helped to raise awareness of what sepsis is, and the protocol to follow at GOSH. It is noted that staff feel empowered by GOSH's Sepsis Protocol, and that work has been undertaken to raise awareness of sepsis with parents and carers. Furthermore, the classification system for respiratory and cardiac arrests outside ICU and theatre appears to be effective in steadily reducing the number of arrests on a monthly basis. It is reassuring to have read that a detailed analysis is undertaken on arrests that are 'probably not preventable but with modifying factors' and arrests that are classed as 'potentially preventable', thus helping to improve patient safety.

Additionally, the successful implementation of the daily safety huddle across every inpatient ward is pleasing. It is of vital importance to get nurses, lead doctors and other relevant staff members together as one team to help reduce deteriorating child incidences. The aid of the electronic Patient Status at a Glance boards appear to be pivotal in ensuring that staff members have relevant and timely information on patients, thus helping to inform the huddle discussions. Of particular note is the 'watcher' category, which enables parents'/carers' concerns to be recognised and listened to, even if the Children's Early Warning Score doesn't trigger an alert. Next year, I would hope to see 100% of inpatient wards fulfilling all of the GOSH 'gold standard' huddle criteria.

Clinical effectiveness:

The issues surrounding referral to treatment at GOSH has been an area that the Members' Council has taken a keen interest in, and it is something that we have regularly been briefed on. The hard work, persistence and dedication shown by GOSH staff in investigating this issue, looking at processes and rewriting guidance is outstanding. I am delighted that this has been reflected not only by the fact that GOSH is back reporting ahead of recovery trajectory, but that GOSH has also been referred to as a "best practice" organisation. Many congratulations to all who have been involved in this significant area of work.

It is good to see the proactive approach that GOSH has taken to introduce a standardised mental health screening tool for patients. This approach helps to ensure that mental health is not neglected and patients feel able to talk about it, thus helping recognition and treatment of mental health problems. There has been a significant increase in the number of children and young people who received a mental health screening, from 9% in Quarter 2 to 45% in Quarter 4, which is brilliant. However, I hope that work will be ongoing to ensure that all eligible patients are screened. The use of the Strengths and Difficulties Questionnaire, and the ability to complete it electronically, with face-to-face support from clinical staff, is welcome. It is encouraging to see that the hard work that has gone into this project is having a great benefit for patients and families.

Experience:

I have read with interest the work that GOSH has undertaken to improve young people's experience of transition to adult services. Having recently been through this process, and having spoken to other young people who have recently been through transition, feedback has varied from poor to excellent. It is important to recognise that this is an extremely challenging area to get right, as there is no one correct way to transition a patient, as every patient is unique. I strongly welcome the work that the Trust has undertaken to introduce a 'Transition Lead' in each specialty, and the involvement of young people in the Transition Improvement Steering Group. I am confident that this will lead to a more 'joined-up' approach to transition. However, as the figures in the *Quality Report* detail, with thousands of patients between 13–17 years old, I am concerned whether there is enough resource being put behind this project with one transition improvement manager. I trust that the Chief Nurse, in her role as executive lead for transition, will actively drive forward this vital area of improvement work. The section has been largely focused on the perspective of the patient, which I am really pleased to see. However, it is important not to neglect the views of parents as it can often be a worrying time for them as well.

A significant amount of work has also been undertaken with regards to the Friends and Family Test (FFT). It is vital that patients and parents feel able to give honest feedback, and the increase in response rate highlights that this is the case. The introduction of feedback cards for patients aged eight or under is fantastic, as this ensures that the Trust is able to capture feedback in an age-appropriate manner. Over the next year, I hope to see the use of technology in capturing patient and parent/carer feedback, which will help to increase accessibility and may help to increase the number of patients responding to the FFT. The percentage of those who recommend the Trust has remained extremely high, and is a testament to the many dedicated staff at GOSH who go above and beyond every day, making a difference to very sick children and young people.

The listening event, held in November 2016, was a great success as it enabled patients and parents to discuss four key topics. It is clear that the Trust was able to get a lot out of the day and it is vital that there is ongoing communication with the attendees as to the improvements made following their feedback. Thanks must go to all the staff who made this event a great success.

Other comments:

I am concerned that the GOSH Information Governance Assessment score for 2016/17 has remained at red. I hope to see an improvement in the grading and overall score in next year's *Quality Report*.

Whilst there has been a change in methodology, I have noted that the mean number of last minute non-clinical hospital cancelled operations has increased from 94 in 2015/16 to 181 in 2016/17. This is disappointing to have read; however, it is good that GOSH has recognised that this figure is higher than it would like and it is actively undertaking work to reduce the number of hospital cancelled operations. I look forward to seeing this figure decline over the next year as last minute cancellations can cause significant inconvenience for families.

Many of the strands of work covered in the 2016/17 GOSH *Quality Report* are ongoing. It would be useful to have a reflection on how these areas have further improved in the 2017/18 *Quality Report*, as well as having an update on the quality priorities detailed in the 2015/16 *Quality Report*.

The exciting medical innovations detailed at length in this *Quality Report* are far too many to comment on in this brief statement, but they highlight that GOSH continues to be a world-leading research hospital, which is something that everyone should be incredibly proud of.

In conclusion, I have found this *Quality Report* extremely interesting and informative. It clearly demonstrates that there are many achievements to celebrate. One must pay tribute to all the dedicated members of staff who have worked so hard to implement these improvements, all whilst delivering outstanding care to patients. I believe that this *Quality Report* can be summed up by simply saying that in everything GOSH does, it puts 'the child first and always'.

Comments from parent councillor:

GOSH is an internationally recognisable institution with dedicated staff serving some of the most ill children and young people and providing support to their families and carers. The research that GOSH does is vital for the continued understanding of child ill health and improvement in treatment. The annual *Quality Report* provides an excellent opportunity to explain and highlight the quality of services delivered over the past 12 months against predetermined criteria (safety, clinical effectiveness and experience), whilst giving a foretaste of the priorities for the current year. As a parent of two children who have received treatment at GOSH and now a Council Member, I am pleased to add my own contribution to this *Quality Report*.

Reading the 2015/16 *Quality Report* as part of the preparation to write this piece, I was delighted to see certain priorities such as electronic patient status and referral-to-treat incomplete pathways, also featuring in this current year's *Quality Report* albeit with further progress made in each. It would be helpful in each year's report if a brief reference could be made to progress or developments occurring in each of the previous year's priorities. They ought to be embedded into the 'normal' work of the hospital and/or are a necessary precursor to enable other developments to occur.

The reintroduction of 'safety huddles' adds another dimension of clinical awareness regarding the patients on that ward and utilises the capabilities of the electronic Patient Status at a Glance boards. The 'watcher' category also recognises the role parents and other family members can play in spotting a change in their child's health. The proposal to develop this further during 2017/18 with a 'watcher' leaflet provided to all parents and families of children admitted to GOSH is welcome. Similarly, the commitment to include this situational awareness content in junior doctor induction and Trust induction programme is a positive step towards gaining ownership and emphasising the importance of the 'safety huddle' practice to the six wards and staff yet to be fully persuaded of its role.

The return to reporting in January 2017 against the incomplete referral-to-treatment pathways national 'incomplete' standard marked a huge step forward for GOSH after the difficulties previously uncovered in data and processes. The amount of work undertaken to prepare and introduce new processes, create sufficient capacity to manage referral demand, improve communication from referring organisations and ensure compliant data recording systems has been enormous. It is to the credit of all those involved in this work that from a dire situation in 2015/16 the reporting system implemented by GOSH is now cited as demonstrating "best practice" by the NHS Improvement Intensive Support team. The benefit to patients and families in terms of more transparency and certainty over care provided and planned is obviously welcome and should assist in reducing worry over potentially missing appointments and follow-ups.

The transition from child to adult care is fraught with difficulties at the best of times. For young people with long-term conditions who may have only known GOSH as 'their' hospital it can be particularly stressful and uncertain. For parents/carers 'letting go' and seeing your child as an adult who is now meant to be capable of making decisions over their care is a real concern. The vignettes from the listening event cited in the report aptly capture this level of uncertainty and loss. It is vital that GOSH take these comments and others from the Young People's Forum on board over the next 12 months and actively determine, across all specialisms, the age when, as part of each patient's consultation, discussion turns towards planning for leaving GOSH and how this transition can be made as painless as possible. The inclusion of transition as a 2017/18 priority is a positive step.

The report is full of examples where developments in technology and data collection have been harnessed to improve patient care, improve service and receive feedback such as:

- Automatic alerts for sepsis in the electronic patient observation system
- Timeliness of delivery of the sepsis protocol
- Use of defibrillators with built-in feedback which prompt a change in use to facilitate better outcomes
- Introduction of electronic completion of questionnaires for mental health screening for those with long-term physical health conditions

This work is essential not least as the patients GOSH treats are tech savvy and expect technology to be used as a matter of course, both in their treatment and as a means of recording their views, booking appointments, communicating etc. To continue to attract and retain the best staff and stay at the forefront of medical research through keeping pace with the data world whilst maintaining security of systems is an ongoing challenge for GOSH, but one they have to both succeed and invest in. The commitment to improving accessibility to outcomes data during 2017/18 and to establish a dedicated Data Assurance team is welcome.

