



ANNUAL REPORT & SUMMARY FINANCIAL STATEMENTS 2006/07

Chelsea and Westminster Hospital 
NHS Foundation Trust

INTRODUCTION

2006/07 was a momentous year for Chelsea and Westminster as we achieved Foundation Trust status while maintaining high standards of both patient care and financial performance.

We were authorised as a Foundation Trust on 1 October 2006 but this report deals with the Trust's financial and operational performance for the whole financial year.

The first part of the report focuses on 10 key aims developed by the Board of Directors to underpin our work to improve all aspects of the patient experience and be a hospital of choice. Key achievements of 2006/07 are highlighted under each key aim.

The second part of the report is statutory information about our Trust.

The third part of the report is two sets of accounts—one set of summarised financial statements for April to September 2006 when we were an NHS Trust and one set of summarised financial statements for October 2006 to March 2007—our first six months as an NHS Foundation Trust.

We hope you enjoy reading this year's annual report.

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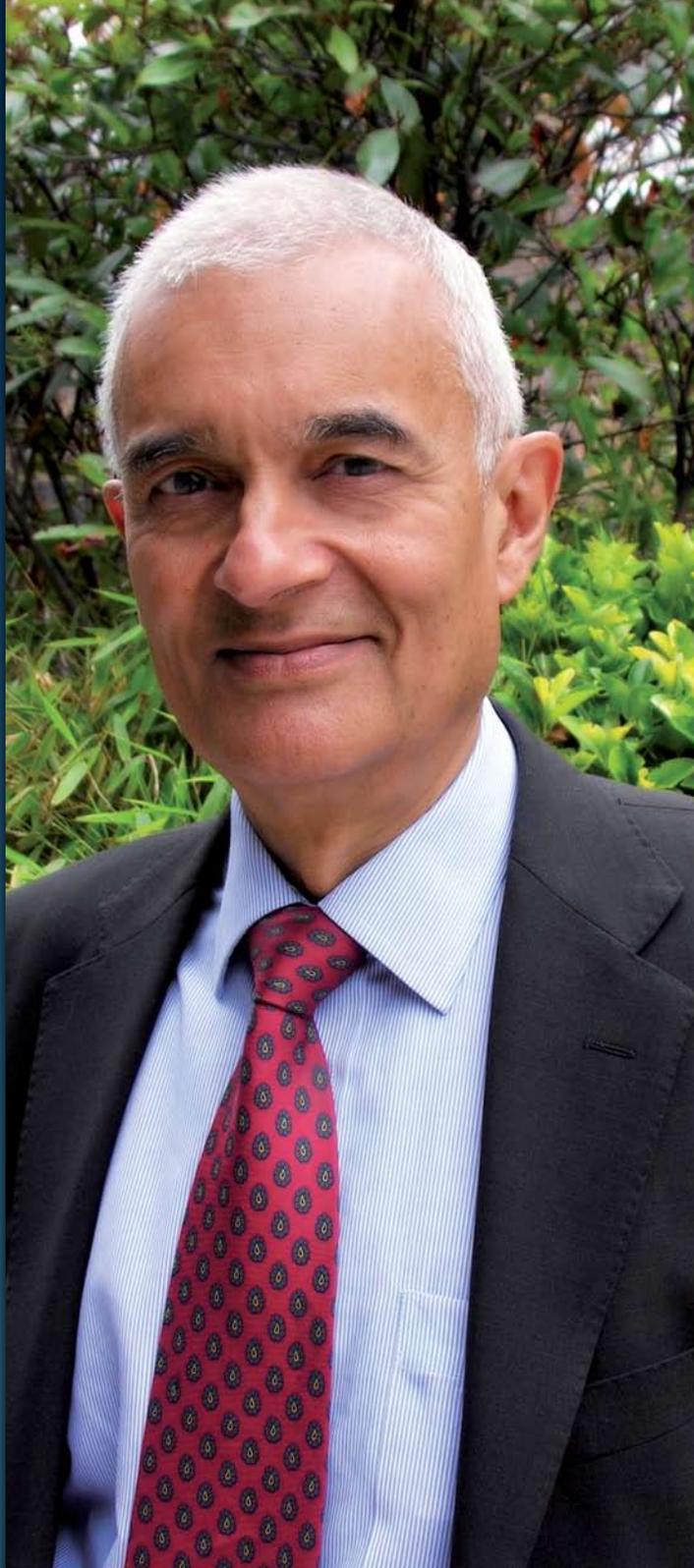
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CHAIRMAN'S STATEMENT

I am delighted that we achieved our aim of becoming a Foundation Trust in October 2006.

