



Annual Report and Accounts

2015/16



Chelsea and Westminster Hospital NHS Foundation Trust

Annual Report and Accounts 2015/16

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SECTION 1

**PERFORMANCE
REPORT**

OVERVIEW OF PERFORMANCE

Statement from the Chief Executive

I am delighted to introduce the Chelsea and Westminster Hospital NHS Foundation Trust Annual Report for 2015/16, my first as Chief Executive Officer (CEO) of the Trust.

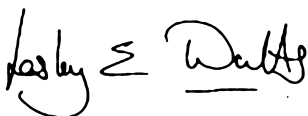
2015/16 has been a significant year for the organisation with the completion of the acquisition of West Middlesex University Hospital NHS Trust (WMUH) on 1 September 2015. It is important that the hard work and leadership shown by Elizabeth McManus, Jacqueline Totterdell and the senior teams of both respective organisations in successfully bringing together the two organisations under a shared strategic vision, is recognised and applauded. Our enlarged organisation serves a population of nearly one million people and we are working closely with our partners in local authorities, community groups and third sector organisations to reset the ambition that sees more people appropriately cared for in our communities.

There can be little doubt that the acquisition signifies the beginning of our 'journey', and the opportunity for clinical service developments and organisational strategies as part of the Trust's integration and transformation agenda will, over the course of the next 3–5 years, enhance the quality of service that the Trust is able to provide to its patients and allow for better career development and progression opportunities for our staff.

Our aspiration is to provide locally based and accessible services enhanced by world class clinical expertise. Our excellent operational performance is a source of great pride to us, is nationally recognised, and sees us simultaneously achieving our financial plan, meeting waiting time targets and delivering the best Accident & Emergency (A&E) performance in London.

However, we are not complacent and do not underestimate the extent of the financial challenges that lie ahead. The Trust's 2016/17 plan is predicated on the delivery of a £27.6m cost improvement plan (CIP). There is a continued need to focus our efforts on sustaining operational efficiency and ensuring we continue to provide safe care and great experiences for our patients.

Since joining the Trust, I have been greatly impressed with the positive culture and clinical leadership demonstrated by our frontline staff and levels of clinical engagement—vital if we are to deliver the ambitious plans that we have set ourselves and overcome the challenges that we face over the years ahead. We are committed to ensuring that support for staff aligned with progressive and developmental career opportunities will allow us to remain a popular employer as we look to deliver our clinical strategy.



Lesley Watts
Chief Executive Officer

26 May 2016

Purpose and activities of the Trust

With 5,000 staff caring for nearly one million people locally, regionally, nationally and internationally, we provide a range of specialist clinical services as well as general hospital services, including A&E and maternity services at both main hospital sites. The Trust also manages a range of community based services, including our award winning sexual health and HIV clinics. All the Trust's services are based in London.

Our ambition is to lead the NHS with world class, patient focused healthcare delivered locally. Our teams will go beyond for their patients and community in order to deliver this aim.

History and statutory background of the Trust

Chelsea and Westminster Hospital NHS Foundation Trust (the Trust) was founded on 1 October 2006 under the Health and Social Care (Community Health and Standards) Act 2003 and is a statutory body which acquired West Middlesex University Hospital NHS Trust on 1 September 2015. As a result, the Trust runs two main hospitals:

- Chelsea and Westminster Hospital (C&W)
- West Middlesex University Hospital (WMUH)

Both hospitals have a proud history and a reputation which we treasure for innovative and pioneering work in many specialities.

Chelsea and Westminster Hospital is a modern and attractive building which opened in 1993 on the site once occupied by St Stephen's Hospital, bringing together staff, services and equipment from five London hospitals.

- **Westminster Hospital:** Founded in 1719 as a voluntary hospital in a small house in Petty France, Pimlico, with just 10 beds
- **Westminster Children's Hospital:** Built in 1907 as The Infant's Hospital—originally in Vincent Square SW1, the hospital pioneered the treatment of malnutrition in infants
- **West London Hospital:** Opened in 1860, the hospital was known from the early 1970s for its women-centred maternity service
- **St Mary Abbots Hospital:** An infirmary occupied the site of what had been the Kensington work house—the hospital was founded in the late 19th century
- **St Stephen's Hospital:** A map of 1664 indicates on this site "The hospital in Little Chelsea"—later there was a workhouse then an infirmary before St Stephen's was founded in the late 1800s

West Middlesex University Hospital also has a long history of pioneering, innovative healthcare. It opened in 1894 as the Brentford Workhouse Infirmary and became known as West Middlesex Hospital in about 1920. The main hospital building was redeveloped between 2001 and 2003. Today it is at the heart of the local community—a modern, award-winning hospital with state-of-the-art facilities.

Key issues and risks

The acquisition of West Middlesex University Hospital NHS Trust and new models of care

The acquisition of WMUH was completed on 1 Sep 2015 following Monitor's formal review, the signing of the transaction agreement¹ by the Department of Health, NHS England, local Clinical Commissioning Groups and the Trust, and statutory approval by the Secretary of State. Throughout 2015/16 our acquisition work programme engaged a broad range of clinical and support staff, ensuring that robust plans were in place to secure a smooth transition. Since September 2015, our focus has been on 3 key areas:

- **Service improvement and efficiency**
- **Integration** to create 'one organisation'
- **Transformation** creating new models of care and service delivery across both clinical and corporate services

A series of commitments to develop clinical services on the WMUH site and improve access for the local population was set out in the transaction agreement and has formed a key component of the 5-year integration and transformation programme. This programme was developed to underpin the delivery of the organisation's strategy specifically, the 5-year programme of work based upon the following objectives and related benefits:

- **'Cost out' (cost improvement programmes [CIPs] and synergies):** To deliver both a surplus and financial sustainability through delivery of CIPs and synergies, clinical standardisation, and corporate synergies
- **'One organisation' (integration):** To establish a Trust with a shared culture, ways of working and behaviours while delivering service developments and improvements
- **'New models of care' (transformation):** To transform clinical and corporate services for our patients and the communities that we serve, underpinned by investment in information management and technology, which includes an electronic patient record (EPR) system

In terms of the 'new models of care' referenced above, the Trust is currently in the process of establishing key service developments in the following areas:

- **Cardiology:** The Board has approved the business case for the development of the cardiac catheter laboratory—the service is expected to 'go live' in summer 2016
- **Ophthalmology:** A joint (hospital and commissioner) working group have set out a preferred model of care for a new service model to commence Q1 2017/18
- **Bariatric surgery:** To establish a weight management service to link to the existing C&W specialised surgical programme with an indicated start of service of April 2017
- **Orthopaedic Surgery:** To establish an elective orthopaedic centre

¹ The legal document relating to the transfer of assets and liabilities of West Middlesex University Hospital NHS Trust to Chelsea and Westminster Hospital NHS Foundation Trust

In addition, the first phase of the redevelopment of A&E at the C&W site was completed in December 2015 with a new, larger majors treatment area, emergency observation unit and imaging suite, including a CT scanner. The aim is to complete the redevelopment, with the addition of a new resuscitation room and children's A&E, during the summer of 2016.

Shaping a Healthier Future (SaHF)

SaHF is a clinically-led collaboration between the eight Clinical Commissioning Groups (CCGs) in North West London which aims to deliver significant improvements in clinical, productivity and financial outcomes across the local health economy. During 2015/16, the Trust continued to be an active partner in the SaHF reconfiguration plan. We refreshed our outline business case (OBC) in summer 2015 to ensure alignment with the programme's implementation business case (ImBC) and the financial and activity assumptions that were set out in the acquisition case. We continue to work closely with the programme as we develop the final OBC for summer 2016.

Developments in line with the NHS Five Year Forward View

The NHS Five Year Forward View acknowledges that the NHS needs to take decisive steps to break down the barriers in how care is provided between family doctors and hospitals, between physical and mental health, and between health and social care. The future will see far more care delivered locally but with some services in specialist centres, organised to support people with multiple health conditions, not just single diseases.

The Trust is embracing this concept and, in partnership with a range of acute and community partners, is reviewing options for the provision of 'out of hospital' and integrated care settings. In addition, we continue to develop our accountable care programme.

Clinical services strategy

Following the acquisition of WMUH, we refreshed our 2014 to 2019 clinical services strategy for the combined organisation which was approved at Board in October 2015. The key priorities were tested through a series of 'clinical summits' which brought together clinicians from across the organisation. At the heart of the strategy is our core aim 'to deliver the best possible experience and outcomes for our patients' and this is supported by four key priorities:

- **Local acute and integrated care services** where our priorities are integrated urgent and emergency care, efficient planned care, and support for ageing well and those with multiple and chronic conditions
- **Specialised services** where our priorities are specialised women's and children's services delivered across all of North West London and specialised sexual health and HIV services delivered across London and more widely
- **Innovation and research** where our priority is translating research 'from bench to bedside', bringing the best evidence to bear in respect of clinical care and patient experience

- **Education and training** where we focus on multiprofessional training to recruit and train the best staff to deliver our strategy.

This overarching framework is supported by enabling and support strategies such as:

- **Estates:** Ensure that the sites and buildings solutions reflect the clinical vision
- **Clinical systems and IT:** Describes how the clinical and informatics systems and technology solutions enable the clinical services strategy to be delivered
- **People and organisational development:** Ensuring that the right people with the right skills, competences, values and behaviours are working within the right culture and structure

Risks

The Trust has mechanisms in place to manage overall risk supported by a robust corporate governance structure and risk management policy. Further detail on this can be found in the annual governance statement which also describes how specific risks are identified, assessed and mitigated as part of the risk management processes. The Trust Board and audit committee regularly review the risk assurance framework (RAF) which details the risks (with mitigation) to the delivery of the Trust's key objectives. The annual governance statement also provides a high level description of the principal risks and uncertainties facing the Trust.

Going concern

The Trust has set a plan in 2016/17 to generate a surplus of £3.9m. The directors are confident that the surplus is realistic with a strong focus on the achievement of the CIPs target of £27.6m. Following a review of the Trust's plans and projections, including cash flows, liquidity and income base, as well as considering regulatory commitments, the directors have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. In particular, the Trust has agreed ongoing funding under the terms of the acquisition and as part of the wider sustainability and transformation plans. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

PERFORMANCE ANALYSIS

How the Trust measures performance

The Quality Committee and Trust Board receive a monthly integrated performance report comprising a number of key performance indicators (KPIs), with associated commentary to explain variances and actions in place to deliver improvement. The KPIs cover a range of contractual and internally determined metrics, providing a balanced scorecard for the Trust's performance across the four domains of regulatory compliance, quality, efficiency and workforce. The report also includes a summary of financial performance, with more detailed information provided to the finance and investment committee. Each KPI, where appropriate, has a target based on either the contractual performance standard, or an internally-set target based on benchmarking information from a peer group of other NHS organisations. The integrated performance report presents the KPIs for both hospital sites independently, as well as the combined Trust performance, and trend data is also provided for the last 12 months to enable the Trust Board to track progress over time.

Performance at divisional level is scrutinised through monthly divisional performance review meetings, providing an opportunity for executive directors to have a more detailed discussion with divisional teams, to support performance improvement initiatives, and to challenge underperformance. Divisional performance reviews are supported with the relevant division's performance information against a number of Board level KPIs, supplemented by additional performance information relevant to the priorities of the division concerned.

In order to support effective operational performance, the Trust employs a team of specialist information professionals who provide analytical support to all parts of the organisation and service all the Trust's internal and external reporting obligations. Performance information is provided to the organisation routinely through a combination of desktop self-service tools, automated routine reports, refreshed periodical scorecards and ad hoc reporting on request. Trust performance is scrutinised and supported through a range of daily, weekly and monthly meetings, with the necessary information available for discussion.

Analysis and explanation of the development and performance of the Trust throughout 2015/16

Financial performance

The Trust acquired WMUH on 1 Sep 2015. The net assets of WMUH, amounting to £75.0m, were acquired by the Trust and are reflected through the statement of comprehensive income as a gain on transfers by absorption in accordance with the accounting requirements of Monitor. The results of the Trust for the year ended 31 Mar 2016 comprise the financial results of the WMUH site for the seven months from 1 Sep 2015 and the financial results of Chelsea and Westminster Hospital NHS Foundation Trust for the 12 months from 1 Apr 2015.

The Trust achieved a surplus of £10.9m for the year after the gain on transfers by absorption of £75.0m and loss on impairments relating principally to land and buildings of £56.4m (see below). This resulted in an underlying deficit of £7.8m primarily due to a reduction in the dividend on public dividend capital. The Trust achieved a financial sustainability risk rating of 2 in line with the revised plan.

It is Trust accounting policy to re-value land and buildings at least every five years. The land and buildings at the C&W site were last re-valued by Montagu Evans on 31 March 2015. The land and buildings at the WMUH site were last re-valued by the District Valuer as at 31 Aug 2015 for the purposes of the integration, but were also previously re-valued as at 31 Mar 2015. Following the acquisition of WMUH, it was considered appropriate to commission a further revaluation exercise from Montagu Evans as at 31 Mar 2016 to ensure a consistent valuation approach across both sites. As a result of the revaluation, the land and buildings of the combined Trust have been re-valued downwards by £118.4m. International financial reporting standards (IFRS) require that impairment losses are initially offset against any existing revaluation reserves (on a property by property basis) and that the balance is treated as an impairment in accordance with IFRS requirements. The resulting impairment amounted to £56.0m and there was a further impairment of £0.4m relating to assets transferred to the Sphere Joint Venture.

The table below shows the 2015/16 financial outturn against the plan for 2015/16 under Monitor's reporting definitions:

	2015/16 outturn (£m)	2015/16 plan (£m)
Operating revenue	523.9	509.80
Employee expenses	(266.8)	(261.4)
Other operating expenses	(235.8)	(225.6)
Non-operating expenses	(29.0)	(33.9)
Impairments	(56.4)	0.0
Gain on transfer by absorption	75.0	0.0
Surplus/(deficit)	10.9	(11.1)
Net surplus/(deficit) %	2.1%	-2.2%
Total operating revenue for EBITDA	523.90	509.80
Total operating expenses for EBITDA	502.60	487.00
EBITDA	21.30	22.80
EBITDA margin %	4.1%	4.5%
Year-end cash	41.9	27.8
Financial sustainability risk rating	2	2

The Trust is planning a surplus for 2016/17 of £3.9m, which will deliver a financial sustainability risk rating of 4.

Achieving financial efficiency through cost improvement programmes is increasingly challenging given the increasing demand for our services and the required investment in improving the quality of service delivery. There will be a strong focus in 2016/17 on delivering our planned savings of £27.6m which relate to driving up productivity and clinical effectiveness. We intend to reduce corporate costs through sharing services and benchmarking, allowing our funds to be focused on direct patient care.

We have launched Sphere, a new organisation set up by the Trust and the Royal Marsden NHS Foundation Trust to deliver and support IT infrastructure to both trusts. By pooling our resources and knowledge in these areas and adopting industry best working practices we can provide better services more efficiently.

During the year, the balance of cash and cash equivalents increased from £17.8m (March 2015) to £41.9m (March 2016). The WMUH cash absorbed by the Trust at 1 Sep 2015

was £4.3m. There were delays during the year in implementation of capital projects, a focus on improved debt collections and draw-downs of loan facilities linked to the acquisition. Debt recovery will remain a focus for 2016/17.

Operational performance

During 2015/16, the Trust performed well against the key regulatory and contractual performance metrics, including quality and workforce KPIs. Of particular note is the Trust's continued strong performance in delivering the 4-hour A&E emergency access standard where the Trust has consistently delivered compliant performance, despite high levels of demand for emergency care. Performance during months 1–5 prior to acquisition of WMUH was compliant with the 95% standard. Performance since acquisition has been impacted by seasonal demand pressures as expected during Q3 and Q4, with both hospital sites failing the 95% target in February and March. However, the 95% standard was exceeded with the position at year end being 95.6%.

In relation to the 62-day cancer GP referrals to first treatment standard, performance during months 1–5 prior to acquisition of WMUH was largely compliant with the 85% standard, although the standard was not met in August. Performance since acquisition has been excellent, with the exception of March when unplanned loss of capacity in the Urology service resulted in a failure to meet the standard on the C&W site, impacting the aggregate Trust performance for the month and Q4.

However, the Trust did experience some performance challenges during 2015/16, most notably relating to achievement of the 18-week referral to treatment (RTT) standards. Part of this challenge has been related to the ageing electronic patient administration system (PAS)² used at the C&W site and associated operational difficulties maintaining accurate records of patient RTT pathways. This problem will be resolved in the long term through the Trust's procurement of a modern, integrated EPR system. In the short term, a number of modifications have been specified to the current system in order to improve accurate patient tracking and reporting. In addition, increases in demand for some specific Trust services have created a backlog of patients to be treated. The Trust has undertaken an extensive exercise to model the capacity required to meet demand for its services, and has engaged commissioners in detailed discussions about investment in services with long waiting times for treatment in order to ensure that backlogs can be addressed during 2016/17. Overall, the Trust was compliant with the RTT performance across the year at 92.7% standard due to the consistently high performance at the WMUH site. There is an extensive programme of work in place to ensure that performance on the C&W site improves to match that at WMUH.

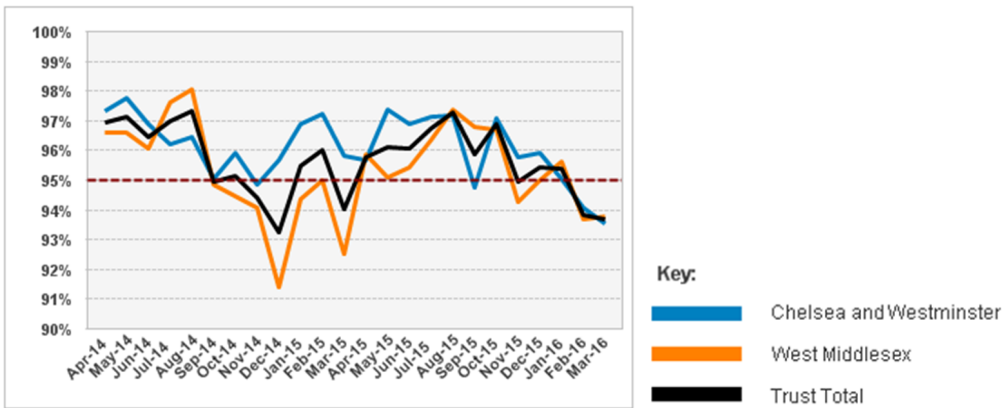
The Trust's external auditor has issued qualified opinions in relation to the Trust's calculation of its performance against the A&E and RTT standards. Further detail can be found in the quality report and annual governance statement.

Graphics illustrating the Trust's performance against each of the key national standards can be seen below.

² PAS records the patient's demographics such as name, address, date of birth and all details of the patients contact with the hospital such as outpatient appointments, attendance at A&E etc

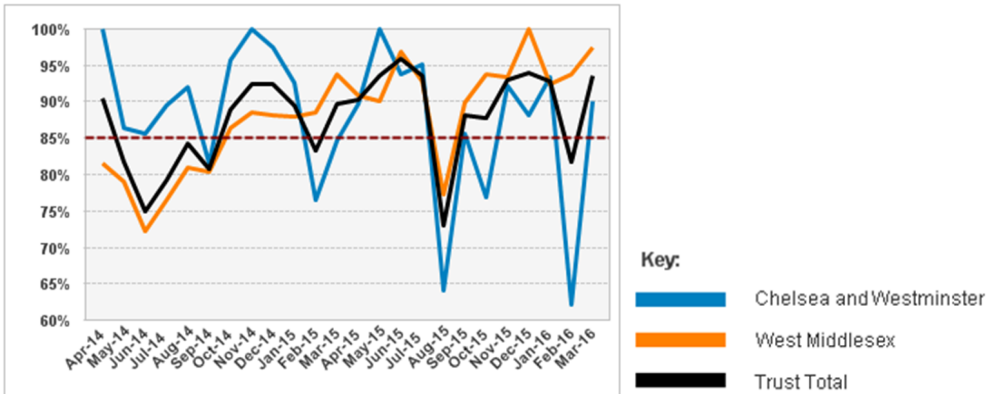
A&E Waiting Times: <4 hours in Department

Target of 95%



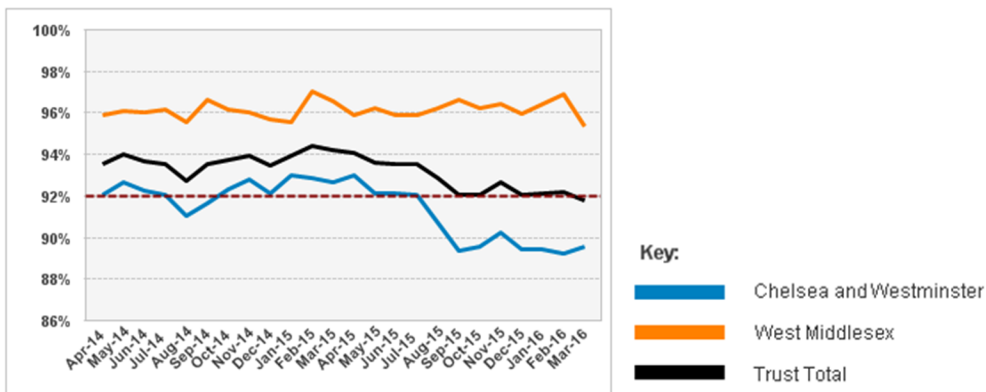
62 day Cancer GP referrals to first treatment

Target of 85%



18 weeks RTT - Incomplete Pathways

Target of 92%



Environmental matters

The estates and facilities department is committed to providing all Trust sites with a well maintained environment, where measures and controls support a sustainable health and care system that delivers high quality care and through the efficient use of our natural resources, thus reducing the Trust’s impact on the wider environment. We promote this activity throughout the Trust to ensure our staff and service partners give due

consideration to the impact of individual and collaborative actions upon the delivery of sustainable healthcare services.

Sustainability

Both hospital sites were represented at the NHS sustainability forum held in London in February 2016. The campaign of regional roadshows gives health workers across the country the chance to participate in networking, learning about best practice and innovative ideas. The NHS sustainability day on 25 March 2016 provided a focused day for organisations to participate in, initiate or continue progress on achieving better sustainability practice. It has now attracted senior level endorsement within the NHS and from the Prime Minister.

The Trust, in conjunction with NHS Forest, a project coordinated by hospital charity CW+ and the NHS Sustainable Development Unit (SDU), aims to improve the health and wellbeing of staff and patients through the enhancement of green spaces on or near to NHS land.

Energy

Close management of the energy performance by our hard facilities management partners (CBRE) at C&W has yielded an in-year saving of £558k energy costs which delivered a reduction in gas, electricity and climate change levy (CCL) charges.

The WMUH site, working with Bouygues Energy Services through its energy performance contract (EPC) has saved close to 8,000,000 kWh representing more than 14% of energy costs against the 2012 baseline. The EPC is performing well against the targeted payback period with savings cumulating to £550,000. The second phase of the EPC is to achieve an additional 15% carbon emission reduction (against 2012 baseline). This will place the WMUH site in a favourable position to achieving a 29% saving and assisting the Trust in approaching the NHS SDU 34% reduction target required by 2020.

Further opportunities have been identified at both hospital sites for energy reductions during the coming year including:

- Installation of a combined heat and power unit which will further reduce energy waste
- Further upgrading to LED lighting

Patient-led assessments of the care environment (PLACE)

The annual PLACE assessments were held during March and April 2016 and an action plan has been developed in order to make ongoing improvements to the patient environment. Below are the results from the 2015 assessments at the both hospital sites.

Site	Cleanliness	Food	Privacy, dignity and wellbeing	Condition, appearance and maintenance	Dementia
C&W	99.18%	87.89%	91.62%	92.23%	81.85%
WMUH	99.47%	92.86%	91.67%	96.91%	79.82%

Wayfinding

Projects continue to improve and update the current 'wayfinding' and signage at both Trust sites. Particular attention is being paid to provide signage for those who have learning difficulties and dementia. A revised wayfinding strategy will be implemented in 2016/17.

Capital works

There are a number of ongoing projects to improve the patient environment—these include:

- Refurbishment of ward wet rooms and bathroom facilities
- Replacement of flooring across the organisation
- Upgrading of the existing nurse call system throughout the Trust

A five-year development plan is underway which will ensure that the Trust has state-of-the-art facilities to meet the needs of patients and to accommodate the changes set out by the SAHF programme, for example:

- 10 Hammersmith Broadway, a newly refurbished building further extending and improving access to the Trust's sexual health services—opened Apr 2016
- As detailed above, an improved A&E at C&W—on track for completion late 2016
- A new patient transport lounge at the C&W site—opened Jan 2016
- The medical day unit at C&W has undergone major refurbishment—opened Jan 2016
- Retail pharmacy facilities at C&W and at sexual health clinic 56 Dean Street—opened Jul 2015

Social, community and human rights issues

Good engagement with our patients and the wider community continues to be of utmost importance to the Trust, helping us understand what people need and expect from the services we provide. We continue to use a variety of ways to engage with these key groups.

Membership

As a Foundation Trust, we invite our patients, local residents and members of staff to become members of the Trust. Membership affords people a direct communication channel with the Trust, allowing them to receive information about services we offer, our performance and future plans, but equally an opportunity to share their experiences of the hospital. We also encourage active participation in the life of the Trust, holding a range of events during the year including 'medicine for members' which are health related seminars, 'meet a governor' sessions, the annual members meeting and open days at the hospitals.

Prior to the integration, the Trust ran a programme of membership engagement activities to keep members up-to-date with Trust business and to encourage them to develop a closer relationship with the Trust through active involvement and participation. A membership campaign took place in 2015 and, as a result, the Trust has a combined membership of 16,500 members representing patient, public and staff constituencies. As

part of further efforts to drive up membership numbers and ensure our membership is more representative of its local community demographic, we will be developing a targeted membership campaign supported by an enhanced range of communications and outreach activities over the coming year.

Further information about the membership can be found within the accountability report. If you would like to become a member either apply on line via the Trust website www.chelwest.nhs.uk or pick up a leaflet at one of the hospitals.

Equality and diversity

The Trust wholeheartedly supports the principle of equality and diversity and human rights in employment and service provision for patients, their families and carers, and is committed to compliance with the Equality Act 2010.

A brief account of achievements and progress made in year is provided below:

- The Trust again participated in the Employers Network for Equality and Inclusion (ENEI) equality questionnaire in 2015 and gained a silver award, improving upon its bronze award in 2014. The tool is designed to benchmark organisational performance in equality and diversity against key areas—eg organisational leadership and commitment, knowing your workforce, integration equality, diversity and inclusion, external relations and suppliers, and organisational improvements.
- The Trust was selected by NHS Employers to be an equality and diversity partner in 2015/16. During this time, we worked with NHS Employers and other national stakeholders such as the Leadership Academy and NHS England to embed and integrate diversity and inclusion into our organisational culture and structures.
- The NHS Employers equality and diversity week in May 2015 provided an opportunity to engage staff in a number of interesting and thought-provoking presentations on subjects such as understanding how cultural and religious differences impact on healthcare delivery and looking at how we reshape our lesbian, gay, bisexual and transgender (LGBT) network.
- The Trust participated in Stonewall's 'Diversity Champions Programme' by undertaking a workplace equality index questionnaire. The results, published in January 2016, demonstrated that we had moved up a further seven places in the rankings (from 276 to 269). We will be working with Stonewall and colleagues to develop an action plan to improve our ranking and the experience of LGBT staff working at the Trust.

Learning disabilities

The Trust continues to focus on improving the experience of patients with learning disabilities through the learning disability support group. A lead nurse for learning disabilities and transition was appointed in November 2014 and continues to train staff on how to meet the needs of our patients and clients with a learning disability across both hospital sites.

The opening of the 'Changing Places' toilet facility on the ground floor at C&W took place in December 2015. It is for use by people with profound and multiple learning disabilities

as well as other people with spinal injuries or who have had a stroke and need a wide changing bench, a hoist and more space for assistance by their carers.

The Trust has made significant progress in developing its approach to inclusion, information, service provision and partnership working for those with learning disabilities and was able to demonstrate overall compliance with all of the Monitor performance standards in this regard. The Trust is now focused on the further rollout of staff training and updating its IT systems to include an alert system for identifying patients with learning disabilities.

A 'getting to know your hospital' event was held in October 2015 at WMUH. The aim of the event was to improve the overall experience of our patients with learning disabilities by spending the afternoon at the hospital. The event was very lively and interactive involving organised tours. At the end of the event, patient/service user feedback was obtained and work to address areas where improvement is required is being overseen by the patient experience committee.

Accessible information standard

Work commenced during the year to implement the accessible information standard across the organisation by 31 July 2016. The overarching aim of the standard is to ensure we meet the information and communication support needs of our patients, service users, carers and parents whom have sensory or learning disabilities.

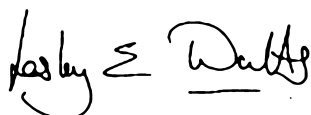
For more information, please see www.chelwest.nhs.uk/equalityinfo.

Carers

The C&W carers' forum continued to meet bi-monthly with representation from Trust personnel and community charities and services. The forum marked Carers' Rights Day in November 2015 by holding an event with our community partners in the foyer of the C&W site. During 2016, the Trust's plan is to extend the membership of the forum to include stakeholders representing the WMUH site.

Volunteers

Our volunteers are an integral part of our care teams, providing support to patients, relatives and visitors. During December, volunteer managers from both hospital sites met to discuss best practice and to plan the integration of volunteer services.



Lesley Watts
Chief Executive Officer

26 May 2016

SECTION 2

**ACCOUNTABILITY
REPORT**

DIRECTORS' REPORT

Names of Trust directors during 2015/16

Name	Title	Period	Unexpired term
Hughes-Hallett, Sir Tom	Chairman	1 Feb 2014–present	0 years 10 months
Jensen, Jeremy	Vice Chair and Senior Independent Director	1 Jul 2014–present	1 year 3 months
Hermann, Eliza	Non-Executive Director	1 Jul 2014–present (voting from 1 Nov 2014)	1 year 3 months
Jones, Dr Andrew	Non-Executive Director	1 Jul 2014–present (voting from 1 Nov 2014)	1 year 3 months
Gash, Nick	Non-Executive Director	1 Nov 2015–present	2 years 7 months
Loyd, Jeremy	Non-Executive Director	1 Jan 2011–present	1 year 7 months
Dodhia, Nilkunj	Non-Executive Director	1 Jul 2015–present (voting from 28 Nov 2015)	0 years 3 months
Shanahan, Liz	Non-Executive Director	1 Jul 2015–present (voting from 28 Nov 2015)	0 years 3 months
Baker, Sir John (retired)	Non-Executive Director	1 Jan 2011–31 Oct 2015	n/a
Watts, Lesley	Chief Executive Officer	14 Sep 2015–present	n/a
McManus, Elizabeth	Acting Chief Executive Officer Chief Nurse	20 Nov 2014–14 Sep 2015 14 Sep 2015–present	n/a
Bewes, Lorraine	Chief Financial Officer ³	3 May 2003–7 Apr 2016	n/a
Easton, Sandra	Acting Chief Financial Officer ⁴	1 Apr 2016–present	n/a
Collins, Richard	Interim Chief Information Officer	23 Nov 2015–present	n/a
Young, Susan	Chief People Officer	9 Sep 2013–31 Jul 2015	n/a
Hayward, Peta	Interim Director of Human Resources and Organisational Development	1 Sep 2015–present	n/a
Munslow-Ong, Karl	Chief Operating Officer	2 Mar 2015–present	n/a
Penn, Dr Zoë	Medical Director	1 Mar 2013–present	n/a
Vanessa Sloane	Director of Nursing	18 Dec 2014–13 Sep 2015	n/a

Register of interests

Members of the public can gain access to the register of directors' interests through the Trust website www.chelwest.nhs.uk, by making a request to the Board Governance Manager, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, SW10 9NH, or by emailing ftsecretary@chelwest.nhs.uk.

Compliance with cost allocation and charging guidance

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Political donations

The Trust did not make any political donations during 2015/16.

³ Lorraine Bewes was on leave from the Trust from Nov 2015 and left employment with the Trust on 7 Apr 2016

⁴ Sandra Easton deputised for Lorraine Bewes from Nov 2015 and was appointed as Acting Chief Financial Officer on 1 Apr 2016

Better Payment Practice Code

The Better Payment Practice Code requires the Trust to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later, unless other payment terms have been agreed with the supplier. The Trust's compliance with the code is set out in the notes to the accounts.

Disclosures relating to quality governance

Ensuring that the service and care the Trust provides is safe and of a high quality is of paramount importance. The quality committee seeks assurance on systems, processes and outcomes relating to quality (safety, clinical effectiveness and patient experience) on behalf of the Board. The quality committee is chaired by Eliza Herman (Non-Executive Director) and Elizabeth McManus (Chief Nurse) and has executive responsibility for quality. An overview of the arrangements in place to govern service quality is included in the quality report and annual governance statement.

During 2015/16, the Trust undertook a review of corporate governance arrangements using Monitor's guidance *Well-led NHS foundation trusts: A framework for structuring governance review*. The Board approved the corporate governance statement and did not identify any quality governance risks which the Board were either unaware of or for which robust mitigation plans were not in place.

To the best of the directors' knowledge, there are no known material inconsistencies between:

- The annual governance statement
- The annual and quarterly statements required by the risk assessment framework, the corporate governance statement submitted with the annual plan, the quality report and the annual report
- Reports arising from the Care Quality Commission (CQC) inspections and the Trust's consequent action plans.

Income disclosures

The Trust has met the requirement of Section 43 (2a) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) in that its 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 provisions of goods and services from other purposes. The impact of other income which the Trust has received has been invested in the provision of goods and services for the purposes of the health service in England.

Disclosure of information to Trust auditors

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

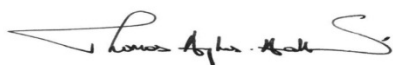
REMUNERATION REPORT

Annual statement on remuneration

The nominations and remuneration committee is a committee of the Board which is appointed in accordance with the Constitution of the Trust to determine the remuneration, allowances, pensions and gratuities or terms of service of the executive directors and rates for the reimbursement of travelling and other costs and expenses incurred by directors. In 2015/16, the committee met on two occasions. It reviewed the salaries of the directors taking into consideration benchmarking data in relation to comparable posts, for example, when new directors were appointed and where necessary to reflect organisational structural changes and enhancement to role specifications.

In addition, the committee received an update on terms and conditions of staff not covered by the nominations and remuneration committee and agreed not to award a general increase to directors.

The nominations and remuneration committee does not determine the terms and conditions of office of the chairman and non-executive directors—these are decided by the Council of Governors at a general meeting.



Sir Thomas Hughes-Hallett
Chair of Nominations and Remuneration Committee

26 May 2016

Senior managers' remuneration policy

The Trust policy is for all executive directors to be on permanent Trust contracts with six months' notice. Salaries are awarded on an individual basis, taking into account the skills and experience of the post holder and comparable salaries for similar posts elsewhere. In order to ensure a high standard of recruits and to enable retention, the nominations and remuneration committee bases its decisions on the upper quartile of benchmarking data available. Benchmarking salary data is taken from other NHS organisations and other public sector bodies where appropriate. Pay is also compared with that of other staff on nationally agreed Agenda for Change terms and conditions, and medical and dental staff terms and conditions. Remuneration consists mainly of salaries (which are subject to satisfactory performance) and pension benefits in the form of contributions to the NHS Pension Fund.

There were four senior managers whose pay exceeded £142,500 during 2015/16. For the reasons stated above, the Trust is satisfied that the remuneration paid to them is reasonable.

The policy for non-executive directors is to appoint on fixed term three-year contracts. Non-executive directors are not generally members of the pension scheme and receive their emoluments based on benchmarking data for similar posts elsewhere in the NHS.

Information on the salaries and pensions of directors is included within the senior manager remuneration table below.

Future policy table

	Salary/fees	Taxable benefits	Annual performance related bonus	Long term related bonus	Pension related benefits
Support for the short and long-term strategic objectives of the Foundation Trust	Ensure the recruitment/ retention of directors of sufficient calibre to deliver the Trust's objectives	None disclosed	n/a	n/a	Ensure the recruitment / retention of directors of sufficient calibre to deliver the Trust's objectives
How the component operates	Paid monthly	None disclosed	n/a	n/a	Contributions paid by both employee and employer, except for any employee who has opted out of the scheme
Maximum payment	As set out in the remuneration table—salaries are determined by the Trust's nominations and remuneration committee	None disclosed	n/a	n/a	Contributions are made in accordance with the NHS Pension Scheme
Framework used to assess performance	Trust appraisal system	None disclosed	n/a	n/a	n/a
Performance measures	Based on individual objectives agreed with line manager	None disclosed	n/a	n/a	n/a
Performance period	Concurrent with the financial year	None disclosed	n/a	n/a	n/a
Amount paid for minimum level of performance and any further levels of performance	No performance related payment arrangements	None disclosed	n/a	None paid	n/a
Explanation of whether there are any provisions for recovery of sums paid to directors, or provisions for withholding payments	Any sums paid in error may be recovered	None disclosed	Any sums paid in error may be recovered	None paid	n/a

Service contracts obligations

There are no other obligations in service contracts which could give rise to, or impact on, remuneration payments or payments for loss of office which are not disclosed elsewhere in this report.

Policy on payments of loss of office

Payments for loss of office in a compulsory redundancy situation are made under the nationally negotiated compensation scheme. The nominations and remuneration committee has the authority to consider compensation in relation to exit arrangements for directors. In the event of early termination, the executive director contracts provide for compensation in line with the contractual notice period.

Annual report on remuneration (information not subject to audit)

Service contracts

Information relating to directors' service contracts is included within the 'names of Trust directors during 2015/16' table above.

Nominations and remuneration committee

The committee is chaired by Sir Thomas Hughes-Hallett (Chairman) and attended by all other non-executive directors. The chief executive may be invited to attend the committee meeting provided that their executive role is not subject to committee discussion/decision-making. Details of committee attendance in 2015/16 and the date of the Council of Governors meeting at which the salaries for the non-executive directors appointed in 2015/16 were agreed may be found in the 'NHS Foundation Trust code of governance disclosures' section of this report.

Disclosures required by Health and Social Care Act

The Trust is governed by a Board of Directors—eight non-executive directors (including the chairman) and seven executive directors (including the chief executive).