GOSH launched the *Our Always Values* in March 2015; Always: Welcoming, Helpful, Expert, One Team. These values are “a visible representation of our commitment to our patients, families and staff”. The *Quality Report* contains excellent examples of these values being upheld such as:

- GOSH Listening Event November 2016: ‘Welcoming’
- Participation in all 12 national clinical audits and clinical outcome review programmes, clinical research and contributing to journals: ‘Expert’
- Learning from complaints: ‘Helpful’

and provides some direct reference to the Values themselves and linking of the work described to the Values. It was however disappointing that in the Surgical Safety Checklist survey of theatre staff 12% of staff respondents disagreed with, and 6% neither agreed nor disagreed with the statement that ‘I knew the name of everyone in theatre today’. Having said that, the same survey did show that 95% of respondents considered “they had worked well as a team today in theatre”.

Specific reference was made by the Lead Councillor in her comments on the 2015/16 *Quality Report* about the limited coverage of these Values in that document and how the wholesale adoption of these Values could improve services, including clinical, improve outcomes and patient and family experiences. The current report has sought to positively respond to this comment with visual signifiers included where particular initiatives in each priority accord with one or more of the ‘Always Values’. Although a step in the right direction, there can be no resting on laurels. During 2017/18 more has to be done to fully embed these ‘Values’ into the working of the hospital and behaviours of all those working in and associated with GOSH.

The report touches on the work of the Quality Improvement team and that of the GOSH Charity during 2016/17. This is appreciated as the Quality Improvement team have been instrumental in developing and supporting the implementation of a range of initiatives to assist with patient care. The charity raises significant funds for the hospital each year and provides a mechanism for supporters of GOSH to get involved and put something tangible back.

The report is, I think, a fair assessment of the progress made against the identified priorities and provides statements of assurance from the Board as well as details of the wider engagement by GOSH, both within the NHS and internationally. There is much to be proud of and to celebrate. Thank you to all the staff at GOSH for continuing to try your best and to push the boundaries in the care and treatment of our children and young people.

Here, we provide more information on points in response to statements from our stakeholders.

GOSH Listening Event

At the listening event, we made sure that an executive and a professional in the subject area were at each table, listening to parents and patients. The discussion and feedback drawn from the day was summarised in a report and sent to the teams involved in the four subject areas. Staff from these areas of work will report to the Patient and Family Engagement and Experience Committee in July on actions agreed after time spent investigating and costing ideas that were proposed on the day.

Friends and Family Test

Our response rate within outpatients has always been lower compared to inpatients. Though similar to other Trusts' rates, it is something we have tried to address. We have:

- Deployed our survey volunteers in the outpatient areas on an *ad hoc* basis. This human interaction (and the provision of a pen) often increases the number of responses we receive on a short-term basis but we are not able to deploy volunteers permanently to this as they are needed in other areas too
- Asked for staff in the reception teams to hand out feedback cards to the patients and their families on arrival
- Attend regular huddles held for the outpatient staff, so we will continue to do this to emphasise the importance of FFT being a team effort

From our informal conversations with families, we have found that regular attenders are understandably reluctant to complete a card on every outpatients visit. Families have also told us that now they can book their follow-up appointment through the electronic Clinic Outcome Form (eCOF), they can leave without waiting so no longer have the reminder at reception.

We will continue dialogue with patients and their families and seek to improve response rates in our outpatients department.

Transition

The figures in the report do not represent the numbers of young people who will need to have transition plans. Each age group includes those attending GOSH for diagnosis or second opinion, those who will be referred back to local services for treatment, and those whose treatment will be completed prior to their 18th birthday.

The Trust fully recognises the anxiety that the prospect of leaving GOSH and paediatric services can cause to young people and their families. The definition of transition developed by the Trust goes beyond that used in the NICE Transition Guidelines (NICE, 2016) and explicitly acknowledges the preparation needs of families and carers as well as our young people. We are collaborating with representatives from both groups to ensure their needs will be included in any transition plans. We firmly believe that preparation for adult services and adulthood should be a partnership between professionals, parents/carers and young people that relies on the transition process starting as early as reasonably possible.

Referral to treatment

We provided updates to our Members' Council on the work to improve the 18-week pathways and took on board their suggestions and feedback on the approach that we were taking to reduce our waiting times and improve our processes.

Information governance toolkit

We will report on our information governance improvement work in the *Quality Report* next year.

Annex 2:

Statements of assurance

External assurance statement

Independent auditor's report to the council of governors of Great Ormond Street Hospital for Children NHS Foundation Trust on the *Quality Report*

We have been engaged by the council of governors of Great Ormond Street Hospital for Children NHS Foundation Trust to perform an independent assurance engagement in respect of Great Ormond Street Hospital for Children NHS Foundation Trust's quality report for the year ended 31 March 2017 (the '*Quality Report*') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Great Ormond Street Hospital for Children NHS Foundation Trust as a body, to assist the council of governors in reporting Great Ormond Street Hospital for Children NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2017, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Great Ormond Street Hospital for Children Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to limited assurance consist of the national priority indicators as mandated by NHSI:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- Maximum waiting time of 31 days from decision to treat to first treatment for all cancers

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the *Quality Report* in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance issued by NHSI.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the *Quality Report* is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance;

- the *Quality Report* is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2016/17 Detailed guidance for external assurance on quality reports; and
- the indicators in the *Quality Report* identified as having been the subject of limited assurance in the *Quality Report* are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the *Quality Report* and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the *Quality Report* and consider whether it is materially inconsistent with:

- board minutes for the period April 2016 to March 2017;
- papers relating to quality reported to the board over the period April 2016 to March 2017;
- feedback from the Commissioners dated May 2017;
- feedback from the governors dated May 2017;
- feedback from local Healthwatch organisations, dated May 2017;
- feedback from Overview and Scrutiny Committee, dated May 2017;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2017;
- the national patient survey August 2016;
- the national staff survey dated May 2016;
- Care Quality Commission reports; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2016.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (‘ISAE 3000’). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the ‘NHS foundation trust annual reporting manual’ and supporting guidance to the categories reported in the *Quality Report*; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the *Quality Report* in the context of the criteria set out in the ‘NHS foundation trust annual reporting manual’ and supporting guidance.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Basis for Qualified Conclusion

Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

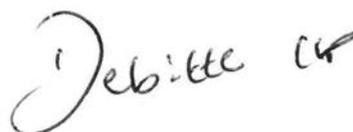
As set out in the Review of Quality Performance section on page 104 of the Trust’s *Quality Report*, the Trust went on a reporting break in the prior year in respect of the referral to treatment within 18 weeks for patients on incomplete pathways indicator, as a result of known data quality issues with the indicator. The Trust took steps to address the issues and has implemented new process and controls, recommencing reporting in January 2017.

Since the Trust are reporting a figure in the *Quality Report*, NHSI guidance mandates that we test that indicator. However, as the Trust do not have reported data for the first three quarters of the year, the reported indicator is incomplete. As a result, there is a limitation upon the scope of our procedures which means we are unable to complete our testing and are unable to determine whether the indicator has been prepared in accordance with the criteria for this period.

Qualified Conclusion

Based on the results of our procedures, except for the effect of the matters set out in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- the *Quality Report* is not prepared in all material respects in line with the criteria set out in the ‘NHS foundation trust annual reporting manual’ and supporting guidance;
- the *Quality Report* is not consistent in all material respects with the sources specified in 2.1 of the NHS Improvement 2016/17 Detailed requirements for quality reports for Foundation Trusts 2016/17; and
- the indicators in the *Quality Report* subject to limited assurance have not been reasonably stated in all material respects in accordance with the ‘NHS foundation trust annual reporting manual’ and supporting guidance.



Deloitte LLP
Chartered Accountants
St Albans

25 May 2017

Statement of directors' responsibilities in respect of the *Quality Report*

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS Foundation Trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS Foundation Trust boards should put in place to support the data quality for the preparation of the *Quality Report*.