Only the best NHS trusts gain Foundation Trust status and so this achievement is a tribute to the hard work and professionalism of all our staff.

Monitor, the Foundation Trust regulator, singled out Chelsea and Westminster as one of eight foundation trusts that achieved strong financial performance and met all healthcare targets and national core standards in the first nine months of 2006/07. Their assessment means we can be proud to be among the very best of the best.

Foundation Trust status gives us new operational and financial freedoms to build on that success and develop our services further by, for example, reinvesting financial surpluses in frontline patient care.

It also enables us to develop a new partnership with patients, the public and our staff through our Foundation Trust membership and the Members' Council that they elect to represent their views.

This improved accountability and closer relationship with the people who use our services, those who care about their local hospital and those who work here is an exciting development.

The Members' Council met twice in 2006/07 and, among other achievements, elected a Nominations Committee to appoint the Chairman and Non-Executive Directors.

We have already benefited directly from this new relationship—a record number of people attended our Annual General Meeting in September 2006 and a sub-committee of the Members' Council is shaping how we communicate with our 13,000 Foundation Trust members.

While achieving Foundation Trust status was our major strategic goal during 2006/07, I am delighted that this did not distract us from achieving all our key performance indicators in the year.

This excellent performance is vital to our aim of being a provider of choice at a time when the financial environment of the NHS remains challenging and a new strategy for London's health service is under development.

My term as Chairman comes to an end in October 2007. It has been a privilege to chair the Trust for the last eight years and, while I am sad to end my association, I am confident that the strong management of the Trust and the excellence of our staff means that Chelsea and Westminster has a bright future.

A handwritten signature in blue ink, appearing to read 'J Pandit'.

Juggy Pandit
Chairman

CHIEF EXECUTIVE'S STATEMENT

2006/07 was an exciting year for the Trust as we were authorised as a Foundation Trust and made a smooth transition into our new status, maintaining a high level of performance while beginning to explore the freedoms and responsibilities of being a Foundation Trust.

I hope this report captures some of that excitement.

I am particularly pleased that our reputation as a clean, safe, clinically excellent hospital was enhanced this year.

The Dr Foster Hospital Guide put us in the top five hospital trusts in the country for most improved mortality rates over the last five years—a 36% reduction which reflects the focus we have put on patient safety and high quality services. In addition, a national study by the Hospital Infection Society showed that healthcare associated infection rates at Chelsea and Westminster are almost half the national average.

We were marked out as a 'Good' hospital in terms of both clinical services and financial management by the Healthcare Commission in its annual performance ratings. We only narrowly missed out on a score of 'Excellent' for clinical services which would have put us in the top 4% of all NHS trusts.

Of course, our patients' experience of Chelsea and Westminster is about more than just the excellence and safety of clinical care which is why we took action this year to improve all aspects of our services.

More than 1,000 of our staff had received customer service training as part of our innovative *You Are The Difference* campaign by the end of the financial year.

This past year we have achieved much of which we should be proud. I appreciate that working more efficiently and in different ways has been challenging for our staff and I would like to thank them all for enabling us to continue to improve access and care for our patients.

I am confident that we can build on the successes of this past year and, through the continued efforts of our staff and the new freedoms of Foundation Trust status, develop our reputation as one of the best hospitals in the NHS.

Finally, I would like to thank Juggy Pandit for the enormous contribution that he has made as Chairman of the Trust over the past eight years.

Juggy, who completes his term as Chairman in October 2007, has been an excellent ambassador for the Trust and played an important role in our successful application for Foundation Trust status.

We wish him well and we look forward to repaying his faith that Chelsea and Westminster has a bright future.

Heather Lawrence

Heather Lawrence
Chief Executive



OUR 10 KEY AIMS

INTRODUCTION

The Board of Directors has developed 10 key aims to underpin the Trust's goal of improving all aspects of the patient experience and being a hospital of choice.