There are 30 governor positions (27 were in post as at year end) comprising:

- 8 patients (elected)—patients treated at the hospital in the last 3 years or their carers
- 13 public (elected)—2 each from seven local boroughs except for one borough having 1 representative
- 6 staff (elected)—1 each from six classes of the staff constituencies
- 3 appointed governors (appointed)—nominated from partnership organisations

Expenses paid to directors and governors are outlined in the table below:

	Total n° in post	N° receiving expenses	Total sum of expenses £000
Governors	27	10	1
Directors	15 ⁵	11	17

⁵ As at Mar 2016

Senior manager remuneration table

Name and position	a) Salary and fees		b) Performance related bonuses		c) Pension related benefits		d) Payments under the Trust's mutually agreed resignation scheme (MARS)		e) Total remuneration (a to d)		f) Pension entitlement				
	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Accrued pension and related lump sum at age 60 as at 31 Mar 16	Real increase (decrease) in pension and related lump sum at age 60 as at 31 Mar 16	CETV at 31 Mar 16	CETV at 31 Mar 15	Real increase in CETV for the year ended 31 Mar 16
	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	(£000)	(£000)	(£000)
Executive directors															
Elizabeth McManus, Chief Nurse/ Interim Chief Executive ⁶	155–160	150–155	0	0	45–47.5	135–137.5	0	0	205–210	285–290	200–205	15.0–17.5	921	847	74
Lesley Watts, Chief Executive ⁷	105–110	0	0	0	362.5–365	0	0	0	470–475	0	150–155	67.5–70.0	1,233	834	399
Vanessa Sloane, Acting Chief Nurse/ Deputy Chief Nurse/ Director of Nursing ⁸	105–110	30–35	0	0	252.5–255	70–72.5	0	0	360–365	100–105	80–85	47.5–50.0	523	332	191
Miss Zoë Penn, Medical Director ⁹	180–185	175–180	0	0	60–62.5	0	0	0	240–245	175–180	200–205	10.0–12.5	1,120	1,031	89
Lorraine Bewes, Chief Financial Officer ¹⁰	160–165	155–160	0	0	17.5–20	100–102.5	0	0	175–180	260–265	195–200	10.0–12.5	1,056	993	63
Karl Munslow-Ong, Chief Operating Officer	145–150	10–15	0	0	32.5–35	95–97.5	0	0	175–180	105–110	70–75	10.0–12.5	240	209	31
Susan Young, Chief People Officer and Director of Corporate Affairs ¹¹	130–135	140–145	0	0	0	10–12.5	0	0	130–135	155–160	0	0	0	90	(90)

⁶ Chief Nurse from 14 Sep 2015 to 31 Mar 2016, Interim Chief Executive from 21 Nov 2014 to 13 Sep 2015

⁷ Became Chief Executive on 14 Sep 2015. Increase in CETV relates to Ms Watts purchasing additional years

⁸ Director of Nursing (non-voting) from 15 Sep 2015 to 31 Mar 2016, Acting Chief Nurse (voting) from 1 Apr 2015 to 13 Sep 2015

⁹ The remuneration of the Medical Director includes £130k in relation to the clinical element of her role

¹⁰ Left employment with the Trust on 7 Apr 2016

¹¹ Chief People Officer and Director of Corporate Affairs from 1 Apr 2014 to 31 Jul 2015

Name and position	a) Salary and fees		b) Performance related bonuses		c) Pension related benefits		d) Payments under the Trust's mutually agreed resignation scheme (MARS)		e) Total remuneration (a to d)		f) Pension entitlement				
	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Accrued pension and related lump sum at age 60 as at 31 Mar 16	Real increase (decrease) in pension and related lump sum at age 60 as at 31 Mar 16	CETV at 31 Mar 16	CETV at 31 Mar 15	Real increase in CETV for the year ended 31 Mar 16
	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	(£000)	(£000)	(£000)
Sandra Easton, Acting Chief Finance Officer/ Director of Finance ¹²	70–75	0	0	0	0	0	0	0	70–75	0	0	0	0	0	0
Peta Hayward, Director of Human Resources and Organisational Development ¹³	45–50	0	0	0	597.5–600	0	0	0	645–650	0	0	0	401	0	401
Richard Collins, Interim Chief Information Officer ¹⁴	80–85	0	0	0	0	0	0	0	80–85	0	0	0	0	0	0
Non-executive directors															
Sir Thomas Hughes-Hallett, Chairman	60–65	55–60	0	0	0	0	0	0	60–65	55–60	0	0	0	0	0
Sir John Baker CBE, Vice Chair ¹⁵	10–15	15–20	0	0	0	0	0	0	10–15	15–20	0	0	0	0	0
Nilkunj Dodhia, Non-Executive Director	10–15	5–10	0	0	0	0	0	0	10–15	5–10	0	0	0	0	0
Eliza Hermann, Non-Executive Director	10–15	5–10	0	0	0	0	0	0	10–15	5–10	0	0	0	0	0
Jeremy Jensen, Non-Executive Director	10–15	5–10	0	0	0	0	0	0	10–15	5–10	0	0	0	0	0
Dr Andrew Jones, Non-Executive Director	10–15	5–10	0	0	0	0	0	0	10–15	5–10	0	0	0	0	0

¹² Appointed 17 Aug 2015 as Director of Finance (non-voting) and deputised for Lorraine Bewes from Nov 2015 to Mar 2016 (voting)—was formally appointed as (voting) Acting Chief Finance Officer from 1 Apr 2016

¹³ Appointed 1 Sep 2015—the increase in pension in 2015/16 is due to the nil value in 2014/15

¹⁴ Appointed 22 Nov 2015—the salary and fees are based on amounts paid to the recruitment agency

¹⁵ Deputy Chairman from 1 Apr 2014 to 1 Nov 2015

Name and position	a) Salary and fees		b) Performance related bonuses		c) Pension related benefits		d) Payments under the Trust's mutually agreed resignation scheme (MARS)		e) Total remuneration (a to d)		f) Pension entitlement				
	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Year ended 31 Mar 16	Year ended 31 Mar 15	Accrued pension and related lump sum at age 60 as at 31 Mar 16	Real increase (decrease) in pension and related lump sum at age 60 as at 31 Mar 16	CETV at 31 Mar 16	CETV at 31 Mar 15	Real increase in CETV for the year ended 31 Mar 16
	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	(£000)	(£000)	(£000)
Jeremy Loyd, Non-Executive Director	10–15	10–15	0	0	0	0	0	0	10–15	10–15	0	0	0	0	0
Elizabeth Shanahan, Non-Executive Director	10–15	5–10	0	0	0	0	0	0	10–15	5–10	0	0	0	0	0
Nicholas Gash, Non-Executive Director ¹⁶	5–10	0	0	0	0	0	0	0	5–10				0	0	0

Note
The format of the remuneration disclosures covers the overall value of directors' remuneration. For NHS employees, a key component of this is their pension entitlement. The value of the benefit accruing each year is required to be calculated using the 'HMRC method' and data from NHS pensions and taking into account the effect of inflation and the value of employee contributions. Due to the nature of a 'final salary' scheme, where a director's salary increases (particularly where promoted to the Board) this will be reflected in a larger movement in the overall value of their pension entitlement.

Pension disclosures are made for directors and senior managers where the information is available from NHS pensions—if a director or senior manager started during the year, the opening pensions or cash equivalent transfer value (CETV) values will not normally be available and therefore the opening value or increase in year will be set to nil. A CETV is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any spouse's contingent pension payable from the scheme. Non-executive directors do not receive pensionable remuneration—therefore there are no entries in respect of pensions for them.

Real increase in CETV—This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the year. Real increase in CETV for current year may be significantly different from prior year. This is due to a change in the factors used to calculate CETVs, which came into force on 1 Oct 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations. These placed responsibility for the calculation method for CETVs (following actuarial advice) on scheme managers or trustees. Further regulations from the Department for Work and Pensions to determine cash equivalent transfer values (CETV) from public sector pension schemes came into force on 13 Oct 2008.

On 16 Mar 2016, the Chancellor of the Exchequer announced a change in the superannuation contributions adjusted for past experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

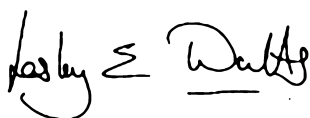
¹⁶ Non-Executive Director from 1 Nov 2015 to 31 Mar 2016

Fair pay multiple

The banded remuneration of the highest paid director in the Trust in the financial year 2015/16 was £180,000–185,000 (2014/15 £220,000–225,000). This was 5.1 times the median remuneration of the workforce (2014/15 6.1 times), which was £36,072 (2014/15 £36,753).

Definition of ‘senior managers’

The definition of ‘senior managers’ for the purpose of this report is those persons in voting executive director or non-executive director roles within the organisation. There were no payments to past senior managers in the year.

A handwritten signature in black ink that reads "Lesley Watts". The signature is written in a cursive style with a large initial 'L' and 'W'.

Lesley Watts
Chief Executive Officer

26 May 2016

STAFF REPORT

Analysis of average staff numbers

The average number of staff increased from 2014/15 to 2015/16 due to the acquisition of WMUH on 1 Sep 2015, as detailed below:

Average number of employees (WTE basis)

	Permanent n°	Other n°	2015/16 Total n°	2014/15 Total n°
Medical and dental	1,006	-	1,006	622
Ambulance staff	-	-	-	-
Administration and estates	931	-	931	625
Healthcare assistants; other support staff	619	-	619	353
Nursing, midwifery & health visiting staff	1,826	-	1,826	1,089
Nursing, midwifery & health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	553	-	553	360
Healthcare science staff	-	-	-	-
Social care staff	-	-	-	-
Agency and contract staff	-	294	294	204
Bank staff	-	511	511	301
Other	5	-	5	-
Total average numbers	4,940	805	5,745	3,554
Of which:				
Number of employees (WTE) engaged on capital projects	16	3	19	-

Breakdown of employees

The following chart provides information of the gender split between the different staff groups as at 31 Mar 2016:

	Female	Male	Grand total
Executive Director	5	2	7
Other Director	7	4	11
Non-Executive Director	2	6	8
Senior Manager	267	108	375
Other	3,922	1,191	5,113
Grand Total	4,203	1,311	5,514

Sickness absence

The chart below details the Trust's sickness absence data.

	Apr–Aug 2015		Sep 2015–Mar 2016		
	WMUH	C&W	WMUH	C&W	Total
FTE days available	275,531	468,049	387,136	677,568	1064,705
FTE days lost	6,665	14,034	9,099	18,439	27,539
%	2.42%	3.00%	2.35%	2.72%	2.59%

Trust employment and disability

Applications from candidates with disabilities are supported by the Trust through the Recruitment and Selection Policy and training for managers. The Trust is also recognised as a '2 Ticks' employer—this status is awarded by Jobcentre Plus to employers that have made commitments to employ and develop the abilities of disabled staff.

As set out in our Equality and Diversity Policy, the Trust is committed to promoting equality of opportunity for all its employees. We believe individuals should be treated fairly in all aspects of their employment, including training, career development and promotion regardless of disability or any other protected characteristic. We aim to create a culture that respects and values individual differences and that encourages individuals to develop and maximise their true potential.

In accordance with the Sickness Absence Policy and Procedure and the Equality and Diversity Policy, the occupational health department advises managers and staff on appropriate working arrangements, which may include making reasonable adjustments or modifications to working hours to accommodate the medical condition. Reasonable adjustments are specific to individuals and might include making adjustments to premises, duties, working hours or acquiring or modifying equipment (eg hearing loop) under the guidance of specialist external agencies such as Access to Work.

The equality and diversity manager is working with external partners to comment on a new workforce disability equality standard due out in 2017. The aim of this standard is to develop key indicators to help organisations identify concerns and ultimately improve the experience of staff or candidates with disabilities during key stages of the employment cycle (eg recruitment, promotion or training or development).

Actions taken to consult, involve and engage with staff

The Trust recognises that workforce costs have been rising at an average of 4.2% per year, and in 2015/16 were £198m, equating to 61% of all expenditure. The workforce is our primary asset in determining the quality of experience and care we provide. Therefore, staff engagement is paramount in supporting the implementation of improvements so that we foster a more positive work environment.

A number of committees have been established to enable the Trust to gauge the experiences of staff as outlined below:

- Partnership forum—formerly known as the joint staffside consultative committee (JSCC)
- Consultative committee (CC)
- Local negotiating committee (LNC)
- People and organisational development committee

Staff feedback is also obtained from the quarterly Staff Friends & Family Test (SFFT) and national staff survey, results of which are used to develop actions plans for improvement. In addition, we communicate and engage in a range of ways, including:

- A Trust magazine, with topical news and information from around the organisation

- Chief executive briefings, held monthly at both main hospital sites with a written briefing emailed to all staff
- Daily all staff emails
- A brand new intranet and website that went live on day one of the integration
- Social media including Twitter and Facebook pages for both hospital sites as well as some of our key specialisms
- GP newsletters and clinical education events
- Working with journalists to shout about good news at our hospitals and being responsive to any press enquiries they may have
- Annual open days at each hospital

Following the acquisition of WMUH, there a number of formal consultations regarding the proposed new staffing structures which were in line with Trust policy.

Health and safety and occupational health

Since the acquisition of WMUH, a number of the Trust's core health and safety and occupational health policies have been updated to ensure that such documents cover both hospital sites.

19 RIDDOR incidents were reported to the Health and Safety Executive (HSE) from Apr 2015–Mar 2016. The development and introduction of a new combined web-based Datix system seeks to further improve incident reporting throughout the Trust and allows for the integration of incidents complaints, claims, risk and occupational health data to ensure that the Trust continues to improve the safety of its practices.

The Trust health and safety team works with clinical and corporate departments to establish a system of self-assessment and independent spot checks. The areas to be subject to spot checks are identified using a risk based approach.

The HSE inspected the C&W site on 7 Mar 2016 to assess compliance of the statutory provisions relevant to the assessment and management of sharps injuries. The inspection was part of a national programme established in order to assess how NHS organisations are identifying and managing the risk of exposure to employees from blood borne viruses as a consequence of sharps injuries. While areas of good practice were noted, the Trust was issued with an 'improvement notice' due to a failure to ensure that medical sharps used throughout the Trust were compliant with safer sharps regulation so far as was reasonably practicable. The notice requires the Trust to remedy the contravention by 20 Jun 2016. After the compliance period, the Trust will be subjected to a re-inspection.

A safer sharps group has been established which is chaired by the assistant director of nursing and attended by senior members of the corporate nursing, occupational health and procurement teams. At present, the safer sharps group is meeting on a weekly basis to monitor the implementation of the remedial action plan.

The health and safety plan going forward is structured using the HSE model of: plan, do, check, act.

Policies and procedures in respect of countering fraud and corruption

The Trust does not tolerate any form of fraud, bribery or corruption by its employees, partners or third parties acting on its behalf. There is a commitment to ensuring that allegations are fully investigated with sanctions being applied to those found to have committed a fraud, bribery or corruption offence.

The Internal Audit Agency (TIAA) are contracted by the Trust to provide its local counter fraud specialist (LCFS) directions in accordance with Secretary of State to support its work in this area. The audit committee formally approves the counter fraud annual workplan and progress reports are provided to the committee at each of its meetings. The Trust has an approved counter fraud and corruption policy.

Staff survey

Both C&W and WMUH sites undertook the NHS National Staff Survey 2015 between September and November 2015. Key headlines are similar across both sites.

The positive results for C&W include:

- Quality of appraisals
- Organisation and management interest in and action on health and wellbeing
- Support from immediate manager
- Percentage of staff reporting most recent experience of violence
- Percentage of staff reporting most recent experience of harassment, bullying or abuse

The negative results for C&W include:

- Percentage of staff experiencing physical violence from patients, relatives or the public
- Percentage of staff experiencing physical violence from staff
- Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public
- Percentage of staff experiencing discrimination at work
- Percentage of staff appraised

The positive results for the WMUH include:

- Quality of appraisals
- Percentage of staff reporting most recent experience of violence
- Staff motivation at work
- Staff satisfaction at work
- Staff satisfaction with the quality of work and patient care they are able to deliver
- Quality on non-mandatory training, learning or development

The negative results for WMUH include:

- Percentage of staff experiencing physical violence from patients, relatives or the public
- Percentage of staff experiencing physical violence from staff

- Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public
- Percentage of staff experiencing discrimination at work
- Staff believing the organisation provides equal opportunities for career progression/promotion

Action plans have been developed by the divisions to address areas of concern and share good practice. Further analysis of the 'hotspot' areas of poorest performance has also informed action planning. Progress over the coming year will be overseen by the people and organisational development committee. The detailed outcomes arising from the survey are shown below¹⁷:

C&W site

	2015	2014	Annual change	National average	C&W vs national acute trusts
Response rate	51%	49%	↑2%	41%	-
Improvements since 2014					
KF4. Staff motivation at work	3.91	3.81	↑	3.94	Worse than average
Deteriorations since 2014					
*KF25. % experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	38%	34%	↓	28%	Worst 20% of acute trusts
*KF26. % experiencing harassment, bullying or abuse from staff in last 12 months	27%	23%	↓	26%	Worse than average
Top 5 ranking scores					
KF12. Quality of appraisals	3.21	-	-	3.05	Best 20% of acute trusts
KF24. % reporting most recent experience of violence	62%	58%	↓	53%	Best 20% of acute trusts
KF27. % reporting most recent experience of harassment, bullying or abuse	47%	43%	↓	37%	Best 20% of acute trusts
KF19. Organisation & management interest in and action on health /wellbeing	3.69	-	-	3.57	Best 20% of acute trusts
KF10. Support from immediate managers	3.77	3.75	↑	3.69	Better than average
Bottom 5 ranking scores					
*KF25. % experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	38%	34%	↓	28%	Worst 20% of acute trusts
*KF23. % experiencing physical violence from staff in last 12 months	3%	3%	-	2%	Worst 20% of acute trusts
*KF20. % experiencing discrimination at work in last 12 months	16%	18%	↑	10%	Worst 20% of acute trusts
*KF22. % experiencing physical violence from patients, relatives or the public in last 12 months	17%	14%	↓	14%	Worst 20% of acute trusts
KF11. % appraised in last 12 months	78%	80%	↓	86%	Worst 20% of acute trusts

¹⁷ Notes: Annual change—this column indicates statistically significant changes since last year. If a change is significant, the increase or decrease shown is not due to sampling error statistical significance—as defined by the National NHS staff survey report. Green arrow = improvement, red arrow = deterioration. C&W and WMUH vs national acute trusts—this column shows ranking against all acute trusts.

WMUH site

	2015	2014	Annual change	National average	C&W vs national acute trusts
Response rate	48%	36%	↑ 12%	41%	-
Improvements since 2014					
KF4. Staff motivation at work	3.99	3.70	↑	3.94	Best 20% of acute trusts
KF1. Staff recommendation of the organisation as a place to work or receive treatment	3.77	3.55	↑	3.76	Better than average
KF8. Staff satisfaction with level of responsibility and involvement	3.94	3.82	↑	3.91	Better than average
Deteriorations since 2014					
There were no deteriorations since 2014					
Top 5 ranking scores					
KF12. Quality of appraisals	3.31	-	-	3.05	Best 20% of acute trusts
KF24. % reporting most recent experience of violence	63%	57%	↓	53%	Best 20% of acute trusts
KF4. Staff motivation at work	3.99	3.70	↑	3.94	Best 20% of acute trusts
KF2. Staff satisfaction with the quality of work and patient care they are able to deliver	4.02	-	-	3.93	Best 20% of acute trusts
KF13. Quality of non-mandatory training, learning or development	4.11	-	-	4.03	Best 20% of acute trusts
Bottom 5 ranking scores					
*KF25. % experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	33%	34%	↑	28%	Worst 20% of acute trusts
*KF23. % experiencing physical violence from staff in last 12 months	4%	5%	↑	2%	Worst 20% of acute trusts
*KF20. % experiencing discrimination at work in last 12 months	20%	19%	↓	10%	Worst 20% of acute trusts
*KF22. % experiencing physical violence from patients, relatives or the public in last 12 months	21%	17%	↓	14%	Worst 20% of acute trusts
KF21. % believing the organisation provides equal opportunities for career progression/promotion	82%	83%	↓	87%	Worst 20% of acute trusts

The full report is published on the NHS England website www.england.nhs.uk.

Expenditure on consultancy

In 2015/16, the Trust incurred £7.7m (2014/15 £7.3m) on consultancy costs which included £4.4m on transaction workstreams, £0.3m on cost improvement plans, £0.1 on electronic patient record and £0.6m on management support for planning and prioritisation of key work. The principal consultants used to provide the services across these disciplines included Kingsgate Interim Advisory, Mobius Partners, Prederi, Dearden HR, Morgan Law, Interim Professionals, Interim Partners, Kam Strategy, Real Staffing Group, Attractor Consulting, I Staffing, Computer Futures, Ernst & Young, Universal Safety Consultants, Practicus and Rethink Recruitment.

Off payroll engagements

NHS bodies are required to disclose specific information about off payroll engagements. The following tables show this information:

For all off-payroll engagements as of 31 Mar 2016, for more than £220 per day and that last for longer than six months

	2015/16 n° of engagements
No. of existing engagements as of 31 Mar 2016	60
Of which:	
Number that have existed for less than one year at the time of reporting	29
Number that have existed for between one and two years at the time of reporting	26
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	2
Number that have existed for four or more years at the time of reporting	3

For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2015 and 31 Mar 2016, for more than £220 per day and that last for longer than six months

	2015/16 n° of engagements
Number of new engagements, or those that reached six months in duration between 01 Apr 2015 and 31 Mar 2016	68
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	68
Number for whom assurance has been requested	29
Of which:	
Number for whom assurance has been received	29
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0

There were two off-payroll arrangements of Board members or senior officials in 2015/16. The number of individuals who have been deemed board members and/or senior officials with significant financial responsibility during 2015/16 totalled 27. The Trust's policy for off-payroll arrangements in 2015/16 was that any temporary staffing in corporate areas could only be authorised by the chief finance officer.

The engagement of off-payroll staff will continue to be reviewed in 2016/17 as follows:

- A challenge board will review each current interim appointment to ensure it is absolutely necessary this will be carried out on a directorate basis
- New requests will be scrutinised by the challenge board before approval, with the onus on the requesting general managers to demonstrate they are both needed and within budget
- Expenditure will be monitored in either the divisional budget review meetings or the challenge board for corporate areas

Exit packages

Reporting of compensation schemes—exit packages 2015/16

Exit package cost band (including any special payment element)	N° of compulsory redundancies	N° of other departures agreed	Total n° of exit packages
<£10,000	1	10	11
£10,001–25,000	-	1	1
£25,001–50,000	-	-	-
£50,001–100,000	-	1	1
£100,001–150,000	1	-	1
£150,001–200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	2	12	14
Total resource cost (£)	£136,000	£126,000	£262,000

Other departures comprise payments in lieu of notice

Reporting of compensation schemes—exit packages 2014/15

Exit package cost band (including any special payment element)	N° of compulsory redundancies	N° of other departures agreed	Total n° of exit packages
<£10,000	3	2	5
£10,001–25,000	4	4	8
£25,001–50,000	5	-	5
£50,001–100,000	-	2	2
£100,001–150,000	-	-	-
£150,001–200,000	-	-	-
>£200,000	-	1	1
Total number of exit packages by type	12	9	21
Total resource cost (£)	£279,000	£425,000	£704,000

Exit packages: other (non-compulsory) departure payments

Exit package cost band (including any special payment element)	2015/16		2014/15	
	N° of payments agreed	Total value of agreements (£000)	N° of payments agreed	Total value of agreements (£000)
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	7	405
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	12	126	2	20
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	12	126	9	425
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

NHS FOUNDATION TRUST CODE OF GOVERNANCE DISCLOSURES

Code of Governance compliance statement

Chelsea and Westminster Hospital NHS Foundation Trust is committed to effective, representative and comprehensive governance which secures organisational capacity and the ability to deliver mandatory goods and services. The Trust's governance arrangements are reviewed yearly against the provisions of Monitor's Code of Governance to ensure the application of the main and supporting principles of the code as a criterion of good practice.

Chelsea and Westminster 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.

For the year ending 31 March 2016 Chelsea and Westminster Hospital NHS Foundation Trust complied with all the provisions of the Code of Governance published by Monitor.

Governance arrangements

The Trust is led by a Board of Directors. Its key responsibilities are to:

- Provide leadership to the Foundation Trust within a framework of processes, procedures and controls which enable risk to be assessed and managed
- Ensure the Foundation Trust complies with its Licence, its Constitution, requirements set by Monitor, and relevant statutory and contractual obligations
- Set the Foundation Trust's vision, values and standards of conduct
- Set the Foundation Trust's strategic aims and ensure that the necessary human and financial resources are in place to deliver these
- Ensure the quality and safety of the healthcare services provided by the Foundation Trust
- Ensure the Foundation Trust exercises its functions effectively, efficiently and economically

The Board undertakes their responsibilities through a set business cycle which includes approving strategies and receiving monitoring reports on areas such as key risks, financial, operational and quality and safety performance.

The Board has approved Standing Financial Instructions, Scheme of Delegation and Reservation of Powers policies which outline the decisions that must be taken by the Board and the decision that are delegated to the management of the hospital. These include contracts, tendering procedures, security of the Trust's property, monitoring and ensuring compliance with Department of Health directions on fraud and corruption, delegated approval limits, budget submission, annual accounts and reports, banking arrangements, payroll, borrowing and investment, risk management and insurance arrangement.

Board directors collectively and individually have a legal duty to promote the success of the Trust to maximise the benefits for the population that it serves. They also have a duty to avoid conflict of interests, not to accept any benefits from third parties and declare interests in any transactions that involve the Trust. Throughout the reporting period, the

Nominations and remuneration committee have kept under review the overall size of the Board and the balance of skills, experience and expertise on of Board members. A formal Board evaluation which incorporates a 'skills gap analysis' was launched in April 2016.

The Council of Governors represents the interests of the local community—patients, public and staff who are Foundation Trust members—and shares information about key decisions with Foundation Trust members. The Council of Governors is not responsible for the day-to-day management of the organisation which is the responsibility of the Board of Directors. The role of the Council of Governors includes:

- Appointment or removal of the chairman and other non-executive directors
- Approve the appointment (by non-executive directors) of the chief executive
- Decide the remuneration, allowances and other terms and conditions of office of non-executive directors
- Appointment or removal the Foundation Trust's financial auditors
- Review and develop the Trust's membership strategy

A formal procedure is in place should there be a dispute between the Board and Council of Governors. During 2015/16 no issues of dispute arose and the governors therefore did not exercise their power under paragraph 10 (c) of schedule 7, NHS Act 2006.

Further information about the Board of Directors and Council of Governors is outlined below.

Board of Directors

The Board has eight Non-executive directors (including the chairman) and seven executive directors (including the chief executive). The Board comprises 47% female and 53% male directors. Each director's skills, expertise and experience (those on the Board at the end of March 2016) are detailed below.

Executive directors

Lesley Watts, Chief Executive Officer

Lesley became chief executive on 14 Sep 2015. A nurse and midwife by training, Lesley has executive managerial experience at the highest level, having been a chair of an NHS Trust, a Foundation Trust governor and a director of nursing and operations at a major hospital. Prior to her appointment as chief executive, Lesley was accountable officer (chief executive) for East and North Hertfordshire Clinical Commissioning Group, which was nominated for Health Education England Governing Body of the Year and the HSJ Patient Participation Award.

Key responsibilities include:

- Leading the executive and Trust management teams in the day to day running of the Trust
- Working in partnership with the Board to deliver the Trust's strategy
- Ensuring that the Trust meets its statutory obligations and is fully compliant with external regulatory standards, as the accountable officer for the Trust
- Building effective working relationships with commissioners, local authorities, universities, NHS provider organisations and other key stakeholders

Libby McManus, Chief Nurse

Libby joined the Board in September 2013 as chief nurse. She had held Board director roles since 2003 and has extensive NHS leadership experience having performed a range of senior NHS nursing and operational roles across England. Libby has also worked nationally on programmes related to patient safety and access.

Key responsibilities include:

- Leading the Trust's CQC assurance process
- Responsibility for the Trust's clinical governance arrangements
- Providing nurse leadership for the organisation

Zoë Penn, Medical Director

Zoë Penn was appointed as medical director in March 2013. She was previously divisional medical director for women, neonatal, children and young people, HIV, GUM and dermatology services and is a consultant obstetrician by background. Miss Penn has been a consultant with the Trust since 1996, during which time she has held a number of positions including clinical lead for gynaecology and clinical director for women's and children's services. Zoë also has great interest and experience in quality of clinical care and its processes and assurance systems.

Key responsibilities include:

- Clinical strategy and planning, clinical service developments, contributions to wider Trust strategy and planning
- Medical leadership, medical-workforce planning, consultant appraisal, junior-doctor planning
- Education and academia including medical education, relationships with Royal Colleges
- Research and development

Karl Munslow-Ong, Chief Operating Officer

Karl started at the Trust in March 2015 as chief operating officer (COO). He was previously COO at Hillingdon Hospital and has extensive operational management experience across a number of acute London trusts. In his previous role, he was the executive responsible for the clinical divisions, strategy, service transformation, major incident planning and contract management (jointly with the finance director). While at Homerton University Hospital Foundation Trust as deputy COO, he played a key role in the integration of Hackney community services. Karl started his career as a management consultant for PricewaterhouseCoopers before moving to work at the Strategic Health Authority.

Key responsibilities include:

- Ensuring effective and efficient delivery of all operational, clinical and non-clinical support services
- Leading on performance delivery of national and local targets and on delivery of clinical efficiencies and service improvement work programmes
- Effectively engaging across all corporate and service delivery functions to ensure there are robust processes in place to agree and meet financial and activity targets

Lorraine Bewes, Chief Financial Officer

Prior to her appointment in May 2003, Lorraine was director of performance at University College London Hospitals NHS Foundation Trust and deputy director of finance at Hammersmith Hospitals NHS Trust. She joined the NHS in 1991 following a successful commercial accountancy career, during which she worked at ITN and W H Smith Television Services. Lorraine has led the early implementation of service line reporting in the NHS. She is a graduate of Oxford University and is a chartered accountant. Lorraine left employment with the Trust on 7 April 2016.

Sandra Easton, Acting Chief Financial Officer

Prior to joining the Trust in August 2015, Sandra was deputy director of finance at Imperial College Healthcare NHS Trust. She has a wealth of NHS finance experience from holding senior positions within acute, tertiary, community and mental health providers. She is an associate of the Chartered Institute of Management Accountants. Sandra acted up as chief financial officer from November 2015 to March 2016 and was formally appointed as acting chief financial officer on 1 Apr 2016.

Key responsibilities include:

- Meeting all organisational, statutory and regulatory requirements associated with Trust finances
- Contributing to board-level financial strategy and planning including developing the organisation's short, medium and long-term goals
- Ensuring efficiency and effectiveness of the overall finance function and the integrity of processes and systems within it

Peta Hayward, Interim Director of Human Resources

Peta has worked in HR in the NHS for more than 20 years, with the last 13 years as HR director. In 2012, Peta was awarded the national accolade of HR director of the year through the Healthcare People Management Association (HPMA) for whom she has also been vice president. Peta chose to leave substantive employment and move to work on interim assignments, and joined Chelsea and Westminster in September 2015 on this basis. She is CIPD qualified.

Key responsibilities include:

- Leading the development of the Trust's key workforce strategies, relating to recruitment and retention, learning and development
- Providing advice to the Board on issues relating to staff welfare and employee engagement

Richard Collins, Interim Chief Information Officer

Richard was appointed as the interim chief information officer on 23 Nov 2015. He has held a number of senior NHS management roles including interim chief information officer at Wirral University Teaching Hospital NHS Foundation Trust and Board level assurance roles at Barts Health NHS Trust and North Bristol NHS Trust. Richard started his career in healthcare over 15 years ago working in deployment roles across primary care and secondary care for Torex Health and has worked for a number of leading Healthcare IT

system suppliers. He has extensive knowledge of electronic patient/health record systems (EPR/EHR) and how the implementation/adoption of innovative clinical systems and IT can support the healthcare transformation agenda.

Key responsibilities include:

- Leading the development of the Trust's IT strategy
- Delivery of the electronic patient record (EPR) programme

Executive directors who are in attendance at Board meetings

- Thomas Lafferty, Director of Corporate and Legal Affairs

Non-executive directors

Sir Thomas Hughes-Hallett, Chairman

Sir Thomas started as Chairman on 1 Feb 2014. He has been appointed for the period of three years. He is cofounder (with his friend Paul Marshall) and chair of the Marshall Institute within the London School of Economics and Political Science. He is also a trustee of the Esmée Fairbairn Foundation and the King's Fund, trustee of the Sixteen, and is on the Board of the Westminster Abbey Foundation. He has been appointed a professor in practise at the London School of Economics and adjunct professor at Imperial College's Institute for Global Health Innovation. Sir Thomas has served the Department of Health as a chair or member of a number of advisory boards. He has held senior leadership positions with in investment banking and the voluntary sector including chair of Michael Palin Centre for Stammering Children, English Churches Housing Group, Chief Executive of Marie Curie Cancer Care, and the Institute of Global Health Innovation at Imperial College London among others. Sir Thomas has chaired commissions both for the government and independently on healthcare broadly, end of life care and philanthropy. In 2012 he was awarded a knighthood for his services to philanthropy, in 2013 a Beacon Fellowship for philanthropic advocacy, a US Ferrari lifetime lectureship by Houston Methodist Medical School and an honorary degree by Anglia Ruskin University. Thomas is married to Juliet, the founder and chair of the charity Smart Works, and his great passions are choral music and family life.

Key responsibilities include:

- Chairing the Board of Directors and the Council of Governors and ensuring they work together effectively
- Ensuring the Board and Council receive accurate, timely and clear information that is appropriate for their respective duties

Nilkunj Dodhia

Nilkunj, a non-voting Board member since 1 Jul 2014, was appointed as a Non-Executive Director on 27 Nov 2015. He has diverse experience as an executive and non-executive director from interests in telecommunications, healthcare and financial services. Nilkunj was previously with McKinsey and Company, serving as the national lead for Mental Health and Orthopaedics. He also served as the chairman of the South West London Elective Orthopaedic Centre (SWLEOC), one of the largest joint-replacement hospitals

worldwide, and a non-executive director of Epsom and St Helier University Hospitals. Nilkunj has an MBA from INSEAD and is a fellow of the Institute of Chartered Accountants in England and Wales having trained with PwC. Nilkunj is a member of the audit committee and finance and investment committee.

Nick Gash

Nick works as a consultant offering communications, policy and political advice and training to a wide range of clients. He is an associate director of public affairs company Interel Consulting UK. Nick was chairman at WMUH from April 2015 until the acquisition, having been a non-executive director and deputy chairman before that. He has other NHS interests, being a lay member of the North West London assessment panel for national clinical excellence awards and a lay chair and assessor for local and national medical recruitment and training progress reviews. Until 2004 Nick was the national director (CEO) of the National Union of Students having previously been director of development and training. Nick was for 9 years chairman of the trustees of 'Watermans' a multi-cultural arts centre based in Brentford.

Eliza Hermann

Eliza was appointed as a non-executive director on 1 Jul 2014. Eliza has had an international executive career in the oil and gas industry, and more recently has built a portfolio of non-executive appointments in the private and public sectors including a 5 year term at NHS Hertfordshire. She has expertise in strategic planning and organisation development. Eliza was until recently a civil service commissioner and currently serves on the boards of the Marshall Aid Commission and of CPRE Hertfordshire. Eliza is currently the chair of the quality committee and a member of the finance and investment committee.

Jeremy Jensen (Senior Independent Director and Deputy Chairman)

Jeremy was reappointed as a non-executive director in October 2015 for a period of two years. Jeremy has substantial experience as a business leader who has managed financial risk, including mergers, disposals, joint ventures and organisational restructure. He has been on the boards of Cable and Wireless and McCarthy and Stone, where he was chairman. A chartered accountant by background, Jeremy has a strong interest in health from his work with care homes, and as a trustee of Marie Curie Cancer Care. Jeremy is the chair of the finance and investment committee.

Dr Andrew Jones

Dr Jones was appointed as a non-executive director on 1 Jul 2014. He is currently chief operating officer at Nuffield Health. A GP by background, he was formerly medical director and then managing director of the wellbeing division at Nuffield Health. Dr Jones has also been an independent advisor to the Department of Health, and has a wide range of clinical and strategic executive experience. Dr Jones is currently a member of the quality committee.

Jeremy Loyd

Jeremy was reappointed as a non-executive director in October 2015 for the period of two years. Jeremy is currently a non-executive director of UCL Cancer Institute Research Trust and the Marine Management Organisation. Jeremy was formerly director and general

manager of Carlton Television, managing director of Capital Radio and a non-executive director of several other companies in both the UK and USA. Jeremy was also deputy chairman of Blackwells, the academic information distributor and retailer. Jeremy is a trustee of CW+.

Liz Shanahan

Liz was appointed as a non-voting Board member on 1 Jul 2014 and appointed as a non-executive director on 27 Nov 2015. A medical education and communications professional by background, Liz has extensive experience in healthcare strategy and change consulting. Liz is executive chair of Reconfiguration and Engagement partners, a healthcare change communications consultancy. Previously Liz was global head of healthcare and life sciences for FTI Consulting, where she was a member of the executive leadership forum. She joined FTI in 2007 when they acquired her company Sante Communications. She is also involved with a portfolio of businesses on investment, advisory and non-executive levels. She is a member of the Global Irish Network, chair of the Irish International Business Network and a member of the British Council's Provocation Group. Liz chairs the people and organisational development committee and is a member of the audit committee.

For all non-executive directors, key responsibilities include:

- Challenging and supporting the executive directors in decision-making and on the Trust's strategy
- Holding collective accountability with the executive directors for the exercise of their powers and for the performance of the Trust

Independence of non-executive directors

The Board has evaluated the circumstances and relationships of individual non-executive directors which are relevant to the determination of the presumption of independence. The Board determines all of its non-executive directors to be independent in character and judgement.

Key changes on the Board in 2015/16

Following the acquisition of WMUH, three Non-Executive Directors have joined the Board in a full 'voting' capacity. As of 1 Sep 2015, Nilkunj Dodhia and Liz Shanahan became voting non-executive directors (both had previously operated in a non-voting capacity pre-acquisition). In addition, Nick Gash, former chairman of WMUH, was appointed to the Board as non-executive director in November 2015. This appointment followed the stepping down of Sir John Baker whose non-executive term came to an end in October 2015. As of 1 Jan 2016, Professor Martin Lupton has also joined the Board in a non-voting, 'observing' capacity, representing Imperial College.

Similarly, the executive team has undergone change in year. As of 14 Sep 2015, Lesley Watts commenced in post as the Trust's chief executive officer. As a result, Elizabeth McManus returned to her substantive role as the Trust's chief nurse. The Trust further strengthened its executive team through the appointments of Peta Hayward as interim director of human resources who commenced in post in September 2015 and Richard Collins as interim chief information officer who joined the Trust in November 2015.

Performance evaluation of the Board, including the use of external agencies

The annual appraisal of the chairman involves collaboration between the senior independent director and the lead governor of the Council of Governors who seek the views of both executive directors and governors. Executive directors have an annual appraisal with the chief executive. The performance of non-executive directors is evaluated annually by the chairman. Details can be found within the annual governance statement under the section 'assessing the effectiveness of governance structures'.

Meetings

The Board meets on average no less than six times per year. Special meetings are organised as and when required. There were nine public meetings in 2015/16. There were two extraordinary private Board meetings in 2015/16. Director attendance at Board meetings is detailed below.

Non-executive directors	Ordinary Board meeting attendance	Extraordinary Board meeting attendance
Hughes-Hallett, Sir Tom	9/9	2/2
Dodhia, Nilkunj	7/9	2/2
Gash, Nick ¹⁸	3/3	0/0
Hermann, Eliza	8/9	2/2
Jensen, Jeremy	8/9	2/2
Jones, Dr Andrew	8/9	1/2
Loyd, Jeremy	9/9	2/2
Shanahan, Liz	8/9	1/2
Baker, Sir John (Retired)	4/6	1/2

Executive Directors	Ordinary Board meeting attendance	Extraordinary Board meeting attendance
Watts, Lesley ¹⁹	5/5	0/0
McManus, Elizabeth	6/9	2/2
Bewes, Lorraine	6/9	1/2
Munslow-Ong Karl	7/9	1/2
Penn, Dr Zoë	7/9	2/2
Sloane, Vanessa ²⁰	4/4	1/2
Easton, Sandra ²¹	3/3	0/0
Collins, Richard ²²	1/2	0/0
Hayward, Peta ²³	5/5	0/0
Young, Susan ²⁴	4/4	1/1

¹⁸ Attended Board meetings from Nov 2015

¹⁹ Attended Board meetings from Sep 2015

²⁰ Attended Board meetings until Sep 2015

²¹ In attendance at Board meetings deputising for the Chief Financial Officer from Nov 2015

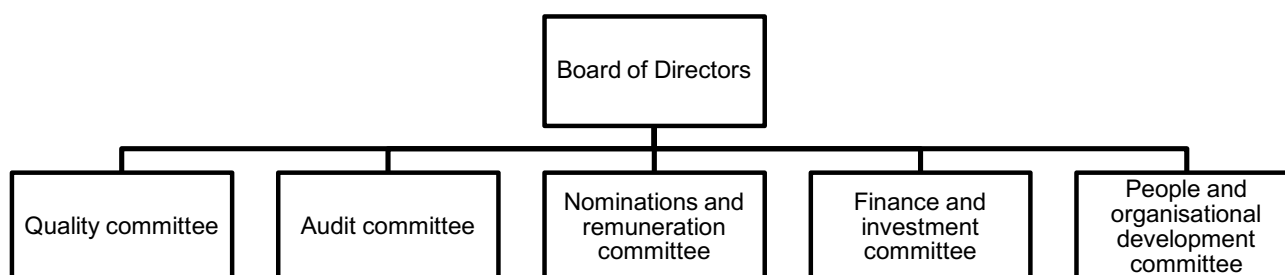
²² Attended Board meetings as Chief Information Officer from Nov 2015

²³ Attended Board meetings as Director of HR & OD from Sep 2015

²⁴ Attended Board meetings until Sep 2015

Sub-committees of the Board of Directors

The Board has established the following committee structure to oversee key areas of business on behalf of the Board:



Nominations and remuneration committee

The nominations and remuneration committee is a committee of the Board of Directors which is appointed in accordance with the constitution of the Trust to decide the remuneration and allowances, and the other terms and conditions of office, of the chief executive and other executive directors. The committee comprises the chairman and all other non-executive directors.

The nominations and remuneration committee met on 9 Jun 2015 and appointed Lesley Watts as chief executive officer from 14 Sep 2015. At the same meeting the committee agreed that Elizabeth McManus, Interim Chief Executive, returned to her substantive position of chief nurse and Vanessa Sloane, Interim Director of Nursing, returned to her substantive position of deputy director of nursing. The committee also approved remuneration for the appointments made.

The nominations and remuneration committee also oversaw the interim appointments of Richard Collins as interim chief information officer who commenced employment with the Trust on 23 Nov 2015 and Peta Hayward as interim director of human resources and organisational development, who commenced in post from 1 Sep 2015. On 7 Apr 2016, the committee met to approve the process relating to the appointment to both substantive positions.

Nominations and remuneration committee attendees	Attendance
Hughes-Hallett, Sir Tom	2/2
Dodhia, Nilkunj	2/2
Hermann, Eliza	2/2
Jensen, Jeremy	2/2
Jones, Dr Andrew	2/2
Loyd, Jeremy	2/2
Shanahan, Liz	2/2
Baker, Sir John (retired)	2/2
In attendance	
McManus, Elizabeth	1/2
Young, Susan	1/2

A distinct nominations and remuneration committee exists for the nomination, appointment and remuneration of the chairman and non-executive directors. This committee is a

committee of the Council of Governors and its membership comprises the chairman, the lead governor and five publicly/patient elected governors. Based upon the recommendation of the nominations and remuneration committee, the appointment of Nick Gash as non-executive director was approved at the 22 Oct 2015 Council of Governors meeting. At the same meeting on recommendation of the nominations and remuneration committee the Council of Governors approved the re-appointment of Jeremy Loyd for a further term of two years.