In preparing the *Quality Report*, directors are required to take steps to satisfy themselves that:

- The content of the *Quality Report* meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual 2016/17* and supporting guidance
- The content of the *Quality Report* is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2016 to May 2017
 - Papers relating to Quality reported to the board over the period April 2016 to May 2017
 - Feedback from commissioners dated 18 May 2017
 - Feedback from governors dated 9 May 2017 and 10 May 2017
 - Feedback from local Healthwatch organisation dated 12 May 2017
 - Feedback from the Health and Adult Social Care Scrutiny Committee dated 12 May 2017
 - The Trust's annual complaints report 2016/17 published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009
 - The CQC-commissioned National Paediatric Outpatient Survey 2016
 - Data from the CQC-commissioned Children and Young People's Inpatient and Day Case Survey 2017 is being collected currently and is not available for this report
 - The national NHS Staff Survey 2016
 - The Head of Internal Audit's annual opinion of the Trust's control environment dated 25 May 2017
 - CQC inspection report dated 8 January 2016

- The *Quality Report* presents a balanced picture of the NHS Foundation Trust's performance over the period covered
- The performance information reported in the *Quality Report* is reliable and accurate
- There are proper internal controls over the collection and reporting of the measures of performance included in the *Quality Report*, and these controls are subject to review to confirm that they are working effectively in practice
- The data underpinning the measures of performance reported in the *Quality Report* is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review
- The *Quality Report* has been prepared in accordance with NHS Improvement's annual reporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the *Quality Report*

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the *Quality Report*.

By order of the board



25 May 2017

Chairman



25 May 2017

Chief Executive

Joseph, age one, being comforted by his mum Catherine in his hospital bedroom.



Accounts

Statement of the Chief Executive's responsibilities as the Accounting Officer of Great Ormond Street Hospital for Children NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Great Ormond Street Hospital for Children NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Great Ormond Street Hospital for Children NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements;

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

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

Signed



Dr Peter Steer
Chief Executive

Date: 25 May 2017

Foreword to the accounts

Great Ormond Street Hospital for Children was authorised as an NHS Foundation Trust on 1 March 2012. These accounts for the year ended 31 March 2017 have been prepared by Great Ormond Street Hospital for Children NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 in the form which NHS Improvement, with the approval of the Treasury, has directed.

Signed



Dr Peter Steer
Chief Executive

Date: 25 May 2017

Statement of Comprehensive Income for the year ended 31 march 2017

	Note	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Operating income from patient care activities	2	374,187	349,574
Other operating income	3	83,334	76,279
Operating expenses of continuing operations	4	(435,280)	(384,979)
Operating surplus		22,241	40,874
Finance costs			
Finance income	8	149	282
Finance expenses – unwinding of discount on provisions	9	(13)	(13)
Public dividend capital dividends payable		(7,411)	(6,985)
Net finance costs		(7,275)	(6,716)
Gains on disposal of assets		32	16
Surplus for the year		14,998	34,174
Other comprehensive income			
Will not be reclassified to income and expenditure:			
- Impairments		(28,810)	0
- Revaluations – property, plant and equipment	20	4,106	28,510
Total comprehensive (expense)/income for the year		(9,706)	62,684

Financial performance for the year – additional reporting measures

Retained surplus for the year		14,998	34,174
Adjustments in respect of capital donations	3	(32,056)	(31,493)
Adjustments in respect of impairment/(reversal of impairments)	3	12,149	(13,771)
Adjusted retained deficit		(4,909)	(11,090)

The notes on pages 149 to 174 form part of these accounts.

All income and expenditure is derived from continuing operations.

The Trust has no minority interest.

Statement of Financial Position as at 31 March 2017

	Note	31 March 2017 £000	31 March 2016 £000
Non-current assets			
Intangible assets	10	8,476	6,372
Property, plant and equipment	11	416,419	427,292
Trade and other receivables	14	6,664	7,139
Total non-current assets		431,559	440,803
Current assets			
Inventories	13	8,226	7,858
Trade and other receivables	14	67,669	51,326
Cash and cash equivalents	15	42,494	63,732
Total current assets		118,389	122,916
Total assets		549,948	563,719
Current liabilities			
Trade and other payables	16	(50,623)	(55,629)
Provisions	19	(114)	(513)
Other liabilities	17	(5,611)	(4,413)
Net current assets		62,041	62,361
Total assets less current liabilities		493,600	503,164
Non-current liabilities			
Provisions	19	(860)	(964)
Other liabilities	17	(4,950)	(5,357)
Total assets employed		487,790	496,843
Financed by taxpayers' equity			
Public dividend capital		126,718	126,065
Income and expenditure reserve		275,981	260,983
Other reserves		3,114	3,114
Revaluation reserve		81,977	106,681
Total taxpayers' equity		487,790	496,843

The financial statements on pages 145 and 146 were approved by the Board and authorised for issue on 25 May 2017 and signed on its behalf by:

Signed



Dr Peter Steer
Chief Executive

Date: 25 May 2017

Statement of changes in taxpayers' equity for the year ended 31 March 2017

	Public dividend capital (PDC) £000	Revaluation reserve £000	Income and expenditure reserve £000	Other reserves £000	Total £000
Balance at 1 April 2016	126,065	106,681	260,983	3,114	496,843
Changes in taxpayers' equity for the year ended 31 March 2017					
- Surplus for the year	0	0	14,998	0	14,998
- Impairments	0	(28,810)	0	0	(28,810)
- Revaluations – property, plant and equipment	0	4,106	0	0	4,106
- Public dividend capital received	653	0	0	0	653
Balance at 31 March 2017	126,718	81,977	275,981	3,114	487,790

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	Public dividend capital (PDC) £000	Revaluation reserve £000	Income and expenditure reserve £000	Other reserves £000	Total £000
Balance at 1 April 2015	125,357	78,171	226,809	3,114	433,451
Changes in taxpayers' equity for the year ended 31 March 2016					
- Surplus for the year	0	0	34,174	0	34,174
- Transfers between reserves	0	0	0	0	0
- Impairments	0	0	0	0	0
- Revaluations – property, plant and equipment	0	28,510	0	0	28,510
- Public dividend capital received	1,115	0	0	0	1,115
- Public dividend capital repaid	(407)	0	0	0	(407)
Balance at 31 March 2016	126,065	106,681	260,983	3,114	496,843

Statement of cash flows for the year ended 31 March 2017

	Year ended 31 March 2017	Year ended 31 March 2016
Note	£000	£000
Cash flows from operating activities		
Operating surplus	22,241	40,874
Non-cash income and expense:		
Depreciation and amortisation	17,677	18,013
Net impairments	12,149	(13,771)
Income recognised in respect of capital donations (cash and non-cash)	(32,056)	(31,493)
Increase in trade and other receivables	(17,507)	(111)
Increase in inventories	(368)	(259)
(Decrease)/increase in trade and other payables	(2,713)	9,453
Increase/(decrease) in other liabilities	791	(1)
Decrease in provisions	(516)	(11)
NET CASH (USED IN)/GENERATED FROM OPERATIONS	(302)	22,694
Cash flows from investing activities		
Interest received	149	282
Purchase of property, plant and equipment	(44,134)	(38,788)
Payments for intangible assets	(3,668)	(1,331)
Sales of property, plant and equipment	32	16
Receipt of cash donations to purchase capital assets	33,792	28,091
Net cash outflow from investing activities	(13,829)	(11,730)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(14,131)	10,964
Cash flows from financing		
Public dividend capital received	653	1,115
Public dividend capital repaid	0	(407)
Public dividend capital paid	(7,760)	(6,872)
Net cash outflow from financing	(7,107)	(6,164)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(21,238)	4,800
Cash and cash equivalents at start of the year	63,732	58,932
Cash and cash equivalents at end of the year	42,494	63,732

1. Accounting policies and other information

NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the *NHS Foundation Trust Annual Reporting Manual* which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2016/17 *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2 Going concern

International Accounting Standard (IAS)1 requires management to assess, as part of the accounts preparation process, the Foundation Trust's ability to continue as a going concern for the foreseeable future. IAS 1 deems the foreseeable future to be a period of not less than 12 months from the entity's reporting date. After making enquiries, (these are described in the Annual Report on page 67), the directors can reasonably expect that the Foundation Trust has adequate resources to continue in operational existence for the next twelve months. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.3 Segmental reporting

Under IFRS 8 Operating Segments, the standard allows aggregation of segments that have similar economic characteristics and types and class of customer.

The operating results of the Foundation Trust are reviewed monthly or more frequently by the Trust's chief operating decision maker, which is the overall Foundation Trust Board and which includes senior professional non-executive directors. The Trust Board review the financial position of the Foundation Trust as a whole in their decision-making process, rather than individual components included in the totals, in terms of allocating resources. This process implies a single operating segment under IFRS 8.

In addition, the large majority of the Foundation Trust's revenue originates with the UK government. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust, together with the related supplies and overheads needed to establish this service. The business activities which earn revenue and incur expenses

are therefore of one broad combined nature and therefore on this basis one segment of "provision of acute care" is deemed appropriate.

Therefore, all the Foundation Trust's activities relate to a single operating segment in respect of the provision of acute care.

1.4 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Foundation Trust's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.5 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- a. As described in note 1.10, the Trust's plant and equipment is valued at depreciated replacement cost; the valuation being assessed by the Trust taking into account the movement of indices that the Trust has deemed to be appropriate. The Trust is required to review property, plant and equipment for impairment. In between formal valuations by qualified surveyors, management make judgments about the condition of assets and review their estimated lives.
- b. Management use their judgment to decide when to write off revenue or to provide against the probability of not being able to collect debt, especially in light of the changing healthcare commissioning environment. Judgment is also used to decide whether to write off or provide against International Private Patient and overseas debt.