These key aims are the focus of this year's annual report—in the pages that follow, you can read about some of our key achievements in 2006/07 under each of the 10 headings.

Our 10 key aims were developed taking into account factors including:

- **Key priorities for the NHS nationally**
For example, the Healthcare Commission's standards that must be met by all NHS organisations.
- **Key priorities for the NHS locally**
Local health issues and priorities.
- **Monitor's Compliance Framework**
Requirements set by the Foundation Trust regulator.
- **Review of Trust achievements**
The Trust's performance against targets.
- **Service Development Strategy**
Particularly analysis of the Trust's strengths, weaknesses, opportunities and threats.

INVOLVING STAFF AND THE MEMBERS' COUNCIL

The 10 key aims were used to underpin the setting of corporate objectives for the Trust, key actions linked to these objectives, and business plans for clinical directorates as part of the development of our Corporate Plan.

A series of staff workshops were held to involve as many staff as possible in the development of the Corporate Plan and discussions were held with the Members' Council.



Staff, patients and volunteers enjoying Open Day 2007 which attracted almost 1,400 visitors to the hospital





Catering staff serve lunch during a hospital food tasting at Open Day 2007

WHAT ARE OUR 10 KEY AIMS?

1. **PATIENT EXPERIENCE**

To improve all aspects of the patient's experience, to continue to make the patient the centre of everything we do through a focus on consistently excellent customer care, and consequently to be the provider of choice.

2. **CLINICAL GOVERNANCE & SAFETY**

To maintain quality and efficiency, continuously improve patient outcomes, and assure patient safety.

3. **SERVICE LINE REPORTING**

To develop an understanding of service line profitability to support strategic service planning, investment and performance improvement and promote good business practice.

4. **TEACHING & RESEARCH**

To provide excellent learning and development opportunities for all staff and students and maintain our current research portfolio.

5. **SPECIALIST SERVICES**

To maintain and develop our specialist services.

6. **STRATEGIC PARTNERSHIPS**

To develop effective partnerships with all stakeholders, including the Members' Council.

7. **OUR WORKFORCE**

To ensure we have a highly skilled, motivated, diverse, productive and customer focused workforce.

8. **MODERN INFRASTRUCTURE**

To ensure clinical care is supported and enabled by effective, modern support services.

9. **INNOVATION**

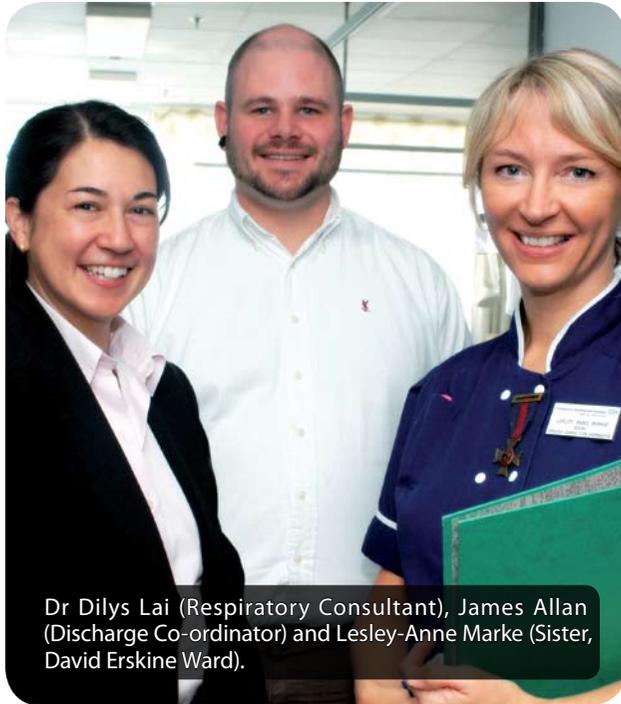
To be innovative with our clinical services and business models, using the new Foundation Trust freedoms.

10. **INTEGRATED GOVERNANCE**

To further develop the Trust's framework for integrated governance.

PATIENT EXPERIENCE

The Trust aims to improve all aspects of our patients' experience of Chelsea and Westminster—in this section we profile multi-disciplinary team working in two important areas, the safe discharge of patients and children's cancer care.