Finance and investment committee

The finance and investment committee is responsible for seeking assurance as to the satisfactory management of the Trust's finances, cost improvement programme (CIP), cash management and capital programme. The committee also reviews and (and recommends to the Board for approval) business case with high-level strategic significance.

People and organisational development committee

The people and organisational development committee is responsible for reviewing Trust performance on key workforce issues (turnover, mandatory training, appraisal rates), while also reviewing key workforce and organisational development strategies on behalf of the Board.

Quality committee

The quality committee is mainly responsible for issues of quality and patient safety. It seeks assurance on systems, processes and outcomes relating to quality (safety, effectiveness of care, and patient experience), and the environment, and monitors compliance with the Care Quality Commission standards.

Audit committee

The audit committee assures the Board of Directors that probity and professional judgment are exercised in all financial matters. It advises the Board on the adequacy and effectiveness of the Trust's internal control systems, risk management arrangements, counter fraud measures and governance processes, and on ways of maximising efficiency and effectiveness. In doing this, the audit committee primarily utilises the work of internal audit (currently provided by KPMG), external audit (currently provided by Deloitte) and other external bodies. The committee approves the annual work plans of internal and external audit as well as the local counter fraud specialist (currently provided by TIAA).

The chief executive is the Trust's designated accounting officer, who has the duty of preparing the accounts in accordance with the NHS Act 2006. The audit committee was chaired by Sir John Baker until 22 Oct 2015 when Jeremy Loyd, Non-Executive Director, assumed the chairmanship and includes three other non-executive directors. It met five times in 2015/16. Jeremy Loyd attended 3/3 meetings, Nilkunj Dodhia attended 4/5 and Liz Shanahan attended 5/5 meetings. Sir John Baker attended 3/3 meetings and Dr Andrew Jones was a member until February 2016 and attended 2/4 meetings.

Significant issues considered by the audit committee in relation to the financial statements, operations and compliance

During the course of the year the Audit Committee received a number of reports from the internal auditors, KPMG. These ranged from financial control audits, data quality, complaints and feedback, bank and agency staff, divisional governance and management information governance and risk management. Further details can be found in the Annual Governance Statement. During the year the Audit Committee considered the following significant audit risks identified by external audit:

- Property valuation
- Accounting for the acquisition of WMUH
- Preparing a consolidated set of financial statements
- Alignment of accounting policies and estimation techniques
- NHS and local authority revenue: over-performance, local authority contracts, provisioning
- Going concern
- Management override of controls

The Audit Committee also considered the value for money risks identified by external audit identified from a risk assessment process including the integration of the WMUH site, electronic patient record (EPR) procurement and financial sustainability.

Following the year end, the audit committee considered the draft annual report and accounts 2015/16 and received the ISA 260 report from its external auditors.

During 2015/16, in addition to the executive and non-executive directors, the Trust's internal and external auditors attended audit committee meetings. Additionally, other relevant senior managers attended meetings to provide a deeper level of insight into certain key issues within their respective areas of expertise including all areas of significant risk. Where necessary, external experts such as the Trust's valuers also attended committee meetings.

Assessment of effectiveness of the external audit process

The audit committee has engaged regularly with the external auditor over the course of the financial year, including in private sessions at which executive management is not represented. The subjects covered have included consideration of the external audit plan, matters arising from the audit of the Trust's financial statements, the review of the Trust's quality accounts and any recommendations on control and accounting matters proposed by the auditor.

The Trust carried out an OJEU tender for statutory audit services in 2010 and appointed Deloitte LLP on a three-year contract with an option to extend for a further two years. A new tender exercise will be commenced in 2016/17.

The external auditor has provided non-audit services in the year in the form of a quality governance review prior to the acquisition of WMUH. Auditor objectivity and independence

have been safeguarded by assurance that the audit partner's remuneration is not connected with the volume or value of non-audit services provided to the Trust.

Policy for safeguarding the external auditors' independence

Appointment of the external auditors to conduct non-audit work is considered by the chair of the audit committee prior to award of contract. Given the length of time the incumbent external auditors have been in situ, the Trust will commence a new tender exercise in 2016/17, as referenced above. The independence of applicants will be assessed under the tender process.

Internal audit

The Trust's internal audit service is provided by KPMG LLP under a five-year contract which was awarded in 2011/12. The contract was extended for a further year until March 2017. The internal auditors work to a risk based audit annual plan which was agreed by the audit committee in May 2015. It covers the Trust's risk management, governance and internal control processes, both financial and non-financial across the Trust. Through detailed examination, evaluation and testing of the Trust's systems, internal audit play a key role in the Trust's assurance processes. The audit committee review the findings of internal audit's work against the annual plan at each of its meetings. The head of internal audit reports to the committee and is managed by the chief financial officer. The head of internal audit has a right of direct access to committee members.

Council of Governors

The role, powers and composition of the Council of Governors is outlined earlier in this report and is also set out within the Trust's constitution. The Council of Governors meets at least quarterly. There were five meetings in 2015/16. Executive and non-executive directors are invited to attend. Both elected and appointed governors normally hold office for a period of three years and are eligible for re-election or reappointment at the end of that period. The details of the Governors holding office as at March 2016 are provided within the table below:

Last name	First name	Constituency	Organisation	Date elected or appointed	Attendance at council meetings 2015/16	Attendance at special meetings 2015/16
Anderson	Julia	Appointed	Imperial College	Oct 2015	2/2	0/0
Anderson	Nowell	Public	London Borough of Hounslow	Nov 2015	2/2	0/0
Balmford	Walter	Patient		Nov 2012	3/3	0/1
Bauer	Juliet	Patient		Nov 2015	2/2	0/0
Blewett	Christine	Public	London Borough of Hammersmith & Fulham	Nov 2012	3/3	1/1
Brown	Nicky	Appointed	The Royal Marsden Hospital	Dec 2012	3/3	1/1
Bryant	Ian	Staff	Management	Nov 2015	2/2	0/0
Anthony	Cadman	Patient		Dec 2013	1/1	0/1
Cass J	Cass-Horne	Patient		Nov 2014	3/3	0/1
Church	Tom	Patient		Nov 2015	5/5	1/1
Coolen	Edward ²⁵	Public	Royal Borough of Kensington and Chelsea	Jul 2013	3/4	0/1
Culhane	Samantha	Public	London Borough of Hammersmith and Fulham	Jul 2013	3/5	0/1
Davies	Nigel	Public	London Borough of Ealing	Nov 2015	2/2	0/0

²⁵ Resigned in February 2016

Last name	First name	Constituency	Organisation	Date elected or appointed	Attendance at council meetings 2015/16	Attendance at special meetings 2015/16
De Palo	Lou ²⁶	Staff	Support, Administrative and Clerical	Nov 2015	3/4	0/1
Dyer	Simon	Patient		Nov 2015	2/2	0/0
Faulks	Cllr Catherine	Local Authority	Royal Borough of Kensington and Chelsea	Jun 2014	4/4	1/1
Gazzard	Brian	Staff	Medical and Dental	Nov 2012	2/3	1/1
Harrington	Paul	Public	London Borough of Richmond upon Thames	Nov 2015	2/2	0/0
Henderson	Angela	Public	London Borough of Hammersmith and Fulham	Dec 2013	5/5	1/1
Higham	Jenny	University	Imperial College	May 2011	1/3	0/1
Hodson-Pressinger	Anna	Patient		Nov 2014	5/5	0/1
Hutton	Elaine	Public	London Borough of Wandsworth	Nov 2015	1/2	0/0
Jeremiah	Melvyn	Public	City of Westminster	Dec 2013	5/5	1/1
Kanodia	Kush	Patient		Nov 2015	2/2	0/0
Lewis	Martin ²⁷	Public	City of Westminster	Dec 2013	5/5	1/1
Mangold	Kathryn	Staff	Nursing and Midwifery	Dec 2013	2/3	0/1
Maxwell	Susan	Patient		Nov 2012	5/5	1/1
McEvoy	Lynne	Staff	Nursing and Midwifery	Nov 2015	1/2	0/0
McWatters	Wendie	Patient		Nov 2012	2/3	1/1
Micklewright	Wendy	Public	London Borough of Richmond upon Thames	Nov 2015	2/2	0/0
Owen	Philip	Public	Royal Borough of Kensington and Chelsea	Nov 2014	5/5	0/1
Petre-Goncalves	Andreea	Patient		Nov 2015	2/2	0/0
Phillips	David	Patient		Nov 2015	2/2	0/0
Pollak	Tom	Public	London Borough of Wandsworth	Dec 2013	4/5	1/1
Samuels	Diane	Staff	Allied Health Professionals, Scientific and Technical	Nov 2014	5/5	1/1
Steel	Alan	Staff	Medical and Dental	Nov 2015	2/2	0/0
Steel	Charles	Patient		Jul 2013	3/3	0/1
Steele	Gavin	Staff	Contracted	Nov 2015	1/2	0/0
Vasilopoulos	George	Staff	Management	Nov 2014	3/3	0/1
Wareing	Laura	Public	London Borough of Hounslow	Nov 2015	2/2	0/0
Worrall	Steve	Public	London Borough of Wandsworth	Nov 2012	3/3	0/1

* If individuals joined or left the Council of Governors during the financial year, the number of meetings has been adjusted accordingly

Director attendance at Council of Governors

Non-executive directors	Attendance
Hughes-Hallett, Sir Tom	5/5
Dodhia, Nilkunj	2/5
Gash, Nick	2/2
Hermann, Eliza	3/5
Jensen, Jeremy	4/5
Jones, Dr Andrew	3/5
Loyd, Jeremy	4/5
Shanahan, Liz	3/5
Baker, Sir John (retired)	2/3

Executive directors	Attendance
Watts, Lesley	2/3
McManus, Elizabeth	5/5
Bewes, Lorraine	2/4
Easton, Sandra	2/2
Collins, Richard	2/2
Hayward, Peta	2/3
Munslow-Ong, Karl	5/5
Penn, Miss Zoë	3/5
Vanessa Sloane	2/2

²⁶ Resigned in February 2016

²⁷ Martin Lewis is the Lead Governor

Council of Governors elections held during 2015/16

An election was held in November 2015 to fill vacant seats in the patient constituency. The results were as follows:

- Juliet Bauer (elected)
- Tom Church (re-elected)
- Simon Dyer (elected)
- Anna Hodson-Pressinger (re-elected)
- Kush Kanodia (elected)
- Susan Maxwell (re-elected)
- Andreea Petre-Goncalves (elected)
- David Phillips (elected)

An election was held in November 2015 to fill vacant seats in the public constituency. The results were as follows:

- London Borough of Ealing: Nigel Davies (elected unopposed)
- London Borough of Richmond upon Thames: Paul Joseph Harrington (elected unopposed) and Wendy Micklewright (elected unopposed)
- London Borough of Hammersmith and Fulham: Angela Henderson (re-elected)
- London Borough of Wandsworth: Elaine Hutton (elected)
- London Borough of Hounslow: Laura Wareing (elected) and Nowell Anderson (elected)

An election was held in November 2015 to fill vacant seats in following classes of the staff constituency. The results were as follows:

- Allied Health Professionals, Scientific and Technical Class: Diane Samuels (re-elected unopposed)
- Contracted Class: Gavin Steele (elected)
- Management Class: Ian Bryant (elected)
- Medical and Dental Class: Alan Steel (elected unopposed)
- Nursing and Midwifery Class: Lynne McEvoy (elected)
- Support, Administrative and Clerical Staff Class: Lou De Palo (re-elected unopposed)

Access to register of governors' interests

Members of the public can gain access to the register of governors' interests via the Trust website www.chelwest.nhs.uk or by making a request to the Board Governance Manager, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, London, SW10 9NH, via email ftsecretary@chelwest.nhs.uk or on 020 3315 6716.

How the Board of Directors and Council of Governors have acted to understand the views of governors and Foundation Trust members

Executive and non-executive directors have attended Council of Governors meetings to gain an understanding of the views of governors and the membership constituencies they represent.

In particular:

- The Trust's operational plan 2015/16, including long term financial model financial strategy was presented by the chief financial officer at the May 2015 Council of Governors meeting
- The acquisition transaction prospectus, a summary of the full business case (FBC) highlighting the key clinical, strategic and financial drivers underpinning the proposed acquisition of WMUH was presented at the May 2015 Council of Governors meeting
- The draft annual plan 2016/17 was presented to governors at the May 2015 Council of Governors meeting.

There were various opportunities for governor engagement with members and the general public—these included open days held at both sites, the annual members' meeting, annual Christmas events, Medicine for Members events and regular 'Meet a Governor' sessions. Between March and July 2015, in coordination with governors and in the lead up to the acquisition, the Trust organised public constituency meetings in order to engage with the wider membership and the public specifically on the plans for the acquisition of WMUH.

Membership strategy: Eligibility, numbers (including representativeness) and future plans

In preparation for the acquisition of the WMUH, the membership sub-committee approved a membership and engagement strategy for 2015/16. The aim of the strategy was to ensure that the Trust's membership base is representative of the Trust's increased patient population base post-acquisition, reflecting the communities that the Trust serves. An extensive and focused recruitment campaign was conducted between July and October 2015 within the enlarged catchment area of the Trust. Existing governors were at the forefront of the campaign which ran recruitment sessions within the hospital and across the community. As at 31 Jan 2016 the membership profile was as follows:

	Public	Patient	Staff	Total
Age	7,101	5,961	3,392	16,454
0-16	21	1	0	22
17-21	205	24	1	230
22+	6,166	3,948	3,388	13,502
Not stated	709	1,988	3	2,700
Age 22+	6,166	3,948	3,388	13,502
22-29	424	166	567	1,157
30-39	760	608	1,166	2,534
40-49	1,171	942	866	2,979
50-59	1,105	815	569	2,489
60-74	1,447	854	213	2,514
75+	1,259	563	7	1,829
Gender	7,101	5,961	3,392	16,454
Unspecified	83	53	3,385	3,521
Male	2,564	2,280	1	4,845
Female	4,454	3,628	6	8,088
Transgender	0	0	0	0
Ethnicity	6,186	3,943	5	10,134
White—English, Welsh, Scottish, Northern Irish, British	3,621	2,344	5	5,970
White—Irish	194	126	0	320

	Public	Patient	Staff	Total
White—Gypsy or Irish Traveller	0	0	0	0
White—Other	857	533	0	1,390
Mixed—White and Black Caribbean	104	54	0	158
Mixed—White and Black African	24	10	0	34
Mixed—White and Asian	53	23	0	76
Mixed—Other Mixed	95	66	0	161
Asian or Asian British—Indian	291	134	0	425
Asian or Asian British—Pakistani	117	54	0	171
Asian or Asian British—Bangladeshi	48	36	0	84
Asian or Asian British—Chinese	40	30	0	70
Asian or Asian British—Other Asian	208	136	0	344
Black or Black British—African	281	224	0	505
Black or Black British—Caribbean	119	86	0	205
Black or Black British—Other Black	63	38	0	101
Other Ethnic Group—Arab	3	0	0	3
Other Ethnic Group—Any Other Ethnic Group	68	49	0	117

The breakdown of public and patient members by constituency at 31 Jan 2016 was as follows:

	Public	Patient	Total members for constituency
City of Westminster	829	640	1,469
London Borough of Ealing	243	328	571
London Borough of Hammersmith and Fulham	1,593	881	2,474
London Borough of Hounslow	592	298	890
London Borough of Richmond upon Thames	406	187	593
London Borough of Wandsworth	914	914	1,828
Royal Borough of Kensington and Chelsea	1,991	978	2,969
Out of Trust Area	532	1,735	2,267
Total	7,100	5,961	13,061

The public constituency increased from 5,456 at 31 Mar 2015 to 7,100 at 31 Jan 2016. The patient constituency increased from 3,959 at 31 Mar 2015 to 5,961 at 31 Jan 2016.

The focus of the recruitment strategy during 2016/17 is to increase the number of members representing the new constituencies of London Boroughs of Hounslow, Richmond Upon Thames and Ealing, which joined the membership following the acquisition of WMUH. In March 2016, the governors' membership sub-committee undertook a survey of all members to understand what level engagement they wish with the Trust and what topics are of interest to them. The results will inform the membership strategy for 2016/17.

The Trust website contains the relevant contact details which members can use should they need to approach the Trust on a particular matter or issue.

REGULATORY RATINGS

Throughout 2015/16, the Trust has been assessed by Monitor under the regulatory regime set out within its risk assessment framework. The risk assessment framework is the mechanism used by the regulator to monitor compliance by providers of NHS services with the financial sustainability and governance conditions contained within their Foundation Trust licences.

Financial sustainability risk rating: This assesses how the Trust manages cash and its ability to repay debt. Trusts are assigned a rating from 1 (high risk) to 4 (lowest risk) and our strategy is to have a minimum rating of 3.

Governance risk rating: Monitor’s assessment of governance risk is based upon the regulator’s consideration of whether the information it has regarding the organisation is indicative of a potential breach of the governance conditions contained within the Foundation Trust licence. Such information may include:

- Performance against selected national access and outcomes standards
- Outcomes of CQC inspections and assessments relating to the quality of care provided
- Relevant information from third parties
- A selection of information chosen to reflect organisational health
- Degree of financial sustainability risk and other aspects of risk relating to financial governance and efficiency
- Any other relevant information

Monitor rates governance risk using a ‘red/green’ rating system, where green indicates low risk and red indicates high risk. The Trust’s performance in respect of the risk ratings throughout 2015/16 was in alignment with the expectations set out within the 2015/16 annual plan, as highlighted within the table below.

	Annual plan	Q1	Q2	Q3	Q4
Financial sustainability risk rating	2	2	2	2	2
Governance	Green	Green	Green	Green	Green

In 2014/15, the Trust’s position was as follows:

	Annual plan	Q1	Q2	Q3	Q4
Financial sustainability risk rating	3	3	3	3	3
Governance	Green	Green	Green	Green	Green

The deterioration in the Trust’s financial sustainability risk rating was forecast and planned by the Trust at the commencement of 2015/16. This is due to the acquisition and its exceptional nature.

While the Trust has not been subject to formal intervention by Monitor during the course of 2015/16, the regulator has, since the acquisition, subjected the organisation to an ‘enhanced reporting’ arrangement whereby the executive team are held to account by its Monitor liaison team on a monthly basis with regard to organisational performance. This arrangement was put into place in recognition of the risks associated with delivering the Trust’s integration and transformation plans.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

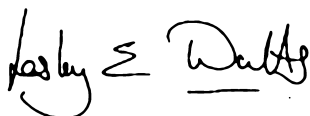
The NHS Act 2006 states that the chief executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper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

Under the NHS Act 2006, Monitor has directed Chelsea and Westminster Hospital NHS Foundation 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 Chelsea and Westminster Hospital 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 NHS Foundation Trust annual reporting manual and in particular to:

- Observe the accounts direction issued by Monitor, 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 positions of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirement outlined in the above mentioned act. The accounting officer is also responsible for safeguarding the assets of Chelsea and Westminster Hospital 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 Monitor's NHS Foundation Trust accounting officer memorandum.



Lesley Watts
Chief Executive Officer

26 May 2016

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

As accounting officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, while 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.

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives—it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The 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 Chelsea and Westminster Hospital NHS Foundation Trust for the year ended 31 Mar 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust is committed to a comprehensive, integrated Trustwide approach to the management of risk, based upon the support and leadership offered by the Board of Directors, the audit committee, the quality committee and the executive board. The Trust is committed to an open and transparent risk management culture, embodied in the approach the Trust takes to the reporting of incidents and risk. The Trust's risk management culture is also embodied in the Trust's approach to high-level strategic decision-making, with 'equality-impact' and 'quality-impact' assessments being undertaken, where relevant, in relation to significant strategic decisions.

Throughout 2015/16, the Board has had regular oversight of the Trustwide risk assurance framework (RAF), which mapped the organisation's aims and objectives against all aspects of risk—clinical, financial, service, reputational and legal. The RAF is scrutinised by the following committees:

- **Board of Directors:** Reviewed full RAF twice per annum
- **Executive board:** Reviewed the full RAF at each meeting on a monthly basis
- **Audit committee:** Reviewed the full RAF at each meeting on a quarterly basis

Each risk listed within the RAF has a single executive 'owner' to ensure accountability for risk management/mitigation.

At the end of 2015/16, the Trust was in the process of drafting a revised risk management policy in order to reflect significant changes to the Trust's accountabilities, processes and systems that have occurred in year, namely:

- The acquisition of WMUH and the need to integrate/amalgamate risk structures and teams post-transaction.
- The rollout of the electronic incident reporting system 'Datixweb' across all areas of the Trust with modules covering incidents, risk, complaints and claims.

Board members continue to receive annual risk management training and all staff receive training sessions on various aspects of risk (eg information governance, fire, health and safety) as part of the Trust's general induction programme. Thereafter, risk management training is explicitly included in the mandatory training 'refresher' courses provided by the Trust, which all staff (including Board members and senior managers) undertake, the frequency of which varies depending on the subject matter. The learning and development department keep a record of attendance for each training session. Any member of staff overdue risk management training is identified by the learning and development department and followed up with the individual's direct line manager. The Trust risk management policy is accessible to all staff via the Trust intranet and aims to provide guidance on the conduct of risk assessments and the escalation of risk, as appropriate for each staff member's level of authority and duties.

An essential aspect of the Trust's risk management approach is the need to 'learn and share the lessons' arising from realised risks, incidents and near misses. This helps to ensure ongoing systems improvement and safeguards patient care and business safety. This is achieved through the regular aggregation of claims, complaints, incidents, inquests and clinical audit data for the purpose of identifying key themes, trends and best practice. The Trust also ensures learning from nationally recognised good practice, seeking to comply with the national standards set by the CQC, NICE, the Health and Safety Executive and Monitor among others. Where best practice is identified, either through internal analysis or as a result of the publication of national guidance, it is incorporated into Trust policy on the particular subject matter and shared with all staff via the Trust intranet system.

Risk and control framework

It is inherent within good risk management practice that identified risk is analysed, evaluated, treated and followed up at a later stage for the purposes of monitoring and review to further improve.

Identification of risk

There are four principal methods of risk identification which the Trust uses:

1. Known ongoing inherent risks of which the Trust is aware, which are controlled and managed
2. Foreseeable local risks which are inherent and identified proactively by competent persons

3. Strategic risks identified by the Board (including the risks associated with complying with the Trust's Foundation Trust licence)
4. 'Retrospectively realised' risks from risk sources

As per the fourth method of risk identification detailed above, risks can be identified from a number of sources, including but not restricted to:

- Risks/recommendations from incident investigations and themes/trends arising from cumulative analysis of incident data
- Clinical risk assessments
- Non-clinical risk assessments (security, health and safety, health and wellbeing etc)
- Risks arising as a result of an external review or inspections
- Recommendations from internal audit reports or other internal or external monitoring reviews/audits/assessments or reports
- Patient surveys
- Staff surveys
- PALS and complaints key themes
- Risk shared by other NHS organisations and/or other stakeholders/duty holders or authorities

In some cases, through the processes described above, the Board may identify complex risks that affect or involve external organisations, such as local stakeholders within the local healthcare community (local authorities, CCGs). Where this is the case, the Trust adopts a collaborative approach to its risk mitigation plans, ensuring a transparent and 'joined up' approach to managing risk, recognising that in some cases the Trust will be limited in the degree of risk mitigation it can achieve as an individual organisation.

Risk assessment

The purpose of undertaking risk assessments is to effectively manage and control significant risks which are/have been identified/inherited or which are foreseeable in nature, as required by health and safety legislation. Risks are evaluated in order to determine the level of exposure and provide input to decisions on where responses to reduce, accept or avoid risks are necessary/acceptable or likely to be worthwhile. The evaluation of the risk assessment will involve the analysis of the individual risk to identify the consequences/severity and likelihood of the risk being realised. Within the Trust, the severity and likelihood of risk is given a numeric score based on the following matrix:

Likelihood	Consequence:				
	Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
1 (rare)	1 (Low)	2 (Low)	3 (Low)	4 (Medium)	5 (Medium)
2 (unlikely)	2 (Low)	4 (Medium)	6 (Medium)	8 (High)	10 (High)
3 (possible)	3 (Low)	6 (Medium)	9 (High)	12 (High)	15 (Extreme)
4 (likely)	4 (Medium)	8 (High)	12 (High)	16 (Extreme)	20 (Extreme)
5 (almost certain)	5 (Medium)	10 (High)	15 (Extreme)	20 (Extreme)	25 (Extreme)

In addition, the risk assurance framework process involves a set of risk metrics pertaining to risk impact and likelihood which helps to improve the robustness of the calculation of risk assessments taking place within the Trust:

Impact level	Descriptor	Risk type:			
		Injury	Service delivery	Financial	Reputation/ publicity
1	Negligible	No injuries or injury requiring no treatment or intervention	Service disruption that does not affect patient care	Less than £10,000	Rumours
2	Minor	Minor injury or illness requiring minor intervention < 3 days off work if staff	Short disruption to services affecting patient care or intermittent breach of key target	Loss of between £10,000 and £100,000	Local media coverage
3	Moderate	Moderate injury requiring professional intervention RIDDOR reportable incident	Sustained period of disruption to services/ sustained breach of key target	Loss of between £101,000 and £500,000	Local media coverage with reduction in public confidence
4	Major	Major injury leading to long term incapacity requiring significant increased length of stay	Intermittent failures in a critical service Significant underperformance of a range of key targets	Loss of between £501,000 and £5M	National media coverage and increased level of political/public scrutiny Total loss of public confidence
5	Extreme	Incident leading to death Serious incident involving a large number of patients	Permanent closure/ loss of a service	Loss of >£5M	Long term or repeated adverse national publicity Removal of Chair/ CEO or Executive Team

Likelihood Level	Descriptor	Range
5	Almost Certain	More than 90%
4	Likely	31% to 90%
3	Possible	11% to 30%
2	Unlikely	3% to 10%
1	Rare	Less than 3%

Alongside the general risk assessment process the Trust employs, there are also patient and staff specific risk assessment forms used at ward/department level in relation to particular risks, for example:

- Falls
- Pressure ulcer
- Moving and handling
- Venous thromboembolism
- Nutritional
- Workstation assessment

The RAF template is structured in a way that requires the recording of a 'current risk rating' and a 'residual risk rating'. This allows the Trust to track changes in risk, from risk recognition through to an assessment of the risk post-mitigating actions. In each case, the Trust's risk 'appetite' is determined by the residual risk rating which effectively operates as a target rating, ie once the mitigating actions have been implemented successfully and the risk has reduced to the target, the Trust accepts the residual level of risk. However, each time a risk is reviewed and updated, the determination of the Trust's risk appetite is also reviewed, particularly after new mitigating actions have been identified.

Principal risks

As of March 2016, the principal risks affecting the attainment of the Trust's corporate objectives (including significant clinical risks, risks to FT licence condition 4, in-year and future risks, how the risk will be managed and mitigated and how outcomes will be assessed) are as detailed below:

- **Achieving financial plan:** The Trust's planned position for 2016/17 is dependent upon the delivery of the c. £27m CIP target for 2016/17 and all other aspects of the financial/operational plan. The achievement of the Trust's financial plan underpins the delivery of its clinical services strategy and all other high-level strategies (estates, IT etc.). A series of CEO-led 'deep dive' review sessions have been established to scrutinise service-specific savings plans in addition to the general oversight provided by the finance and investment committee.
- **Operational capacity:** The Trust is responsible for providing care to an ageing local patient population with non-elective activity levels in excess of commissioning projections. In addition, there continues to be an increase in the presentation of complex patients with multiple comorbidities brought about by both demographic changes and the proposed reconfiguration of acute services. The Trust is working with local commissioners on admission avoidance and early supported discharge strategies to ensure the appropriate use of acute inpatient beds. The Trust is continuing to roll out ambulatory care services to redirect appropriate non-elective patients and has invested in its A&E department at the C&W site to accommodate current and future demand growth. This risk will be monitored directly by the Board.
- **Staffing capacity:** Across the Trust, there are areas of high vacancy rates as a result of high staff turnover and the inability to recruit to all vacant posts. This has an adverse impact upon service provision and increases the Trust's reliance on agency staff which attracts premium rates. The Trust is undertaking a further review of its establishment panel process for roles and has restructured its HR and corporate nursing directorates to bring greater senior input to these issues. The Trust has also developed a refreshed recruitment and retention strategy. This work is being overseen by the people and organisational development committee.
- **Delivery of the integration and transformation agenda:** There is a reputational risk associated with the Trust failing to (or choosing to) not deliver against its integration and transformation ambitions, as articulated as part of the non-financial case for the WMUH acquisition to a range of internal and external stakeholders. Even assuming full delivery of the Trust's financial plan, there are a number of key clinical service benefits which are forecast to be delivered through the integration and transformation programme. The non-delivery of these could be seen to undermine the case for the acquisition. A

dedicated programme management office (PMO) is in place and is tracking benefits realisation. All projects undergo PMO/finance reviews to ensure project milestones and finances are validated.

- **Delivery of the quality strategy and maintenance of quality standards:** Multiple potential risks or threats to maintenance of quality of care as set out by quality strategy and other regulatory compliance frameworks, eg CQC. The Trust is considering options for a system that will systematically produce 'realtime' assessments of quality performance in each clinical area. The Trust will embed the quality account's priorities within its monthly integrated quality and performance report to ensure that these KPIs remain on track for delivery.

Risks to data security

In terms of risks to data security, the Trust adheres to the NHS information technology network N3 data security policy. Security measures apply to all systems and users connected to the Trust's network as per the information security policy. Following the acquisition of WMUH, communication between the two sites is via a private network connection which ensures data security. The relevant information security and data protection policies have been updated to reflect these changes. Additionally, the Trust has policies and procedures for risk and privacy impact assessments. Procedures for reporting and management of incidents are updated and published on the Trust's intranet. These, together with supporting annexes, identify managerial and staff responsibilities, actions and baseline information and data security management measures.

The Trust manages its risks to data security through a number of different approaches. The Trust has a Board-level senior information risk owner (SIRO). The SIRO chairs an information governance steering group (IGSG) which is responsible for setting the framework for information governance standards in the Trust and ensuring delivery of action plans to improve compliance. The Trust's Caldicott Guardian, the medical director, is a member of the IGSG.

The IGSG supports and drives the broader information governance agenda and provides the audit committee (via the executive Board) with assurance that effective best practice mechanisms are in place within the Trust. A key part of the IGSG's work is to review compliance against the Information Governance Toolkit. Based on the Trust's performance over the last few years' internal audit do not consider it is necessary to audit every year. However, for 2015/16 the Trust's information governance toolkit was independently audited by the Trust's internal auditors. The overall assessment for 2015/16 was satisfactory indicating that all requirements were at level 2 or above.

The audit committee receives an annual update on information governance and assures the Board on its effectiveness through the reports to the Board.

Risks to data security realised in year are detailed under the 'information governance' section below.

Quality governance and performance

The Trust is compliant with the registration requirements of the Care Quality Commission (CQC). In 2014/15, CQC inspections were undertaken at the C&W and WMUH sites

respectively. Both inspections concluded that the two hospitals 'required improvement' in a number of areas, despite the CQC praising many aspects of the clinical services provided. The Trust's response to the CQC's findings was documented in an action plan and reviewed on a regular basis by the quality committee throughout 2015/16. In addition, from 1 Sep 2015 the WMUH actions were also overseen by the quality committee. The detail of these actions is contained within the main body of the quality report.

Looking ahead, the Trust is in the process of developing a comprehensive internal CQC assurance process under the leadership of the chief nurse that will look to embed a systematic process for the continual self-appraisal of the Trust's services against the CQC's standards.

The quality committee reviews the Trust integrated performance report at each meeting, scrutinising key trends in performance (covering clinical, financial, operational and workforce performance KPIs). Prior to being received by the quality committee, the quality of the performance information is assessed and tested through the following processes:

- Records management under the patient access policy
- Source system controls eg staff training, mandatory fields and drop-down selections
- Manuals eg the outpatient procedure manual
- Validation of data by service managers and general managers eg RTT and A&E
- Regular monitoring meetings across all key access targets

The Board also oversees the integrated performance report at each meeting to ensure that all Board directors are kept adequately appraised of Trust performance and to ensure a degree of rigour with regard to full Board scrutiny of such performance.

Data assurance

The Trust assures the quality and accuracy of elective waiting time data through a combination of regular daily and weekly meetings to focus on elective waiting time data and review and sign-off procedures for performance data. The sign-off and review process includes review at the elective access group, trust executive, quality committee and Board.

The Trust has an advanced feed from the patient administration system (PAS) which are available throughout the Trust and updated daily. Divisional staff and the Information team regularly review a suite of reports including more advanced information for elective waiting times, including patient level information. Patient pathways are validated to ensure that the quality of the data is accurate and the Trust has taken part in a national validation programme focusing on waiting lists during 2015/16. The Trust has also utilised external support from the NHS IMAS intensive support team (IST) to ensure RTT compliance. The IST supported a comprehensive demand and capacity modelling exercise on both of its hospital sites in order to support sustainable delivery of the RTT standard and the recommendations arising have formed part of an action plan to improve the quality and accuracy of data.

There are some risks to the quality and accuracy of data due to the complexities of the Trust's systems and work continued during 2015/16 to address the backlog of long waiting patients over 18 weeks. These have been largely mitigated by a significant amount of work undertaken over the second half of 2014/15 and throughout 2015/16 to review and improve systems and processes to improve the quality and accuracy of data. However, the

external auditor has issued a qualified opinion in respect of the Trust's calculation of this performance measure, noting that issues identified at the C&W site in 2014/15 have continued throughout 2015/16 and that similar problems were identified with respect to the WMUH site.

In addition, both the work of external and internal audit during 2015/16 identified issues in respect of the audit trail of the 4-hour A&E waiting time standard at the C&W site, where the reasons for changes from breach to non-breach positions could not be validated. External audit identified similar issues at the WMUH site. The external auditor has, as a result, qualified its opinion on the Trust's A&E performance results.

Corporate governance

Details of the corporate governance structure can be found within the accountability report. It is a fundamental part of the governance structure that all material issues and risks pass through the Executive Board before reaching any of the Board-level Committees.

Assessing the effectiveness of governance structures

In terms of the composition of the Board, the Trust undertook a comprehensive 'skills matrix' assessment in 2014/15 and further reviewed Board capability as part of the due diligence processes associated with the WMUH acquisition. This identified key Board strengths and weaknesses and informed appointment decisions—for example, with regard to the appointment of a new interim chief information officer and with regard to the appointment of an Imperial College representative on the Board.

The effectiveness of the Trust's corporate meeting structures is assessed as part of an annual governance review linked to the Board's corporate governance statement. Focusing specifically on the corporate governance statement, the Trust has been subjected to a number of reviews of its governance arrangements in year:

- Deloitte review of quality governance arrangements
- As part of the KPMG internal audit programme (referred to below)
- A bespoke EY review of the Trust's 'transaction readiness', including its governance arrangements.
- A legal due diligence assessment undertaken by Capsticks solicitors
- Monitor's transaction due diligence

The Board will therefore make its corporate governance statement on the basis of the assurance provided through these assessments and/or through the Trust's response to any identified governance 'gaps' or shortfalls.

Pension

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.

Equality and diversity

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

Sustainability

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.

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

The Board on a monthly basis keeps under review the Trust's use of resources through the integrated performance report referred to above but also with regard to the monthly finance report which allows the Board to obtain a 'grip' on financial performance and cost effectiveness. In 2015/16, the degree of sophistication which the Board has been able to apply to this has grown with the introduction of service line reporting (SLR) information at both hospital sites. Where the Board identifies key risks and issues in relation to the Trust's use of resources, it will instruct the finance and investment committee to undertake 'deep dive' reviews of such concerns to ensure that a sufficient degree of assurance can be obtained.

The oversight role of the Board and finance and investment committee is supplemented by the annual internal audit programme which includes a comprehensive review of the Trust's financial systems and controls.

The governance structure below the executive Board provides opportunities through the divisional Board meetings for specific divisions to be challenged on their use of resources within the respective clinical services which they provide. This is in addition to the work of internal audit undertaken throughout 2015/16. The detail of the key actions of the internal audit programme can be found at the 'systems of internal control' section below.

Information governance

During 2015/16 the Trust experienced two serious incidents of data disclosed in error which were reportable to the Information Commissioners Office (ICO). Immediate remedial action was taken to mitigate risk pending the outcome of detailed investigations. A number of recommendations were following the investigations and these now form an action plan which is being implemented and progress monitored by the Executive Board. A detailed review of the incidents was also carried out by Trust's internal auditors. As at March 2016, no formal action had been taken by the ICO.

Annual quality report

The directors are required under the Health Act 2009 and the National Health Service (quality accounts) regulations 2010 (as amended) to prepare quality accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust boards on the form and content of annual quality reports which incorporate the above legal requirements in the NHS Foundation Trust annual reporting manual.

The Trust followed this guidance in compiling its quality report as part of the 2015/16 annual report and established a comprehensive engagement process in setting its clinical priorities for 2016/17. This process included engagement with internal stakeholders such as the Board of Directors, quality committee, Council of Governors and key external stakeholders such as local Healthwatch organisations, local commissioners and overview and scrutiny committees. The breadth of this engagement helped ensure that the content of the quality report was balanced and in alignment with the needs of the Trust's patient population.

Following the acquisition of WMUH, the quality committee have been monitoring progress of the quality priorities set by WMUH for 2015/16 and progress of these are reported in the quality report.

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 the quality committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The clinical audit programme also supports my review of the effectiveness of the system of internal control. A full internal review of each clinical audit is undertaken and actions taken to address any identified risks and improve the quality of care healthcare that is provided.

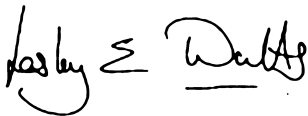
The role of the Board, the audit committee and the quality committee in maintaining and reviewing the Trust's systems of internal control is described above. The internal audit programme provides a further mechanism for doing this. In 2015/16, KPMG, the Trust's internal auditors identified high priority (red risk) recommendations made within their audit reports, which alongside medium and low priority recommendations are monitored in an internal audit recommendations tracker which is frequently reviewed by the executive team.

The internal audit high priority recommendations identified were as follows:

- **Financial management report:** Gaps in assurance were identified in the processes for financial reconciliations. The Trust took immediate action to reduce the backlog and ensure a more robust process was in place for the start of the new financial year 1 Apr 2016.
- **Medical rotas:** Gaps in assurance in respect of the process for securing temporary (bank) staff cover and the timely production of rotas were identified. Action was taken and a new process for the recruitment of temporary staff was implemented in February 2016 and a new process for producing timely rotas in March 2016.
- **Data quality report:** Gaps in assurance were identified in the validation processes for 4 hour A&E waiting time breaches at the C&W site, as referred to above. Action was taken to address this during March 2016.

Conclusion

In conclusion, to the best of my knowledge, no significant internal control issues have been identified within 2015/16.



Lesley Watts
Chief Executive Officer

26 May 2016

SECTION 3

**QUALITY
REPORT**

Part 1: Statement on quality from the Chief Executive

Introduction

The aim of the quality report is to review the quality of the care and services that we provide at Chelsea and Westminster Hospital NHS Foundation Trust (the 'Trust'). This document complies with the Trust's statutory duty under the Health Act 2009 and is a formal record of the steps we have taken over the past year and will be taking over the coming year to ensure we maintain a strong focus on improving quality across the board.

Welcome by the Chief Executive

I am pleased to present our quality report for 2015/16.

Our quality report, written to assure patients, commissioners and our staff that we continue to provide high quality clinical care, also serves to transparently discuss opportunities to do better in the delivery of our services to patients and our plans to demonstrate continuous improvement.

The past year has been a significant one in the history of our organisation. With the acquisition of West Middlesex University Hospital, our Trust is now responsible for the provision of care to a population of nearly one million on our two main hospital sites, as well as an increasing range of community services, particularly sexual health services across London. We employ about 5,000 staff to support the delivery of these services and, although we are still in the early steps of integration, I am pleased to say that work is progressing well as we maintain the focus on ensuring we provide high quality care during this transitional period.

In the coming year, as we continue to focus on the integration of clinical services, we believe the sharing of clinical expertise will result in demonstrable benefits, both in patient outcomes and in staff learning and development. The scale of the organisation will see the development of new services such as the cardiac catheter laboratory on the West Middlesex site, allowing us to better meet the needs of the population that we serve.

We have some unique investment opportunities that we believe will improve ways of working for staff and the everyday experience for patients. This includes significant investment in our IT systems, resulting in a single and secure patient record available to all clinicians across our organisation. This will realise efficiencies as we streamline our processes and we are determined to provide a much better experience for patients in many ways including improving the hospital appointments process.