1.6 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period not already included in note 1.5 above, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements as a provision. As the calculation involves a large number of staff, sampling techniques are used to collate the results for the entire Trust

- The useful economic life of each category of fixed asset is assessed when acquired by the Trust. A degree of estimation is occasionally used in assessing the useful economic lives of assets
- For early retirements that took place before the NHS Pension Scheme was modified in 1995, a provision is made in the accounts incorporating inflation and the discount rate. Inflation is estimated at 2.5% and where the effect of the time value of money is material, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 0.24% in real terms
- When arriving at the valuation for property, Trust management engages a qualified surveyor to assist them in forming estimates
- The Trust leases a number of buildings that are owned by Great Ormond Street Hospital Children's Charity. The Trust has assessed how the risks and rewards of ownership are distributed between itself and the charity in categorising these leases as either operating or finance leases
- The Trust has incurred expenditure relating to payments to a third-party power supplier in order to increase the amount of power supplied to the Trust's main site. This expenditure is included in prepayments and is being amortised over the estimated period of use
- A provision is recognised when the Trust has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. In addition to widely used estimation techniques, judgment is required when determining the probable outflow of economic benefits

1.7 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Foundation Trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract. Income relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

Other income received from commissioners may be in the form of an investment in quality. Any quality investment income surplus may be used in subsequent years to supplement any major projects/capital schemes.

1.8 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following year.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2017, is based on the valuation data as 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders

1.9 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.10 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Foundation Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Property, plant and equipment is also only capitalised where:

- it individually has a cost of at least £5,000; or
- it forms a group of assets that individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at valuation as detailed below.

The Trust commissions annual valuations from professional RICS Registered Valuers of its land and buildings in accordance with IAS16 and the DH Group Accounting Manual. This frequency is justified by the volatility of land and building values in central London and the continuing programme of building enhancements at Great Ormond Street Hospital.

The valuation bases agreed with the Trust's professional valuers and applied to the land and buildings valuation are as follows:

- Specialised buildings and land – current value in existing use/depreciated replacement cost
- Non-specialised buildings and land – market value for existing use
- Surplus land – market value for existing use

The lack of demand or market for the Trust's property in isolation from its own use means that the Trust's land and buildings qualify as a "specialised property" under the definitions in the current International Valuation Standards (IVS) with the exception of its residential accommodation. The IVS require specialised property to be valued at depreciated replacement cost, being the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Equipment is carried at depreciated historic cost, modified by the application of relevant indices published by the Office of National Statistics. The Trust has determined that this value is not materially different from current value in existing use.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value and asset life. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed during the year, with the effect of any changes recognised on a prospective basis.

Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment that has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the FT ARM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- The sale must be highly probable for example:
 - Management are committed to a plan to sell the asset;
 - An active programme has begun to find a buyer and complete the sale;
 - The asset is being actively marketed at a reasonable price;
 - The sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
 - The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated assets

Following the accounting policy change outlined in the Treasury FREM for 2011/12, a donated asset reserve is no longer maintained. Donated non-current assets are

capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Government grants

Following the accounting policy change outlined in the Treasury FREM for 2011/12, a government grant reserve is no longer maintained. The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.11 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights.

They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Foundation Trust and for at least a year and where the cost of the asset can be measured reliably and is at least £5,000.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised and expenditure on development is capitalised only where all of the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- The Trust intends to complete the asset and sell or use it;
- The Trust has the ability to sell or use the asset;
- How the intangible asset will generate probable future economic or service delivery benefits eg the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- Adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- The Trust can measure reliably the expenses attributable to the asset during development.

Software

Software that is integral to the operation of hardware eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware eg application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and

prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

1.13 Financial instruments and financial liabilities

Recognition

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

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

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

De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as loans and receivables, whereas financial liabilities are classified as other financial liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and 'other debtors'. Loans and receivables are recognised

initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

1.14 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to finance expenses in the Statement of Comprehensive Income.

The following is the methodology used for the reclassification of operating leases as finance leases:

Finance leases in which the Trust acts as lessee

- The finance charge is allocated across the lease term on a straight line basis;
- The capital cost is capitalised using a straight line basis of depreciation;
- The lease rental expenditure that would otherwise have been charged to expenditure under an operating lease is removed from expenditure on a straight line basis.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.15 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.24% in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed in note 19.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk-pooling schemes under which the Foundation Trust pays an annual contribution to the NHSLA and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.16 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 21 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.17 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the Trust, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the unaudited version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.18 Value-added tax (VAT)

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Corporation tax

Great Ormond Street Hospital for Children NHS Foundation Trust has determined that it has no corporation tax liability as the Trust has no private income from non-operational areas.

1.20 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction that is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- Monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- Non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- Non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.21 Cash, bank and overdrafts

Cash, bank and overdraft balances are recorded at the current values of these balances in the Trust's cash book.

1.22 Heritage assets

Heritage assets (under FRS30 and as required by the FT ARM) are tangible assets with historical, artistic, scientific, technological, geographical or environmental qualities, held principally for their contribution to knowledge or culture. The Trust holds no such assets as all assets are held for operational purposes – this includes a number of artworks on display in the hospital.

1.23 Losses and special payments

Losses and special payments are items that parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.24 Charitable funds

From 2013/14, the divergence from the FReM that NHS charitable funds are not consolidated with bodies' own returns was removed. Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those charitable funds that fall under common control with NHS bodies are consolidated within the entities' returns. The funds of Great Ormond Street Hospital for Children's Charity are not under the control of the Foundation Trust and have not, therefore, been consolidated in these accounts.

1.25 Recently issued IFRS Accounting Standards

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) but have not yet been adopted in the Annual Reporting Manual. NHS Improvement does not permit the early adoption of accounting standards, amendments and interpretations that are in issue at the reporting date but effective at a subsequent reporting period.

IFRS 9 Financial Instruments

Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 14 Regulatory Deferral Accounts

Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.

IFRS 15 Revenue from Contracts with Customers

Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 16 Leases

Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

2. Revenue from patient care activities

2.1 Analysis of revenue from patient care activities

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
Elective income	80,824	83,061
Non-elective income	14,966	16,153
Outpatient income	39,698	38,197
Other NHS clinical income	177,069	158,776
Revenue from protected patient care activities	312,557	296,187
Private patient income	55,129	47,886
Other non-protected clinical income	6,501	5,501
	61,630	53,387
Total revenue from patient care activities	374,187	349,574

The Trust's Provider Licence sets out the Commissioner Requested Services that the Trust is required to provide. All of the income from activities before private patient income and other non-protected clinical income shown above is derived from the provision of Commissioner Requested Services.

2.2 Analysis of revenue from patient care activities by source

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
CCGs and NHS England	311,321	295,100
NHS Foundation Trusts	561	552
NHS Trusts	675	535
Non-NHS:		
- Private patients	55,129	47,886
- Overseas patients (non-reciprocal)	673	1,051
- Injury costs recovery (was RTA)	83	25
- Other	5,745	4,425
Total revenue from patient care activities	374,187	349,574

All of the Trust's activities relate to a single operating segment in respect of the provision of acute healthcare services.

2.3 Overseas visitors

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
Income recognised in-year	673	1,051
Cash payments received in-year	11	25
Amounts added to provision for impairment of receivables	479	425

3. Other operating revenue

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
Research and development	19,411	17,448
Charitable contributions to expenditure	6,242	7,369
Charitable contributions in respect of capital expenditure	32,056	31,493
Education and training	8,340	7,853
Non-patient care services to other bodies	860	1,072
Clinical tests	4,537	3,851
Clinical excellence awards	3,045	3,071
Catering	1,204	1,176
Sustainability and Transformation Fund Scheme	4,243	0
Creche services	460	484
Staff accommodation rentals	82	44
Other revenue	2,854	2,418
	83,334	76,279

The Trust received £4,243k of Sustainability and Transformation funding. This was made up of: £2,400k core, £623 Incentive Scheme (Finance) and £1,220k Incentive Scheme (Bonus).