Dr Dilys Lai (Respiratory Consultant), James Allan (Discharge Co-ordinator) and Lesley-Anne Marke (Sister, David Erskine Ward).

DISCHARGING PATIENTS SAFELY

Discharging patients safely when they are well enough to leave hospital is complex. It involves close working between Trust staff including doctors, nurses, therapists and administrative staff, as well as with patients' relatives, social services, and other NHS organisations.

Fiona-Jane Thompson, Respiratory Clinical Nurse Specialist, cares for Chronic Obstructive Pulmonary Disorder (COPD) patients.

She says: "Patients are admitted to hospital when they suffer an exacerbation of their existing respiratory condition. They are treated initially in the Emergency Department where they will be given oxygen to help them breathe and in some cases will be started on non-invasive ventilation."

Chest X-rays, heart monitoring and blood tests are carried out before patients are admitted to a medical ward or to a clinical area where they can be given a higher level of care.

Fiona-Jane explains: "A multi-disciplinary team of staff including doctors, nurses and therapists help prepare patients for discharge and prevent readmission to hospital by, for example, ensuring they are taking the right medication or referring them to smoking cessation services.

"Patients are assessed to determine if they need to go home with oxygen to help their breathing and ward staff prepare them for discharge by liaising with community staff including district nurses and social services."

Discharge Co-ordinator James Allan works with patients, their families and professionals across health and social care to achieve an effective discharge.

Lesley-Anne Marke, Sister on David Erskine Ward, says: "James has been instrumental in bringing down the average length of time that patients spend on our ward by ensuring that patients are discharged safely."

Dr Dilys Lai, Respiratory Consultant, agrees: "Discharging patients who no longer need to be in hospital is a crucial part of the care that we provide and James brings it all together for us."

The 2006 Patient Survey, published by the Healthcare Commission, highlights Chelsea and Westminster as 'significantly better than the national average' on a number of aspects of discharge planning.

These include ensuring that patients receive copies of letters sent between their GP and hospital doctors, and providing clear written information about medicines that patients take home.

FIVE REASONS TO CHOOSE CHELSEA AND WESTMINSTER

2006/07 was a year of great achievement at Chelsea and Westminster.

Independent assessments of the Trust endorse our efforts to improve all aspects of the patient's experience at the Trust and consequently to be a provider of choice.

Here are five good reasons for patients to choose Chelsea and Westminster for their treatment.

FACT

We are in the top five NHS trusts for improved mortality rates.

Source: Dr Foster Hospital Guide—we have reduced our Hospital Standardised Mortality Ratio by 36% in just five years.

Find out more: See page 8 to find out how we have made Chelsea and Westminster safer for patients.

FACT

Our infection rates are almost half the national average.

Source: Hospital Infection Society survey of healthcare associated infections in NHS hospitals.

Find out more: See page 9 to meet staff who help to minimise the risk of infection.

BELLA'S STORY

Being told that your child has cancer is every parent's worst nightmare—but a multi-disciplinary team of staff at Chelsea and Westminster do everything possible to support families.

They work in partnership with colleagues at other London hospitals to provide medical care and emotional support.

Treatment for leukaemia is a gruelling two-year journey for children and their families which involves many NHS staff at different hospitals.

Caroline and Shane Elliott's daughter, Arabella (Bella), was a bright, sunny three-year-old when she was diagnosed with leukaemia in February 2006.

When Caroline and Shane became worried about Bella, they booked an appointment with their GP who spotted that something could be seriously wrong and advised them to bring her initially to the Paediatric Emergency Department at Chelsea and Westminster from where she was transferred to Neptune Ward, a children's inpatient ward.

She now needs monthly intravenous chemotherapy at Chelsea and Westminster as part of a complex care pathway that includes a specialist paediatric cancer centre and community nursing.

When Bella is unwell, and needs chest X-rays, abdominal scans or any other hospital treatment, she returns to Neptune Ward under the care of Consultant Paediatrician Dr Madiha Elsayi.



Caroline and Shane Elliott with daughters Bella and Octavia

Her care is co-ordinated by Rosie Simpson, Macmillan Nurse Specialist for Paediatric Haematology/Oncology.