This year has seen the development of our clinical services strategy setting out the plans for development and improving services over the next five years. Informed by staff, patients and stakeholders, this strategy articulates our plans for safe, sustainable, financially affordable and, most importantly, high quality services for now and into the future.

As Chief Executive I speak regularly with staff and patients and personally review every complaint we receive to ensure we are responsive and truly committed to learning both from negative and positive experiences and that we continuously plan to improve care and experience.

I believe that the evidence and examples of care that are provided in this report demonstrate our number one priority of providing the highest quality in clinical care and experience for our patients.

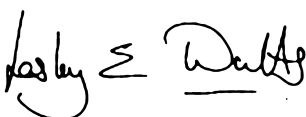
I hope that you agree that our commitment to continue to provide investment and improvements at all our sites results in improved access for all of our patients to their local hospital and, where needed, excellent specialist services. Indeed, services that we can all be proud of.

It is important to note, as in previous years that there are a number of inherent limitations in the preparation of quality reports which may impact the reliability or accuracy of the data reported.

- 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 audit's 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 have 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.

The Trust, its Board and the executive team have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported. However, due to data issues identified by the Trust on the 18 week RTT indicators and confirmed by the Trust's external auditors in their testing of the incomplete pathway indicator, we are not able to confirm that this indicator is accurately stated. In addition, both the work of external and internal audit during 2015/16 identified issues in respect of the audit trail of the 4 hour A&E waiting time standard at the C&W site, where the reasons for changes from breach to non-breach positions could not be validated. I am confident that the Trust is taking the steps required to address both these issues.

Following the steps taken, to my knowledge, the information in the document is accurate with the exception of the matters identified in respect of the 18 week referral to treatment indicators and A&E waiting time.



Lesley Watts
Chief Executive Officer

Core services

Our core services include:

- Full emergency department (A&E) services for medical emergencies, major and minor accidents and trauma on both sites. The departments are supported by separate on site urgent care centres (UCCs) and have a comprehensive ambulatory emergency care.
- Emergency assessment and treatment services including critical care and a surgical assessment unit at West Middlesex Hospital. The Trust is a designated trauma unit and stroke unit.
- Acute and elective surgery and medical treatments such as day and inpatient surgery and endoscopy, outpatients, services for older people, acute stroke care and cancer services.
- Comprehensive maternity services including consultant-led care, midwifery-led natural birth centre, community midwifery support, antenatal care, postnatal care and home births. There is also a neonatal specialist intensive care unit (C&W), special care baby unit (WMUH) and specialist fetal medicine service. We also have a private maternity service.
- Children's services including emergency assessment, 24/7 paediatric assessment unit, inpatient and outpatient care.
- Diagnostic services including pathology and imaging services.
- A wide range of therapy services including physiotherapy and occupational therapy.
- Education, training and research.
- Corporate and support services.

Clinical services are also provided in the community and we have a range of visiting specialist clinicians from tertiary centres that provide care locally for our patients. For a number of highly specialised services, patients may have to travel to other trusts.

Key facts and figures for the past three years²⁸

	2015/16	2014/15	2013/14
C&W: Outpatient attendances	471,827	475,872	406,938
WMUH: Outpatient attendances	267,725	253,313	246,002
C&W: Total A&E attendances	121,250	117,114	112,639
WMUH Type 1 ²⁹ : Total A&E attendances	62,278	58,537	58,029
WMUH Type 3 ³⁰ : Total urgent care centre attendances	83,716	82,798	80,414

²⁸ This is full year data for both sites.

²⁹ Type 1 = A consultant led 24 hour service with full resuscitation facilities and designated accommodation for the reception of accident and emergency patients

³⁰ Type 3 = Urgent Care Centre

	2015/16	2014/15	2013/14
C&W: Inpatient admissions	73,940	76,326	69,643
WMUH: Inpatient admissions	49,304	41,520	39,897
C&W: Babies delivered	5,221	5,148	4,956
WMUH: Babies delivered	5,116	4,596	4,847
C&W: Patients operated on in our theatres	23,284	23,525	22,878
WMUH: Patients operated on in our theatres	10,233	10,528	10,210
C&W: X-rays, scans and procedures carried out by clinical imaging	174,403	175,917	173,064
WMUH: X-rays, scans and procedures carried out by clinical imaging	174,073	163,932	157,707
C&W: Number of staff, including our partners ISS and Norrland	3,911 (3,515 C&W + 396 ISS/Norrland)	3,738 (3,338 C&W + 400 ISS/Norrland)	3,732 (3,329 C&W + 403 ISS/Norrland)
WMUH: Number of staff, including our partners ISS and Bouygues Energies and Services	2,340 (2,007 WMUH + 333 ISS/Bouygues)	2,294 (1,985 WMUH + 308 ISS/Bouygues)	2,202 (1,877 WMUH + 325 ISS/Bouygues)

Our vision and values

Quality is at the heart of our vision, which is to deliver the best possible experience and outcomes for our patients. In achieving this vision, we are guided by our values, which are to provide safe, kind, respectful and excellent care. Our vision is supported by our 4 key objectives.

1. Excel in providing high quality, efficient clinical services
2. Improve population health outcomes and develop integrated care
3. Deliver financial sustainability
4. Create an environment for learning, discovery and innovation.

Quality strategy and plan 2015–18

2015/16 saw the launch of the quality strategy and plan (QSP) which sets out a three-year journey for how we will work to continuously improve the quality of the services provided by Chelsea and Westminster Hospital NHS Foundation Trust. This strategy and plan now includes West Middlesex University Hospital.

In developing the QSP we have taken account of the Trust's vision, considering this against a backdrop of the local and national context including the recommendations of the Care Quality Commission (CQC) review.

We have considered quality based on the four components of Experience, Safety, Effectiveness and Access (recognising that this represents an expanded definition of quality that includes Access). For each component we have set ambitions and supporting priorities, taking into account our current performance. Delivering excellence in experience of care will be an overarching ambition for us over the next three years, supported by our ambitions across Safety, Effectiveness and Access.

We will deliver our ambitions for quality through tranches of 'special projects' focusing on priority areas that have been identified through engagement to date on the development of the QSP. The initial tranche of projects will focus on frailty, admitted surgical care, sepsis and maternity. The quality priorities that were identified for Chelsea and Westminster for 2015/16 link to these overarching plans and will continue to do so in 2016/17.

Part 2: Our priorities

Priorities for improvement 2015/16

This section of the report reviews how we performed in 2015/16 in relation to the priorities set in our Quality Report 2014/15. Updates are provided for both Chelsea and Westminster Hospital and West Middlesex University Hospital sites.

Chelsea and Westminster Hospital site

At Chelsea and Westminster Hospital we set the following priorities for 2015/16:

Patient safety

- Priority 1: Reduction of hospital acquired pressure ulcers
- Priority 2: Embedding of the WHO surgical checklist
- Priority 3: Early identification of the deteriorating patient

Clinical effectiveness

- Priority 4: Reduce avoidable admissions of term babies to the NICU

Patient experience

- Priority 5: Friends and Family Test—inpatient responses

West Middlesex University Hospital site

At West Middlesex University Hospital we set the following priorities for 2015/16:

Patient safety

- Priority 1: Reduce number of falls in hospital
- Priority 2: Reduce risk of infection from unnecessary use of urinary catheters

Clinical Effectiveness

- Priority 3: Continue attention on our mortality (death) rate through implementation of best practice initiatives, for instance in managing sepsis in the acute pathway
- Priority 4: Implement measures to identify acute kidney insult to diminish risk of medium or long term effect upon renal function

Patient Experience

- Priority 5: Improve the experience for patients nearing the end of life
- Priority 6: To improve the experience of our patients with learning disabilities whilst in our care

How did we do in 2015/16?

Chelsea and Westminster Hospital site

Due to conflicting priorities the first four quality priorities at the C&W site did not make as much progress as we would have wished. This was largely due to the managerial effort that was required to ensure safe transition of the two Trusts coming together in September 2015 and the realigning of roles and responsibilities during the latter part of 2015.

However, at the end of Q4 support was engaged from the Collaboration for Leadership in Applied Health Research and Care (CLAHRC) team to help us understand the progress that had been made with each of the priorities, the barriers to success and to help develop high level plans for 2016/17.

Patient safety

Priority 1: Reduction of hospital acquired pressure ulcers

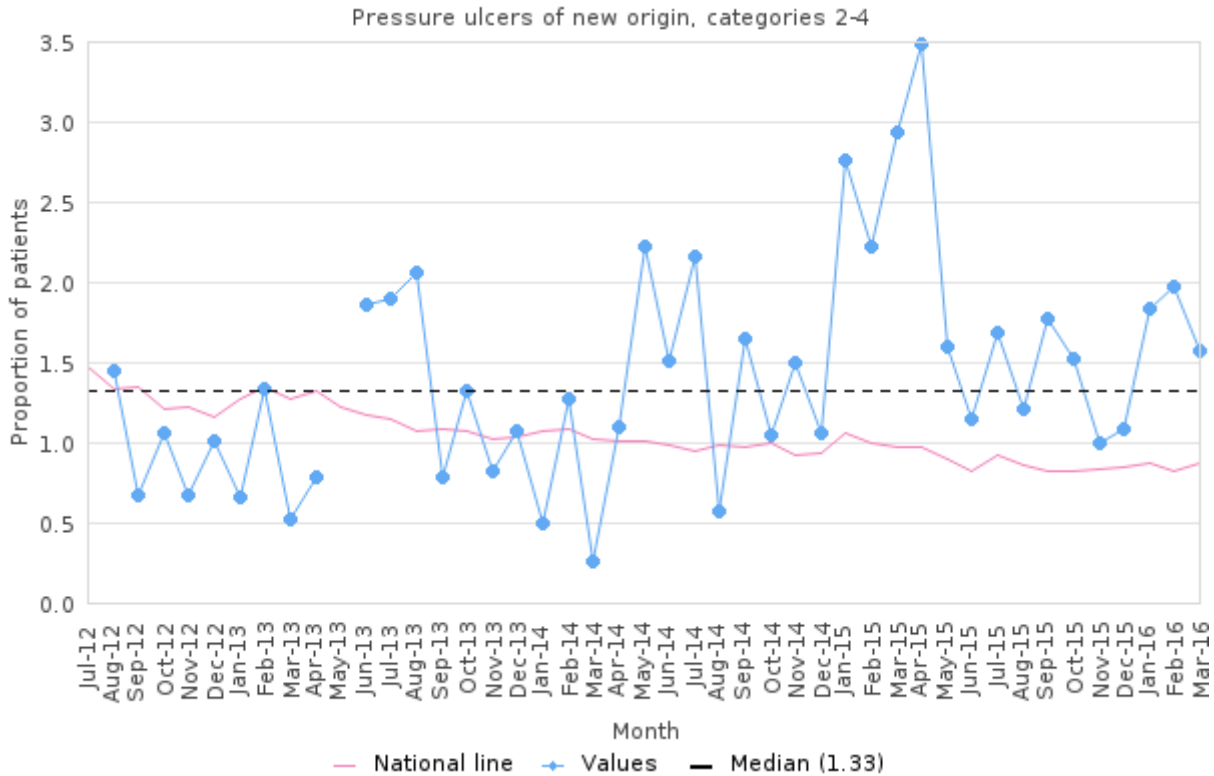
Objective

To see a reduction in hospital acquired pressure ulcers.

What did we achieve?

During 2014/15 there was a focus on reducing the number of hospital acquired pressure ulcers. The Safety Thermometer (a tool that is used nationally to benchmark the prevalence of hospital acquired pressure ulcers) was used at Chelsea and Westminster Hospital Site to measure progress against a national comparator. The graph below shows the national position is just below 1% of patients has a hospital acquired pressure ulcer. Chelsea and Westminster Hospital site has a median of 1.3%. Although the Trust is above the national median an improvement has been achieved since the peak in April 2015. The actual numbers of pressure ulcers (Grade 2, 3 and 4) are reported on the Trust's incident reporting system and are displayed in the section of the report reviewing local quality performance indicators in Part 3 of this report.

Safety thermometer prevalence data Jul 2012–Mar 2016



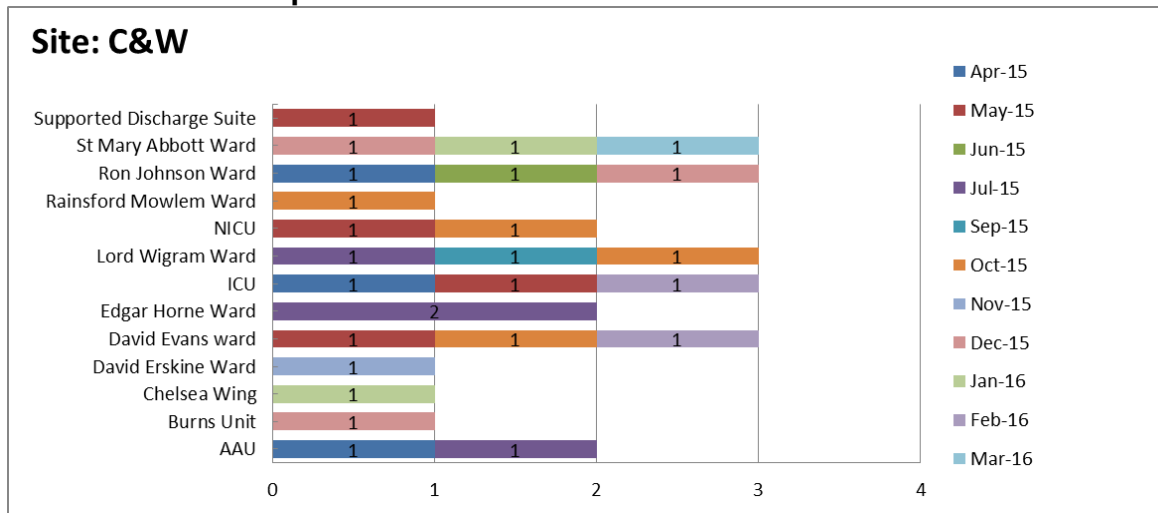
Root cause analysis (a method of problem solving used for identifying the root cause of faults and problems) has been undertaken for all hospital-acquired grade 3 and 4 pressure ulcers which leads to clearer and more focused actions. The learning from the investigations will form part of the plan for 2016/17.

The key learning has been:

- Early, rigorous and systematic skin assessments are imperative.
- A clear plan of care must be documented.
- There must be a clear handover of patients at risk on a shift by shift basis and from one ward to another.
- Patients should be empowered to understand how to prevent pressure ulcers.
- TED stocking must be fitted properly and removed for assessment. These stockings help to prevent the formation of deep vein thrombosis (blood clots) by promoting increased blood flow.
- Tissue viability nurses should be engaged in planning preventative care.

The following graph shows the number (26) of hospital acquired pressure ulcers (grade 3, 4 and unstageable) from April 2015 that have been reported externally as serious incidents. There has been a significant positive reduction compared to 2014/15 when 46 were reported. No one ward is showing a trend higher than another.

Pressure Ulcers reported as serious incidents



Priority 2: Embedding of the World Health Organisation (WHO) surgical safety checklist

Objective

To fully embed the use of the WHO surgical safety checklist across the organisation, reflecting feedback from the Care Quality Commissions (CQC) review of the services we provide and building on existing progress.

What did we achieve?

Both sites currently audit the use of the WHO checklist within all theatre areas. Compliance is good but the aim is to achieve a universal and sustained standard of 100%. The C&W site use an unannounced approach to the audit of compliance. A manual reporting system is in place but the Trust information team is working to harmonise data collection in an electronic format and allow the immediate upload of WHO data to the emerging quality performance dashboards. Consultant level WHO data and feedback is considered to be the gold standard and we will be moving toward a tool that allows us to do this. All theatres are monitored monthly.

Current compliance rates overall for all theatre areas are:

- **Sign in (98%):** The 'sign in' is performed prior to the start of anaesthesia by the anaesthetist and ODP/anaesthetic nurse. Safety checks to be undertaken include ensuring the correct patient, correct operation, correct site; all documentation is present and signed.
- **Time out (98%):** The 'time out' is carried out prior to first skin incision. The surgeon operating or a senior member of the surgical team should lead this. Verbal discussion that the procedure, consent and patient ID are confirmed by the whole team must be observed. Any concerns and equipment requirements/failures should be discussed at this time.
- **Sign out (97%):** The 'sign out' is carried out prior to skin closure. Confirmation by the surgeon of actual procedure carried out including instructions for recovery should be documented. Assurance should be provided that there are no discrepancies with the counts of sharps, swabs and instruments.

Priority 3: Early identification of the deteriorating patient

Objective

To rapidly identify potentially unwell and/or septic patients and institute prompt treatment, in order to reduce mortality and morbidity.

What did we achieve?

A key factor in the detection and timely response to sepsis is the continual monitoring of patient's vital signs so that any deterioration can be identified as soon as possible. The four main vital signs are temperature, pulse, respiratory rate and blood pressure. Over the last year C&W have invested in an innovative clinical observations app ThinkVitals that enables healthcare staff to better monitor patients' vital signs (eg temperature, heart rate, respirations, blood glucose, and fluid balance) electronically in real time. The app also produces a national early warning score (NEWS) for the patient, via a simple scoring system developed by the Royal College of Physicians. This score determines the degree of illness of a patient based on their vital signs, and prompts escalation to critical care interventions depending on the magnitude of the score. This work has been developed in collaboration with an industry partner—ThinkShield—and piloted at C&W, which is the only site in the UK to have introduced this cutting-edge technology.

This year we have focused on introducing and piloting this technology in a single setting—the acute assessment unit (AAU). We chose the AAU as it is where the most acutely unwell patients are first sent on admission to hospital. This setting therefore provided an excellent opportunity to learn about how the ThinkVitals app works in practice, and to target patients most likely to be acutely unwell.

The challenges we have faced and overcome this year relate primarily to technical aspects of this work, in terms of setting up 100 tablets ready for use, and establishing positive working relationships with our partners across the spectrum of IT services. A considerable amount of data is being generated in thanks to the app (approximately 20,000 data points generated each day on AAU). We have also created a sepsis steering group that reports to the clinical effectiveness group and consequently up to the Trust's quality committee and Trust Board.

This has resulted in a strong foundation to:

- Spread the use of the ThinkVitals app across other hospital wards.
- Focus on where we can make improvements in sepsis care.

Clinical effectiveness

Priority 4: Reduce avoidable admissions of term babies to the neonatal intensive care unit

Objective

To deliver a 20% reduction in the number of term babies admitted unexpectedly to the neonatal intensive care unit (NICU).

What did we achieve?

One of the top 3 reported incidents within the maternity department is the avoidable admission of term babies to NICU. Admission causes separation anxiety for parents and additional bed days. For the small minority of babies that have permanent brain injuries,

the impact for families is immeasurable and the financial costs of litigation significant. A modest decrease in admissions would have a great impact on the service, and for this reason, we have chosen to focus on reducing the admission of term babies to NICU by 20% within 3 years as our quality priority.

During the 2015/16 reporting period, progress and achievements towards our aim have occurred in the 3 services where we identified changes to be implemented—antenatal, intrapartum and postnatal care.

In the antenatal service, we undertook an audit of 550 cases of term babies admitted to NICU to identify gaps in our knowledge, and found that we were missing 20% of growth restricted babies. This informed our aim mentioned above. To achieve our aim, we agreed to use the growth assessment protocol (GAP) to identify at risk babies. Where implemented, this tool has been particularly successful in recognising fetal growth problems, leading to a reduction in stillbirths across the UK. We launched the low risk customised growth chart aspect of the GAP tool on 4 Apr 2016, and all staff are registered to complete the online training package. Training progress is being monitored and currently over 50% of staff (midwives and consultants) are trained to use the tool. A midwifery lead is in place and has been seconded to the project to support rollout.

In the intrapartum service, we have agreed to design and implement a training package for fetal heart rate monitoring in labour, in coherence with NICE guidelines and the International Federation of Gynaecology and Obstetrics (FIGO) classification system. We are currently in the design phase of a survey monkey to assess staff's current training and knowledge with regards to fetal heart rate monitoring.

In the postnatal service, we have drafted a survey monkey audit tool to assess staff knowledge gaps relating to hypoglycaemia and hypothermia, and we aim to complete a random audit of practice on 2 days a week for 1 month to assess current practice. This information will support us in the coming year to create a skills development programme around these two areas. We have also identified a framework to measure if babies receive antibiotics in a timely manner. For this, an audit tool is approved and available for use and we plan to collect data for monthly compliance rates on the ward.

Patient experience

Priority 5: Friends and Family Test—inpatient responses

Objective

To use the Friends and Family Test (FFT) as a key measure for our continued ambition to provide excellent experience of care in everything we do. This measure was chosen by our Council of Governors in 2014/15.

What is the context?

As part of the Trust values, we are committed to ensuring that all patients and their families receive consistent first class care and treatment in a timely manner and in a supportive environment. As part of ensuring and monitoring this commitment, the Trust has been engaging with the FFT during the financial year 2015/16. This is an important mechanism of measuring what we are doing in relation to patient experience and engagement and how our responses to patient and family feedback can ensure best care. The Trust's Council of Governors chose to focus on FFT as a priority measure of quality

during 2015/16. This metric is monitored through the Trust Board, the quality committee, Council of Governors and the patient experience group.

Patients who were cared for in the Trust were asked to evaluate their care and treatment after they had been discharged from hospital. This was done in one of three ways by responding to a text, completing a hard copy of the survey on discharge or some were contacted by an agency (working on behalf of the Trust) to rate the care they received. The feedback was shared daily with the divisional teams and clinical areas. A monthly report was created showing trends so that teams could implement actions to build on good practice and address any shortfalls. During the year these findings were compared to findings from the Patient Advice and Liaison Service (PALS), complaints and other surveys. Many examples of good practice were identified, as well as areas we need to improve. An analysis of the feedback was presented to the patient experience group and to each division in order to focus and guide changes in practice.

Key themes for improvement

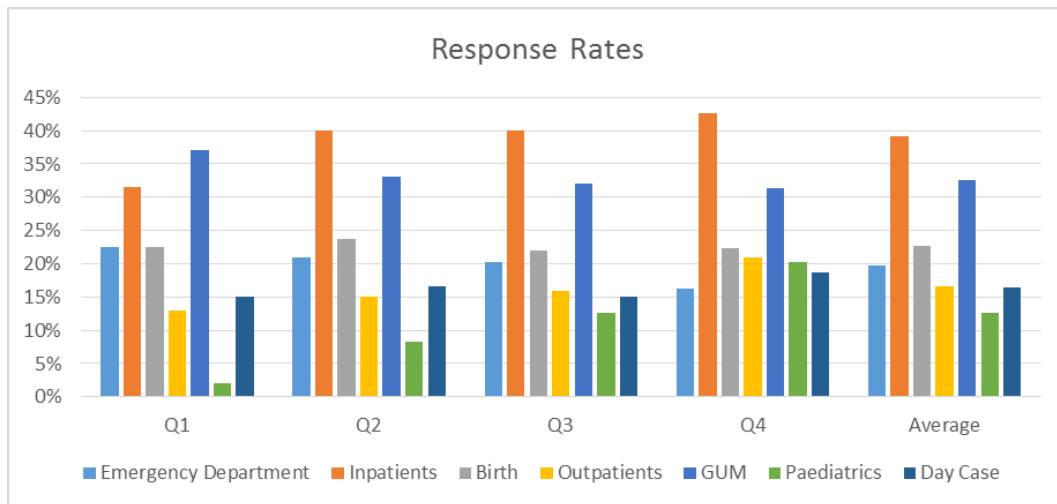
- Improve patients' perceptions of staff attentiveness
- Provide clearer answers to patients' questions
- Increase patients' involvement in decisions about their care
- Provide opportunities for patients to share their worries and fears
- Communicate patients' information with other staff more effectively
- Ask patients what they would like to be called
- Provide patients with ward/clinic information
- Provide more nutritional support

Following a concerted effort by all staff there was some improvement in the response rate to the FFT during the year (2015/16) in comparison to the previous year. The following areas reported a response rate of maternity (23%), inpatient (39%) and emergency department (20%) with lower scores for outpatient department (OPD), day cases and paediatrics. Our target was to receive a greater than 30% rate for inpatients which we achieved, however our aim to achieve a response rate for the emergency department and maternity of 30% was not achieved. The FFT in depth report shows that some clinical areas continue to have a low response rate while other areas are consistently high. This has been investigated and addressed through the divisions who have given more focus and support to low reporting areas. The percentage of people who would recommend the Trust included inpatients (88%), emergency department (85%) and maternity (95%). While we achieved the target of 90% for outpatients, maternity, day cases and paediatrics we did not achieve this for the emergency department and inpatients.

The following tables and graphs summarise our performance over the year. As noted there were low response rates in outpatients, day cases and paediatrics. The low response rate in paediatrics was partially due to the date of implementation being later. However, these three areas all scored 90% or above in people recommending the service.

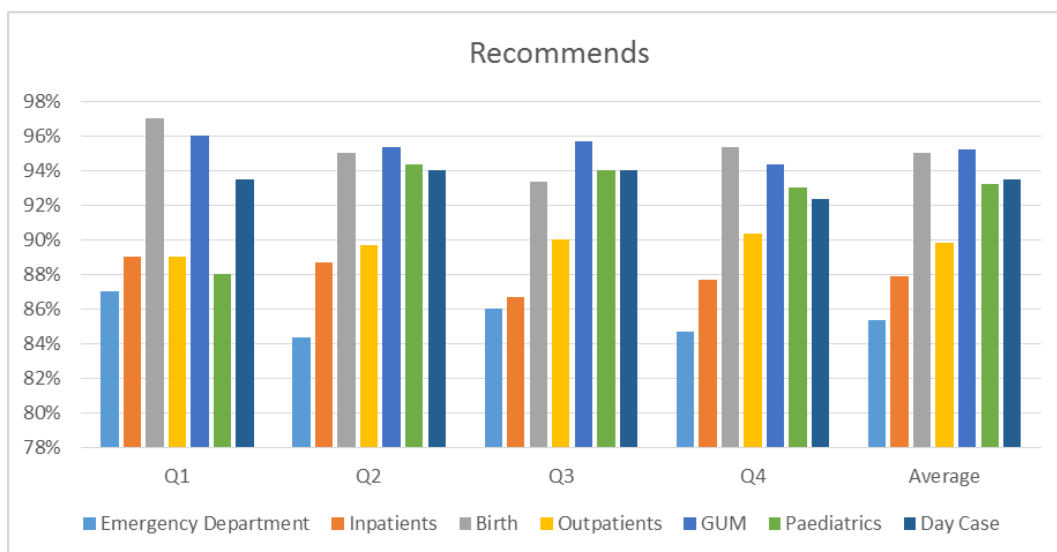
Response rates

	Q1	Q2	Q3	Q4	Average
Emergency department	23%	21%	20%	16%	20%
Inpatients	32%	40%	40%	43%	39%
Maternity (birth)	23%	24%	22%	22%	23%
Outpatients	13%	15%	16%	21%	17%
GUM	37%	33%	32%	31%	33%
Paediatrics	2%	8%	13%	20%	13%
Day case	15%	17%	15%	19%	16%



Recommends

	Q1	Q2	Q3	Q4	Average
Emergency Department	87%	84%	86%	85%	85%
Inpatients	89%	89%	87%	88%	88%
Maternity (Birth)	97%	95%	93%	95%	95%
Outpatients	89%	90%	90%	90%	90%
GUM	96%	95%	96%	94%	95%
Paediatrics	88%	94%	94%	93%	93%
Day Case	94%	94%	94%	92%	93%



There is a clear recognition that while many patients and carers value the care and treatment they receive there is more to be done. Moving forward, working with FFT responses and findings is a core strand of the patient experience and engagement strategy. The Trust aims to build on the work it has commenced which will be supported through the integrated Trust and the newly combined patient experience and engagement team which includes greater engagement from the divisions.

West Middlesex University Hospital site

Patient safety

Priority 1: Reduce number of falls in hospital

What did we set out to achieve?

- To reduce the number of falls by 10% and falls per 1,000 bed days to below 3.8.
- Develop a falls strategy and training programme (with an aim to train 90% of clinical staff)
- Re-establish the falls steering group, reinstate the falls link nurse system
- Use the national safety thermometer data at ward level so that all staff are aware of the current position and the need for improvement
- Ensure the use of the safety cross (a visual chart used by ward staff to monitor falls) at shift handover to ensure appropriate management of patients at risk of falling
- Share good practice
- Review the availability of falls prevention equipment

What did we achieve during 2015/2016?

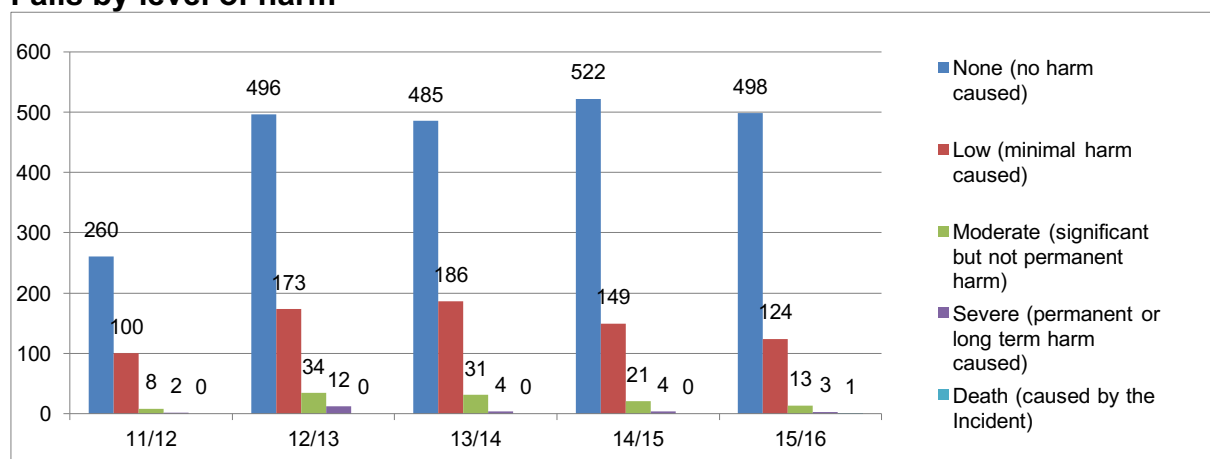
Number of falls—the following table demonstrates that the number of falls overall is as planned below 3.8 per 1000 bed days at year end.

Falls per 1000 beds (aim to reduce to below 3.8)

Indicator	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Target	15/16 outrun	14/15 outrun
Falls rate per 1,000 bed days	3.62	3.17	3.85	4.28	3.59	5.01	3.93	3.72	2.97	3.40	3.93	3.63	3.80	3.75	3.80

The graph below shows the total number of falls for the last 4 years by level of harm for the patient and demonstrates a reduction in all levels of harm.

Falls by level of harm



Falls Strategy and Training

A review of the approach to the prevention of falls was undertaken this included changes to the Trust policy, paperwork and referral mechanisms. A falls risk assessment tool (FRAT) was introduced. Regular monthly mandatory training sessions were introduced alongside ward based training. The emphasis of training was:

- Which patients are most at risk
- Reasons why people fall
- How to prevent patients from falling
- Encourage staff to provide patients and or relatives with the Trust falls prevention leaflet
- Ensure appropriate footwear is worn
- The importance of intentional rounding for all patients is emphasised. Intentional rounding (a regular review of all patients to ensure all their needs are being met) is proven to be one of the most effective inputs in the prevention of falls.

Training compliance is currently at 86%.

Steering group and link nurses

We established a 'falls champions group' with representatives from clinical areas (link nurses) and the project team. The focus of the group was to ensure that teams were aware of their responsibilities in relation to falls prevention. The role of the ward champion or link nurse is to ensure that they cascade the information back to the clinical teams and to ensure that best practice in falls prevention is implemented in their area.

Safety thermometer and safety cross

Quality boards in all ward areas display patient safety crosses which are updated on a daily basis. Each safety cross represents one calendar month, when a fall occurs this recorded on the patient safety cross. All falls are then discussed at nursing handovers and daily board meetings with the whole of the multidisciplinary team to ensure that appropriate management plans are in place. Results of the safety thermometer and nursing scorecard are displayed at ward level and discussed at ward and divisional meetings.

Falls prevention information boards have been implemented in all the ward areas with information for patients, relatives and staff on FRAT, falls prevention, training dates and compliance. It is the responsibility of the link nurse/falls champion to keep this updated.

Sharing good practice

In November 2015, the falls prevention lead and the project lead attended a falls conference. This was proven to be a fruitful networking event. We were commended on our progressive approach to falls prevention and our early introduction of the falls risk assessment tool which is already embedded in Trust policy and the multidisciplinary care plan. During this event best practice was discussed and agreement that the most effective approach to falls prevention is the use of robust intentional rounding and raising staff awareness rather than the use of prevention equipment such as bed and chair alarms. As a consequence, we have not identified the need for falls prevention equipment.

Our link with Health Education North West London has proven to be most effective in sharing expertise and care management of the fallen patient.

Priority 2: Reduce risk of infection from unnecessary use of urinary catheters

What did we set out to achieve in 2015/16?

- To monitor the number of urinary tract infections across the organisation and enable informed changes to practice
- Safety thermometer data will be made available and used at ward level so that all staff are aware of the current position and the need for improvement
- Nurses will be supported in the use of HOUDINI (a protocol enabling nurses to remove urinary catheters as soon as clinically appropriate)
- The catheter pathway will be implemented across the acute and community Trusts
- Training on the care of indwelling urinary catheters will be developed and delivered to all nursing staff with the aim of 90% compliance
- Alternative ways of managing urinary incontinence will be developed to avoid catheters becoming first choice of management
- All patients discharged from hospital will have a catheter passport in conjunction with Hounslow and Richmond Community Healthcare.

What did we achieve during 2015/16?

The Trust implemented quality boards in all ward areas to display national safety indicators including safety thermometer, safety crosses and ward scorecard audits. Ward managers discuss results at ward meetings and can compare results with other areas in the Trust. This approach enables sharing of good practice and early identification of areas requiring more support.

A project manager was appointed in June 2015 to lead on improving the management of falls, urinary catheters and continence across the trust and to work with community partners as part of the catheter commissioning for quality and innovation (CQUIN) steering group to implement a robust system to safely discharge patients with urinary catheters.

Catheter and continence care

The project manager worked closely with ward managers and staff to develop and support the work of HOUDINI (evidenced good practice) and improve management of urinary catheters to reduce the risk of infection. This was achieved through ward based training on best practice in urinary catheter care.

Staff training covered the following topics:

- The assessment of the need for a catheter
- Safe insertion
- Infection prevention
- Maintenance and assessment for removal of catheters

Catheter trays (packs which contain everything required to catheterise a patient) were introduced to support best practice and improve the prevention and control of infection.

The range of continence products was also reviewed and standardised. While the range of products was increased this was to ensure that the most appropriate product was available to meet the individuals' specific needs. There is plentiful evidence that appropriate product selection and usage will improve patient comfort and reduce costs. Product selection and effective measurement for and use of products was incorporated into staff training.

Collaborative working

A steering group was established to improve the care of patients with catheters across the Trust and community and to identify patients for trials without catheter (TWOCs) that could be safely carried out in the community.

A standard operating flowchart for patients admitted with urine retention was developed with the Trust's urology department, Hounslow and Richmond Community Healthcare (community provider) and Hounslow Clinical Commissioning Group and trialled for a period of time. This flow chart identified which patients needed to return to the hospital for TWOC and which could be managed by community catheter clinics or district nurses. The final version of the flowchart was agreed and implemented in December 2015.

During 2015/16 the Trust introduced a robust system to safely discharge patients with urinary catheters. In order to achieve this, we worked with community partners and company representatives to introduce a convenient and confidential prescription dispensing service for all patients who are discharged home with a catheter. Each patient is given a catheter starter pack for the first few days with catheters being equipment is delivered to their home within 48 hours of discharge. All patients are discharged with a catheter passport which is a shared document between the patient and healthcare professionals. It helps the patient understand what a catheter is, ensures they are given appropriate advice on how to look after it and contact numbers to link with community teams, should they need support or advice.

A new form has also been developed and introduced which provides information to community partners on patients discharged with urinary catheters.

The Trust did not previously stock supplies of long term catheters. This led to unnecessary catheter changes for some patients, a small stock of long term catheters are now available and accessible to ward staff 24 hours per day.

Clinical Effectiveness

Priority 3: Continue attention on our mortality (death) rate through implementation of best practice initiatives, for instance in managing sepsis in the acute pathway

What did we set out to achieve in 2015/16?

- To monitor mortality rates at other hospitals as a comparator for the Trust's performance, undertake regular review of mortality and assess where improvements might be made
- It is recognised that sepsis is a major cause of morbidity (unhealthy state of an individual) and mortality in the hospital setting. Early recognition of the symptoms of overwhelming sepsis allows more rapid treatment which can have a significant impact on the outcome of care. The utilisation of the standardised early warning score can enhance the ability to detect the early stages of a systemic sepsis response syndrome.

What did we achieve during 2015/16?

The year was used to consolidate the process for all mortality and morbidity cases in departmental, divisional and Trustwide forums to enhance the recognition of opportunities for improvement in delivery of care. The Trust also monitored its use of early warning detection processes to assist the identification and response to the deteriorating patient.

A process has been developed to improve upon early identification and treatment of sepsis in the emergency department and when patients are admitted to hospital. This has been monitored alongside the CQUIN for recognising the deteriorating patient.

These processes were continued at the WMUH site once the acquisition had occurred and are being harnessed to help the development of the quality agenda for the enlarged Foundation Trust.

Priority 4: Implement measures to identify acute kidney insult to diminish risk of medium or long term effect upon renal function

What did we set out to achieve?

The Trust set out to undertake appropriate intervention to counter the impact of acute kidney injury (AKI) upon patients admitted to the hospital. A suitable plan was devised to ensure that monitoring of kidney function is continued in primary care after discharge.

What did we achieve during 2015/16?

The Trust established a process which uses biochemical markers (a blood test) to increase the detection of AKI. The application of renal sparing treatment programmes (which diminishes damage to healthy kidney tissue) for patients identified in this way has been enhanced as a result.

The identification of patients with AKI in the discharge summaries has been monitored through the application of a CQUIN relating to recognising AKI. The appropriate recommendation in the discharge summary for ongoing care of patients with AKI is also important and is regarded as a keystone for management after return of the patient to primary care. These measures have also been monitored via the CQUIN. The delivery has required development of a technical tool to help automate the process.

Patient Experience

Priority 5: Improve the experience for patients nearing the end of life

What did we set out to achieve?

- Review the format and membership of the end of life (EoL) steering group reporting to the clinical quality and risk committee
- Develop an end of life strategy in line with the Care Quality Commission action plan for the development of end of life care at WMUH
- Continue to work with community partners to ensure as many patients as possible die in their preferred place
- Ensure all patients who would benefit from a compassionate care agreement (care agreed with families) have one in place
- Improve access to specialist palliative care services
- Deliver training to all staff involved in end of life care at ward level
- Audit compliance with the compassionate care agreement
- Participate in the national care of the dying audit
- Review of bereavement services

What did we achieve during 2015/16?

The EoL steering group was re-established and the membership revised. The revised membership includes hospital based consultants, all ward managers, specialist palliative

care staff, hospice consultants, and Hounslow and Richmond GPs. A ward champion's sub-group was created. All ward managers were nominated as EoL champions for their area and are members of the group. Following the acquisition, a cross site EoL steering group has been established which will build upon the themes identified in the WMUH local group and harmonise these in the broader framework of North West London initiatives in this area. The group has representation from multiple agencies with clinical leads for each site and other key stakeholders such as the CCGs and hospice teams.

The overarching "end of life care strategy" which covers both sites will be reviewed in the forthcoming year.

The work to date has identified a higher than expected number of EoL patients dying at WMUH. The scarcity of hospice beds in the local community setting contributes to the context and there is also considerable pressure upon the provision of end of life care in nursing homes. The Trust's mortality group has carried out a review of in hospital death of nursing home patients which identified the need to improve care coordination across the various settings.

The engagement of GP representatives in the steering group has helped identify issues that could be tackled jointly by primary and secondary care. We have identified that communication between the hospital and primary care following the death of a patient could be improved and initiated work to identify those opportunities.

The use of our compassionate care agreement has become well established on the WMUH site. The cross site palliative care strategy group is reviewing the tool for adaptation so that it can be implemented across both sites.

2015/16 has seen the establishment of a new hospital based palliative care consultant post, an end of life/palliative care clinical nurse specialist and an administrator. These new posts will be strongly linked to the newly created palliative care consultant post in the community. The plans for the forthcoming year include further nursing and associated profession expansion which will greatly assist in the progression towards a 7-day service.

We are improving our data capture to better audit the activity of the team and to assess the impact upon readmissions and delivery of preferred care pathways according to the patients' needs.

The EoL care training programme is to be mandated across the organisation to enhance recognition and support for the dying patient in a timely manner. We expect improvement in this respect in the forthcoming findings of the national care of the dying audit due in spring 2016.