4. Operating expenses

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
Services from other NHS bodies	6,289	6,519
Purchase of healthcare from non-NHS bodies	4,805	2,619
Executive directors' costs*	1,781	1,899
Non-executive directors' costs*	158	162
Staff costs	224,789	206,394
Supplies and services – clinical – drugs	50,423	41,680
Supplies and services – clinical – other	54,883	54,167
Supplies and services – general	4,499	4,333
Establishment	3,183	3,096
Research and development	15,322	16,030
Transport – business travel	612	493
Transport – other	2,896	2,763
Premises – business rates payable to local authorities	2,265	2,136
Premises – other	20,882	22,133
Operating lease rentals	1,886	1,478
Provision for impairment of receivables	985	4,445
Change in provisions discount rate	54	4
Inventories write down	189	198
Depreciation	16,206	16,627
Amortisation of intangible assets	1,471	1,386
Impairment/(reversals of impairment) of property, plant and equipment	12,149	(13,771)
Fees payable to the Trust's auditor for the financial statement audit	102	102
Audit related assurance services – quality accounts	19	18
Other auditor remuneration – non audit services	47	0
Clinical negligence insurance	6,326	4,810
Redundancy costs	46	414
Consultancy costs	796	1,200
Legal fees	402	226
Increase in other provisions	0	257
Internal audit costs	109	135
Losses and special payments	7	0
Other	1,699	3,026
	435,280	384,979

* Details of directors' remuneration can be found in the remuneration report on page 50. Research and development expenditure includes £12,686k of staff costs (£11,870k in 2015/16).

5. Operating leases

5.1 As lessee

Payments recognised as an expense

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
Minimum lease payments	1,886	1,478
	1,886	1,478

Total future minimum lease payments

	As at 31 March 2017	As at 31 March 2016
	£000	£000
Payable:		
Not later than one year	2,504	1,544
Between one and five years	9,976	6,004
After five years	7,264	4,566
Total	19,744	12,114

6. Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial year ended 31 March 2017.

7. Employee costs and numbers

7.1 Employee costs

	Year to 31 March 2017 total	Permanently employed	Other	Year to 31 March 2016 total
	£000	£000	£000	£000
Salaries and wages	193,437	191,013	2,424	181,307
Social security costs	19,440	19,440	0	15,000
Pension cost – defined contribution plans employer's contributions to NHS pensions	21,194	21,194	0	19,926
Pension costs – other	82	82	0	0
Temporary staff – agency/contract staff	9,318	0	9,318	7,574
Termination benefits	46	46	0	414
Total gross staff costs	243,517	231,775	11,742	224,221
Recoveries from DH Group bodies in respect of staff cost netted off expenditure	(1,401)	0	(1,401)	(1,770)
Recoveries from other bodies in respect of staff costs netted off expenditure	(292)	0	(292)	0
Total staff costs	241,824	231,775	10,049	222,451
Included within:				
Costs capitalised as part of assets	2,522	1,549	973	1,874
Analysed into operating expenditure				
Employee expenses – staff	224,789	215,713	9,076	206,394
Employee expenses – executive directors	1,781	1,781	0	1,899
Research and development	12,686	12,686	0	11,870
Redundancy	46	46	0	414
Total employee benefits excluding capital costs	239,302	230,226	9,076	220,577

7.2 Average number of people employed*

	Year to 31 March 2017 total	Permanently employed**	Other	Year to 31 March 2016 total
	Number	Number	Number	Number
Medical and dental	626	586	40	587
Administration and estates	1,200	1,029	171	1,020
Healthcare assistants and other support staff	297	269	28	291
Nursing, midwifery and health visiting staff	1,479	1,366	113	1,421
Scientific, therapeutic and technical staff	777	748	29	743
Other staff	5	5	0	6
Total	4,384	4,003	381	4,068

* Whole time equivalent ** Includes bank staff

7.3 Retirements due to ill-health

During the year there was one early retirement from the Trust on the grounds of ill-health resulting in additional pension liabilities of £160k. (There were no early retirements in 2015/16, £0k).

7.4 Staff exit packages

Foundation trusts are required to disclose summary information of their use of staff exit packages agreed in the year.

Year to 31 March 2017						
Exit packages number and cost	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	Number	£000	Number	£000	Number	£000
<£10,000	9	25	0	0	9	25
£10,00–£25,000	2	21	0	0	2	21
Total	11	46	0	0	11	46

Year to 31 March 2016						
Exit packages number and cost	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	Number	£000	Number	£000	Number	£000
<£10,000	1	3	0	0	1	3
£10,00–£25,000	5	106	0	0	5	106
£25,001–£50,000	2	63	0	0	2	63
£50,001–£100,000	1	70	0	0	1	70
Total	9	242	0	0	9	242

Any exit packages in relation to senior managers (should they arise) are not included in this note as these would be disclosed in the remuneration report.

The cost of ill-health retirements falls on the relevant pension scheme, not the Trust, and is included in note 7.3.

8. Finance income

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
Bank interest	149	282
Total finance income	149	282

9. Finance expenses

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
Provisions – unwinding of discount	13	13
Total finance expenses	13	13

10. Intangible assets

10.1 Intangible assets

	Software licences	Licences and trademarks	Development expenditure (internally generated)	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Gross cost at 1 April 2016	3,791	496	4,790	3,834	12,911
Additions – purchased	1,054	0	0	2,594	3,648
Additions – donated	0	0	0	20	20
Reclassifications	2,937	0	0	(3,030)	(93)
Valuation/Gross cost at 31 March 2017	7,782	496	4,790	3,418	16,486
Amortisation at 1 April 2016	2,683	314	3,542	0	6,539
Provided during the year	882	29	560	0	1,471
Amortisation at 31 March 2017	3,565	343	4,102	0	8,010
Net book value (NBV)					
NBV total at 31 March 2017	4,217	153	688	3,418	8,476

All intangible assets are held at cost less accumulated amortisation based on estimated useful economic lives.

	Software licences £000	Licences and trademarks £000	Development expenditure (internally generated) £000	Intangible assets under construction £000	Total £000
Gross cost at 1 April 2015	3,092	496	4,550	3,442	11,580
Additions – purchased	78	0	0	1,191	1,269
Additions – donated	0	0	0	62	62
Reclassifications	621	0	240	(861)	0
Valuation/Gross cost at 31 March 2016	3,791	496	4,790	3,834	12,911
Amortisation at 1 April 2015	2,193	259	2,701	0	5,153
Provided during the year	490	55	841	0	1,386
Amortisation at 31 March 2016	2,683	314	3,542	0	6,539
Net book value (NBV)					
NBV total at 31 March 2016	1,108	182	1,248	3,834	6,372

10.2 Economic life of intangible assets

	Min Life Years	Max Life Years
Intangible assets		
Software	1	7
Development expenditure	1	7
Licences and trademarks	1	7

11. Property, plant and equipment

11.1 Property, plant and equipment

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
Cost or valuation at 1 April 2016	78,075	253,002	9,252	45,708	75,348	25,372	13,112	499,869
Additions – purchased	0	3,252	0	4,502	867	1,048	388	10,057
Additions – donated	0	478	0	28,100	3,449	0	9	32,036
Impairments charged to the revaluation reserve	(5,641)	(22,859)	(310)	0	0	0	0	(28,810)
Reclassifications	0	6,283	0	(7,292)	130	879	93	93
Revaluations	1,647	(18,174)	1,267	0	0	0	0	(15,260)
Disposals	0	0	0	0	(1,845)	0	0	(1,845)
Cost or valuation at 31 March 2017	74,081	221,982	10,209	71,018	77,949	27,299	13,602	496,140
Accumulated depreciation at 1 April 2016	0	1,090	0	0	44,974	19,664	6,849	72,577
Provided during the period	0	7,292	203	0	5,988	1,738	985	16,206
Impairments charged to operating expenses	0	12,186	0	0	0	0	0	12,186
Reversal of impairments credited to operating expenses	0	(37)	0	0	0	0	0	(37)
Revaluations	0	(19,163)	(203)	0	0	0	0	(19,366)
Disposals	0	0	0	0	(1,845)	0	0	(1,845)
Accumulated depreciation at 31 March 2017	0	1,368	0	0	49,117	21,402	7,834	79,721
Net book value (NBV) at 31 March 2017								
NBV – Owned at 31 March 2017	69,387	94,190	864	5,501	8,042	5,310	1,911	185,205
NBV – Finance leased at 31 March 2017	0	3,114	0	0	0	0	0	3,114
NBV – Government granted at 31 March 2017	0	143	0	0	76	0	0	219
NBV – Donated at 31 March 2017	4,694	123,167	9,345	65,517	20,714	587	3,857	227,881
NBV total at 31 March 2017	74,081	220,614	10,209	71,018	28,832	5,897	5,768	416,419

11.1 Property, plant and equipment (continued)

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
Cost or valuation at 1 April 2015	78,057	212,853	7,903	15,271	72,149	22,432	12,716	421,381
Additions – purchased	0	2,585	0	7,702	603	415	40	11,345
Additions – donated	0	1,096	0	28,148	2,003	127	57	31,431
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0
Reclassifications	0	1,837	0	(5,413)	879	2,398	299	0
Revaluations	18	34,631	1,349	0	0	0	0	35,998
Disposals	0	0	0	0	(286)	0	0	(286)
Cost or valuation at 31 March 2016	78,075	253,002	9,252	45,708	75,348	25,372	13,112	499,869
Accumulated depreciation at 1 April 2015	0	938	0	0	39,114	16,689	5,778	62,519
Provided during the period	0	6,265	170	0	6,146	2,975	1,071	16,627
Impairments charged to operating expenses	0	4,797	0	0	0	0	0	4,797
Reversal of impairments credited to operating expenses	0	(17,105)	(1,463)	0	0	0	0	(18,568)
Revaluations	0	6,195	1,293	0	0	0	0	7,488
Disposals	0	0	0	0	(286)	0	0	(286)
Accumulated depreciation at 31 March 2016	0	1,090	0	0	44,974	19,664	6,849	72,577
Net book value (NBV) at 31 March 2016								
NBV – Owned at 31 March 2016	75,028	107,040	1,162	8,191	8,707	4,632	1,802	206,562
NBV – Finance leased at 31 March 2016	0	3,232	0	0	0	0	0	3,232
NBV – Government granted at 31 March 2016	0	142	0	0	85	0	0	227
NBV – Donated at 31 March 2016	3,047	141,498	8,090	37,517	21,582	1,076	4,461	217,271
NBV total at 31 March 2016	78,075	251,912	9,252	45,708	30,374	5,708	6,263	427,292

11.2 Economic life of property plant and equipment

	Min life Years	Max life Years
Buildings excluding dwellings	10	50
Dwellings	42	50
Plant and machinery	1	13
Information technology	1	10
Furniture and fittings	1	13

Freehold land is considered to have an infinite life and is not depreciated.