The EoL steering group and ward champions' group are adopting the gold standards framework (GSF) tool which will align to both acute hospital sites to a nationally favoured tool. This is a framework that helps deliver 'gold standard care' for palliative care patients. A cross site program in conjunction with the Royal Marsden Hospital has seen staff from WMUH complete the enhancing the care of the dying program which is pivotal to the roll out of GSF.

Priority 6: To improve the experience of our patients with learning disabilities whilst in our care

What did we set out to achieve?

- Review the role and terms of reference for the WMUH people with learning disability (PLD) steering group and the groups work plan—in year we will be looking to collaborate with C&W involving their clinical nurse specialist for learning disabilities in this work.
- Review the current patient passport for PLD and work in collaboration with community leads for PLD to develop a new passport for single use across the boroughs which also meets the needs of C&W clients.
- Review the current flagging arrangements in use at WMUH for PLD.
- Arrange for our community PLD nurse consultant to work on the wards providing hands on training, advice and support to WMUH staff.
- Hold an open space workshop event in the autumn of 2015, seeking the views and ideas of PLD clients and their carers views on hospital services and how they can be improved.

What did we achieve during 2015/16?

- There is now one single steering group across both sites. This is led by the lead nurse for learning disability cross site. Terms of reference have been agreed.
- Work continues in the development of a single passport that will be acceptable across all boroughs.
- Flagging of patients on the WMUH site has been challenging due to the number of differing IT systems which are non-compatible. Options are being considered as to how this could be rectified. Presently in patients are flagged utilising 'Realtime' (a bed management system).
- The support from the community PLD leads has not been as hands on as we would have liked although they are available remotely for advice. A training programme has been implemented building on that which is delivered at C&W hospital site. Two staff per ward were nominated to attend the ongoing educational programme on learning disability in order to 'champion' this and share their learning in practice.
- In October 2015 WMUH held a "getting to know your hospital" event to help improve the overall experience of patients with learning disabilities and dispel any fears or concerns they may have about coming to hospital. This was attended by 30 visitors with learning disabilities. Small group tours were organised covering areas such as accident and emergency, the ambulatory emergency care unit, the fracture clinic and plaster room, ear, nose, throat and the audiology departments. This was very well received by the guests who commented that the hospital definitely seemed less scary.

What are we going to do in 2016/17

- The lead nurse will continue to work collaboratively across the boroughs and across the Trust sites

- Work continues with IT in order to achieve compliance with flagging of all patients attending the trust with learning disabilities.
- Due to the success of the “getting to know your hospital “event this will be planned to take place on both sites during 2016

Priorities for improvement 2016/17

This section of the report sets out the Trust’s quality improvement priorities for 2016/17. The priorities for the C&W have been rolled over from the previous year, 2015/16, and will include the WMUH site. In 2015/16 the priorities were identified through engagement across a number of areas which have endorsed the roll over to 2016/17:

- Engagement and feedback from our Council of Governors’ quality sub-committee that includes external stakeholders (for example commissioners and Healthwatch)
- Engagement and feedback from our Board’s quality committee
- The development of the quality strategy and plan for 2015–18
- Incident reporting and feedback from complaints

Our 2016/17 priorities are set out below and then detailed in the remainder of this section. In each case we have aligned the priority to one of the three quality domains (patient safety, clinical effectiveness and patient experience). However, we recognise that in reality each priority is likely to impact on multiple domains—in particular patient experience which we are focusing on as an overarching objective of our quality strategy. Progress during the last year is reported in the section ‘priorities for improvement 2015/16’ above.

Our ambition for 2016/17 is to have a supportive process in place with all these projects aimed at ensuring teams develop transferrable and sustainable knowledge and skills in order to continue journeys of improvement within the organisation and across wider healthcare. These are critical skills for the future and working with patients and colleagues across the sectors.

Our support during 2016/17 will be through our colleagues at the National Institute for Health Research Collaborations for Leadership in Applied Health Research and Care for North West London (NIHR CLAHRC NWL). They have expert level quality improvement skills and knowledge and given they have an existing relationship with the organisation this is an obvious area to develop together with them. One of the first tasks during Q1 will be to work with each of the clinical teams to develop measurable metrics allowing improved monitoring of progress.

Quality consists of three areas which are crucial to the delivery of high quality services:

- Patient safety—how safe the care provided is
- Clinical effectiveness—how well the care provided works
- Patient experience—how patients experience the care they receive

We have set the following priorities for 2016/17 which have been agreed with the Council of Governors. Details of each of these priorities, including the actions planned and how we will monitor our progress throughout the year, are presented below. A quarterly report will be provided to the relevant subgroup ie clinical effectiveness group, patient safety group or patient experience group, and subsequently to the quality committee.

Patient safety

Priority 1: Reduction of acquired pressure ulcers in hospital

Objective

To see a reduction in hospital acquired pressure ulcers.

Trust lead

Claire Painter (Divisional Nurse for Planned Care)

Plan for 2016/17

Our plan for 2016/17 will be to continue to report on the prevalence of hospital acquired pressure ulcers across the Trust, using the national safety thermometer data collection tool for improvement. With support from CLAHRC NWL, developing specific aims and actions will enable us to readily track and understand variation and improvements at both the C&W and WMUH sites. We will set a target for the number and/or percentage of patients who develop hospital acquired pressure ulcers while being treated at our sites, to help us develop interventions that will support our achievement of this aim over the coming year. Comparing our performance to national achievements (such as the NHS safety thermometer tool) will inform us of what target to set ourselves.

To facilitate this, we will formalise cross-site working to ensure that learning and progress is communicated across the C&W and WMUH sites. Learning will be cascaded through a new safety group information sharing bulletin, and through the tissue viability nurses at both sites. There will be a specific focus on grade 2 pressure ulcers as this is where we have the highest incidence and where numbers remain static. The continued root cause analysis of all grade 3, 4 and unstageable pressure ulcers will be reviewed through an enhanced panel of senior nurses and the learning shared through divisional Boards. Where a pressure ulcer is identified as avoidable, clear actions will be set to reduce the likelihood of reoccurrences, and these actions will be monitored to help us understand what impact they are having.

To further support our plans, we will ensure that the procedures for reporting pressure ulcers on Datix continue to be embedded in every day practice. We will work with CLAHRC NWL to review how the data is analysed and presented to help the identification of trends over time and to move towards monitoring the time between each reported incident. This will help create motivation and provide clear feedback.

Priority 2: Embedding of the WHO surgical checklist:

Objective

To fully embed use of the WHO checklist across the organisation, reflecting feedback from the CQC's review of the services we provide and building on existing progress.

Trust leads

Peter Dawson (Divisional Medical Director for Planned Care) and Mike Weston (Consultant Anaesthetist)

Why is this important?

The use of the WHO checklist is designed to improve patient safety and reduce mortality and morbidity rates within surgery. This follows a number of recommendations from the CQC and is in line with government guidance.

What have we set out to achieve?

Within the next year the aim is to ensure that the two sites have the same WHO checklists, and the procedures are standardised. At the moment this isn't the case and there are differences between the two sites, and even between specialties. The ultimate aim is that the process will be as standardised and robust as possible across the two sites, all the while ensuring compliance against a number of other required standards.

What are we going to do in 2016/17?

Review all WHO checklists, and merge to create a 'core' document which will be standardised in all theatres/surgical areas. In addition, specialty specific WHO checklists will be developed, to ensure that all elements are covered as a standard protocol. This is a suggested approach and is subject to change as the work and research develops.

Improving the way in which we do the sign in, time out and sign out—in line with the recommendations from the most recent CQC visit.

Ensure that we have full pre-brief and de-brief, and that this forms an integral part of the surgical session. This will allow for improved communication between the consultants, anaesthetists and all theatre staff.

How will we know how we are doing?

- Improved audit results across the Trust
- SurveyMonkey to get anonymous feedback on processes and protocols, and highlight any concerns and issues

Priority 3: Early identification of the deteriorating patient

Objective

To rapidly identify potentially unwell and/or septic patients and institute prompt treatment, in order to reduce mortality and morbidity.

Trust leads

Gary Davies (Acute Medicine Consultant)

Plan for 2016/17

Our plan for 2016/17 can be separated into 2 main work streams.

The first work stream relates to the roll out of the ThinkVitals app to other wards across the Trust. In doing so, we will be able to improve the identification of deteriorating patients on multiple wards, and will enable us to compare our performance against national guidelines and best practice, to ultimately understand the benefits of the ThinkVitals software.

The second work stream, with support from CLAHRC NWL, centres on improving our ability to identify, investigate and treat sepsis patients. To do this, we will firstly invest time in a baseline data collection period to understand the nature of current practices related to sepsis and where efforts for improvement can best be targeted. This information will be used to inform discussions with staff to contribute to the development of a targeted aim and intervention ideas. Interventions will be tested and iteratively developed initially on AAU and spread to other sites if successful. We will ensure that there are procedures in place to support regular data collection with regards to identification, investigation and treatment of septic patients (eg whether antibiotics are administered to septic patients within one hour). This will be based on an algorithm agreed by NICE, NCEPOD and the

Sepsis Trust (eg Sepsis 6), consisting of diagnostic steps and interventions to guide identification and treatment of sepsis.

By developing outcome measures, we will be able to review how well our interventions have contributed to achieving our targeted aim. This could involve looking at whether the ThinkVitals app reduces the time it takes and numbers of patients being referred to ITU, the length of time patients are staying on ITU, and rates of mortality related to sepsis.

To support these work streams, we will formalise cross-site working to ensure that learning and progress is communicated across the C&W and WMUH sites, with the support of CLAHRC NWL. This relates to sepsis quality priority work that has been carried out separately at each site over the past year, and ensuring knowledge is disseminated amongst staff.

To further facilitate this work, we will continue to utilise reporting structures to update the clinical effectiveness group and quality committee on progress. Through clear reporting of data, actions taken, and anticipated delays or challenges, we will gain a better understanding of support required from others to enable progress.

Clinical effectiveness

Priority 4: Reduce avoidable admissions of term babies to the NICU

Objective

To deliver a 20% reduction in the number of term babies admitted unexpectedly to the neonatal intensive care unit (NICU).

Trust leads

Charlotte Deans (Consultant Obstetrician)

Plan for 2016/17

With a continued focus on our aim of reducing the admission of term babies to NICU by 20% within 3 years, we have several plans in place across the maternity service.

In our antenatal services, we will monitor training progress to ensure all staff are trained to use the GAP tool to recognise fetal growth problems. Our midwifery lead will be instrumental in rolling this tool out across the service. In the intrapartum services, we will design and implement a training package for fetal heart rate monitoring in labour, in coherence with national guidelines. NICE are currently in consultation regarding their classification system so we are aiming to have a framework by the end of April 2016, once the classification system is agreed.

In the postnatal services, we are planning to complete a random audit of practice on 2 days a week for 1 month to assess current practice relating to the identification of hypoglycaemia and hypothermia, and this will inform the creation of a skills development programme in these areas. Now that we have a framework and audit tool approved, we are planning to collect data for monthly compliance of babies who receive antibiotics in a timely manner.

To support the plans we have outlined for the coming year, we will formalise cross-site working to ensure that learning and progress is communicated across the C&W and WMUH sites. With the support of CLAHRC NWL, we will ensure that the procedures for

collecting the data mentioned above are embedded in everyday practice, and we will review how the data is analysed and presented to help identify trends over time and gaps in knowledge. This will help create motivation and provide clear feedback. We will also work with frontline staff and patients to understand processes and practices and to inform what changes might be required to achieve our improvement goals. From this, we will work with CLAHRC to identify interventions, and their support will help us through the implementation and evaluation.

We will review our progress at regular steering group meetings, and will continue to utilise reporting structures to update the patient safety group and quality committee. Through clear reporting of data, actions taken, and anticipated delays or challenges, we will gain a better understanding of support required from others to enable progress.

Patient experience

Priority 5: Friends and Family Test—inpatient responses

Objective

To use the Friends and Family Test (FFT) as a key measure for our continued ambition to provide excellent experience of care in everything we do. This measure was chosen by our governors in 2014/15 and remains a priority for improvement.

Trust leads

Karin Burke (Assistant Director of Patient Experience)

Why is this important?

The Friends and Family Test is a short survey that aims to understand the patient experience at Chelsea and Westminster Hospital NHS Foundation Trust. The survey is inclusive of all demographics and reaches out to the majority of patients who attend our hospital. We receive real time feedback that informs local services of the level of patient experience. Individual staff leads have access to an online system which informs areas of patient response (%) and recommendation rate (%) and act on any current concerns of the clinical area. The survey results are benchmarked across all other hospitals in England which is important to inform patients' choice of care.

What have we set out to achieve?

The Friends and Family Test has been rolled out to all departments—inpatients, outpatients, day case, maternity and paediatrics. The process has taken time to install and embed however we have achieved full implementation. The FFT is a recognised tool to collect patient feedback, staff have been fully engaged with and continuously informed of results and patient themes as a result of feedback.

The measure set for all areas during 2016/17 is:

- Recommendation >90%
- Non-recommendations <10%
- Response rate >30%

What are we going to do in 2016/17?

The priorities for 2016/17 will be to fully support and further engage with staff. We need to work closely with each division to ensure action plans are formed to improve patient experience as a result of the feedback. We also need to work at local ward level as some

areas are more successful than others—to support the successful and the least successful to improve the response rate and patient experience. We will offer support and development opportunities through workshops to ensure staff are trained to access the information and use the information to improve services and patient experience.

How will we know how we are doing?

We can evaluate success by measuring the quantitative results and qualitative information. For example, we will aim to increase the response rate in the emergency department to improve patient representation. We will analyse themes and share and build good practice—we will also ensure to improve the negative themed feedback. Quarterly reports will be provided to the patient experience group and subsequently to the quality committee.

Statements of assurance from the Trust Board

In this section of the report we aim to provide information which is common across all NHS quality reports/accounts. These statements serve to offer assurance to the public that our organisation is:

- Performing to essential standards as well as going above and beyond this to provide high quality care
- Measuring our clinical processes and performance
- Involved in national cross-cutting projects aimed at improving quality

Review of services

During 2015/16 the Chelsea and Westminster Hospital NHS Foundation Trust provided and or sub-contracted 87 relevant health services.

Chelsea and Westminster Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2015/16 represents 100% of the total income generated from the provision of relevant health services by the Chelsea and Westminster Hospital NHS Foundation Trust for 2015/16.

Participation in clinical audit

During 2015/16, 34 national clinical audits and 5 national confidential enquiries (C&W site) 33 national clinical audits and 5 national confidential enquiries (WMUH site) covered relevant health services that Chelsea and Westminster Hospital NHS Foundation Trust provides. During that period the Trust participated in 97% of national clinical audits and 80% of national confidential enquiries (C&W site) 94% of national clinical audits and 80% of national confidential enquiries (WMUH site) of the national clinical audits and national confidential enquires that it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Trust was eligible and participated in, and for which data collection was completed during 2015/16, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National clinical audit project participation

National clinical audit & enquiry project title	C&W			WMUH		
	Eligible	Participated	% submitted	Eligible	Participated	% submitted
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	Yes	100%	Yes	Yes	100%
Adult Asthma	Yes	Data collection scheduled 2016/2017	-	Yes	Data collection scheduled 2016/2017	-
Adult Cardiac Surgery	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
Bowel Cancer (NBOCAP)	Yes	Yes	100%	Yes	Yes	100%
Cardiac Rhythm Management (CRM)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Case Mix Programme (CMP)	Yes	Yes	100%	Yes	Yes	100%
Chronic Kidney Disease in primary care	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
Congenital Heart Disease (CHD)	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
Diabetes (Paediatric) (NPDA)	Yes	Yes	100%	Yes	Yes	100%
Elective Surgery (National PROMs Programme)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Emergency Use of Oxygen	Yes	Yes	100%	Yes	Yes	100%
Falls and Fragility Fractures Audit programme (FFFAP)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Inflammatory Bowel Disease (IBD) programme	Yes	Yes	100%	Yes	Yes	100%
Major Trauma Audit	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Audit of Intermediate Care	Yes	Yes	Ongoing	Yes	No	0
National Audit of Pulmonary Hypertension	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
National Cardiac Arrest Audit (NCAA)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	Yes	Yes	100%	Yes	Yes	100%
National Comparative Audit of Blood Transfusion programme	Yes	Yes	100%	Yes	Yes	100%
National Complicated Diverticulitis Audit (CAD)	Yes	No	0%	Yes	No	0
National Diabetes Audit—Adults	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Emergency Laparotomy Audit (NELA)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Heart Failure Audit	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Joint Registry (NJR)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Lung Cancer Audit (NLCA)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Ophthalmology Audit	Yes	Yes	Ongoing	No	Not applicable to WMUH services	-
National Prostate Cancer Audit	Yes	Yes	Ongoing	Yes	Yes	Ongoing
National Vascular Registry	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
Neonatal Intensive and Special Care (NNAP)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Non-Invasive Ventilation—Adults	Yes	Data collection scheduled 2016/2017	-	Yes	Data collection scheduled 2016/2017	-
Oesophago-gastric Cancer (NAOGC)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Paediatric Asthma	Yes	Yes	100%	Yes	Yes	100%
Paediatric Intensive Care (PICANet)	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
Paediatric Pneumonia	Yes	Data collection scheduled 2016/2017	-	Yes	Data collection scheduled 2016/2017	-

National clinical audit & enquiry project title	C&W			WMUH		
	Eligible	Participated	% submitted	Eligible	Participated	% submitted
Prescribing Observatory for Mental Health (POMH-UK)	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
Procedural Sedation in Adults (care in emergency departments)	Yes	Yes	100%	Yes	Yes	100%
Renal Replacement Therapy (Renal Registry)	No	Not applicable to Chelsea & Westminster services	-	No	Not applicable to WMUH services	-
Rheumatoid and Early Inflammatory Arthritis	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Sentinel Stroke National Audit programme (SSNAP)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
UK Cystic Fibrosis Registry	No	Not applicable to C&W services	-	No	Not applicable to WMUH services	-
UK Parkinson's Audit	Yes	Yes	100%	Yes	Yes	Ongoing
Vital signs in children (care in emergency departments)	Yes	Yes	100%	Yes	Yes	100%
VTE risk in lower limb immobilisation (care in emergency departments)	Yes	Yes	100%	Yes	Yes	100%

NCEPOD confidential enquiries project participation

Confidential enquiry project title	C&W			WMUH		
	Eligible	Participated	% submitted	Eligible	Participated	% submitted
Maternal morbidity and mortality confidential enquiries (cardiac (plus cardiac morbidity) early pregnancy deaths and pre-eclampsia, plus psychiatric morbidity)	Yes	Yes	100%	Yes	Yes	100%
Maternal mortality surveillance	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Perinatal mortality and morbidity confidential enquiries (term intrapartum related neonatal deaths)	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Perinatal Mortality Surveillance	Yes	Yes	Ongoing	Yes	Yes	Ongoing
Acute Pancreatitis	Yes	No	-	Yes	No	-

The reports of 21 national clinical audits on each site were reviewed by the provider in 2015/16 and the Trust intends to take the following actions to improve the quality of healthcare provided:

- Review the remaining national clinical audits relating to 2015/16 to identify and collate actions to be taken to improve the quality of healthcare provided.
- Publish the findings of all reviews in October 2016 in the Trust's Clinical Audit Annual Report 2015/16.

The reports of 68 local clinical audits were reviewed by the provider in 2015/16 and Chelsea and Westminster Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Review the remaining local clinical audits relating to 2015/16 to identify and collate actions to be taken to improve the quality of healthcare provided.
- Publish the findings of all reviews in October 2016 in the Trust's Clinical Audit Annual Report 2015/16.

Commitment to research as a driver for improving the quality of care and patient experience

The number of patients receiving relevant health services provided or sub-contracted by the Trust in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 3,864. This is the total number of patients across the two hospitals.

Participation in clinical research demonstrates the Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff stay abreast of the latest treatment possibilities and active participation in research leads to successful patient outcomes.

The Trust was involved in conducting 128 National Institute for Health Research (NIHR) Portfolio clinical research studies in A&E, anaesthesia, critical care, diabetes, ENT, maternity, ophthalmology, surgery, metabolic and endocrine, sexual health, genetics, neurology, neonatology, infection, urology, cancer, gastroenterology, paediatric, haematology, respiratory, cardiology, rheumatology, dermatology and stroke during 2015/16. The improvement in patient health outcomes demonstrates the Trust's commitment to clinical research which leads to better treatments for patients.

77 clinical staff participated in research approved by a research ethics committee at the Trust during 2015/16. These staff participated in research covering 25 medical specialties.

In the last three years, 1,616 publications have resulted from our involvement in research and audits, which shows our commitment to transparency and our desire to improve patient outcomes and experience across the NHS. Our engagement with clinical research also demonstrates the Trust's commitment to testing and offering the latest medical treatments and techniques.

Commissioning for quality and innovation (CQUIN) payment framework

Every year the Trust agrees a number of quality indicators with its commissioners. The indicators cover areas of patient safety, patient experience and clinical effectiveness.

A proportion of the Trust's income in 2015/16 was conditional on achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework. For 2015/16 CQUIN schemes were agreed for the WMUH site only.

Further details of the agreed goals for 2015/16 and for the following 12-month period will be available electronically on the Trust's website.

The tables on the following pages detail the payment received by the Trust for the achievement against each of the indicators for 2015/16 and sets out the goals for 2016/17.

Description of CQUIN	Quality priorities	Achieved (%)	Achieved (£000)	Total value allocated to each CQUIN (£000)	Comments
Nationally agreed CQUIN indicators					
Improvement in Discharge Communication—Acute Kidney Injury	Clinical Effectiveness and patient safety	83%	£218	£234	Partial compliance due to longer than expected lead time for developing an IT enabled solution
Sepsis Screening and Treatment	Clinical Effectiveness and patient safety	96%	£222	£234	Partial compliance against target for timeliness of antibiotic prescribing
All over-75 year olds will undergo three stages of dementia screening, identified cases will be investigated and referred, staff will be trained and carers will be supported	Clinical effectiveness and patient safety	86%	£226	£234	Partial compliance due to challenges in delivering training to medical staff
Regionally Agreed CQUIN Indicators					
Urgent care—reduction in >21 day stays in hospital and weekend A&E performance	Clinical effectiveness and patient safety	75%	£430	£468	Partial compliance due to performance against 4hr A&E standard <95% on Mondays
Shared patient records and real time information systems	Patient safety, and clinical effectiveness	100%	£656	£656	Achieved in full
Diagnostic Cloud link to Ashford & St Peter's Hospitals	Patient safety, and clinical effectiveness	100%	£75	£75	Achieved in full
NW London Diagnostic Cloud	Patient safety, and clinical effectiveness	100%	£94	£94	Achieved in full
Outpatient Referral Management and reduction in outpatient follow-up visits to WMUH	Patient experience, and clinical effectiveness	80%	£72	£131	Partial achievement due to lower than expected volumes of Consultant-led triage of referrals
Enhancing 7 day services	Patient safety, and clinical effectiveness	66%	£193	£203	Partial achievement due to delayed arrangements for 7 day MRI services, and lack of echocardiography provision at weekends
Locally Agreed CQUIN Indicators					
Catheter Care	Patient safety, clinical effectiveness and patient experience	100%	£12	£12	Achieved in full
Total Achieved		93.89%	£2198	£2341	
Total achieved by C&W for 2014/15 was 88% £4.7m out of a maximum of £5.4m ³¹					
Total achieved by WMUH for 2014/15 was 96% £2.8m out of a maximum of £2.9m ³²					

For 2016/17, 6 CQUINS are proposed, but yet to be finalised—3 national and 3 regional

National	Description
Staff wellbeing	This CQUIN focuses on Trusts promoting a healthy workplace environment, preventing promotion of high fat and sugar foods on sale on Trust premises and promoting 'flu vaccination for all staff
Physical health: Sepsis	This CQUIN builds on the 15/16 CQUIN which focused on patients arriving in the hospital via the Emergency Department (ED) extending the standards for screening and antibiotic administration to inpatient areas. It seeks to incentivise providers to screen for sepsis all those patients for whom sepsis screening is appropriate, and to rapidly initiate intravenous antibiotics within 1 hour of presentation for those patients who have suspected severe sepsis, Red Flag Sepsis or septic shock.

³¹ Information taken from 2014/15 Chelsea and Westminster Hospital NHS Foundation Trust Quality Report

³² Information taken from 2014/15 West Middlesex University Hospital Quality Report

National	Description
Antibiotic Prescribing	This CQUIN focuses on efforts to reduce unnecessary antibiotic prescribing. It incentivises Trusts to invest in staff to lead antibiotic stewardship and to reduce prescribing rates of antibiotics.
Improvements to IT systems and data sharing across NW London	The description for this indicator has not yet been agreed with the commissioners
Engagement in Hepatitis C Clinical Network and pathway improvement	The description for this indicator has not yet been agreed with the commissioners
Clinical Utilisation Review system implementation	The description for this indicator has not yet been agreed with the commissioners

Registration with the Care Quality Commission (CQC)

The CQC is the independent regulator of health and adult social care in England. They register, and therefore license, providers of care services if they meet essential standards of quality and safety. They monitor licensed organisations on a regular basis to ensure that they continue to meet these standards.

Chelsea and Westminster Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'fully registered'. The Trust has 'no conditions' on registration. The CQC has not taken enforcement action against Chelsea and Westminster Hospital NHS Foundation Trust during 2015/16. To find out more about the CQC visit www.cqc.org.uk.

The Trust has not participated in any special reviews or investigations by the CQC during 2015/16.

Secondary uses service (SUS) information

Chelsea and Westminster Hospital NHS Foundation Trust³³ submitted 1,583,577 records during April 2015 to March 2016 to the secondary uses service for inclusion in the hospital episode statistics which are included in the latest published data. We are not able to get best/worst figures for NHS number completeness and GMC practice code completeness. We have the national mean, which is the most important reference point.

The percentage of records in the published data³⁴:

Valid NHS number

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
A&E	96.5%	88.4%	96.4%	89.7%	DNP	DNP	95.6%
Outpatients	100.0%	90.3%	100.0%	91.1%	DNP	DNP	99.4%
Admitted patient care	98.4%	95.3%	97.8%	95.4%	DNP	DNP	99.2%

³³ Including WMUH

³⁴ Data for 2015/16 is for the period April 2015–February 2016.

General medical practice code

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
A&E	99.9%	98.9%	99.9%	99.7%	DNP	DNP	99.0%
Outpatients	100.0%	99.2%	100.00%	99.3%	DNP	DNP	99.8%
Admitted patient care	99.9%	98.5%	99.9%	99.8%	DNP	DNP	99.9%

Information governance toolkit attainment levels

Information governance concerns the way in which organisations process information about patients and staff, and apply the necessary safeguards to ensure that its use is appropriate and secure.

The information governance toolkit is an online assessment system that enables NHS organisations and their partnering bodies to measure how well they are complying with Department of Health standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage. The attainment level assessed within the information governance toolkit provides an overall measure of the quality of data systems, standards and processes. The toolkit sets out specific criteria that enable performance to be assessed based on submitted evidence, resulting in a score between 0 and 3 for each of the 45 requirements for acute trusts. If anything less than level 2 in all 45 requirements is achieved, the overall score for the whole information governance toolkit is recorded as “not satisfactory”.

The Trust information governance assessment report overall score for 2015/16 was 68% and was graded green (satisfactory). For more information about the information governance toolkit please visit www.igt.hscic.gov.uk.

Overall

Assessment	Stage	Level 0	Level 1	Level 2	Level 3	Total Req'ts	Overall score	Self-assessed grade
Version 13 (2015/16)	Published	0	0	43	2	45	68%	Satisfactory

Clinical coding error rate

The C&W site was not subject to the payment by results clinical coding audit during 2015/16.

The WMUH site was not subject to the payment by results clinical coding audit during 2015/16.

Data quality

The Trust has/will be taking the following action to improve data quality:

- A Trustwide data and information quality assurance group will be set up cross site
- Internal audit data quality reviews will be undertaken
- External support for the RTT process from the national intensive support team to assure a consistent approach to measurement and data quality

- Improve systems and processes to improve the quality and accuracy of data
- Monthly dashboard of key indicators reported through the divisions to the Board
- Data definition checks will be undertaken alongside implementation of the new integrated data repository
- All external data reported is signed off by the responsible executive director or appropriate delegate
- Refreshing and enhancing the data quality site within QlikView (the Trust's desktop business intelligent tool)
- There are dedicated clinical coding audit roles on both hospital sites
- There are dedicated clinical coding training roles on both hospital sites
- Clinical coding teams use specialist coding software to support accurate clinical coding across both hospital sites

Reporting against core indicators

The following data outlines the Trust performance on a selected core set of indicators. Comparative data shown is sourced from the Health and Social Care Information Centre (HSCIC) where available.

Where the data is not available from the HSCIC then other sources, as indicated have been used. Where data has not been published this is indicated as DNP.

The WMUH information shown for the 2015/16 period is from April 2015 until August 2015. The Trust information shown is five months of C&W-only April to August 2015 and seven months of C&W and WMUH sites combined (September 2015 to March 2016).

Core indicators

Summary hospital level mortality indicator (SHMI)

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Summary hospital level mortality indicator (SHMI)	0.881 (better than expected)	0.754 (better than expected)	DNP	0.815 (better than expected)	1.209	0.661	1

The Trust considers that this data is as described for the following reasons:

- The Trust has consistently maintained good performance with regards to mortality against national indicators. Assimilation of WMUH activity has not had a significant impact upon this performance since improvement has continued on that site throughout the year.

The Trust intends to take the following actions to improve this indicator, and so the quality of its services, by:

- Reviewing this indicator for individual diagnosis groups, improving processes and further reducing deaths.
- The Trust will also adopt a multidisciplinary Trustwide mortality review process that adheres to the forthcoming national guidance.

Percentage of patient deaths with palliative care coded at either diagnosis or speciality level

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Percentage of patient deaths with palliative care coded	24.3%	29.5%	29.9%	34.6%	n/a	n/a	n/a

The Trust considers that this data is as described for the following reasons:

- The increase in recorded palliative care activity compared to the previous year is noted at both main hospital sites. This is reassuring and compares well with the national pattern of specialist palliative care service delivery.

The Trust has taken the following actions to improve this percentage, and so the quality of its services, by:

- The engagement of specialists in palliative care being a high priority in the management of those of our patients who have reached the end of their life. It is reassuring to note that the investment made in our services on each site is having an impact.
- The C&W site is able to offer a specialist led service throughout the week as a result of expansion of nursing workforce and we expect to follow suit at the WMUH site. In addition, we are adopting the gold standard framework as a Trustwide initiative to improve palliative care delivery

Patient related outcome measures (PROMS)³⁵

Patients undergoing elective inpatient surgery for four common elective procedures (hip and knee replacement, varicose vein surgery and groin hernia surgery) funded by the English NHS are asked to complete questionnaires before and after their operations to assess improvement in health as perceived by the patients themselves. PROMS data can be used to inform changes in service delivery. The scores reported below are adjusted health gain as per national definition. The national performance is taken from the most recent nationally published data which is for the period April 2015 to September 2015³⁶. For 2015/16 there are insufficient responses from C&W and WMUH to enable national reporting and no data is available locally.

Groin hernia

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Groin hernia	0.084 ³⁷	0.082	DNP	DNP	0.01	0.13	0.088
	-0.957 ³⁸	-4.1	DNP	DNP	-7.18	3.05	-1.2

³⁵ The first set of data refers to the EQ-5D measure, the second, EQ-VAS

³⁶ <http://www.hscic.gov.uk/catalogue/PUB19824>

³⁷ EQ—5D

³⁸ EQ—VAS

The Trust considers that this data is as described for the following reasons:

- The response rate remains lower than expected as the process is not as robust as it should be.

The Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Process has been reviewed. Patients will be given the questionnaire at their outpatient appointment for completion and return at their preoperative assessment.
- Monthly meeting with internal stakeholders ie doctors and nurses and the PROMs manager to review the completed questionnaires and the data.
- An operational lead and champions have been identified to facilitate the improvements.

Varicose vein

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Varicose veins	DNP	0.15	DNP	DNP	0.04	0.13	0.01
	DNP	-1.35	DNP	DNP	-5.11	1.55	-0.52
	DNP ³⁹	-9.815	DNP	DNP	-13.14	-4.26	-8.99

The Trust considers that this data is as described for the following reasons:

- The response rate remains lower than expected as the process is not as robust as it should be.

The Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Process has been reviewed. Patients will be given the questionnaire at their outpatient appointment for completion and return at their preoperative assessment.
- Monthly meeting with internal stakeholders ie doctors and nurses and the PROMs manager to review the completed questionnaires and the data.
- An operational lead and champions have been identified to facilitate the improvements.

Hip

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Primary procedures	0.483	0.439	DNP	DNP	0.36	0.51	0.45
	11.782	17.958	DNP	DNP	4.3	20.2	11.95
	20.766 ⁴⁰	21.667	DNP	DNP	18.13	24.67	22.09
Revision procedures	n/a	n/a	n/a	n/a	n/a	n/a	n/a

³⁹ Aberdeen varicose vein questionnaire

⁴⁰ Oxford hip score

The Trust considers that this data is as described for the following reasons:

- The response rate remains lower than expected as the process is not as robust as it should be.

The Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Process has been reviewed. Patients will be given the questionnaire at their outpatient appointment for completion and return at their preoperative assessment.
- Monthly meeting with internal stakeholders ie doctors and nurses and the PROMs manager to review the completed questionnaires and the data.
- An operational lead and champions have been identified to facilitate the improvements.

Knee

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Primary procedures	0.404	0.555	DNP	DNP	0.21	0.41	0.33
	8.059	11.526	DNP	DNP	-5.00	12.56	4.62
	15.841 ⁴¹	16.583	DNP	DNP	12.4	19.34	16.79
Revision procedures	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The Trust considers that this data is as described for the following reasons:

- The response rate remains lower than expected as the process is not as robust as it should be.

The Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Process has been reviewed. Patients will be given the questionnaire at their outpatient appointment for completion and return at their preoperative assessment.
- Monthly meeting with internal stakeholders ie doctors and nurses and the PROMs manager to review the completed questionnaires and the data.
- An operational lead and champions have been identified to facilitate the improvements.

Readmission rate (28 days): 0–15 age

There are no longer published national statistics on readmissions within 28 days, and so we have no national comparators to include.

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Readmission (28 days): 0–15 age (P00902)	5.7%	4.1%	4.9%	4.3%	DNP	DNP	DNP

⁴¹ Oxford knee score

The Trust considers that this data is as described for the following reasons:

- The readmission rate on both sites has remained at a relatively low level. The indicators are reviewed as part of standard governance procedures in place within the Trust and any anomalies investigated.

The Trust has taken the following actions to improve this percentage, and so the quality of its services, by:

- In Q3 of 2015/16 a paediatric assessment unit was introduced at the WMUH site and we believe that this will have a positive impact on the readmission rate during 2016/17.
- On both sites there are rapid access clinics which enable ongoing care to be accessed quickly, without an inpatient admission.

Readmission rate (28 days): 16+ age

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Readmission (28 days): 16+ age (P00902)	10.0%	6.1%	10.3%	6.3%	DNP	DNP	DNP

The Trust considers that this data is as described for the following reasons:

- The indicators are reviewed as part of the bed productivity meeting within the Trust and any anomalies investigated.

The Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- Working with community and primary care providers to reduce the numbers of patients requiring readmissions. Readmissions are caused by numerous factors.
- The first step in this is a readmissions audit through April looking at the reason why individual patients have been readmitted this may be that a patient was not able to manage at home as expected or that their condition deteriorated.
- The Trust will then work with primary care to reduce this rate of readmission by providing alternative methods of care in the community or rapid access clinics which means that the patient can access the care they need from their normal place of residence rather than needing to be in a hospital bed.

Responsiveness to personal needs

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Response to personal needs (P01779)	64.1	68.2	DNP	DNP	DNP	DNP	DNP

The patient survey results for 2015/16 are not due for publication until June 2016 so cannot be published in this report. Despite this there are a number of actions underway to improve survey results across the board.

The Trust considers that this data is as described for the following reasons:

- This indicator forms part of the national patient safety survey and is reviewed alongside the friends and family test, complaints and incidents and not in isolation.

The Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Patient experience is a priority for the organisation, there is a plan in place to share the outcome of this year's survey results to generate discussion and action.
- The patient experience group reviews the survey results along with other key metrics.
- Divisional patient experience metrics are being developed as part of the quality reporting framework.

Staff recommending Trust

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Staff recommending Trust ^{42, 43}	57%	91%	54%	82%	44%	100%	78%

The Trust considers that this data is as described for the following reasons:

- The indicators are reviewed as part of workforce reporting within the Trust and any anomalies investigated. C&W has seen a reduction but remains above the national mean, however WMUH remains below the mean.

The Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- Ensuring transparency to staff regarding incidents, complaints and concerns as well as highlighting good practice through *Team Briefing* and other arenas.
- Improved recruitment and retention, with the corresponding reduction in temporary staff will also lead to an improvement.
- The executive and senior managers are increasing their presence in clinical areas through walkabouts, Back to Floor Fridays and Perfect Days to ensure clear, 2-way communication and feedback to support necessary changes.

Venous thromboembolism assessment

	2014/15		2015/16		National Performance ⁴⁴		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
Percentage of admitted patients risk assessed for VTE	95.4%	97.0%	94.3% ⁴⁵	96.1%	61.5%	100.0%	95.8%

⁴² The data for 2014/15 is Q1, Q2 and Q4 only.

⁴³ The data for 2015/16 is Q1 and Q2 only. Q2 data for West Middlesex not published. Worst, best and mean data based on quarterly data.

⁴⁴ National performance based on Q3 data.

⁴⁵ Based on Q1 data only.

The Trust considers that this data is as described for the following reasons:

- The national target ($\geq 95\%$) of adult patients with completed VTE risk assessment was achieved for both sites for 2015/16. There is monitoring of VTE risk assessment completion rates via weekly reports and department performance to target areas of poor performance.

The Trust has taken the following actions to improve performance and quality of its services by:

C&W site:

- Weekly and monthly monitoring of VTE risk assessment performance, with circulation of reports to divisions, and support to those departments not meeting target.
- Audits on whether patients at-risk of VTE are prescribed appropriate pharmacological and mechanical thromboprophylaxis, unless contraindicated, performed on a quarterly basis by pharmacy staff.
- Audits on whether patients receive verbal and/or written information on VTE prevention, aware of the signs and symptoms of VTE and when to seek urgent medical attention.
- Patients who develop a hospital associated VTE event, defined as during or within 90 days of admission, are investigated (root cause analysis) to identify VTE prevention measures and the contributory factors leading to VTE event, with implementation of an action plan to prevent future recurrence, and dissemination of learning to teams/department.
- VTE ward rounds occur on medicine, surgical and obstetric wards to identify appropriate VTE prevention measures eg VTE risk assessment completion and accuracy, prescribing of appropriate pharmacological and mechanical thromboprophylaxis, patient information, staff education.
- Monitor completion rates for the online VTE training module on VTE prevention and treatment for all doctors. The aim is to ensure all frontline staff are aware of the VTE prevention and treatments used at C&W site and standardise training. Mandatory training reports are circulated monthly highlighting staff performance and for managers to follow up on incomplete training.

WMUH site:

- Monthly monitoring of VTE risk assessment performance, with feedback to divisions and departments.
- Patients who develop a hospital associated VTE event undergo root cause analysis investigation to identify VTE prevention measures and the contributory factors, with identification of any changes to practice, and dissemination of learning to teams/departments.
- VTE ward rounds will be introduced in each division to increase VTE awareness and prevention measures at ward level.

C.difficile occurrence

The nationally published data on *C.difficile* is in terms of absolute number, not in terms of per 100k bed days, and so we have no national comparators to include.

	2014/15		2015/16		National Performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
<i>C.difficile</i> occurrence per 100k bed days (P01792)	5.20	6.28	6.72	5.02	DNP	DNP	DNP

The Trust considers that this data is as described for the following reasons:

- The numbers of cases of *C.difficile* and the rate per 100,000 bed days has fallen year on year between 2007/08 and 2015/16.

The Trust has taken the following actions to improve this indicator, and so the quality of its services, by:

- Harmonising the Trust policy on the management of diarrhoea across both hospital sites (in progress).
- Restricted antibiotic policy and prudent antibiotic prescribing.
- Enhanced daily cleaning and annual deep cleans of clinical areas.
- Patients to be isolated in a side room on onset of diarrhoeal symptoms (WMUH site within 2 hours, C&W site as soon as possible)
- Staff to adhere to strict hand washing with soap and water, rather than the use of hygienic hand rubs, when attending cases of diarrhoea.
- Availability of hand wipes for patients prior to meals along with educating patients, carers and visitors to wash their hands—and in the case of visitors not to visit their relatives if they have symptoms of diarrhoea and vomiting.
- Ongoing training of staff and auditing of practice as set out in the Department of Health high impact interventions.
- Root cause analysis (RCA) of each case by senior medical and nursing staff caring for the patient, and development of an action plan to address lessons learnt which will be monitored at the quality and risk meetings.
- The outcome of the RCA will be reviewed by the infection prevention and control committee.
- The use of *C.difficile* packs to aid early medical review and reduce the number of inappropriate specimens sent (C&W site only)

Number of patient safety incidents that resulted in severe harm or death

The data for this indicator is taken from the National Reporting and Learning System (NRLS). The incident reporting rate has now been changed from rate per 100 admissions to rate per 1,000 bed days and the degree of harm data is now expressed as a percentage where previously it was per 100 admissions.

Apr–Sep 2015 is the most recent nationally published data. NRLS have excluded WMUH from the national reporting from April 2015. The data has been amalgamated with the C&W site from April 2015. The reason is unknown but it is likely to be due to the two Trusts becoming one and the merging of incident reporting to one system. The columns

showing the lowest and highest scoring hospitals demonstrate the wide range of incident reporting across the country.

Number and rate of patient safety incidents		WMUH	C&W	Lowest scoring hospital	Highest scoring hospital
Apr–Sep 2015	Number	-	5,039	1,559	12,080
	Rate per 1,000 bed days	-	49.98	18.07	74.67
Oct 2014–Mar 2015	Number	2,306	2,887	443	12,784
	Rate per 1,000 bed days	30.83	40.94	3.57	82.21
Apr 2014–Sep 2014	Number	1,760	3315	35	12,020
	Rate per 1,000 bed days	25.46	50.77	0.24	67.54

Number and % of patient safety incidents that result in severe harm or death		WMUH	C&W	Lowest scoring hospital	Highest scoring hospital
Apr–Sep 2015	Number	-	10	2	89
	%	-	0.1	0.0	2.9
Oct 2014–Mar 2015	Number	16	3	1	128
	%	0.35	0.1	0.0	11
Apr 2014–Sep 2014	Number	12	7	0	97
	%	0.6	0.2	0.0	74.3

The Trust considers that this data is as described for the following reasons:

- All staff at the Trust are reminded through a number of different channels (for example, induction) that all incidents must be reported on the local incident management system, Datix. To support this, the Trust employs a Datix administrator who, together with the rest of the quality and clinical governance team, provides training and is available for drop-in sessions and one-to-one support for staff.
- All incidents reported on Datix are reviewed by the quality and clinical governance team prior to upload to the NRLS. Where necessary, the incident lead is contacted for further information to ensure that not only have actions been put in place to ensure safety, but that the details have been correctly recorded and the system updated to provide an accurate reflection of patient safety incidents across the Trust.

The Trust has taken the following actions to improve this rate and so the quality of its services by:

- Continuing to focus our priorities on improving patient safety, during 2015/16 as part of the integration programme, the Trust developed plans to implement a new and improved version of DatixWeb in early 2016, replacing the existing systems on each hospital site.
- Patient safety incidents continue to be reviewed on a daily basis by the quality and clinical governance team who escalate or take appropriate action when necessary.
- Serious incidents are investigated and the findings used to inform learning and quality improvement.
- Investigation reports continue to be reviewed at both local level through morbidity and mortality meetings or quality and risk meetings and also at Board level via the monthly serious incident report.

Part 3: Other information

Performance indicators

During 2015/16 we met the majority of the key standards that the government and our commissioners—the NHS organisations that buy services from us on behalf of our patients—set for us, and only narrowly missed others. Doing well against these standards demonstrates that we are providing our patients with the best possible care. Below is a summary of some of our key performance for 2015/16. However, this should be read in conjunction with the main narrative of the annual report for a better understanding of the context of these performance measures. Details of our current performance, updated on a monthly basis, can be found on our website www.chelwest.nhs.uk.

NHS improvement risk assurance framework

The table below summarises the performance indicators for the Trust.

Indicator	Performance 2014/15 (C&W only)	Target 2015/16 (C&W and WMUH)	Performance 2015/16 (combined year end position)
Incidence of <i>Clostridium difficile</i>	8	16	17
All cancers: 31-day wait from diagnosis to first treatment	99.76%	96%	99.5%
All cancers: 31-day wait for second or subsequent treatment: surgery	93.3%	94%	100%
All cancers: 31-day wait for second or subsequent treatment: anti-cancer drug treatments	100%	98%	100%
All cancers: 62-day (urgent GP referral to treatment) wait for first treatment	90.4%	85%	90.3%
Cancer: two week wait from referral to date first seen comprising all cancers	95.0%	93%	94.7%
Referral to treatment waiting times <18 weeks—Incompletes ⁴⁶	92.3%	92%	92.1%
A&E: Total time in A&E ≤4hrs	96.3%	95%	95.6%
Self-certification against compliance with requirements regarding access to healthcare for people with a learning disability	Non-compliant	Compliant	Non-compliant

Notes

All indicators in the above table are sourced from Trust's Performance Report—targets are national targets or have been set by DH.

The data for 2014/15 relates to C&W alone and for 2015/16 it is the combined position at year end. Apart from 2 indicators (incidence of *C. difficile* and self-certification against compliance with requirements regarding access to healthcare for people with learning disability) all targets were met.

There was one case above target of *C. difficile* at the WMUH site. All cases are routinely investigated and lessons learned and actions put in place. Of the 11 cases investigated in the first 3 quarters of the year only one had an identified lapse in care. The 6 investigated in Q4 have not yet been validated.

The reason for non-compliance with 'self-certification against compliance with requirements regarding access to healthcare for people with learning disability' is that at WMUH there is an outstanding issue with flagging on eCAMIS (patient administration system) which is being addressed by all Trusts involved with this system alongside the system provider.

Through the past 12 months both the RTT and the A&E data capture systems and processes have been subject to internal and external validation. In relation to RTT there are some risks to the quality and accuracy of data due to the complexities of the Trust's systems and work continued during 2015/16 to address the backlog of long waiting patients over 18 weeks. These have been largely mitigated by a significant amount of work undertaken over the second half of 2014/15 and throughout 2015/16 to review and improve systems and processes to improve the quality and accuracy of data. However, the external auditor has issued a qualified opinion in respect of the Trust's calculation of this performance measure, noting that issues identified at the C&W site in 2014/15 have continued throughout 2015/16 and that similar problems were identified with respect to the WMUH site. In addition, both the work of external and internal audit during 2015/16 identified issues in respect of the audit trail of the 4 hour A&E waiting time standard at the C&W site, where the reasons for changes from breach to non-breach positions could not be validated. The external auditor has, as a result, qualified its opinion on the Trust's A&E performance results.

⁴⁶ Patients still waiting for treatment to start

Local quality indicators

The local quality indicators differ from last year across both sites. The reason being with the two hospitals coming together this has given us an opportunity to review the key indicators that are important to us and the quality of patient care that our patients receive. The indicators chosen are important not just to the Trust but to North West London as a whole. In determining the indicators, we have focused on where we can embed and sustain improvements and share learning from the wider NHS. Falls and pressure ulcers are linked to the Trust's quality strategy and plans for 2015–18.

Patient safety

Pressure ulcers

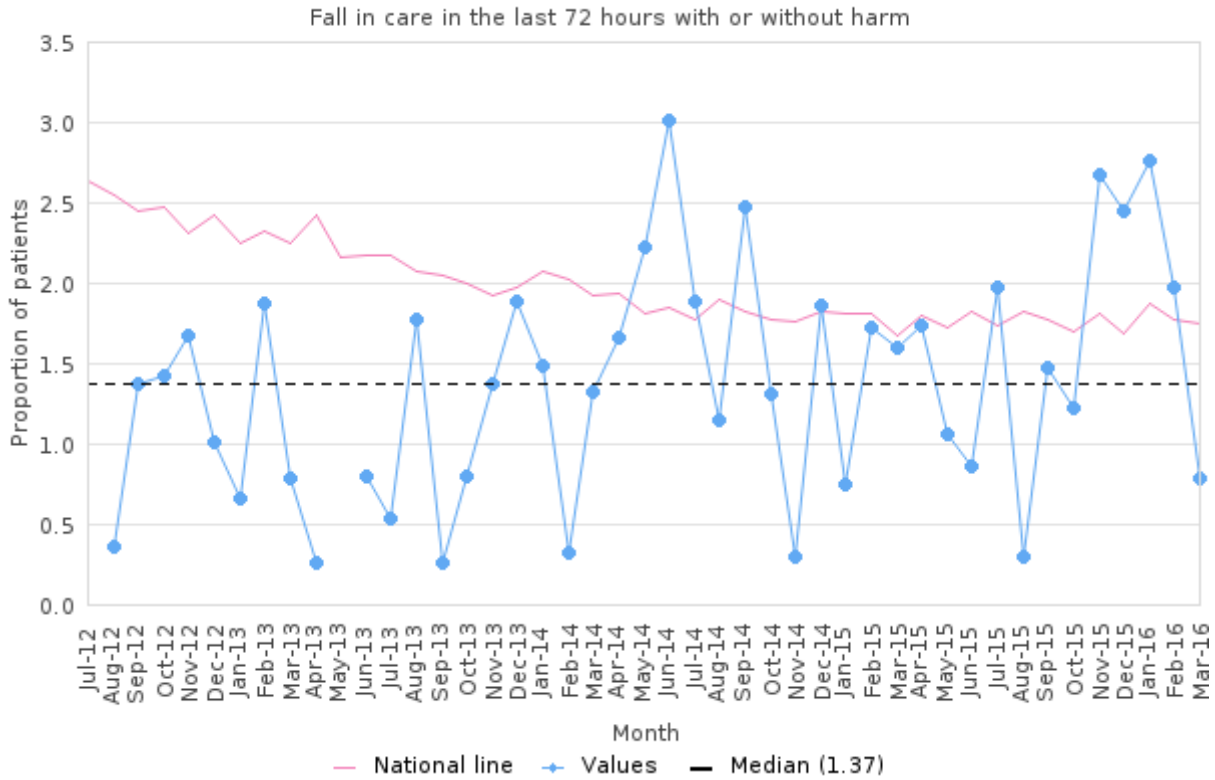
Prevention of hospital acquired pressure ulcers is crucial to the prevention of harm agenda. An update on pressure ulcers and the actions for 2016/17 was provided in the quality priorities section on page 84. The table below provides an overview of the number of incidents reported on the Trust's incident reporting system on both sites during 2015/16 comparing to the previous year's data. This data shows that although there has been a decrease in the volume of grade 3 and 4 pressure ulcers on the C&W site there has been an increase in grade 2 hospital acquired pressure ulcers. On the WMUH site the opposite is true with an increase in grade 3 and 4 and a decrease in the volume of grade 2 hospital acquired pressure ulcers. There is more work required to improve the level and accuracy of reporting during 2016/17. The Trust is engaged in work across North West London on the prevention and reduction of pressure ulcers across hospital and community.

	2014/15		2015/16	
	WMUH	C&W	WMUH	C&W
Grades 3 and 4 reported as serious incidents	17	46	23	26
Pressure ulcers (grades 2, 3 and 4)	265	173	199	205

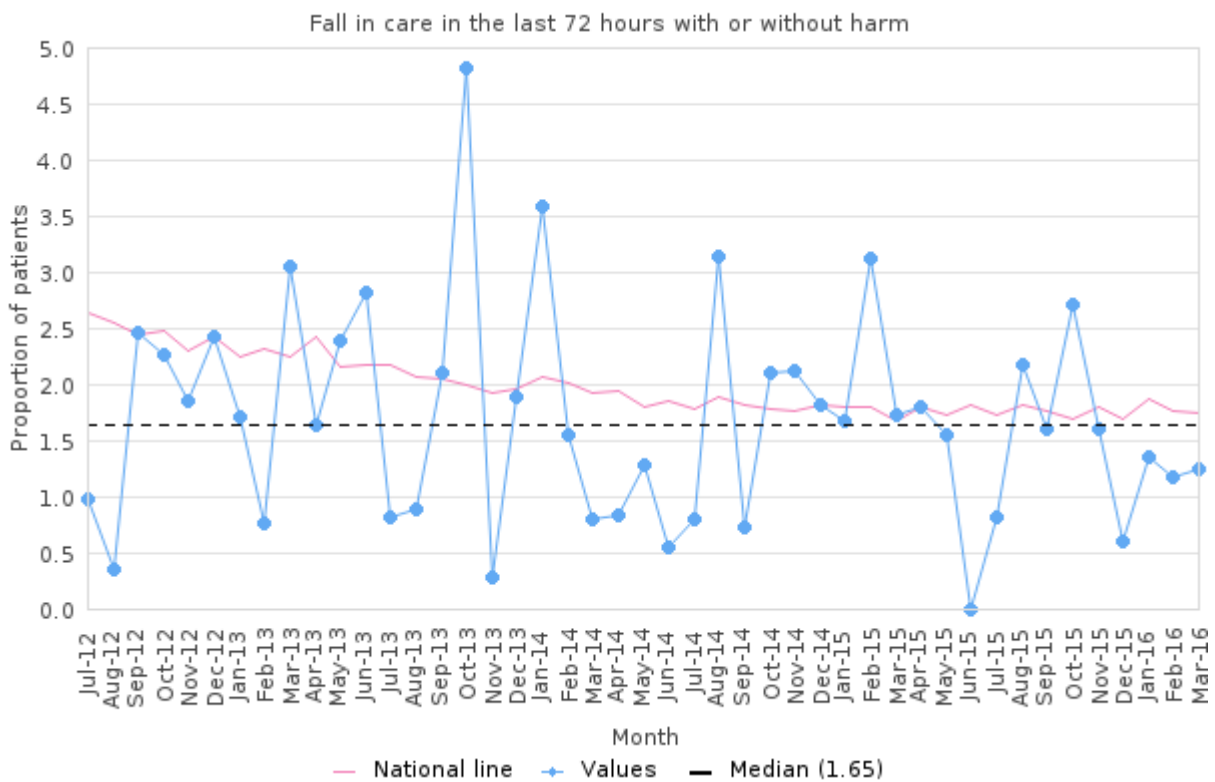
Falls

Falls are another indicator covered by the prevention of harm agenda. The following graphs show the data relating to falls taken from the published national safety thermometer tool. The NHS safety thermometer is a local improvement tool for measuring, monitoring and analysing patient harms and 'harm free' care. It provides a quick and simple method for surveying patient harms and analysing results so that we can measure and monitor local improvement and www.harmfreecare.org over time comparing to a national benchmark. Both sites are currently showing a below national average for falls with harm. During 2016/17 the focus on falls prevention will continue. The work on falls prevention links to the quality plan for frailty in the quality strategy and plan.

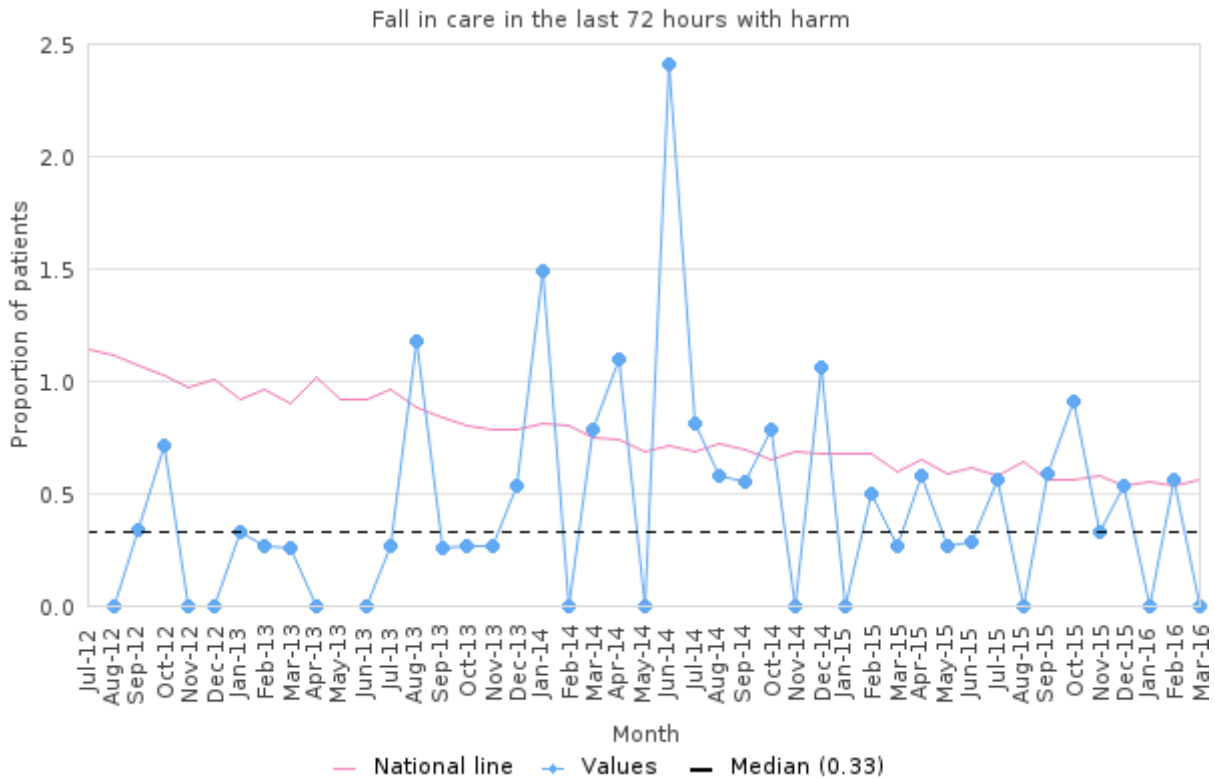
Total falls, C&W



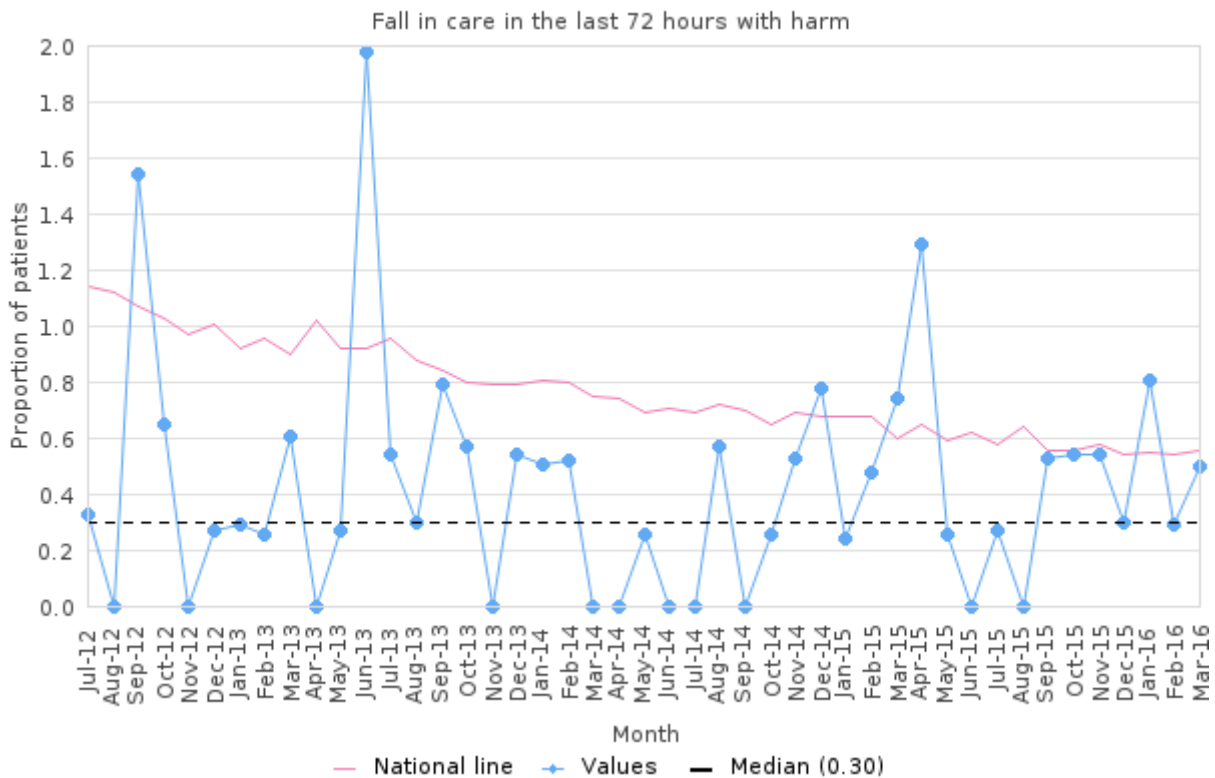
Total falls, WMUH



Total falls with harm, C&W



Total falls with harm, WMUH



Key actions for 2016/17

- Divisional nurse for emergency and integrated care appointed as Trust lead for falls prevention
- Although there has been a steering group at the WMUH site, this will be set up to be cross-site in Q1
- There will be a review of training for all staff on both sites
- Falls will be monitored by the use of the safety thermometer, Datix incident reporting and safety crosses at ward level
- Engage clinical lead for frailty project in the reduction of falls linking to the care of the elderly steering group
- There will be a review of equipment required for falls prevention and post falls management
- There will be a review of the environment in relation to falls prevention
- Champions will be appointed across all ward and department areas
- Analysis of themes will take place quarterly using the DATIX incident reporting system
- Policies will be aligned across both sites

Patient safety and patient experience

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
A&E/UCC patient stay in A&E less than 4 hours (type 1)	88.9%	96.3%	90.4%	95.4%	73.9%	98.1%	87.9%
A&E/UCC patient stay in A&E less than 4 hours (type 3)	99.5%	n/a	99.1%	n/a	95.8%	100.0%	99.5%

The Trust was one of the few trusts in England to achieve the A&E all types 4 hour standard during 2015/16 representing a significant achievement in the context of rising demand for non-elective services from both hospital sites, but particularly at WMUH. WMUH performance for the 5 months prior to acquisition was also compliant and one of the top 3 trusts in London. Seasonal demand pressures saw the Trust failing to meet the standard in Q4 on both sites.

Clinical effectiveness and patient experience

	2014/15		2015/16		National performance		
	WMUH	C&W	WMUH	C&W	Worst	Best	Mean
18 Week RTT	96.6%	92.7%	n/a	92.1%	73.8%	100%	91.9%
Cancer 2 week waits ⁴⁷	94.0%	94.9%	93.8%	95.3%	50%	100%	94.8%
Cancer 31 day diagnosis to treatment	99.5%	99.7%	99.5%	99.7%	91%	100%	97.9%
Cancer 62 days RTT ⁴⁸	84.0%	92.6%	90.0%	87.1%	0%	100%	83.5%

Trust performance against the incomplete RTT pathway standard has been compliant for the majority of the year, although achieving the standard in the second half of 2015/16 has been more challenging, with the target missed in 2 months (November and March) due to capacity and data quality challenges on the C&W site. WMUH performance for the 5 months prior to acquisition was compliant and one of the top 2 trusts in London. As a combined organisation, the Trust is an average performer against both a London and national peer group, with a number of trusts in England seriously challenged by this indicator and unable to report their performance. External audit of the Trust's performance information for RTT in 2014/15 provided limited assurance on the accuracy of the reporting, and a detailed programme of data quality improvement was undertaken during 2015/16 which has delivered some progress in Q4, and further development expected in the first half of 2016/17. The auditor's opinion remains qualified for 2015/16. There remain some underlying data quality risks associated with the Trust's ageing IT infrastructure that will not be mitigated until the procurement of the Trust's new electronic patient record is completed.

Trust compliance with the national cancer access standards in 2015/16 has been good, and benchmarking against other London trusts shows the Trust to be in the upper quartile. The Trust met all the key cancer targets for the year 2015/16, as did WMUH for the 5 months prior to acquisition.

Patient experience

	2014/15		2015/16	
	WMUH	C&W	WMUH	C&W
Complaint responded to within 25 working days	69.9%	69.7%	60.8%	62.8%
Maternity Friends and Family Test (postnatal response rate)	24% ⁴⁹	20.7%	13%	28.7%

⁴⁷ 2 week wait to first outpatient appointment

⁴⁸ 62 days is from GP referral to start of treatment

⁴⁹ November 2014 to March 2015 only

During 2015/16 there has been a reduction in the number of complaints responded to within 25 working days on both sites. The following actions will be or have been put in place to improve the response times:

- Restructure of the complaints team including roles and responsibilities
- Complaints tracker introduced
- Patient experience module on Datix to be implemented in Q1 of 2016/17

The FFT for maternity services is aligned to touch points, prenatal, birth and postnatal. During 2015/16 there has been an increase in the response rates for the postnatal services at the C&W site but a reduction at WMUH. For 2016/17 the aim is to increase the response rates and to analyse the percentage recommended with the aim of reaching above 90% of women recommending the service.

Other quality improvement indicators

NHS England has requested additional consideration for 2015/16 reporting and NHS foundation trusts are requested to incorporate the information below for 2015/16.

Duty of candour

Duty of candour is a legal duty on hospital, community and mental health trusts to inform and apologise to patients if there have been mistakes in their care that have led to significant harm. Duty of candour aims to help patients receive accurate, truthful information from health providers.

This section of the report shows how the Trust is implementing the 'Duty of Candour'.

Trust policy

A Trust policy has been developed and implemented across the organisation and incorporates a process flow of all actions required.

Mandatory documentation has been introduced

- Checklist of completed actions (to be signed and dated)
- Documentation of the initial (verbal) notification following the incident

Training and education for staff

Training continues to be rolled across both hospital sites with presentations at a number of forums:

- Clinical governance half days
- Matrons and senior nurses
- Specialist nurses
- Service directors
- Grand rounds
- Complaints team
- Ad hoc staff groups on request, eg maternity, oncology, anaesthetists, medical consultants

An intranet mini-site has been set up and includes frequently asked questions, links to guidance from professional bodies and training. In addition to the training, communication has been provided to all staff via the Team Brief and Daily Noticeboard.

Monitoring compliance

A bespoke monitoring section has been developed within the incident reporting system and compliance will be reported monthly via the divisional quality reports.

Patient safety improvement plan as part of the ‘sign up to safety’ campaign

The Trust’s sign up to safety project is currently being refreshed and relaunched, led by the divisional nurse for children’s, neonates, HIV/GUM, dermatology and private patients.

Each hospital site had signed up separately to this piece of work—however, the priorities are very similar:

- Reduction of hospital acquired infections including catheter related urinary tract infections
- Early recognition of the deteriorating patient including early treatment of sepsis
- Utilising safety data at ward level in a standardised way, involving the Board in this work during their ward visits
- Providing staff and patients regular opportunities to share their views and meet together, including a patient focus at each Board meeting
- Reducing harm from falls and pressure ulcers

All priorities link to the quality strategy and plan 2015–18.

The primary focus of sign up to safety is the involvement of patients and staff in improving safety in all areas of healthcare. Our director of nursing for the C&W site has participated in a program led by Imperial College Health Partners to develop the role of patient safety champions.

Staff survey results

KF19—percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months: 27% (C&W), 25% (WMUH)

The following measures are being put in place to significantly reduce staff experiencing bullying, harassment and abuse in the workplace:

- Organise staff workshops/training on resilience and bullying and harassment to support staff to problem-solve under pressure.
- Approach specialist agencies to offer tailored training to staff on substance or alcohol misuse.

Both recommendations would be offered to staff in ‘hotspot areas’ across sites.

KF27—percentage believing that Trust provides equal opportunities for career progression or promotion for the Workforce Race Equalities Standard: 85% (C&W), 82% (WMUH)

The following measures are being put in place to ensure all managers operate within the Trust’s policy standards for recruitment and selection, training and development and equality and diversity framework and all staff are treated equitably with regards to promotion:

- Establish succession planning and talent management in the organisation to support the development of staff.
- Create and promote a coaching and/or mentoring scheme available to all staff (prioritise equality groups based on responses).
- Organise an inspirational career progression workshop/summit for BME staff.

Care Quality Commission (CQC) ratings

Both hospital sites were independently assessed against the CQC’s fundamental standards during 2014/15 with a rating of requires improvement. Action plans (see tables below) were developed and have been embedded within the organisation. Since then, the Trust has been developing a systematic approach to monitoring of compliance with standards as set out by the CQC.

The short term solution is to continue with Back to Floor Fridays (BFF), which were implemented to ensure that:

- Senior nursing and midwifery staff are visible throughout the organisation
- Staff feel supported by their professional leaders
- Professional leaders stay connected to the reality of delivering care
- Nurses and midwives are able to assure themselves and the organisation with regard to standards of care
- Nurses and midwives use this to revalidate and reregister
- To get direct patient feedback about their care

In the longer term the Trust is working on identifying best practice both internally and from other organisations to build a case which identifies the changes required to implement this longer term solution to self-assessment and monitoring compliance. Our vision for this approach is a blend of both process and culture. In terms of process, it is clear that we need dedicated time and tools to assist us. In terms of culture (while we need processes to help us), it is an opportunity to both engage staff in a culture of continuous improvement, yet one where we are clear about our commitment to the highest of standards and our expectations of every single person to contribute to this.

C&W and WMUH monitored their action plans using different methodologies during 2015/16 hence the slightly different appearance of the action tracker tables below.

C&W

Area	Total	Green (fully complete)	Amber	Red
Trustwide actions: Risk/governance	17	17	-	-
Trustwide actions: Learning disability	4	4	-	-
Trustwide actions: Learning and development	14	14	-	-
Trustwide actions: Medicines management	5	4	1	-

Area	Total	Green (fully complete)	Amber	Red
Trustwide actions: End of life care	26	25	1	-
Emergency and integrated care	33	32	-	1
Planned care	55	53	2	-
Women & children and HIV/GUM	35	35	-	-
Total	189	184	4	1
February 2016 position for comparison	189	182	6	1

Outstanding actions:

- **Medicines management:** Safe medication storage remains an issue. This is being addressed through training and the use of the senior nursing team Back to Floor Fridays in auditing practice.
- **End of life care:** The end of life care team is being reviewed across both sites with recruitment planned to increase cover.
- **Emergency and integrated care:** The outstanding action relates to care for Mental Health patients in an appropriate place and reducing waits for mental health placements. This remains a priority and C&W are working with local mental health providers to this end.
- **Planned care:** ICU transfers overnight remain an issue due to capacity issues within the Unit. A new build is planned to address capacity.
- **Choose and Book:** The use of Choose and Book for booking appointments remains low. The new access team will be addressing this.

WMUH

Area	Total	Complete	Green	Amber	Red
Must have should dos	33	30	2	1	-
Children and young people	32	28	4	-	-
Corporate	2	2	-	-	-
Critical care	27	27	-	-	-
ED—urgent and emergency services	17	16	-	1	-
End of life care	32	10	18	4	-
Maternity and gynaecology	22	22	-	-	-
Medical care (including older people)	19	18	-	1	-
Surgery	26	26	-	-	-
Theatres	15	15	-	-	-
OPD and diagnostic imaging	14	11	3	-	-
Total	239	205	27	7	-
February 2016 position for comparison	239	198	34	7	-

Outstanding actions:

- A deep dive into end of life care was undertaken in March and this has been presented to the end of life steering group and will be presented to the care quality group in April 2016. With the exception of end of life care there are only 12 remaining actions outstanding; some of these are dependent on recruitment, capital work or wider health response. The remainder require audit results or training stats.

Additional quality highlights

Council of Governors quality awards

During the year a number of quality awards were presented by the Council of Governors. The five highlighted below are an example of the awards presented.

- **Rupen Dattani** (Consultant Orthopaedic Surgeon) developed a mobile phone app that serves as a guide to junior doctors summarising individual responsibilities and departmental protocols as well acting as an 'aide memoire' for commonly encountered orthopaedic conditions.

The app provides junior doctors with the practical tools and departmental knowledge necessary to perform their job and advises them of the unique departmental protocols and targets in place to ensure that they deliver safe and efficient patient care.

- **Kathryn Mangold** (Lead Nurse for Learning Disabilities and Transition) and her team which includes the Lead Nurse for Adult Safeguarding, Kensington & Chelsea Community Learning Disability team and the families and carers of patients with a learning disability won for their 'Let's get it right' campaign for patients with a learning disability.

The Care Quality Commission (CQC) Inspection in July 2014 highlighted that the Trust was not consistently compliant with all the standards of care required, by both the CQC and Monitor, for patients with a learning disability and their families and carers. Kathryn and her team have worked endlessly to bring C&W I line with national standards, and are also working now to bring WMUH on board.

- **Madushree Miseer** (Team Lead Occupational Therapist) and team won their award for leading and working with the Edgar Horne healthcare assistants (HCAs), nurses, volunteers and CW+ to improve the care for people with dementia.

A weekly activity group was established with the support of CW+ to address the lack of activity for people with dementia and older people. The HCAs and nurses were involved in identifying patients to join the group and volunteers to help support the group. Activities were chosen that would interest individuals or the whole group. This project improved the effectiveness of care by reducing boredom and averting difficult behaviours due to lack of activity.

- The **West Middlesex laboratory team** won their award for formulating an initiative to have laboratory results available within 60 minutes in order to aid the rapid diagnosis and throughput of patients in the emergency department (ED).

They improved the processes and did a detailed review of pending lists, with particular attention by the out-of-hours staff who multitask with specimen entry, pre-analytical processing and testing. The haematology team also support the hospital's blood transfusion demands, while maintaining turnaround times for the ED. This initiative has consistently enabled quick diagnosis, meaning a reduced stay in ED by either being able to discharge or admit the patients. Weekly turnaround times for key laboratory tests have consistently been 95% or above.

- **Miss Louise Page** (Consultant Obstetrician and Gynaecologist) and her perinatal mental health community education provider network team (PNMH CEPN) applied for and were granted funding for the education project from Health Education North West London (HENWL). Almost £200,000 in funding has been secured from HENWL, along with £12,000 from CLAHRC NWL.

The PNMH CEPN team provide a consistent and coherent message regarding PNMH, which is paramount to patient safety. Evidence demonstrates the early identification and proactive management of psychological/psychiatric conditions in the perinatal period is likely to reduce admissions to psychiatric units, improve compliance with antenatal care, reduce obstetric complications and promote the wellbeing of children.

Quality service development highlights

WMUH launched a brand new surgical service—including a surgical assessment unit, an emergency surgical ambulatory care service and fast access surgical outpatient clinic—providing patients needing general and urological surgery with quicker assessment, treatment and a better overall hospital experience. The new service has already received some very positive feedback from patients and staff and exceeded expectations.

A year after it first opened, the ambulatory emergency care (AEC) service at WMUH received a very positive independent review by Healthwatch Hounslow. The AEC unit provides same-day emergency care, avoiding unnecessary admissions and allowing patients to return home safely without the need for an overnight stay.

The C&W birth centre celebrated its first birthday and was officially opened by guest of honour Helen George of BBC *Call the Midwife* fame. The birth centre has proved hugely popular with mothers and midwives thanks to its relaxed environment for natural births.

There have been a number of developments in our sexual health service. The Trust's sexual health services have been expanding to provide care for people living and working in Hertfordshire and in Sutton, Surrey. Initially the service will offer GUM (genitourinary medicine) for patients diagnosed with sexually transmitted infections and HIV, screening for chlamydia and community contraception. In April 2016 a state-of-the-art sexual health clinic opened at 10 Hammersmith Broadway.

The first phase of a new children's assessment unit at WMUH is complete, heralding the start of a better environment, facilities and services for staff and patients alike. The children's assessment unit will offer quicker access to senior children's specialists and will allow for direct referral from GPs, midwives, health visitors and out-of-hours services.

Annex 1: Statements from stakeholders

Statement from the Council of Governors

Last year was a year of change, especially with our integration with West Middlesex University Hospital which the Council of Governors were heavily involved with.

The Governors continue to take an active role within the Trust, of course now on two main hospital sites and its satellite clinics.

Governors carry out 'Meet a Governor' sessions on both hospital sites, where we make ourselves available to patients, relatives and friends who will discuss with us their care experiences (excellent, good or not so good). Governors continue to visit wards and departments and talk to our patients to continue to gain insight into the care delivered.

Governors have their own quality sub-committee, where we discuss quality issues with senior members of the Trust staff and question them on clinical issues, complaints and service developments. We also feedback regarding our own discussions with patients and their experience and of course follow up on outcomes.

Governors are also members of the Trust Board's quality committee, patient experience committee, palliative care committee and have their own areas to visit within the Trust in order to ensure we continually monitor quality of care.

We have agreed that again this year 2016/17 that the monitoring of falls and pressure sores remain a priority. Although the majority of pressure sores are acquired within the community, these all fall within the prevention of harm strategy.

Another way Governors scrutinise quality is through the PLACE group, where we monitor the environment and the meals that are served to our patients.

For research, development and improvement of care we award staff through our Council of Governors quality awards programme. Last year we awarded the following:

Spring 2015

- Revolutionary sexual health screening
- Practical Guidance for Palliative Care in neonatal care

Autumn 2015

- An app for medical staff in trauma/orthopaedics
- Let's Get It Right campaign for learning disabilities
- Perinatal mental health provision
- Improving care for patients with dementia

Another area that we feel needs continual improvement is safeguarding training, especially in paediatrics—we will monitor this closely and we expect to see further improvement.

The governors will work closely with the Trust and indeed support them with the quality strategy and plan (QSP) 2015–18 and will support the projects that will focus on frailty, surgical care, sepsis and maternity.

The governors would like to see an improvement in some of the CQUIN areas, moving from partial compliance to compliance/achievement.

The appraisal of staff continues to improve but this needs to continue on an upward pathway. In some areas exit interviews are missed, therefore we have no overall record of why people leave. We feel this must be improved upon. The governors look forward to the introduction of the Trust's new values.

The governors support and look forward to the development and introduction of the local guardian system, which will allow staff to raise issues that are affecting them in the work place as per the Francis recommendations (freedom to speak up report).

As lead governor, on behalf of the Council I would like to thank all staff, across all our sites, for their commitment to improvements in the quality and experience of care for our patients. We look forward to supporting our dedicated teams over the coming year to make sure that we deliver against our quality priorities as outlined in this report.

Statement from CWHHE Clinical Commissioning Group (CCG)

Chelsea and Westminster Hospital NHS Foundation Trust quality account

Following Chelsea and Westminster Hospital NHS Foundation Trust's acquisition of West Middlesex University Hospital NHS Trust in September 2015, both Hounslow and West London Clinical Commissioning Groups have reviewed and received presentation of the Trust's quality account (QA) and have drafted the following joint statement. This has been signed off by both managing directors for West London and Hounslow CCGs.

The Trust presented its draft QA for formal comments and has sought the views of the CCGs and other commissioning stakeholders through conversation and feedback at the two CCG quality and patient safety committees during April–May.

In our view, the final draft of the quality account complies with guidance as set out by both Monitor and the Department of Health (DoH).

Review of quality 2015/2016

The CCGs would commend the Trust's ability to maintain stability during a year of great transition, especially in relation to the planning and early stages of the acquisition of West Middlesex University Hospital. Although further work is needed to fully embed and align processes, commissioners do not have any great concerns regarding the Trust's ability to manage and improve quality of care going forward.

Implementation of the CQC action plans to address areas where services were identified from both sites has been ongoing. Assurance regarding the changes the Trust has made as a result of the inspections has been taken from a range of sources, from presentation at Clinical Quality Groups, to peer review and clinical visits and audits. The CCGs are satisfied that although monitoring should be part of an ongoing cycle, that the CQC action plans should be viewed as 'business as usual' across the organisation.

Priorities for quality 2016/17

The Trust has decided to maintain a focus on the same priorities as Chelsea and Westminster identified last year. The Trust acknowledges that they did not achieve as much as they would have liked with regard to these areas of care, over the last twelve months, in part due to the pressure of significant organisational change.

The commissioners, having discussed each of the priorities, agree and support the Trust's decision to remain focused on these very important areas of care and agree that they should remain the priority, with the following specific comments:

Patient experience is a key indicator of quality of care. Commissioners are keen to see processes and systems significantly improved in order that the Trust handles and resolves complaints much faster.

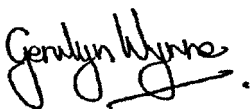
The need to demonstrate consistent compliance with the WHO surgical checklist across the Trust is supported by commissioners. Although to focus on the implementation of a document that has been mandated and recommended since 2010 did again cause some discussion, commissioners support the Trust's openness and honesty that they felt improvements could be made to this critical safety process.

Concluding statement

Commissioners would like to note that over the last twelve months the relationship between the Trust and the CCGs has been positive, and look forward to continuing to work collaboratively with Chelsea and Westminster Hospital NHS Foundation Trust. We hope the Trust finds these comments helpful and we look forward to continuous improvements and productive collaborative working in 2016/17.



Louise Proctor
Managing Director
West London Clinical Commissioning Group



Geralyn Wynne
Deputy Managing Director
Hounslow Clinical Commissioning Group

Statement from Healthwatch Hounslow

Chelsea and Westminster Hospital NHS Foundation Trust

This is the first quality report after the merger of Chelsea and Westminster Hospital and West Middlesex University Hospital (WMUH) and the creation of a new Trust.

Healthwatch Hounslow is happy to note all 6 priorities set for itself by WMUH for 2015/16. We are particularly pleased to notice the positive trends reported in their quality report. For example, WMUH is reported as having met its target of reducing the number of falls per 1,000 beds to below 3.8 and also reducing the level of harm for patients. As recommended by the Care Quality Commission (CQC), WMUH also appear to have reviewed their end of life services and made improvements for affected patients in various ways.