The majority of information technology assets are depreciated over five years.

Assets under course of construction are not depreciated until the asset is brought into use.

Great Ormond Street Hospital Children's Charity donated £32,056k towards property, plant, equipment and intangibles expenditure during the year (2015/16, £31,493k).

The Trust has completed a number of agreements with Great Ormond Street Hospital Children's Charity in connection with amounts donated to fund capital expenditure on building work in relation to buildings used by the Trust for its core activities. The agreements provide that, in the event that there is a material change in use of these buildings, the amounts donated would be repayable based on a formula which takes account of the total value of donations received and the period for which the new building work has been in use by the Trust. There are no past events or events foreseen by the directors which would require the recognition of an obligation to the charity as a result of these agreements.

For assets held at revalued amounts:

- The effective date of revaluation was 31 March 2017
- The valuation of land, buildings and dwellings was undertaken by Richard Ayres, a Member of the Royal Institution of Chartered Surveyors and a partner in Gerald Eve LLP
- The valuations were undertaken using a modern equivalent asset methodology.

12. Commitments

12.1 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2017 £000	31 March 2016 £000
Property, plant and equipment	6,510	29,041
Intangible assets	982	967
Total	7,492	30,008

12.2 Other financial commitments

The Trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements). The payments to which the Trust is committed are as follows:

	31 March 2017 £000	31 March 2016 £000
Not later than one year	11,600	7,461
Later than one year and not later than five year	20,795	4,774
Total	32,395	12,235

13. Inventories

13.1 Inventories

	31 March 2017 £000	31 March 2016 £000
Drugs	1,113	1,359
Consumables	7,095	6,472
Energy	18	27
Total	8,226	7,858

The cost of inventories recognised as expenses during the year in respect of continuing operations was £92,196k (2015/16: £82,157k)

14. Trade and other receivables

14.1 Trade and other receivables

	Current		Non-current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000	£000	£000	£000
NHS receivables – revenue	16,446	9,782	0	0
Other receivables – revenue	36,303	31,564	0	0
Provision for impaired receivables	(8,349)	(7,448)	0	0
Receivables due from NHS charities – capital	5,382	7,118	0	0
Receivables due from NHS charities – revenue	1,521	1,453	0	0
Prepayments	3,318	2,089	6,664	7,139
Accrued income	11,730	6,322	0	0
Interest receivable	2	2	0	0
PDC dividend receivable	97	0	0	0
VAT receivable	1,219	444	0	0
Total	67,669	51,326	6,664	7,139

14.2 Provision for impairment of receivables

	31 March 2017	31 March 2016
	£000	£000
Opening balance	7,448	4,574
Increase in provision	985	4,445
Amounts utilised	(84)	(1,571)
Closing balance	8,349	7,448

14.3 Analysis of impaired receivables

	31 March 2017	31 March 2016
	£000	£000
Ageing of impaired receivables		
0–30 days	612	1,209
30–60 days	158	30
60–90 days	136	5
90–180 days	1,258	990
Over 180 days	6,185	5,214
	8,349	7,448
Ageing of non-impaired receivables past their due date		
0–30 days	4,209	5,309
30–60 days	2,821	4,066
60–90 days	3,019	2,346
90–180 days	6,887	2,225
Over 180 days	5,041	1,161
	21,977	15,107

15. Cash and cash equivalents

	31 March 2017	31 March 2016
	£000	£000
Balance at beginning of the year	63,732	58,932
Net change in year	(21,238)	4,800
Balance at the end of the year	42,494	63,732
Made up of		
Commercial banks and cash in hand	10	13
Cash with the Government Banking Service	1,984	6,219
Deposits with the National Loan Fund	40,500	57,500
Cash and cash equivalents as in statement of financial position	42,494	63,732
Cash and cash equivalents	42,494	63,732

16. Trade and other payables

16.1 Trade and other payables

	31 March 2017	31 March 2016
	£000	£000
NHS payables – revenue	3,894	5,728
Other trade payables – capital	6,931	8,972
Other trade payables – revenue	7,854	4,342
Social security costs	2,739	2,104
Other taxes payable	2,375	2,201
Other payables	10,133	10,742
Accruals	16,697	21,288
PDC dividend payable	0	252
Total	50,623	55,629

'Other payables' includes £3,156k outstanding pensions contributions at 31 March 2017 (£2,931k at 31 March 2016)

17. Other liabilities

	Current		Non-current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000	£000	£000	£000
Deferred income	5,204	4,006	0	0
Lease incentives	407	407	4,950	5,357
Total	5,611	4,413	4,950	5,357

18. Prudential borrowing limit

The prudential borrowing code requirements in section 41 of the National Health Service Act 2006 were repealed with effect from 1 April 2013 by the Health and Social Care Act 2012. The financial statement disclosures that were provided previously are no longer required.

19. Provisions

	Current		Non-current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000	£000	£000	£000
Pensions relating to other staff	114	115	860	964
Other legal claims	0	14	0	0
Redundancy	0	170	0	0
Other	0	214	0	0
Total	114	513	860	964

	Pensions relating to other staff	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2016	1,079	14	170	214	1,477
Change in the discount rate	54	0	0	0	54
Arising during the year	0	0	0	0	0
Utilised during the year	(114)	(14)	(170)	0	(298)
Reversed unused	(58)	0	0	(214)	(272)
Unwinding of discount	13	0	0	0	13
At 31 March 2017	974	0	0	0	974
Expected timing of cash flows:					
- not later than one year	114	0	0	0	114
- later than one year and not later than five years	456	0	0	0	456
- later than five years	404	0	0	0	404
	974	0	0	0	974

Provisions for capitalised pension benefits are based on tables provided by the NHS Pensions Agency reflecting years to normal retirement age and the additional pension costs associated with early retirement.

"Other legal claims" consists of amounts due as a result of third party and employer liability claims. The values are based on information provided by the Trust's insurer, in this case, the NHS Litigation Authority. The amount shown here is the gross expected value of the Trust's liability to pay minimum excesses for outstanding cases under the Scheme rules. Provision has also been made for cases which are ongoing with the Trust's solicitors.

The NHS Litigation Authority records provisions in respect of clinical negligence liabilities of the Trust. The amount recorded as at 31 March 2017 was £112,944k (£101,453k at 31 March 2016).

20. Revaluation reserve

	31 March 2017	31 March 2016
	£000	£000
Opening balance at 1 April	106,681	78,171
Impairments	(28,810)	0
Revaluations	4,106	28,510
Transfers to other reserves	0	0
Closing balance at 31 March	81,977	106,681

21. Contingencies

	31 March 2017	31 March 2016
	£000	£000
Contingent liabilities		
NHS Litigation Authority legal claims	0	(10)
Gross value of contingent liabilities	0	(10)
Net value of contingent liabilities	0	(10)

No contingent liability exists for potential third-party claims in respect of employer's/occupier's liabilities and property expenses at 31 March 2017 (£10k at 31 March 2016). The value of provisions for the expected value of probable cases is shown in Note 19.

22. Financial instruments

The carrying value and the fair value are equivalent for the financial assets and financial liabilities shown below in notes 22.1 and 22.2. All financial assets and liabilities included below are receivable/payable within 12 months.

22.1 Financial assets by category

	31 March 2017	31 March 2016
	Loans and receivables	Loans and receivables
	£000	£000
Trade and other receivables excluding non-financial assets	52,619	42,915
Cash and cash equivalents (at bank and in hand)	42,494	63,732
	95,113	106,647

22.2 Financial liabilities by category

	31 March 2017	31 March 2016
	Other financial liabilities	Other financial liabilities
	£000	£000
Trade and other payables excluding non-financial assets	33,926	34,089
	33,926	34,089

22.3 Financial instruments

22.3.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with NHS England and clinical commissioning groups and the way those bodies are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the Finance department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. Although the Trust has operations overseas, it has no establishment in other territories. The Foundation Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust's cash balances are held with the Government Banking Service. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, it has low exposure to credit risk. The maximum exposures as at 31 March 2017 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's net operating costs are incurred under agency purchase contracts with NHS England and local clinical commissioning groups, which are financed from resources voted annually by parliament. The Trust receives the majority of such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to a national/local tariff unit cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are periodic corrections made to adjust for the actual income due under the contract.

A high proportion of private patient income is received from overseas government bodies. The Trust has a good record of collection of this income although there can be delays.

The Trust presently finances its capital expenditure mainly from donations and internally generated funds and is not, therefore, exposed to significant liquidity risks in this area.

These funding arrangements ensure that the Trust is not exposed to any material credit risk.

23. Related party transactions

Great Ormond Street Hospital for Children NHS Foundation Trust is a body corporate established under the National Health Service Act 2006.

No Board members or members of the key management staff or parties related to them has undertaken any material transactions with Great Ormond Street Hospital for Children NHS Foundation Trust. Remuneration of senior managers is disclosed in the audited part of the director's remuneration report on page 54.

The Trust holds a 20% interest in UCLPartners Limited (UCLP), a company limited by guarantee, acquired by a guarantee of £1. The company's costs are funded by its partners who contribute to its running costs on an annual basis. The contributions paid by the Trust are included within operating expenditure. The most recent available signed financial statements for UCLP have been prepared for the year ended 31 March 2016; the reported assets, liabilities, revenues and profit/loss are not material to the Trust.

During the year Great Ormond Street Hospital for Children NHS Foundation Trust has had a significant number of material transactions with NHS and other government bodies as well as Great Ormond Street Hospital Children's Charity.

Where the value of transactions is considered material, these entities are listed below. All of these bodies are under the common control of central government.

Organisation category	Organisation	Income £000	Expenditure £000	Receivables £000	Payables £000
	NHS Barking And Dagenham CCG	457	0	149	0
	NHS Barnet CCG	899	0	0	0
	NHS Basildon And Brentwood CCG	532	0	0	0
	NHS Bedfordshire CCG	604	0	0	0
	NHS Bexley CCG	156	0	0	0
	NHS Bracknell and Ascot CCG	155	0	0	0
	NHS Brent CCG	515	0	0	0
	NHS Brighton & Hove CCG	165	0	0	0
	NHS Bromley CCG	225	0	0	0
	NHS Cambridgeshire And Peterborough CCG	389	0	0	0
	NHS Camden CCG	4,507	0	1,637	0
	NHS Canterbury & Coastal CCG	143	0	0	0
	NHS Castle Point & Rochford CCG	305	0	0	0
	NHS Central London (Westminster) CCG	181	0	0	0
	NHS Chiltern CCG	298	0	0	0
	NHS City And Hackney CCG	673	0	0	0
	NHS Coastal West Sussex CCG	145	0	0	0
	NHS Crawley CCG	100	0	0	0
	NHS Croydon CCG	268	0	0	0
	NHS Dartford, Gravesham And Swanley CCG	178	0	0	0
	NHS Ealing CCG	679	0	0	0
	NHS East And North Hertfordshire CCG	833	0	0	0
	NHS East Surrey CCG	130	0	0	0
	NHS Eastbourne, Hailsham and Seaford CCG	147	0	0	0
	NHS Enfield CCG	993	0	140	0
	NHS Great Yarmouth & Waveney CCG	130	0	0	0
	NHS Greenwich CCG	193	0	0	0
	NHS Guildford & Waverley CCG	206	0	0	0
	NHS Hammersmith & Fulham CCG	219	0	0	0
	NHS Haringey CCG	839	0	0	0
	NHS Harrow CCG	444	0	0	0
	NHS Hastings & Rother CCG	111	0	0	0
	NHS Havering CCG	480	0	0	0
	NHS Herts Valleys CCG	960	0	0	0
	NHS Hillingdon CCG	726	0	108	0
	NHS Horsham & Mid Sussex CCG	120	0	0	0
	NHS Hounslow CCG	359	0	0	0
	NHS Ipswich & East Suffolk CCG	115	0	0	0
	NHS Islington CCG	798	0	215	0
	NHS Kingston CCG	169	0	0	0
	NHS Lewisham CCG	209	0	0	0
	NHS Luton CCG	567	0	109	0
	NHS Medway CCG	196	0	0	0
	NHS Merton CCG	132	0	0	0
	NHS Mid Essex CCG	645	0	105	0
	NHS Milton Keynes CCG	163	0	0	0
	NHS Nene CCG	210	0	0	0
	NHS Newham CCG	592	0	0	0

Clinical commissioning groups

2016/17

Organisation category	Organisation	Income £000	Expenditure £000	Receivables £000	Payables £000
Clinical commissioning groups	NHS North East Essex CCG	445	0	0	0
	NHS North East Hampshire and Farnham CCG	141	0	0	0
	NHS North West Surrey CCG	178	0	0	0
	NHS Redbridge CCG	682	0	0	0
	NHS Richmond CCG	280	0	0	0
	NHS Slough CCG	168	0	170	0
	NHS South Kent Coast CCG	135	0	0	0
	NHS Southend CCG	396	0	0	0
	NHS Southwark CCG	105	0	0	0
	NHS Surrey Downs	278	0	0	0
	NHS Swale	125	0	0	0
	NHS Thurrock CCG	387	0	0	0
	NHS Tower Hamlets CCG	532	0	203	0
	NHS Waltham Forest CCG	493	0	0	0
	NHS Wandsworth CCG	242	0	0	0
	NHS West Essex CCG	595	0	0	0
	NHS West Kent CCG	298	0	0	0
	NHS West London (K&C & Qpp)	213	0	0	0
NHS Foundation Trusts	Cambridge University Hospitals NHS Foundation Trust	102	0	0	0
	Guys And St Thomas NHS Foundation Trust	354	1,918	165	364
	Luton & Dunstable NHS Foundation Trust	134	77	0	0
	Moorfields Eye Hospital NHS Foundation Trust	0	228	0	0
	Oxford University Hospitals NHS Foundation Trust	145	0	0	0
	Royal Brompton & Harefield NHS Foundation Trust	0	142	0	0
	Royal Free London NHS Foundation Trust	236	248	379	204
	Sheffield Children's NHS Foundation Trust	0	102	0	0
	St Georges University Hospital NHS Foundation Trust	152	0	101	0
	University College London NHS Foundation Trust	828	1,149	5,719	914

Organisation category	Organisation	Income £000	Expenditure £000	Receivables £000	Payables £000
NHS Trusts	Barking, Havering & Redbridge Hospital NHS Trust	100	0	0	558
	Barts Health NHS Trust	2,876	946	564	0
	Imperial College Healthcare NHS Trust	332	113	207	0
	London North West Healthcare NHS Trust	118	88	0	0
	Mid Essex Hospital Services NHS Trust	0	665	115	0
	Portsmouth Hospitals NHS Trust	0	126	0	0
	Whittington Hospital NHS Trust	115	44	108	0
NHS England & Clinical Support Units	NHS England – London Specialised Commissioning Hub	281,445	0	8,405	0
	NHS England – Central Specialised Commissioning Hub	1,069	0	0	0
	London Regional Office	5,028	0	0	0
	NHS England – Core	4,243	0	2,621	0
Other NHS bodies	NHS Litigation Authority	0	6,536	0	0
	Health Education England	8,954	0	0	0
	Department of Health: Core trading & NHS Supply Chain (excluding PDC dividend)	11,453	0	0	0
Other government bodies	Business Services Organisation – Northern Ireland	0	0	0	0
	Camden London Borough Council	0	3,064	0	0
	Care Quality Commission	0	196	0	0
	Department of Health – PDC dividend only	0	0	97	0
	HM Revenue & Customs – Other taxes and duties	0	19,440	0	5,114
	HM Revenue & Customs – VAT	0	0	1,219	0
	National Insurance Fund (Employer contributions – Revenue Expenditure)	0	0	0	0
	National Loans Fund	0	0	40,500	0
	NHS Blood and Transplant (excluding Bio Products Laboratory)	0	2,244	0	206
	NHS Pension Scheme (Own staff employers contributions only plus other invoiced charges)	0	21,194	0	3,153
	Health & Social Care Trust – Northern Ireland	1,393	0	0	0
	Scottish Government	807	0	313	0
	Welsh Assembly Government (incl all other Welsh Health Bodies)	2,800	0	349	0
Other related parties	Great Ormond Street Hospital Children's Charity	38,298	2,210	6,830	734

24. Events after the reporting period

There are no events after the reporting period which require disclosure.

25. Losses and special payments

	Number	£000
Stores losses	3	188
Total losses	3	188
Ex-gratia payments	32	7
Total special payments	32	7
Total losses and special payments	35	195

The amounts above are reported on an accruals basis but exclude provisions for future losses.