Members of staff and some volunteers from Healthwatch Hounslow have had opportunities to work in collaboration with staff and wards attached to WMUH during 2015/16. We welcome and appreciate the interest WMUH staff have taken in this regard. We received support and cooperation from staff of WMUH's ambulatory emergency care (AEC) unit when we reviewed their performance and achievements and this report can be found on our website.

We have also been receiving random feedback from local people about services provided by WMUH. As we have pointed out in our quarterly patient experience reports, we have often come across patients who have praised the compassionate care they have received from WMUH staff, commended the promptness and efficiency of the ambulance services provided by them and expressed their satisfaction with the services of the maternity department. However, we have also at times received negative feedback regarding long waiting times at appointments further exacerbated by delayed communication between GP practices and WMUH, sudden cancellation of hospital appointments, unclear discharge arrangements made for patients and delays caused to parents of children with disabilities due to the long distance between the venue of their appointment and the parking facilities available to them.

Another point we would like to add as an area for improvement would be if WMUH would respond promptly to specific requests for information and statistics when approached by organisations interested in patient wellbeing such as Healthwatch Hounslow. We highlight this because despite repeated efforts including many emails and telephone calls, we failed to receive any information requested by us this year regarding WMUH's provision of mental health services to children and young people.

We look forward to further improvements in 2016/17. In addition to what WMUH has listed as part of their wish list for 2016/17, we would strongly recommend that they look into reaching out to new and emerging communities to inform them of services so that they do not miss out on essential services and also encourage them to provide their feedback for continuous improvement of service provision to new and vulnerable groups in the borough. Among such measures we would like them to consider providing their information in some ethnic minority languages. In this regard, they could liaise and look into how Ealing Hospital, for example, is already successfully providing easily accessible information on some key areas of health and service provision in a number of languages used by people who live in the London Borough of Ealing.

Statement from Healthwatch Richmond

Commentary on Chelsea and Westminster Hospital NHS Foundation Trust quality accounts 2015/16

Healthwatch Richmond welcomes the first quality account (QA) of Chelsea and Westminster Hospital NHS Foundation Trust, following integration of West Middlesex University Hospital (WMUH) into Chelsea and Westminster Hospital NHS Foundation Trust (C&W).

The challenges faced during the integration have been recognised and openly discussed throughout the report. We are pleased that sharing best practice across both hospital sites is referred to on many occasions throughout the QA. At the time of reviewing the QA, the front cover did not bear a logo of WMUH or C&W hospital. It would be beneficial to do so in the final version.

The report is a little confusing in some aspects. Service users, who will want to understand about the quality of care and provision of services in their local hospital, will have to keep back-referencing to find the relevant narrative. Healthwatch Richmond considers some of the narrative in the QA to be very clinical, requiring clearer explanations for lay readers. In some sections such as core indicators, there is a lot of statistical data, but too little helpful context.

We welcome the inclusion of 'access' to healthcare, as a component part of quality, as well as safety, effectiveness and experience.

For the purpose of this commentary, Healthwatch Richmond has primarily focussed on reviewing how WMUH performed against the targets set for 2015/16, being the hospital serving the local community in the Borough of Richmond upon Thames. Looking forward to the 2016/17 priorities, we recognise that as a direct consequence of a merged organisation, the priorities will be applicable to both hospital sites.

Healthwatch Richmond appreciates the honesty of the Trust in candidly stating that the 2015/16 priorities have not been met to the desired level, as a consequence of the merger. However, in recognising this, the Trust actively sought support from the Collaboration for Leadership in Applied Health Research and Care (CLAHRC) team to help understand the progress made and the barriers to success. This open and honest recognition of the shortfalls is to be applauded.

There are several points regarding C&W Hospital 2015/16 priorities that need to be addressed within this commentary, as they have been identified as priorities going forward for the integrated Trust for 2016/17. We note that C&W has an acquired pressure ulcer rate above the national average. We welcome the determination to continue to prioritise this harm to patients. We particularly welcome the specific proactive and progressive focus on grade 2 pressure ulcers, as this has the highest prevalence and the numbers have remained static. We welcome the cross-site working towards this priority and the cascading of learning through a new safety group information sharing bulletin. Healthwatch Richmond is reassured that all pressure ulcers are to be reviewed through an enhanced panel of senior nurses.

Last year C&W Hospital invested in an innovative clinical observations technology to achieve early identification of a deteriorating patient. The 'Think Vitals' application supports healthcare staff to better monitor patients' vital signs and determine their degree of illness.

Healthwatch Richmond is keen to understand more about the outcomes for patients of the 'Think Vitals' initiative and the planned roll out to other areas across both sites. Data on the initial findings of the use of the application would have strengthened the report. Equally, additional information on the process that has been developed to improve upon early identification and treatment of sepsis in the emergency department, when patients are admitted to hospital, would have been welcomed.

Embedding the World Health Organisation (WHO) surgical checklist was another priority set by C&W during 2015/16. We are concerned that no data is available on the progress of this priority, however we are pleased to read that this is being taken forward as a priority across both sites for 2016/17. The Trust has set out its plans to ensure a 'core' standardised checklist and procedures across both hospitals. We look forward to reviewing the progress made and evidence of improved patient outcomes in next year's QA.

Healthwatch Richmond is pleased to see that WMUH has proactive policies and initiatives in place to reduce the number of falls in hospital. The included graph appears to show that the number of falls and the severity of harm from such falls, have been reduced, however some narrative and clearer data would have been beneficial to the reader. We are assured that WMUH took steps such as embedding a falls risk assessment tool, mandatory training alongside ward based training and introduction of a 'falls champion group' with link nurses to reduce the number of falls.

In the 2015/16 QA, WMUH set out its plan aimed at reducing the risk of infection from urinary catheters across the Trust. Delivering training to staff on the care of indwelling urinary catheters was identified as crucial to meeting this target. The aim was to train 90% of staff; however it is not clear from the report if the 90% target was achieved. We are pleased that the Trust has worked with its community partners to ensure all patients are discharged with a 'catheter passport', a shared document between the patient and healthcare professionals.

Healthwatch Richmond welcomes the continued target and plans in place to reduce the admission of term babies admitted to the neonatal intensive care unit by 20% within 3 years. We are keen to review the progress made against this target. A clearer explanation of some of the medical terminology would have been beneficial.

We are pleased that in 2015/16 the Trust has made progress with its pledge to improve end of life (EoL) care. Progress has been made through the introduction of a new hospital based palliative care consultant, together with an end of life/palliative care clinical nurse specialist, with strong links to a palliative care post in the community. A progression towards a 7-day service and the engagement of a GP on the steering group will enhance the experience of patients and their families. We applaud the Trust for recognising the barriers to communication between hospital and community care. We welcome the initiatives such as the compassionate care agreement, the EoL ward champions and the gold standards framework (GSF) tool. Trust nurses completing the enhancing care of the dying programme at the Royal Marsden Hospital will give comfort and reassurance to the residents of the borough.

Healthwatch Richmond is very pleased to read that the Trust has recognised the need to enhance the experience of patients with learning disabilities. This is a very welcome priority and the plans for collaboration and joint working with both acute and community partners are of paramount importance for this target to be met.

Overall we are pleased with the priorities set for the Trust going forward and appreciate the openness regarding the difficulties in merging the two hospitals, while achieving the targets set for last year. We would have expected more narrative on patient and public involvement, which is scarcely referred to in the report. The Trust clearly recognises there is more to be done to improve the experience of patients and their families and we are assured that this priority for improvement is being carried forward into 2016/17.

In response to CQC feedback, we are pleased that the Trust has introduced measures to ensure leadership is visible, and that two-way communication takes place with the staff. We hope to see the benefits and outcomes of this detailed in next year's quality account.

Statement from the Royal Borough of Kensington and Chelsea Adult Social Care and Health Scrutiny Committee

Chelsea and Westminster Hospital NHS Foundation Trust quality account 2015/16: Royal Borough of Kensington and Chelsea's response

Introduction

We welcome the opportunity to comment on the Chelsea and Westminster Hospital NHS Foundation Trust's Quality Account 2015/16.

Foreseen management distraction

We wrote in response to the Trust's quality account 2014/15: *'There are risks to performance due to management distraction from a challenging merger taking away focus from providing care for our residents and of maintaining Chelsea and Westminster Hospital as a centre of excellence... A firm eye needs to be kept on the core business to minimise performance risks. The Foundation Trust will need to ensure that new work (ie to take forward the merger, bring the different bodies together and resolving the issues at West Middlesex University Hospital) does not distract from the core work at the Fulham Road site.'*

It is most disappointing to read in this year's document: *'Due to conflicting priorities the first 4 quality priorities at the Chelsea and Westminster site did not make as much progress as we would have wished. This was largely due to the managerial effort that was required to ensure safe transition of the two Trusts coming together in September 2015 and the realigning of roles and responsibilities during the latter part of 2015.'* We note support was engaged from the Collaboration for Leadership in Applied Health Research and Care but only at the end of Q4.

Legacy debt

We do not believe Chelsea and Westminster Hospital (C&W) should take on any responsibility for the significant legacy debt that West Middlesex University Hospital owes the Department of Health.

Openness and transparency

We were disappointed this year: The Trust came 134th (out of 230 trusts) and said to have 'significant concerns about openness and transparency' in the Learning from mistakes league. For the second year in a row, the Trust has **not** given the required 30-day formal consultation on its draft quality account. The draft was published on 5 May with the deadline for feedback 16 May. This gave us just eleven days to respond.

Performance in 2015/16

We recognise many improvements have taken place in many areas however issues in some areas still need to be addressed.

Patient safety

We are pleased C&W consistently ranks as one of the best providers of high quality clinical care, nationally. For example, the hospital consistently performs well in regards to mortality against national indicators.

We are concerned that the Trust reported 10 patient safety incidents at C&W that resulted in severe harm or death in the six months (Apr 15–Sep 15). There were a total of 10 the previous year (Apr 14–Mar 15).

We note the hospital is above the national median in regard to the 'reduction of acquired pressure ulcers both in hospital and the community' [QA priority 1]. There were 205 cases of pressure ulcers (grade 2, 3 & 4) at C&W this year (173 in 2014/15). There were 792 cases of pressure ulcers (grade 2, 3 & 4 including community acquired) at C&W this year (698 in 2014/15).

The Quality Account should include a report back on 'embedding of the WHO surgical checklist [QA priority 2]. Making it again a priority in 2016/17 implies it is still to be 'embedded'.

The performance against hospital acquired infections is unclear. For example, the table for '*C.difficile* occurrence' shows a question mark for 2015/16.

Clinical effectiveness

We are pleased C&W is the only hospital in North West London to consistently be hitting the target of at least 95% of patients waiting less than four hours from arrival to admission, discharge or transfer.

We note in relation to the processes for collecting response rate (for groin hernia, varicose vein, hip and knee) the statement 'is not as robust as it should be.'

Patient experience

In 2014, this committee asked the Trust if it was compliant with all the relevant recommendations from 'Putting patients back in the picture' (Clwyd report). We were told: 'The Trust has recognised the need to review its processes and structures in relation to complaints and have therefore commissioned an external review.' The committee asked for an update in 2015 and was told 'The (complaints) policy is compliant with Putting patients back in the picture.'

In relation to 'Friends and Family Test—inpatient responses' [QA priority 5] we note 82% of staff recommend C&W (91% in 2014/15).

27% of C&W staff experiencing harassment, bullying or abuse from staff in the last 12 months seems high.

Clinical audits

It is difficult to comment on the clinical audits without knowing if recommendations from completed audits have been enacted or not. We ask future quality account to focus on any recommendations that have been failed to be enacted without good reason.

Care Quality Commission inspections

The CQC inspection report West Middlesex University Hospital (7 April 2015) rated services as 'requires improvement overall' and said the 'protracted' merger process had led to a high use of interim senior managers and 'planning blight'. This had particularly affected surgery with an 'unstable management support'.

The CQC inspection report C&W (28 October 2014) rated services as 'requires improvement overall'. We note the listed 'outstanding actions' to be addressed:

- Safe medication storage remains an issue
- The end of life care team is being reviewed with recruitment planned to increase cover
- Care for mental health patients needs to be in an appropriate place and waits for mental health placements need to be reduced
- Intensive care unit transfers overnight remain an issue due to capacity issues within the unit
- The use of Choose and Book for booking appointments remains low

Priorities for 2016/17

The Trust should state it needs to improve its CQC rating to 'good' as a minimum and to 'outstanding' where we can before the next CQC inspection.

We ask that in future years separate data be provided for West Middlesex and for Chelsea and Westminster as was done in this report. If the Trust were to move to reporting composite scores this can hide combinations of high and low performance.

Targets should be quantifiable wherever possible, so they lend themselves to be comprehensively assessed. It is often difficult to see improvements when the Trust includes statements such as 'create a programme'. It is better when the Trust provides adequate information for people to be able to make an assessment in each category. For example, for the priority 'to reduce avoidable admissions of term babies to the NICU [QA priority 4]', the Trust should state the actual % reduction of avoidable admissions.

We note the five rolled forward quality account priorities for 2016/17. We are interested to find out how they will be implemented over the course of 2016/17.

Conclusion

We are entirely supportive of the work of Chelsea and Westminster Hospital NHS Foundation Trust. The hospital on the Fulham Road has been an outstanding facility, but it is now in need of improvement.

We look forward to continuing our strong working relationship with Chelsea and Westminster Hospital NHS Foundation Trust in 2016/17.

Councillor Charles Williams
Chairman, Adult Social Care and Health Scrutiny Committee
Royal Borough of Kensington and Chelsea

Hounslow Health and Adult Care Scrutiny Committee

No comments to be made.

Richmond upon Thames' Health Scrutiny Committee

Richmond upon Thames' Health Services Scrutiny Committee response to Chelsea and Westminster Hospital NHS Foundation Trust quality accounts

Following on from the meeting held on Wednesday 25 May 2015 to discuss Chelsea and Westminster Hospital NHS Foundation Trust quality account (QA) we welcome the opportunity to provide additional input, as the London Borough of Richmond upon Thames (hereinafter 'LBRuT') is determined to champion the interests of its residents by playing a full and positive role in ensuring that the people living and working in the LBRuT have access to the best possible healthcare and enjoy the best possible health.

While we appreciate that the version provided is a draft and the final version is yet to be approved we have a number of points we wish to raise and a number of suggestions we wish to proffer. The panel noted that there were challenges interpreting the draft quality account because it was not always clear which sections referred to the overall Trust and which referred to the individual hospitals. We would recommend that the Trust implements a clearer structure for future QAs.

Generally, we were pleased to hear that progress has been made in many quality areas over the past year. The LBRuT particularly noted the Trust's accomplishments in the following areas in 2015/16:

- On the whole the Trust has performed well given the large-scale management changes it has experienced in the last year following Chelsea and Westminster Hospital NHS Foundation Trust taking over management of West Middlesex University Hospital in summer 2015. We were pleased to hear that the Trust had maintained performance on key targets throughout the change management process.
- The report makes reference to a wide range of evidence-based tools used to make changes within the Trust, and references the infrastructure in place to implement changes. We were also pleased to learn that local quality indicators across both sites had led to the sharing of learning and best practice across the Trust's sites in order to improve the quality of patient care.

The priorities outlined for 2016/2017 are fully supported by the council. The local authority is pleased to see the Trust is building on the areas for improvement identified in the review of the 2015/16 priorities, as this was challenging for the Trust in 2015/16.

We have a number of points we wish to raise and a number of suggestions we wish to see incorporated in the final version, as we believe that these will further highlight the hard work and commitment which has taken place to improve the level of quality at Chelsea and Westminster Hospital NHS Foundation Trust.

- The Panel was pleased to hear that the Trust would be taking forward the staff health and wellbeing CQUIN. However, the report outlines that the Trust has achieved 'partial compliance' against most of the nationally agreed CQUIN indicators. The panel would like to know what steps have been taken to address this.
- We noted that according to staff survey results, 25% of staff at West Middlesex University Hospital experienced harassment, bullying or abuse from staff in the last 12 months. The panel was pleased to learn of the measures being put in place to try to address this as part of a wider organisational development programme.
- A focus on self-care and self-management in line with Richmond Council's and Richmond CCG's prevention framework and the developing sustainability and transformation plan (STP) would be a welcome development in the forthcoming year.
- The outcomes based commissioning (OBC) framework captures in depth the perspective of Richmond patients and we are pleased that the Trust is a transformational partner in this work. Integration between hospital, community and social services, and primary care services is essential to provide a seamless service around the patient's need is a recurrent theme for our residents. We would welcome commitment to work closely with partners to achieve this.
- We noted the comprehensive work programme in place on reducing falls, including the use of evidence-based tools, as recommended by best practice. The panel was pleased to note that falls would be a local indicator in 2016/17 so it remains a priority for the Trust.
- We would welcome any progress on the public health initiatives such as smoking cessation, promoting physical activity, healthy diet and obesity, reducing excessive alcohol use, and mental health as was highlighted by quality accounts from some other trusts to show the Trust's commitment to the wider healthcare agenda and to Simon Steven's new vision of the NHS.
- The panel welcomes the measures outlined to ensure continuous improvement in end of life care, including a review of the "end of life care strategy" in the forthcoming year and the implementation of the fast track palliative care pathway for patients who want to die in their place of choice. The panel welcomed work with local community providers to develop an integrated response for local residents.

Conclusion

Our aim is to ensure that your quality account reflects the local priorities and concerns voiced by our constituents as our overall concern is for the best outcomes for our

residents. Overall, we are happy with the QA, agree with your priorities and feel that it meets the objectives of a QA—to review performance over the previous year, identify areas for improvement, and publish that information, along with a commitment about how those improvements will be made and monitored over the next year.

We hope that our views and the suggestions offered are taken on board and acted upon. We wish to be kept informed of your progress throughout and thereafter.

London Borough of Richmond upon Thames Health Scrutiny Committee

Wandsworth Health Scrutiny Committee

Report sent for comment—no response received.

Annex 2: 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 a quality accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporates the above legal requirements) and on the arrangements that the NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

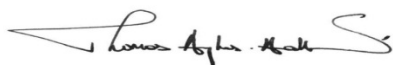
In preparing the quality report, directors are required to take steps to satisfy themselves that:

- The content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 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 2015 to 26 May 2015
 - papers relating to Quality reported to the board over the period April 2015 to 26 May 2015
 - feedback from commissioners dated 23 May 2016
 - feedback from governors dated 24 May 2016
 - feedback from Hounslow Healthwatch dated 13 May 2016
 - feedback from Richmond Healthwatch dated 20 May 2016
 - feedback from Royal Borough of Kensington and Chelsea Overview and Scrutiny Committee dated 13 May 2016
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 25 May 2016
 - the (latest) national patient survey (not due for publication until June 2016)
 - the (latest) national staff survey (not due for publication until June 2016)
 - the head of internal audit's annual opinion over the Trust's control environment date 24 May 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, and is subject to appropriate scrutiny and review

- the quality report has been prepared in accordance with Monitor's annual reporting manual and supporting guidance (which incorporates the Quality Account regulations) as well as the standards to support data quality for the preparation of the Quality Report.

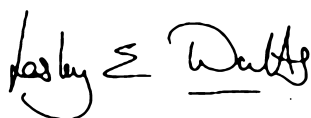
The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the quality report.

By order of the Board



Sir Thomas Hughes-Hallett
Chairman

26 May 2016



Lesley Watts
Chief Executive Officer

26 May 2016

Annex 3: Independent auditors' limited assurance report to the Council of Governors of the Trust on the quality report

We have been engaged by the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Chelsea and Westminster Hospital NHS Foundation Trust quality report for the year ended 31 March 2016 (the 'quality report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust as a body, to assist the council of governors in reporting Chelsea and Westminster Hospital 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 2016, 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 Chelsea and Westminster Hospital NHS 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 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways
- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

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' issued by Monitor.

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'
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports

- 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 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 consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the documents specified within the detailed guidance.

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' to the categories reported in the quality report
- 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'.

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

As set out in the Review of Quality Performance section on page 119 of the Trust's quality report, the Trust identified a number of issues in the prior year in respect of the referral to treatment within 18 weeks for patients on incomplete pathways indicator. The action plans to address these findings are ongoing and our testing indicates that these issues continue to impact the reported indicator and affect both of the Trust's sites.

Issues identified for 18 week referral to treatment included:

- Instances where supporting documentation was not available to substantiate the start date and time
- Instances where the incorrect start date had been used
- Instances where patients were incorrectly included on the pathway
- Instances where the stop date was not correctly captured and patient not removed until near breach point

As a result of the issues identified, we have concluded that there are errors in the calculation of the 18 week referral-to-treatment incomplete pathway indicator. We are unable to quantify the effect of these errors on the reported indicator for the year ended 31 March 2016.

Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

Our testing identified that the Trust does not retain an audit trail for adjustments made following validation of apparent breaches. Documentation is not available to evidence the rationale for amending individual A&E attendance durations.

As a result there is a limitation upon the scope of our procedures which means we are unable to determine whether the indicator has been prepared in accordance with the criteria for reporting A&E 4 hour waiting times for the year ended 31 March 2016.

The section on page 119 of the Trust's Quality Report summarises the actions the Trust is taking post year end to address the issues identified in relation to the documentation of its validation processes.

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 2016:

- 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'
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the Monitor 2015/16 'Detailed guidance for external assurance on quality reports'
- 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'



Deloitte LLP
Chartered Accountants
St Albans

27 May 2016

Epilogue

About the Trust website

The maintenance and integrity of The Trust's website is the responsibility of the directors. The work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Your comments are welcome

We hope that you have found our Quality Report interesting and easy to read. We would like to hear what you thought of it, so please let us have your comments by using the contact details below. Please also let us know if you would like to get involved in helping us to decide our priorities for improving quality.

Would you like to stay in touch with the hospital by becoming a member and receiving our hospital magazine *Going Beyond*. If so, please contact us—your details will not be shared with anyone else.

Write to:

Head of Communications
Chelsea and Westminster Hospital
369 Fulham Road
London
SW10 9NH

E: communications@chelwest.nhs.uk

SECTION 4

**AUDITORS'
REPORT**

**INDEPENDENT AUDITOR'S REPORT TO
THE COUNCIL OF GOVERNORS AND
BOARD OF DIRECTORS OF CHELSEA
AND WESTMINSTER HOSPITAL NHS
FOUNDATION TRUST**

Opinion on financial statements of Chelsea and Westminster Hospital 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 2016 and of its income and expenditure for the year then ended;

have been properly prepared in accordance with the accounting policies directed by Monitor – 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 comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – 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 Code of Audit Practice.

Going concern

We have reviewed the Accounting Officer's statement on page 14 of the Annual Report 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 Financial Reporting Council's Ethical Standards for Auditors and 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.

Risk	How the scope of our audit responded to the risk
<p>The acquisition of West Middlesex University Hospital As described in note 1.4, the function and net assets of the West Middlesex University Hospital NHS Trust (“WMUH”) transferred to the Trust on 1 September 2015.</p> <p>This transaction has a significant impact on the Trust’s financial position and its underlying activities. The Annual Reporting Manual required a “transfer by absorption” to be recognised in the Statement of Comprehensive income as non-operating income. The value of the income is equal to the net assets of WMUH, as reported in its final financial statements to 31 August 2015.</p> <p>The accounting for the transaction and for the assets, liabilities and activity of WMUH represents a risk of error in the financial statements. The most significant transactions and balances in accounting for the transfer are:</p> <ul style="list-style-type: none"> • the transfer by absorption of the net assets of WMUH to the Trust of £75.0m, as shown in the Statement of Comprehensive Income and in the notes to the Statement of Financial Position; • the assets transferred from WMUH include £114.4m of Property, Plant and Equipment, as disclosed in note 9, including a private finance initiative (“PFI”) funded asset with £34.6m of related liabilities as disclosed in note 15; and • the £12.9m of transaction support funding from the Department of Health and £5.5m of funding from other commissioners to assist in the transaction and integration of WMUH into the Trust, as disclosed in note 2. <p>The preparation of financial statements for the combined Trust requires alignment of accounting policies and treatments. For 2015/16, the Trust has continued to operate separate financial systems for the two sites. The preparation of the financial statements requires a complex, and partially manual, process of for the “consolidation” of financial information, increasing the risk of error.</p>	<p>We agreed the recorded transfer by absorption and the value of transferred balances to the audited financial statements of WMUH to 31 August 2015. We reviewed and assessed the audit work papers of the auditors of WMUH for the period 1 April 2015 to 31 August 2015, and considered their findings in planning and performing our work on transactions and balances that transferred to the Trust from 1 September 2015.</p> <p>We tested that transactions undertaken at WMUH after 1 September 2015 are recorded and accurately reflected in the Trust’s financial statement.</p> <p>We performed physical asset verification of the assets that had transferred from WMUH. As noted below (“Property Valuations” risk), the Trust has revalued its estate, including the West Middlesex site, as at 31 March 2016 and we tested the revaluation and evaluated the changes in assumptions compared to the valuation included in the financial statements of WMUH as at 31 August 2015.</p> <p>We evaluated the nature of the PFI arrangement in place by review of the underlying PFI model and related project agreement, and tested that the Trust has correctly accounted for and disclosed the PFI in its financial statements.</p> <p>We examined the accounting policies of WMUH and the Trust to identify whether accounting policies and estimation techniques have been appropriately harmonised. We reviewed the presentation of transactions and balances reported from the financial systems of each site and evaluated whether they are presented consistently on a combined basis in the Trust’s financial statements.</p> <p>We agreed the transitional funding to the terms of relevant agreements and considered the adequacy of the disclosure of the funding in accordance with the requirements of the Annual Reporting Manual.</p> <p>We evaluated the design and implementation of controls over the consolidation process, and tested the accuracy and completeness of information included from the underlying financial data.</p> <p>We assessed the disclosures relating to the acquisition of WMUH, including reading the narrative in the Annual Report, to assess whether they are presented in line with the requirements of the Annual Reporting Manual and accurately portrays the circumstances of the combined Trust.</p>

Risk	How the scope of our audit responded to the risk
<p>NHS and Local Authority revenue and provisions As described in note 1.6, Income and note 1.26, Critical Accounting Estimates and Judgements, there are significant judgements 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, in particular in determining the level of overperformance the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income (which includes balances with certain commissioners for the whole of 2015/16, and for others for quarters three and four); and the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes. <p>Details of the Trust's income, including £425.0m of Commissioner Requested Services (2014/15: £309.1m) are shown in note 2 to the financial statements. NHS trade receivables of £33.9m (2014/15: £25.8m), Local Authority trade receivables of £6.0m (2014/15: £11.3m) and related amounts within the overall accrued income balance of £20.4m (2014/15: £2.9m) are shown in note 11. The provision for impaired receivables of £13.5m (2014/15: £6.4m) and contractual disputes provision of £5.8m (2014/15: £0.2m) are shown in notes 11 and 17 respectively.</p> <p>The Trust earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position. The settlement of income with Clinical Commissioning Groups continues to present challenges, leading to disputes and delays in the agreement of year end positions.</p>	<p>We evaluated the design and implementation of controls over recognition of Payment by Results income, with IT specialists performing the testing of the systems controls.</p> <p>We agreed baseline income for a sample of commissioners to service level agreements.</p> <p>We performed detailed substantive testing on a sample basis of the recoverability of overperformance income and adequacy of provision for underperformance through the year. Where overperformance income had not been recovered, we tested the validity of invoiced or accrued income to activity data. We evaluated the results of the agreement of balances exercise.</p> <p>We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners.</p> <p>We circularised a sample of Local Authority debtors to obtain confirmation of the amounts receivable by the Trust and performed alternative procedures where no response was received.</p>
<p>Property valuations The Trust holds property assets within Property, Plant and Equipment at a valuation of £340.8m (2014/15: £351.2m), with the majority of assets valued on a modern equivalent asset basis. The valuations are by nature significant estimates which are based on specialist and management assumptions. As detailed in note 1.26, the Trust has revised a number of assumptions in the current year, including:</p> <ul style="list-style-type: none"> revising the assumed residual value at the end of the Chelsea and Westminster Hospital's useful economic life, and extending that anticipated useful life; updating the floor areas assumed for a Modern Equivalent Asset at the Chelsea site to reflect current requirements for the Trust, including revising the required height of the asset and so cost of construction; and adopting an "alternative site" basis of valuation for the land at the West Middlesex site. <p>The net valuation movement on the Trust's estate shown in note 3.3 is an impairment of £118.8m.</p> <p>Further details on the associated estimates are included in notes 1.26 and 8 to the financial statements.</p>	<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 2016.</p> <p>We assessed the appropriateness of the reduced floor areas the Trust has used in calculating a Modern Equivalent Asset valuation by considering the detailed justification of the differences from the current estate, and how these compared to the layout of the Trust's estate compared to a modern building.</p> <p>We have reviewed the disclosures in notes 1.26 and note 9 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>

Risk	How the scope of our audit responded to the risk
<p>Management override of controls 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 close scrutiny of the reported financial performance of individual organisations.</p> <p>All NHS Trusts and Foundation Trusts have been requested by NHS Improvement 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, injury cost recovery debtors, 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 1.26.</p>	<p>Manipulation of accounting estimates Our work on accounting estimates included considering each of the areas of judgement identified by NHS Improvement. In testing each of the accounting estimates included in the NHS Improvement letter, 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 and local authority 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 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>Unusual transactions We considered whether any transactions identified in the year required specific consideration and considered the accounting impact of the transactions associated with the acquisition of WMUH, as detailed above.</p>

Our report includes two additional risks, the acquisition of West Middlesex University Hospital in 2015/16 and management override of controls, which were not included in our report last year. Management override of controls was identified as a risk in 2014/15, but has had an increased effect upon the conduct of our audit this year due to the increased focus upon reported financial position and estimates and estimation techniques.

Last year our report included two other risks which are not included in our report this year, in relation to:

- the migration of the Trust’s accounting systems to NHS Shared Business Services, which completed in 2014/15; and

- accounting for capital expenditure, reflecting our assessment of the risk of the Trust's capital programme.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 56. 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.

We determined materiality for the Trust to be £4.5m (2014/15: £3.4m), which is below 1% of revenue and below 2% of equity (2014/15: below 1% of revenue and equity). 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. This is an increase on 2015 due to the increased size of the Trust following the transaction.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £210,000 (2014/15: £160,000), 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 operational sites at the Chelsea and Westminster Hospital and West Middlesex University Hospital, as well as at the Trust's finance function's offices, 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, PFI accounting and Information Technology systems

Data analytic techniques were used as part of audit testing, to support identification of items of audit interest and in particular journal testing.

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

In our opinion:

- the part of the Directors' Remuneration Report to be audited has 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 have nothing to report in respect of these matters.

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.

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;
- 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 the 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 Chelsea and Westminster 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, UK

27 May 2016

SECTION 5

FINANCE

ANNUAL ACCOUNTS 2015/16

ANNUAL FINANCIAL STATEMENTS 2015/16
Under International Financial Reporting Standards

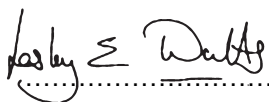
**Chelsea and Westminster Hospital NHS Foundation Trust
Annual Financial Statements 2015/16**

Foreword to the Annual Financial Statements

Chelsea and Westminster Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2016, have been prepared by Chelsea and Westminster Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed

A handwritten signature in black ink, appearing to read 'Lesley Watts', is written over a horizontal dotted line.

Name Lesley Watts
Job title Chief Executive
Date 26 May 2016

Chelsea and Westminster Hospital NHS Foundation Trust
Annual Financial Statements 2015/16

Statement of Comprehensive Income
For The year Ended 31 March 2016

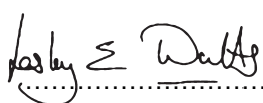
	2015/16	2014/15
Note	£000	£000
Operating income from patient care activities	2.1 445,421	326,693
Other operating income	2.4 78,433	51,274
Total operating income from continuing operations	523,854	377,967
Operating expenses	3.1 (574,632)	(363,465)
Operating (deficit)/surplus from continuing operations	(50,778)	14,502
Finance income	6.1 83	50
Finance expenses	6.2 (3,370)	(828)
PDC dividends payable	(10,378)	(11,356)
Net finance costs	(13,665)	(12,134)
Share of profit	9 322	-
Gains arising from transfers by absorption	75,049	-
Surplus for the year	10,928	2,368
Other comprehensive income		
Will not be reclassified to income and expenditure:		
Impairments	3.3 (62,399)	-
Revaluations	312	5,569
Total comprehensive income/(expense) for the period	(51,159)	7,937

Chelsea and Westminster Hospital NHS Foundation Trust
Annual Financial Statements 2015/16

Statement of Financial Position
At 31 March 2016

	Note	31 March 2016 £000	31 March 2015 £000
Non-current assets			
	5882	-	
Intangible assets	7.1	10,898	10,005
Property, plant and equipment	8.1	372,621	371,108
Investments in associates (and joint ventures)	9	2,398	-
Total non-current assets		385,917	381,113
Current assets			
Inventories	10	7,230	5,973
Trade and other receivables	11.1	72,995	45,753
Cash and cash equivalents	12.1	41,877	17,771
Total current assets		122,102	69,497
Current liabilities			
Trade and other payables	13.1	(86,672)	(46,430)
Other liabilities	14	(5,882)	(1,481)
Borrowings	15	(4,482)	(6,125)
Provisions	17.1	(10,650)	(2,703)
Total current liabilities		(107,686)	(56,739)
Total assets less current liabilities		400,333	393,871
Non-current liabilities			
Borrowings	15	(87,445)	(34,750)
Provisions	17.1	(1,087)	(686)
Total non-current liabilities		(88,532)	(35,436)
Total assets employed		311,801	358,435
Financed by			
Public dividend capital		223,956	166,521
Revaluation reserve		83,375	93,111
Income and expenditure reserve		4,470	98,803
Total taxpayers' equity		311,801	358,435

The notes on pages 5 to 41 form part of these accounts.

Signed 

Name Lesley Watts
Job title Chief Executive
Date 26 May 2016

Chelsea and Westminster Hospital NHS Foundation Trust
Annual Financial Statements 2015/16

Statement of Changes in Equity

For The year Ended 31 March 2016

	Public dividend capital	Revaluation reserve	Available for sale investment reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2015 - brought forward	166,521	93,111	-	-	-	98,803	358,435
Surplus/(deficit) for the year	-	-	-	-	-	10,928	10,928
Transfers by absorption: transfers between reserves	52,910	52,363	-	-	-	(105,273)	-
Impairments	-	(62,399)	-	-	-	-	(62,399)
Revaluations	-	312	-	-	-	-	312
Transfer to retained earnings on disposal of assets	-	(12)	-	-	-	12	-
Public dividend capital received	4,525	-	-	-	-	-	4,525
Taxpayers' and others' equity at 31 March 2016	223,956	83,375	-	-	-	4,470	311,801

Statement of Changes in Equity for the year ended 31 March 2015

	Public dividend capital	Revaluation reserve	Available for sale investment reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2014 - brought forward	165,221	87,542	-	-	-	96,435	349,198
Surplus/(deficit) for the year	-	-	-	-	-	2,368	2,368
Revaluations	-	5,569	-	-	-	-	5,569
Public dividend capital received	1,300	-	-	-	-	-	1,300
Taxpayers' and others' equity at 31 March 2015	166,521	93,111	-	-	-	98,803	358,435

Chelsea and Westminster Hospital NHS Foundation Trust
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Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve reflects the accumulated surpluses and deficits of the Trust.

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Statement of Cash Flows

For The year Ended 31 March 2016

	Note	2015/16 £000	2014/15 £000
Cash flows from operating activities			
Operating (deficit)/surplus		(50,778)	14,502
Non-cash income and expense:			
Depreciation and amortisation	3.1	15,332	14,034
Impairments and reversals of impairments	3.3	56,373	-
Loss on disposal of non-current assets		-	39
Income recognised in respect of capital donations		(866)	-
Increase in receivables and other assets		(11,181)	(4,781)
Decrease in inventories		814	312
Increase in payables and other liabilities		17,819	8,910
Increase/(decrease) in provisions		7,586	(1,383)
Other movements in operating cash flows		-	5
Net cash generated from/(used in) operating activities		35,099	31,638
Cash flows from investing activities			
Interest received		83	50
Purchase of intangible assets		(1,907)	(4,360)
Purchase of property, plant, equipment and investment property		(16,802)	(12,150)
Receipt of cash donations to purchase capital assets		866	-
Net cash generated from/(used in) investing activities		(17,760)	(16,460)
Cash flows from financing activities			
Public dividend capital received		4,525	1,300
Movement on loans from the Department of Health		15,329	(3,425)
Movement on other loans		(61)	-
Capital element of finance lease rental payments		(84)	-
Capital element of PFI, LIFT and other service concession payments		(502)	-
Interest paid on finance lease liabilities		(38)	-
Interest paid on PFI, LIFT and other service concession obligations		(2,493)	-
Other interest paid		(1,663)	(830)
PDC dividend paid		(12,855)	(11,307)
Cash flows generated from other financing activities		322	-
Net cash generated from/(used in) financing activities		2,480	(14,262)
Increase in cash and cash equivalents		19,819	916
Cash and cash equivalents at 1 April		17,771	16,855
Cash and cash equivalents transferred under absorption accounting	12.1	4,287	-
Cash and cash equivalents at 31 March	12.1	41,877	17,771

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Notes to the Accounts

Note 1 Accounting policies and other information

Basis of preparation

Monitor is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the FT ARM which shall be agreed with the Secretary of State. Consequently the ensuing financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM 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 New and revised standards and interpretations

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. Monitor 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
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leasing
- IAS 36 (amendment) – Recoverable Amount Disclosures
- IAS 19 (amendment) – Employer Contributions to Defined Benefit Pensions Schemes

The directors do not expect that the adoption of these standards and interpretations will have a material impact on the financial statements in future periods. Other revised and new standards have not been listed here as they are not considered to have an impact on the Trust.

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention, modified by the revaluation of properties, and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

1.3 Going concern

The Trust has set a plan in 2016/17 to generate a surplus of £3.9m. The Directors are confident that the surplus is realistic with a strong focus on the achievement of the CIPs target of £27.6m. Following a review of the Trust's plans and projections, including cash flows, liquidity and income base, as well as considering regulatory commitments, the Directors have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. In particular, the Trust has agreed ongoing funding under the terms of the acquisition and as part of the wider Sustainability & Transformation Plans. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

1.4 Merger with West Middlesex University Hospital NHS Trust

The functions and net assets of the West Middlesex University Hospital NHS Trust (WM) were transferred to the Trust on 1 September 2015. Transfers as part of a reorganisation are accounted for by the use of absorption accounting in line with the Treasury FReM. Absorption accounting requires that entities account for their transactions in the period in which they take place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCI, and is disclosed separately from operating costs.

The impact of the acquisition of WM in the SOCI was to reduce the deficit for the year by the value of the net assets acquired, which has created a net surplus.

1.5 Interests in other entities

Where the Trust has invested in an entity in which it has joint control with another party and has the rights to the assets, and obligations for the liabilities, relating to the arrangement, it is treated as an investment in a joint operation. The Trust includes within its financial statements its share of the profits after tax.

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

In accordance with IAS 18, income relating to those spells which are partially completed at the financial year end is apportioned across the financial years on a pro rata basis.

Chelsea and Westminster Hospital NHS Foundation Trust
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Notes to the Accounts (continued)

1.7 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 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. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

Chelsea and Westminster Hospital NHS Foundation Trust
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Notes to the Accounts (continued)

1.8 Expenditure on other goods and services

Expenditure on goods and services is recognised when the goods have been received; it 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.

1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes.
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust.
- it is expected to be used for more than one financial year.
- the cost of the item can be measured reliably.
- The item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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. Properties in the course of construction 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.

All assets are measured subsequently at fair value as follows:

- (a) Land and non-specialised buildings – existing use value
- (b) Specialised buildings – depreciated replacement cost
- (c) Non-property assets - depreciated historic cost
- (d) Residential Accommodation – Existing Use value for social housing.

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be fully recoverable.

All land and buildings are restated to fair value in accordance with IAS 16 and Monitor guidance, using professional valuations at least every five years to ensure that fair values are not materially different from the carrying amounts. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual based on modern equivalent asset values using the alternative site approach where appropriate. The last valuation was carried out by Montagu Evans (Independent Chartered Surveyors, Registration number OC312072) as at 31 March 2016.

Subsequent expenditure

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

Depreciation

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

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI

Chelsea and Westminster Hospital NHS Foundation Trust
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Notes to the Accounts (continued)

1.9 Property, plant and equipment (continued)

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

Impairments

In accordance with the *FT ARM*, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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 ie:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made

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

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

Chelsea and Westminster Hospital NHS Foundation Trust
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Notes to the Accounts (continued)

1.10 PFI Schemes

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12 - Service Concession Arrangements. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI asset

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

PFI liability

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

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

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

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

Lifecycle replacement

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

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

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the PFI scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Trust's Statement of Financial Position.