26. Off-payroll engagements

As at 31 March 2017, the Trust had eight off-payroll engagements for more than £220 per day lasting for longer than six months.

Of these, three have existed for less than one year at the time of reporting, four have existed for between one and two years, and one has existed for between three and four years.

Glossary

BAF

Board Assurance Framework.

Benchmarking

Benchmarking is a process by which an organisation compares its performance and practices against other organisations. These comparisons are structured and are typically undertaken against similar organisations and against top performers. Benchmarking helps to define best practice and can support improvement by identifying specific areas that require attention.

BRC

The Biomedical Research Centre is funded by the National Institute for Health Research and supports paediatric experimental medicine research at Great Ormond Street Hospital and the UCL Institute of Health.

Capital expenditure

Expenditure to renew the fixed assets used by the Foundation Trust.

Cardiac/respiratory arrest

Cardiac arrest is the cessation of normal circulation of the blood due to failure of the heart to contract effectively. A cardiac arrest is different from (but may be caused by) a heart attack, where blood flow to the muscle of the heart is impaired. Cardiac arrest prevents delivery of oxygen to the body. Lack of oxygen to the brain causes loss of consciousness, which then results in abnormal or absent breathing. Brain injury is likely if cardiac arrest goes untreated for more than five minutes. For the best chance of survival and neurological recovery, immediate and decisive treatment is imperative.

CEWS

Children's Early Warning Score.

CICU

Cardiac Intensive Care Unit.

Clinical audit

A quality improvement cycle that involves measurement of effectiveness of healthcare against agreed and proven standards for high quality. The audit takes action to bring practice in line with these standards so as to improve the quality of care and health outcomes. (HQIP Best Practice for Clinical Audit 2011).

Clinical outcome measures

A clinical outcome is a change in health that is attributable to a healthcare intervention. Routine outcomes measurement is central to improving service quality and accountability.

Commissioners

Commissioners are responsible for ensuring adequate services are available for their local population by assessing needs and purchasing services. Primary Care Trusts were the key organisations responsible for commissioning healthcare services for their area. However, on 1 April 2013, commissioning structures changed. GP-run clinical commissioning groups, responsible to NHS England, now commission services (including acute care, primary care and mental healthcare). Commissioning of specialist services is provided directly by NHS England. From 1 April 2013, around 90% of the Foundation Trust's activity is commissioned by NHS England.

CQC

The Care Quality Commission replaced the Healthcare Commission, Mental Health Act Commission and the Commission for Social Care Inspection in April 2009. The CQC is the independent regulator of health and social care in England. It regulates health and adult social care services, whether provided by the NHS, local authorities, private companies or voluntary organisations. Visit www.cqc.org.uk for more information.

CQUIN

Commissioning for Quality and Innovation.

Dashboards

Information dashboards present the most important information from large amounts of data in a way that is easy for users to read and understand. Dashboards summarise information and focus on changes and exceptions in the data.

Data quality

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

Department of Health

The Department of Health is a department of the UK government but with responsibility for government policy for England alone on health, social care and the NHS.

Depreciation

The process of charging the cost of a fixed asset to the Statement of Comprehensive Income over its useful life to the Trust, as opposed to recording the cost in a single year.

Division

How we group and manage our clinical services.

EBITDA

Earnings before interest, taxes, depreciation and amortisation.

Fixed assets

Land, buildings or equipment that are expected to be used to generate income to the Trust for a period exceeding one year.

Foundation trust

A foundation trust is a type of NHS trust in England that has been created to devolve decision-making from central government control to local organisations and communities. NHS Foundation Trusts provide and develop healthcare according to core NHS principles – free care, based on need and not on ability to pay. NHS Foundation Trusts have members drawn from patients, the public, and staff, and are governed by a board of governors comprising people elected from and by the membership base.

Friends and Family Test

The Friends and Family Test (FFT) is a feedback tool that asks people using NHS services if they would recommend the services they have used

GOSH

Great Ormond Street Hospital for Children NHS Foundation Trust.

GP

General practitioner.

Healthwatch

Healthwatch is the new consumer champion for both health and social care from 1 April 2013. It exists in two distinct forms – local Healthwatch, at local level, and Healthwatch England, at national level. The aim of local Healthwatch will be to give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality.

HCA

Health care assistant.

HCAI

Healthcare-acquired infection.

ICH

UCL Institute of Child Health.

Impairment

A charge to the Statement of Comprehensive Income resulting from a reduction in the value of assets.

Indexation

The process of adjusting the value of a fixed asset to account for inflation.

IPP

International and Private Patients.

KPI

Key performance indicator.

MDT

Multidisciplinary team – a group of different types of clinicians who work together.

Medical director

The medical director is a physician who is usually employed by a hospital to serve in a medical and administrative capacity as head of the organised medical staff. A medical director provides guidance, leadership, oversight and quality assurance.

Members' Council

GOSH's Members' Council was established when the Trust became a Foundation Trust. The council is vital for the direct involvement of members in our long-term vision and planning, as a critical friend, and as a guardian of our values. It supervises public involvement, membership recruitment, and activation. The council has specific powers, including involvement in picking the non-executive directors, ratifying the appointment of the Chief Executive, receiving the accounts, and appointing the auditors.

Monitor

Now known as NHS Improvement, Monitor is the independent regulator responsible for authorising, monitoring and regulating NHS Foundation Trusts.

Multidisciplinary team meeting

A meeting of the group of professionals from one or more clinical disciplines who together make decisions regarding recommended treatment of individual patients.

Net current assets

Items that can be converted into cash within the next 12 months (eg debtors, stock or cash minus creditors). Also known as working capital.

NHS

National Health Service.

NHS Choices

NHS Choices is the UK's biggest health website. It provides a comprehensive health information service to patients and the public. The website helps users make choices about their health, from decisions about lifestyle, such as smoking, drinking and exercise, to finding and using NHS services in England.

NHS England

NHS England is an executive non-departmental public body of the Department of Health. It oversees the planning, delivery and day-to-day operation of the NHS in England as set out in the Health and Social Care Act 2012.

NHS Improvement

NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care.

NICU

Neonatal Intensive Care Unit.

NIHR

National Institute for Health Research.

Pals

Patient Advice and Liaison Service.

Patient pathway

The patient pathway is the route that a patient will take from their first contact with an NHS member of staff (usually their family doctor), through referral, to the completion of their treatment. It also covers the period from entry into a hospital or a treatment centre, until the patient leaves. Events such as consultations, diagnosis, treatment, medication, assessment, and teaching and preparing for discharge from the hospital are all part of the pathway. The mapping of pathways can aid service design and improvement.

PGME

Postgraduate Medical Education.

PICU

Paediatric Intensive Care Unit.

PLACE

Patient-Led Assessments of the Care Environment.

Providers

Providers are the organisations that provide NHS services, for example NHS trusts and their private or voluntary sector equivalents.

Provisions

Costs treated as expenditure in the current or previous periods but where cash will actually be paid in future periods. Amounts are estimated because it is not possible to be certain about the exact timing and amount.

Public dividend capital

The NHS equivalent of a company's share capital.

QSAC

Quality and Safety Assurance Committee, the new name for the Clinical Governance Committee (effective May 2016)

R&D

Research and development.

Referral to treatment waiting time processes

The length of time from referral through to treatment. The RTT 'clock' often starts weeks before a patient arrives at GOSH. The national standard is that 92% of all patients are seen and treated within 18 weeks of their referral.

Research

Clinical research and clinical trials are an everyday part of the NHS. A clinical trial is a particular type of research that tests one treatment against another. It may involve either patients or people in good health, or both.

Safe and Sustainable

Safe and Sustainable is the name of the national paediatric surgery reviews of children's congenital heart services and children's neurosurgical services. The purpose of Safe and Sustainable is to canvas the opinions of all stakeholders, including professional bodies, clinicians, patients and their families, to weigh the evidence for and against different views of service delivery and to develop proposals that will deliver high quality and sustainable services into the future.

Safeguarding

Keeping children safe from harm, such as illness, abuse or injury (Commissioner for Social Care Inspection et al, 2005:5).

Special review

A special review is a review carried out by the Care Quality Commission (CQC). Special reviews and studies are projects that look at themes in health and social care. They focus on services, pathways of care or groups of people. A review will usually result in assessments by the CQC of local health and social care organisations. A study will usually result in national level findings based on the CQC's research.

Transformation

A service redesign programme that aims to improve the quality of care we provide to children and enhance the working experience of staff.

Trust Board

The role of the Trust Board is to take corporate responsibility for the organisation's strategies and actions. The Chair and non-executive directors are lay people drawn from the local community and are accountable to the Secretary of State. The Chief Executive is responsible for ensuring that the Board is empowered to govern the organisation and to deliver its objectives.

UCL

University College London.

UCLP

University College London Partners.

Great Ormond Street Hospital for Children NHS Foundation Trust

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