1.11 Useful Economic lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Buildings, excluding dwellings	5	70
Dwellings	30	40
Plant & machinery	3	20
Transport equipment	5	5
Information technology	2	11
Furniture & fittings	3	11

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

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Notes to the Accounts (continued)

1.11 Useful Economic lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Buildings, excluding dwellings	5	70
Dwellings	30	40
Plant & machinery	3	20
Transport equipment	5	5
Information technology	2	11
Furniture & fittings	3	11

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

1.12 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 trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

Expenditure which does not meet the criteria for capitalisation is treated as an operating expense in the year in which it is incurred. Where possible, the Trust discloses the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful economic life of intangible assets

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

	Min life	Max life
	Years	Years
Intangible assets - internally generated		
Information technology	3	10
Intangible assets - purchased		
Software	3	10

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Notes to the Accounts (continued)

1.13 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.14 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

1.15 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and other short term highly liquid investments. These balances are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Monies held in the Trust's bank account belonging to patients are excluded from cash and cash equivalents (see "third party assets" below).

Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within payables. Interest earned on bank accounts and interest charged on overdrafts is recorded respectively as "finance income" and "finance cost" in the periods to which it relates. Bank charges are recorded as operating expense in the periods to which they relate.

1.16 Financial instruments and financial liabilities

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Trust will commonly have the following financial assets and liabilities: trade receivables (but not prepayments), cash and cash equivalents, trade payables (but not deferred income), finance lease obligations, borrowings.

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 i.e. 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.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the trade date.

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

De-recognition

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

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

Classification and measurement

Financial assets are classified into the following specified categories:

- Financial assets 'at fair value through Income and Expenditure'; or
- 'Loans and receivables'; or
- 'Available-for-sale' financial assets.

Financial liabilities are classified as either:

- Financial liabilities 'at fair value through Income and Expenditure'; or
- 'Other financial liabilities'.

The Trust has no financial assets classified as 'at fair value through Income and Expenditure' or 'Available for sale'. There are also no financial liabilities classified as 'at fair value through income and expenditure'.

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: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transaction 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, except for short-term receivables when the recognition of interest would be immaterial.

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.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset. Evidence is gathered via formal communication between the Trust and the counterparties.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of bad debt provision. The bad debt provision is charged to operating expenses.

Chelsea and Westminster Hospital NHS Foundation Trust
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Notes to the Accounts (continued)

1.17 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS foundation trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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.

1.18 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 17.2 but is not recognised in the NHS foundation trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority 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.

1.19 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 18 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 18, 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.

1.20 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 NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

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Notes to the Accounts (continued)

1.21 Value added tax

Most of the activities of the NHS foundation 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.

1.22 Corporation tax

Corporation tax is not applicable to the Trust.

1.23 Foreign exchange

The functional and presentational currencies of the trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been adopted early in 2015/16.

1.26 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, which are described in note 1, the directors are required to make judgements, 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 these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The following are the critical judgements and estimates, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Property Valuations

Following the merger with West Middlesex University Hospital NHS Trust, the Directors instructed Montagu Evans to carry out a revaluation of all land and buildings at the Chelsea and West Middlesex sites to ensure consistency of valuations across the Trust. The valuation was prepared under the requirements of the Annual Reporting Manual and Royal Institute of Chartered Surveyors valuation guidance. Specialised assets such as hospitals for which no market exists are valued at depreciated replacement cost (DRC) for a Modern Equivalent Asset. Other assets are valued at Existing Use Value (EUV) or Market Value (MV).

A majority of the buildings owned by the Trust are specialised assets which have been valued on a Modern Equivalent Asset basis. This requires assumptions to be made about the design of a modern asset with equivalent service potential to the existing asset. The Trust's has reviewed assumptions in the current year, and has made the following key changes:

- reviewing the Useful Economic Life of the asset and the residual value at the end of that life;
- revising the areas excluded from the valuation of the Chelsea site (as used by Imperial College rather than the Trust) to reflect current usage, and reassessing the overall layout and height of an equivalent modern asset; and
- adopting an "alternative site" basis of valuation for the West Middlesex site.

Non-specialised assets and land have been valued on an Existing Use Value basis with the Trust's residential staff accommodation assessed in line with the principle of Existing Use Value for Social Housing.

Disputes with Commissioners

As set out in note 17.1, Management has made an assessment of the potential liability of the Trust from contractual disputes with commissioners. Provisions for the disputes are £5.8m at 31st March 2016 (31st March 2015 £0.3m). The disputes relate to challenges on pricing or charging that it has not been possible to settle by reference to the contract, under which the Trust has been entitled to the income. The Trust has recognised the income in relation to the disputes in its Statement of Comprehensive Income and the commissioning bodies have settled the debts. However there is precedent for the Trust agreeing a negotiated settlement with commissioners, on contractual challenges raised during the year on issues that are not sufficiently clear in the contracts. The Trust has determined the level of provision on a basis that reflects settlement of the issue for the financial year in which the issue was raised and any subsequent years but not to retrospectively settle claims.

Recoverability of NHS and Local Authority Debt

The Trust has £33.9m of debt with NHS bodies at 31 March 2016 (2015 £25.8m) and £6.3m of debt with Local Authorities (2015 £11.3m). Management has considered the recoverability of this debt as at 31 March 2016 and has established a level of bad debt provision which is felt adequate to cover the risk of non-recovery.

1.27 West Middlesex University Hospital Charitable Fund

The West Middlesex University Hospital Charitable Fund was operated on a corporate trustee basis until 31 August 2015 and was transferred to Chelsea and Westminster Hospital NHS Foundation Trust from that date on the same basis following the merger of the two trusts. The Trust Board has considered both the size and nature of the charitable funds and taken the decision not to consolidate the Charitable Fund in the annual accounts at 31 March 2016 on the grounds of materiality as permitted by Foundation Trust Annual Reporting Manual. It is intended that the West Middlesex University Hospital Charitable Fund Accounts for the year ended 31 March 2016 will be available to view in November 2016 on the Chelsea and Westminster Hospital NHS Foundation Trust website.

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2 Operating income from patient care activities

2.1 Income from patient care activities (by nature)

	2015/16	2014/15
	£000	£000
Acute services		
Elective income	59,214	49,300
Non elective income	102,692	57,508
Outpatient income	99,338	83,860
A & E income	17,863	11,866
Other NHS clinical income	119,567	104,428
Community services		
Community services income from CCGs and NHS England	2,340	2,101
Community services income from other commissioners	616	-
Other services		
Private patient income	17,421	15,402
Other clinical income	26,370	2,228
Total income from activities	445,421	326,693

Other Clinical Income in 2015/16 principally relates to GUM services to Local Authorities. The income from these services was included in Other NHS Clinical Income in 2014/15 as the income was received via NHS Clinical Commissioning Groups.

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2.2 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	2015/16	2014/15
	£000	£000
Income recognised this year	1,690	1,598
Cash payments received in-year	995	777
Amounts added to provision for impairment of receivables	831	541
Amounts written off in-year	1,692	180

2.3 Other operating income

	2015/16	2014/15
	£000	£000
Research and development	4,317	4,501
Education and training	27,661	24,687
Receipt of capital grants and donations	948	-
Charitable and other contributions to expenditure	-	13
Non-patient care services to other bodies	184	283
Support from the Department of Health for mergers	12,900	-
Rental revenue from operating leases	374	-
Income in respect of staff costs where accounted on gross basis	4,317	3,912
Other income	27,732	17,878
Total other operating income	78,433	51,274

Other income of £27.7m (14/15 £17.9m) comprises (2014/15 in brackets): funding for transaction & integration costs in respect of the acquisition of West Middlesex Hospital to the Trust Development Agency and CCGs £5.5m (£4.9m), facilities recharges £0.4m (£1.4m), clinical excellence awards £1.0m (£1.1m), car parking income £1.5m (£1.1m), winter resilience funding £1.8m (£1.9m), recharge of setup costs for the ICT shared service nil (£1.8m), recharge of setup costs for finance outsourcing nil (£1.0m), maternity lease funding £3.6m (nil), paediatric funding £3.6m (nil), emergency department rebuild funding £2.3m (nil), medical discharge suite funding £1.8m (nil), property income £2.1m (nil), and other income £4.1m (£4.5m).

2.4 Income from activities

Under the terms of its provider license, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2015/16	2014/15
	£000	£000
Income from Commissioner Requested Services		
NHS Clinical Commissioning Groups	263,045	177,375
NHS England	135,094	115,747
Local Authorities or other government bodies	26,852	15,941
Income from non-Commissioner Requested Services		
NHS Foundation Trusts	247	810
NHS Trusts	1,147	448
Non NHS: Private patients	15,731	13,804
Non NHS: Overseas patients (non-reciprocal)	1,690	1,598
NHS injury scheme	912	670
Non NHS: Other	703	300
Total	445,421	326,693

2.6 Gain on transfer by absorption

The Trust merged with the West Middlesex University Hospital NHS Trust (WM) on 1 September 2015. The net assets of WM, amounting to £73.9m, were acquired by the Trust and reflected through the Statement of Comprehensive Income as a gain on transfer by absorption in accordance with the accounting requirements of Monitor. The results of the Trust for the year ended 31 March 2016 comprise the results of WM for the seven months from 1 September 2015 and the results of the Chelsea & Westminster Hospital NHS Foundation Trust for the twelve months from 1 April 2015.

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3 Operating expenses from Operations

3.1 Operating expenses

	2015/16	2014/15
		Restated
	£000	£000
Services from NHS foundation trusts	1,306	1,076
Services from NHS trusts	17,259	13,475
Services from other NHS bodies	109	-
Purchase of healthcare from non NHS bodies	4,277	2,291
Employee expenses - executive directors	1,464	1,510
Remuneration of non-executive directors	162	163
Employee expenses - staff	265,051	186,732
Supplies and services - clinical	36,438	26,328
Supplies and services - general	13,345	4,452
Establishment	4,757	3,485
Research and development	268	354
Transport	1,226	150
Premises	27,796	18,951
Increase/(decrease) in provision for impairment of receivables	15,313	3,231
Increase/(decrease) in other provisions	4,452	(527)
Change in provisions discount rate(s)	(51)	-
Drug costs	2,391	-
Inventories consumed	78,011	63,502
Rentals under operating leases	5,407	2,995
Depreciation on property, plant and equipment	13,183	11,820
Amortisation on intangible assets	2,149	2,214
Impairments	56,373	-
Audit fees payable to the external auditor		
audit services- statutory audit	212	151
other auditor remuneration (external auditor only)	436	1,061
Clinical negligence	9,040	7,516
Loss on disposal of non-current assets	-	39
Legal fees	487	717
Consultancy costs	7,720	7,348
Internal audit costs	130	112
Training, courses and conferences	1,435	1,161
Patient travel	1,086	1,642
Car parking & security	848	70
Redundancy	1,469	-
Hospitality	83	90
Insurance	241	130
Other services, eg external payroll	37	-
Losses, ex gratia & special payments	458	41
Other	264	1,185
Total	574,632	363,465

Consultancy costs in 2015/16 included £4.4m on Transaction workstreams, £0.3m on Cost Improvement Plans, £0.1 on Electronic Patient Record, £0.6m on management support for planning and prioritisation of key work, Health & Safety £0.1m, VAT consulting £0.1m and £0.2m on service improvements.

Consultancy costs in 2014/15 included £4.0m in relation to the Transaction and integration of the West Middlesex University Hospital NHS Trust.

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3.2 Other auditor remuneration

	2015/16	2014/15
	£000	£000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	30	-
Other assurance services		
Other non-audit services	406	1,061
Total	436	1,061

The non-audit services in 2014/15 related to support for the Transaction and assistance with business cases. The non-audit services in 2015/16 related to the Quality Accounts assurance work.

Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2015/16 or 2014/15.

3.3 Impairment of assets

	2015/16	2014/15
	£000	£000
Impairments charged to operating surplus / deficit	56,373	-
Impairments charged to the revaluation reserve	62,399	-
Total impairments	118,772	-

Following the merger with West Middlesex University Hospital NHS Trust, the Directors instructed Montagu Evans to carry out a revaluation of all land and buildings at the Chelsea and West Middlesex sites to ensure consistency of valuations across the Trust. The revaluation was predominantly based on modern equivalent asset values using the alternative site approach where appropriate. This exercise resulted in a write-down of the relative assets by £118.4m which has been allocated initially against the revaluation reserve (£62.4m) where sufficient reserves were available for the assets concerned, and thereafter to Income and Expenditure Account as an impairment of £56.0m in accordance with the Trust's accounting policies and Monitor guidance. There is an additional impairment £0.4m relating to assets transferred to the Sphere Joint Venture.

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4 Employee benefits

	Permanent	Other	2015/16 Total	2014/15 Total
	£000	£000	£000	£000
Salaries and wages	191,571	8,154	199,725	145,267
Social security costs	17,753	261	18,014	13,138
Employer's contributions to NHS pensions	22,842	201	23,043	16,468
Pension cost - other	4	-	4	-
Termination benefits	180	-	180	-
Agency/contract staff	-	26,795	26,795	15,434
Total gross staff costs	232,350	35,411	267,761	190,307
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	232,350	35,411	267,761	190,307
Of which				
Costs capitalised as part of assets	806	234	1,040	2,065
Staff costs after capitalisation	231,544	35,177	266,721	188,242

The benefits disclosed above are of a short term nature.

4.1 Retirements due to ill-health

During 2015/16 there was 1 early retirement from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2015). The estimated additional pension liabilities of these ill-health retirements is £109k (£0k in 2014/15).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

4.2 Salary and Pension entitlements of senior managers

In 2015/16 Directors' remuneration was £1,626k (2014/15 £1,673k), which includes employers contributions to the pension scheme of £130k (2014/15 £105k). All Directors' remuneration is deemed short term. Directors' remuneration excludes salary recharges of £87k in 2014/15 for the secondment of the Chief Operating Officer, which was included under other operating income.

Further details of directors' remuneration can be found in the remuneration report.

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5 Operating leases

5.1 The Trust as lessor

	2015/16
	£000
Operating lease revenue	
Minimum lease receipts	374
Total	<u><u>374</u></u>
	31 March 2016
	£000
Future minimum lease receipts due:	
- not later than one year;	90
- later than one year and not later than five years;	187
- later than five years.	-
Total	<u><u>277</u></u>

The Trust has three lessor agreements on Trust buildings and land. Imperial College lease the Renal Unit and charges are made with regard to ac associated with the premises. Alliance Medical lease land for their MRI unit and a contract has been agreed in respect of lease charges that takes consideration charges from the company to the Trust for MRI scans. Hounslow and Richmond Community Healthcare NHS Trust lease land and b Urgent Care Centre (UCC).

5.2 The Trust as lessee

This note discloses costs and commitments incurred in operating lease arrangements where Chelsea and Westminster Hospital NHS Foundation lessee.

	2015/16
	£000
Operating lease expense	
Minimum lease payments	5,613
Less sublease payments received	(206)
Total	<u><u>5,407</u></u>
	31 March 2016
	£000
Future minimum lease payments due:	
- not later than one year;	5,801
- later than one year and not later than five years;	12,508
- later than five years.	5,222
Total	<u><u>23,531</u></u>

West Middlesex Site:

The Trust has an existing operating lease for the rental of the Maternity Theatres and Natural Birthing Unit, which commenced in 20 nine year duration. In 2014-15, the Trust increased the number of leased units to include four more blocks, the contract commencec 2014 and is for a duration of three years. The rent is determined by reference to the lease agreement.

The Trust entered into an operating lease for a Computerised Tomography (CT) scanner in 2010-11 for a duration of five years. Th is also determined by reference to the lease agreement.

The Trust has entered in to a new operating lease for the supply of photocopying services across the Trust. This is for the period of starting November 2013.

Chelsea Site:

The Trust has a number of property operating leases to run its operations. These include leased properties from NHS Property Serv CCGs and council. The Trust has also rented Properties from Private Companies. The rent reviews are either at a five year or other intervals. The longest lease taken out in this year is for 15 years.

The lease payment for 2015/16 is £5.6m and the total future lease payments due are £18.9m.

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6 Finance income and expense

6.1 Finance income

Finance income represents interest received on assets and investments in the period.

	2015/16	2014/15
	£000	£000
Interest on bank accounts	83	50
Total	83	50

6.2 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2015/16	2014/15
	£000	£000
Interest expense:		
Loans from the Department of Health	829	818
Finance leases	38	-
Main finance costs on PFI and LIFT schemes obligations	1,617	-
Contingent finance costs on PFI and LIFT scheme obligations	876	-
Total interest expense	3,360	818
Other finance costs	10	-
Total	3,370	818

The late payment of commercial debts (interest) Act 1998

	2015/16	2014/15
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	1	-

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7.1 Intangible assets - 2015/16

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation/gross cost at 1 April 2015 - brought forward	3,909	10,839	3,781	18,529
Transfers by absorption	-	1,658	-	1,658
Additions	-	-	2,999	2,999
Reclassifications	132	2,781	(2,706)	207
Disposals / derecognition	(98)	(397)	(853)	(1,348)
Gross cost at 31 March 2016	3,943	14,881	3,221	22,045
Amortisation at 1 April 2015 - brought forward	1,039	7,485	-	8,524
Transfers by absorption	-	904	-	904
Provided during the year	575	1,574	-	2,149
Disposals / derecognition	(33)	(397)	-	(430)
Amortisation at 31 March 2016	1,581	9,566	-	11,147
Net book value at 31 March 2016	2,362	5,315	3,221	10,898
Net book value at 1 April 2015	2,870	3,354	3,781	10,005

Notes

Assets with a net book value of £918k were transferred to the Sphere joint venture during the year - see note 9.
Expenditure of £207k on a CQUIN project was reclassified from plant, property and equipment during the year.

7.2 Intangible assets - 2014/15

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation/gross cost at 1 April 2014 - as previously stated	2,871	10,059	756	13,686
Prior period adjustments	-	-	-	-
Gross cost at 1 April 2014 - restated	2,871	10,059	756	13,686
Additions	645	780	2,937	4,362
Reclassifications	393	-	88	481
Valuation/gross cost at 31 March 2015	3,909	10,839	3,781	18,529
Amortisation at 1 April 2014 - as previously stated	432	5,878	-	6,310
Prior period adjustments	-	-	-	-
Amortisation at 1 April 2014 - restated	432	5,878	-	6,310
Provided during the year	607	1,607	-	2,214
Amortisation at 31 March 2015	1,039	7,485	-	8,524
Net book value at 31 March 2015	2,870	3,354	3,781	10,005
Net book value at 1 April 2014	2,439	4,181	756	7,376

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8.1 Property, plant and equipment - 2015/16

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2015 - brought forward	59,818	287,312	12,486	2,665	43,416	121	14,625	1,798	422,241
Transfers by absorption	31,000	71,239	-	756	18,311	-	10,773	1,396	133,475
Additions	-	2,977	-	15,811	784	-	31	12	19,615
Impairments to operating expenses	-	(5,079)	-	-	-	-	-	-	(5,079)
Impairments to revaluation reserves	(11,008)	(51,391)	-	-	-	-	-	-	(62,399)
Reclassifications	-	9,406	-	(12,679)	2,733	-	237	96	(207)
Revaluations	-	(63,569)	-	-	-	-	-	-	(63,569)
Disposals / derecognition	-	-	-	-	(539)	-	(7,161)	-	(7,700)
Valuation/gross cost at 31 March 2016	79,810	250,895	12,486	6,553	64,705	121	18,505	3,302	436,377
Accumulated depreciation at 1 April 2015 - brought forward	-	8,437	-	-	28,915	120	12,758	903	51,133
Transfers by absorption	-	-	-	-	10,141	-	7,949	1,030	19,120
Provided during the year	-	6,568	312	-	4,934	1	1,078	290	13,183
Impairments to operating expenses	-	50,926	-	-	-	-	368	-	51,294
Impairments to revaluation reserves	-	-	-	-	-	-	-	-	-
Revaluations	-	(63,569)	(312)	-	-	-	-	-	(63,881)
Disposals / derecognition	-	-	-	-	(539)	-	(6,554)	-	(7,093)
Accumulated depreciation at 31 March 2016	-	2,362	-	-	43,451	121	15,599	2,223	63,756
Net book value at 31 March 2016	79,810	248,533	12,486	6,553	21,254	-	2,906	1,079	372,621
Net book value at 1 April 2015	59,818	278,875	12,486	2,665	14,501	1	1,867	895	371,108

Notes

Assets with a net book value of £605k were transferred to the Sphere joint venture during the year - see note 9.

Expenditure of £207k on a CQUIN project was reclassified to intangibles during the year.

As part of its role as a teaching hospital, the Trust provides space to Imperial College Medical School for medical education on the Trust's site. The space provided is excluded from the valuation of the Trust's assets.

8.2 Property, plant and equipment - 2014/15

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2014 - as previously stated	53,800	274,916	20,250	4,472	41,810	121	14,413	1,591	411,373
Additions	-	6,404	6	2,605	1,476	-	204	206	10,901
Reclassifications	8,100	3,540	(8,106)	(4,412)	388	-	8	1	(481)
Revaluations	(2,082)	2,452	336	-	-	-	-	-	706
Disposals / derecognition	-	-	-	-	(258)	-	-	-	(258)
Valuation/gross cost at 31 March 2015	59,818	287,312	12,486	2,665	43,416	121	14,625	1,798	422,241
Provided during the year	-	5,086	296	-	4,203	24	1,833	378	11,820
Revaluations	-	(4,567)	(296)	-	-	-	-	-	(4,863)
Disposals / derecognition	-	-	-	-	(219)	-	-	-	(219)
Accumulated depreciation at 31 March 2015	-	519	-	-	3,984	24	1,833	378	6,738
Net book value at 31 March 2015	59,818	286,793	12,486	2,665	39,432	97	12,792	1,420	415,503
Net book value at 1 April 2014	53,800	274,916	20,250	4,472	41,810	121	14,413	1,591	411,373

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8.3 Property, plant and equipment financing - 2015/16

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2016									
Owned	79,810	242,985	12,486	6,553	20,197	-	2,906	1,079	366,016
Government granted	-	1,325	-	-	41	-	-	-	1,366
Donated	-	4,223	-	-	1,016	-	-	-	5,239
NBV total at 31 March 2016	79,810	248,533	12,486	6,553	21,254	-	2,906	1,079	372,621

8.4 Property, plant and equipment financing - 2014/15

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2015									
Owned	59,818	269,716	12,486	2,665	13,292	1	1,851	895	360,724
Government granted	-	2,509	-	-	61	-	-	-	2,570
Donated	-	6,650	-	-	1,148	-	16	-	7,814
NBV total at 31 March 2015	59,818	278,875	12,486	2,665	14,501	1	1,867	895	371,108

8.5 Donations of property, plant and equipment

During the year the Trust received donations totalling £385k towards the costs of the Medicinema, £440k towards the costs of the West London Sexual Health Centre and £41k towards the costs of medical equipment.

8.5 Revaluations of property, plant and equipment

Following the merger with West Middlesex University Hospital NHS Trust, the Directors instructed Montagu Evans to carry out a revaluation of all land and buildings at the Chelsea and West Middlesex sites to ensure consistency of valuations across the two sites. The revaluation was based on modern equivalent asset values using the alternative site approach. This exercise resulted in a write-down of the relative assets by £118.8m which has been allocated directly to the revaluation reserve where sufficient reserve was available for the assets concerned, and thereafter to Income and Expenditure Account as an impairment in accordance with the Trust's accounting policies and Monitor guidance.

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9 Investments - Joint Venture

	Investments in associates (and joint ventures)
	£000
Carrying value at 1 April 2015	-
Capital contribution	1,523
Share of profit on Joint Venture	322
Other equity movements	553
Carrying value at 31 March 2016	<u>2,398</u>

The Trust holds a 50% share in Systems Powering Healthcare Limited ("Sphere"), an IT shared services company set up as a joint venture with the Royal Marsden Hospital Foundation Trust. Sphere is a United Kingdom company. The company commenced operations in April 2015. The Trust made a capital contribution of IT assets amounting to £1,523k to the joint venture in 2015/16. The Trust accounts for its share of Sphere's gains and losses using the equity method.

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10 Inventories

	31 March 2016	31 March 2015
	£000	£000
Drugs	3,111	2,718
Consumables	3,931	3,179
Energy	140	76
Other	48	-
Total inventories	<u>7,230</u>	<u>5,973</u>

The disclosure above reflects consumables tracked as stock through the year, which are primarily drugs. The expense for other consumables included within inventories at year-end is shown in note 3 as part of Clinical Supplies and Services expenditure.

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11.1 Trade receivables and other receivables

	31 March 2016	31 March 2015
	£000	£000
Current		
Trade receivables due from NHS bodies	33,859	25,767
Local Authorities	5,954	11,316
Provision for impaired receivables	(13,512)	(6,415)
Deposits and advances	29	-
Prepayments (non-PFI)	8,930	2,092
Accrued income	20,353	2,989
PDC dividend receivable	2,290	-
VAT receivable	306	1,441
Other receivables	14,786	8,563
Total current trade and other receivables	<u>72,995</u>	<u>45,753</u>

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11.2 Provision for impairment of receivables

	2015/16	2014/15
	£000	£000
At 1 April as previously stated	6,415	4,296
Prior period adjustments	-	-
At 1 April - restated	6,415	4,296
Transfers by absorption	486	-
Increase in provision	23,553	4,430
Amounts utilised	(8,702)	(1,112)
Unused amounts reversed	(8,240)	(1,199)
At 31 March	13,512	6,415

11.3 Analysis of impaired receivables

	2015/16	2014/15
	Receivables	Receivables
	£000	£000
Ageing of impaired receivables		
0 - 30 days	67	-
30-60 Days	75	692
60-90 days	29	266
90- 180 days	738	1,903
Over 180 days	3,682	3,554
Total	4,591	6,415
Ageing of non-impaired receivables past their due date		
0 - 30 days	426	3,132
30-60 Days	108	6,480
60-90 days	100	2,311
90- 180 days	94	5,922
Over 180 days	124	2,299
Total	852	20,144

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12.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2015/16	2014/15
	£000	£000
At 1 April	17,771	16,855
Transfers by absorption	4,287	-
Net change in year	19,819	916
At 31 March	41,877	17,771
Broken down into:		
Cash at commercial banks and in hand	143	91
Cash with the Government Banking Service	41,734	17,680
Total cash and cash equivalents as in SoCF	41,877	17,771

12.2 Third party assets held by the Trust

The Trust held cash and cash equivalents of £21k (2014/15 £0.02m) which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

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13 Trade and other payables

	31 March 2016	31 March 2015
	£000	£000
Current		
NHS trade payables	2,170	3,832
Amounts due to other related parties	4,225	2,677
Other trade payables	14,576	10,181
Capital payables	6,015	1,539
Social security costs	3,271	1,831
Other taxes payable	3,330	2,018
Other payables	3,932	3,845
Accruals	49,153	20,320
PDC dividend payable	-	187
Total current trade and other payables	<u>86,672</u>	<u>46,430</u>

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14 Other liabilities

	31 March 2016	31 March 2015
	£000	£000
Current		
Deferred income	5,882	1,481
Total other current liabilities	<u>5,882</u>	<u>1,481</u>

15 Borrowings

	31 March 2016	31 March 2015
	£000	£000
Current		
Loans from the Department of Health	3,260	6,125
Other loans	64	-
Obligations under finance leases	154	-
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,004	-
Total current borrowings	<u>4,482</u>	<u>6,125</u>
Non-current		
Loans from the Department of Health	52,944	34,750
Other loans	100	-
Obligations under finance leases	788	-
Obligations under PFI, LIFT or other service concession contracts	33,613	-
Total non-current borrowings	<u>87,445</u>	<u>34,750</u>

The loan balances comprise four separate loans, two from the Independent Trust Financing Facility, being a working capital loan of £41.2m at 1.8% interest and a capital loan of £15m at 1.4% interest. The third loan of £64k is from Salix and is interest free. The fourth loan of £100k is from the Chelsea & Westminster Charitable Fund and is interest free.

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16 Finance leases

16.1 The Trust as lessee

Obligations under finance leases where Chelsea and Westminster Hospital NHS Foundation Trust is the lessee.

	31 March 2016	31 March 2015
	£000	£000
Gross lease liabilities	1,191	-
of which liabilities are due:		
- not later than one year;	210	-
- later than one year and not later than five years;	671	-
- later than five years.	310	-
Finance charges allocated to future periods	(249)	-
Net lease liabilities	942	-
of which payable:		
- not later than one year;	154	-
- later than one year and not later than five years;	541	-
- later than five years.	247	-

The Trust had two finance lease arrangements during 2015/16:

1. MRI building. The outstanding period for this lease is 12 years.
2. MRI scanner. The outstanding period for the lease is 4 years.

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17.1 Provisions for liabilities and charges analysis

	Pensions - other staff	Other legal claims	Fines	Contractual Disputes	Redundancy	Other incl. employee benefits	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2015	646	300	-	285	161	1,997	3,389
		-					
Transfers by absorption	-	219			-	533	752
Change in the discount rate	(49)	-			-	(2)	(51)
Arising during the year	173	470	2,000	5,835	1,469	888	10,835
Utilised during the year	(58)	(33)			(126)	(37)	(254)
Reversed unused	(122)	(320)		(285)	(35)	(2,182)	(2,944)
Unwinding of discount	(9)	-			-	19	10
At 31 March 2016	581	636	2,000	5,835	1,469	1,216	11,737
Expected timing of cash flows:							
- not later than one year;	48	336	2,000	5,835	1,469	962	10,650
- later than one year and not later than five years;	184	-	-	-	-	478	662
- later than five years.	349	-	-	-	-	76	425
Total	581	336	2,000	5,835	1,469	1,516	11,737

Contractual disputes relate to challenges from Commissioners on pricing, charging and penalties. The redundancy provision covers costs associated with the merger of West Middlesex University NHS Trust. Other provisions include delapidations £714k (2014/15 £nil) and injury benefit £514k (2014/15 £nil). Provisions for annual leave and maternity leave have been transferred to accruals via the reverse unused line above.

17.2 Clinical negligence liabilities

The amount included in provisions of the National Health Services Litigation Authority at 31 March 2016 in respect of negligence of the Trust is £183m (31 March 2015 £73m). The significant increase in the provisions for the National Health Services Litigation Authority at 31 March 2016 is primarily due to a change in the Public Expenditure System (PES) discount rate which is mandated by HM Treasury and serves as the method by which the government monitors budget flows. The increase in the provision is partly due to the absorption of West Middlesex Hospital; however the rise in the PES discount rate is the primary factor. There were no significant large value claims during this period.

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18 Contingent assets and liabilities

There are no contingent assets or liabilities at 31 March 2016

19 Contractual capital commitments

	31 March 2016	31 March 2015
	£000	£000
Property, plant and equipment	3,179	8,801
Intangible assets	508	110
Total	<u>3,687</u>	<u>8,911</u>

20 Events after the reporting period

There have been no events after the reporting period since the Statement of Position date.

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21 On-SoFP PFI, LIFT or other service concession arrangements

21.1 Imputed finance lease obligations

The trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	31 March 2016	31 March 2015
	£000	£000
Gross PFI, LIFT or other service concession liabilities	68,955	-
Of which liabilities are due		
- not later than one year;	3,702	-
- later than one year and not later than five years;	14,233	-
- later than five years.	51,020	-
Finance charges allocated to future periods	(34,338)	-
Net PFI, LIFT or other service concession arrangement obligation	34,617	-
- not later than one year;	1,004	-
- later than one year and not later than five years;	4,147	-
- later than five years.	29,466	-

21.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

The trust's total future obligations under these on-SoFP schemes are as follows:

	31 March 2016	31 March 2015
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	321,594	-
Of which liabilities are due:		
- not later than one year;	12,962	-
- later than one year and not later than five years;	54,749	-
- later than five years.	253,883	-

21.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the Trust's expenditure in 2015/16:

	31 March 2016	31 March 2015
	£000	£000
Unitary payment payable to service concession operator	9,853	-
Consisting of:		
- Interest charge	1,617	-
- Repayment of finance lease liability	503	-
- Service element	6,395	-
- Capital lifecycle maintenance	462	-
- Contingent rent	876	-
The notes on pages 5 to 41 form part of these accounts.	9,853	-

The Trust has a PFI scheme with Bywest Limited for a 33 year period which commenced in 2004. At the end of this period the Trust takes possession of the buildings and equipment funded and maintained by Bywest over the duration of the scheme. The Trust makes an annual unitary payment to cover liabilities management, lifecycle maintenance and finance costs. Unitary payments may vary in the future and are dependent on the Retail Price Index. Facilities management services are subject to market testing every five years. The market testing and formal tender of these services was last carried out in 2012/13. A new provider for soft facilities management services commenced in June 2013, including building cleaning and ground & site maintenance. The PFI scheme transferred to the Trust on 1 September following the merger with West Middlesex University Hospital NHS Trust.

Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has finance lease and payments comprise imputed finance lease charges and service charges.

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22 Financial instruments

22.1 Financial risk management

IAS 32 (Financial Instruments: Disclosure and Presentation), IAS 39 (Financial Instrument Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) require disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. The Trust does not have any complex financial instruments and does not hold or issue financial instruments for speculative trading purposes. Because of the continuing service provider relationship the Trust has with healthcare commissioners and the way those healthcare commissioners are financed, the Trust is not exposed to the degree of financial risk faced by non NHS business entities.

The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

23 Financial assets

	Loans and receivables	Assets at fair value through the I&E	Held to maturity	Available-for- sale	Total
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2016					
Trade and other receivables excluding non financial assets	61,775	-	-	-	61,775
Cash and cash equivalents at bank and in hand	41,877	-	-	-	41,877
Total at 31 March 2016	103,652	-	-	-	103,652

	Loans and receivables	Assets at fair value through the I&E	Held to maturity	Available-for- sale	Total
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2015					
Trade and other receivables excluding non financial assets	43,529	-	-	-	43,529
Cash and cash equivalents at bank and in hand	17,771	-	-	-	17,771
Total at 31 March 2015	61,300	-	-	-	61,300

24 Financial liabilities

	Other financial liabilities	Liabilities at fair value through the I&E	Total
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2016			
Borrowings excluding finance lease and PFI liabilities	56,368	-	56,368
Obligations under finance leases	942	-	942
Obligations under PFI, LIFT and other service concession contracts	34,617	-	34,617
Trade and other payables excluding non financial liabilities	86,672	-	86,672
Provisions under contract	11,737	-	11,737
Total at 31 March 2016	190,336	-	190,336

	Other financial liabilities	Liabilities at fair value through the I&E	Total
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2015			
Borrowings excluding finance lease and PFI liabilities	40,875	-	40,875
Trade and other payables excluding non financial liabilities	46,430	-	46,430
Provisions under contract	3,389	-	3,389
Total at 31 March 2015	90,694	-	90,694

Maturity of financial liabilities

	31 March 2016	31 March 2015
In one year or less	101,803	55,361
In more than one year but not more than two years	4,648	6,468
In more than two years but not more than five years	13,742	23,822
In more than five years	70,143	5,043
Total	190,336	90,694

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25 Liquidity risk

The Trust's net operating costs are mainly incurred under legally binding contracts with commissioners, which are financed from resources voted annually by Parliament. This provides a reliable source of funding stream which significantly reduces the Trust's exposure to liquidity risk.

The Trust also manages liquidity risk by maintaining banking facilities and loan facilities to meet its short and long term capital requirements through continuous monitoring of forecast and actual cash flows.

In addition to internally generated resources the Trust finances its capital programme through agreed loan facilities with the Independent Trust Financing Facility. The Trust does not have a working capital facility as at 31 March 2016.

26 Credit risk

Credit risk exists where the Trust can suffer financial loss through default of contractual obligations by a customer of counterparty.

The Trust's policy on bad and doubtful debt has been reviewed and significantly updated during the year. The policy reflects the position on the causes of debt, the implications of compliance and the need to identify trading counterparties correctly and the varied level of risk associated with them along with the requirement to maintain an adequate bad debt provision. The Trust maintains a bad debt provision rule set which is flexible and reflects the monthly movements on the sales ledger, however it also requires that a line by line review of items to be provided is carried out regularly.

Trade debtors consist of high value transaction with NHS England and CCG commissioners under contractual terms that require settlement of obligation within a time frame established generally by the Department of Health and local authorities under contractual terms although these are subject to individual negotiation. Other trade debtors include private and overseas patients, spread across diverse geographical areas.

Credit risk exposures of monetary financial assets are managed through the Trust's treasury policy which limits the value that can be placed with each approved counterparty to minimise the risk of loss. The counterparties are limited to the approved financial institutions with high credit ratings. Limits are reviewed regularly by senior management.

The maximum exposure of the Trust to credit risk is equal to the total trade and other receivables within Note 11.1.

27 Interest Rate Risk

The Trust's borrowings comprise fixed rate loans or interest free loans; the Trust is not therefore exposed to interest rate risk.

27 Operating Segments

The Board of Directors is of the opinion that the Trust's operating activities fall under the single heading of healthcare for the purpose of operating segments disclosure. IFRS 8 requirements were considered and the Trust has determined that the Chief Operating Decision Maker is the Trust Board of Chelsea and Westminster NHS Foundation Trust. It is the responsibility of the Trust Board to formulate financial strategy and approve budgets. Significant operating segments that are reported internally are the ones that are required to be disclosed in the financial statements. There is no segmental reporting for revenue, assets or liabilities to the Trust Board. Expenditure is reported by segment to the Trust Board. However those segments fully satisfy the aggregation criteria to be one reportable segment as per IFRS 8. Therefore all activities of the Trust are considered to be one segment, 'Healthcare', and there are no individual reportable segments on which to make disclosures.

28 Academic Health Science Partnership

The Trust has continued to be a partner in Imperial College Healthcare Partners Limited, a company limited by guarantee, in the year, with Imperial College and a number of other local trusts. The company provides central services for the Imperial Academic Health Science Partnership, in which the Trust participates. The Trust's initial investment was £1, and the Trust's contribution to the costs of the company for the year was £0.1m (2014/15 £0.1m).

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29 Losses and special payments

	2015/16		2014/15	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	20	11	4	8
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	1,320	1,943	433	1,170
Stores losses and damage to property	-	236	-	-
Total losses	1,340	2,190	437	1,178
Special payments				
Extra-contractual payments	-	-	-	-
Extra-statutory and extra-regulatory payments	1	180	-	-
Compensation payments	-	-	-	-
Special severance payments	-	-	-	-
Ex-gratia payments	22	30	22	31
Total special payments	23	210	22	31
Total losses and special payments	1,363	2,400	459	1,209
Compensation payments received	8	1	-	-

Bad debts in 2015/16 included write offs of £1.7m relating to overseas visitors which have not been recovered despite actions to recover the debt in full. These had been fully provided.

Bad debts in 2014/15 included write offs of £0.9m relating to old debts (2005/06 to 2012/13) from Scottish and Welsh health bodies which have not been recovered despite actions to recover the debt in full. These had been fully provided.

The amounts reported as as losses and special payments are on an accruals basis, excluding provisions for future losses.

There were no individual cases over £250,000 in the year (2014/15 none).

Chelsea and Westminster Hospital NHS Foundation Trust
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30 Related parties

30.1 Related Party Relationships

Chelsea and Westminster Hospital NHS Foundation Trust is a public benefit corporation established by the order of the Secretary of State for Health.

Government departments and their agencies are considered by HM Treasury as being related parties.

No funds are held in trust by Chelsea and Westminster Hospital NHS Foundation Trust on behalf of the Chelsea and Westminster Health Charity, but are held by the Trustees who prepare the Charity's accounts independently of the Trust.

30.2 Related Party Balances

	Receivables		Payables	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Imperial College Healthcare NHS Trust	1,962	1,593	4,544	2,950
NHS Ealing CCG	4,930	359	422	0
NHS England	13,611	3,384	43	41
NHS Hounslow CCG	6,752	439	2,233	0
NHS Richmond	2,427	289	349	0
NHS West London CCG	7,778	3,822	3	0
Other Government Departments and central bodies:				
HM Revenue & Customs	306	1,441	7,963	3,849
NHS Pensions Agency	0	0	2,677	2,677

HMRC & NHS Pensions Agency comparative figures have been adjusted to show only the Employer's share of the National Insurance & Superannuation contributions as a liability of the Trust

30.3 Related Party Transactions

	Income		Expenditure	
	2015/16	2014/15	2015/16	2014/15
	£000	£000	£000	£000
Imperial College Healthcare NHS Trust	3,631	3,085	17,780	14,603
NHS England	135,094	116,237	179	102
NHS Hounslow CCG	69,119	7,755	0	0
NHS Richmond	22,526	5,661	0	0
NHS West London CCG	59,372	52,941	3	0
NHS Hammersmith & Fulham CCG	33,935	31,871	0	0
NHS Wandsworth CCG	28,893	28,345	0	0
NHS Central London (Westminster) CCG	19,895	18,021	0	0
NHSLA			9,040	7,516
Health Education England	27,159	25,044	5	0
Other Government Departments and central bodies:				
HM Revenue & Customs		0	18,078	13,138
NHS Pensions Agency		0	23,043	16,468

HMRC & NHS Pensions Agency comparative figures have been adjusted to show only the Employer's share of the National Insurance & Superannuation contributions as a liability of the Trust

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Chelsea and Westminster Hospital 

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