Caroline Elliott, Bella's mother, says: "When I need advice or support, I pick up the phone to Rosie because she is always there to tailor Bella's care to our needs as a family. If we go away on holiday, she phones a local hospital to arrange for Bella to have her weekly blood tests. And

she makes our seven-year-old daughter, Octavia, feel included.

"It is difficult for Octavia as the sister of a sick child who is the focus of attention a lot of the time but staff on Neptune Ward also ensure that she is involved. It really is a fantastic team effort from everyone including doctors, specialist nurses, other nurses and play specialists."

FACT

The regulator of Foundation Trusts highlights us a successful Trust.

Source: Monitor's review of Foundation Trusts' performance in the first nine months of 2006/07 said Chelsea and Westminster achieved strong financial performance, met all healthcare targets and national core standards.

Find out more: See page 22 for more details.

FACT

The Healthcare Commission assesses our clinical services as 'Good'.

Source: Annual performance ratings published by the Healthcare Commission place us in the top 30% of NHS trusts.

Find out more: See page 15 to find out more about our children's services, assessed by the Healthcare Commission as being in the top 25% nationally. See page 21 to find out more about our medicines management, assessed by the Healthcare Commission as being in the top 10% nationally.

FACT

82.5% of patients rate the quality of care at Chelsea and Westminster as 'excellent', 'very good' or 'good'.

Source: 2006 Patient Survey published by the Healthcare Commission.

Find out more: See the article on page 6 to find out more about an area where we are significantly better than the national average—discharge planning.

CLINICAL GOVERNANCE & SAFETY

We strive to continuously improve the quality and safety of patient care—this section profiles the Trust's achievement in reducing mortality rates and minimising the risk of infection.

MAKING OUR HOSPITAL SAFER

An independent guide to NHS services has highlighted Chelsea and Westminster as one of the best NHS trusts in the country for improved mortality rates.

The Dr Foster Hospital Guide puts us in the top five trusts for the most improved Hospital Standardised Mortality Ratio—a 36% reduction in the last five years.

Heather Lawrence, Chief Executive says: “We have focused on and invested in initiatives to improve the safety of patients. For example, we introduced a robot in the hospital pharmacy to increase the accuracy of dispensing and reduce the risk of errors.

“We have also strongly emphasised reviews of clinical incidents to highlight areas for improvement, and to learn from our mistakes, and we have worked hard to improve patient safety by protecting patients from healthcare associated infections.”

HOW OUR STAFF FIGHT INFECTION

Efforts to assure patient safety by minimising the risk of infection are led by a central Infection Control team including Dr Berge Azadian (Director of Infection Prevention & Control), Roz Wallis (Nurse Consultant, Infection Control), Shona Perkins (Infection Control Sister) and Nicola Sirin (Infection Control Practitioner).

They work with Infection Control Link Professionals (ICLPs) who are responsible for raising and maintaining standards in their areas and auditing clinical practices including hand hygiene and intravenous line care.

Andrew MacCallum, Director of Nursing, who is the responsible Board Director for infection control, has met with every group of ICLPs.



The Infection Control team—Dr Berge Azadian, Shona Perkins, Roz Wallis and Nicola Sirin

INFECTION RATES REDUCED

Our healthcare associated infection rate is now almost half the national average:

- 4.4% of patients at Chelsea and Westminster had an infection at a single point in time, in comparison with a national average of 8.2%, according to a national survey by the Hospital Infection Society.
- Our *Cdifficile* rate per 1,000 bed days in 2006 was 1.85, significantly lower than the national average of 2.39, according to Health Protection Agency statistics.
- The Trust met the national target to reduce the number of MRSA bacteraemia for 2006/07.

We are proud of these achievements but not complacent—we are working to maintain and improve our performance.

PROFESSOR STARS IN POSTER CAMPAIGN

Professor Tim Allen-Mersh is the face of a poster campaign advising clinical staff from wards and departments how to reduce the risk of infection if they visit the Intensive Care Unit (ICU) to monitor the progress of their patients.

Patients in ICU are at increased risk of infection because they are critically ill and their treatment often involves the use of intravenous lines and other high risk interventions.

Clinical staff can reduce the risk of infection when they come to ICU by disinfecting their hands, wearing non-sterile gloves and a plastic apron, rolling up their sleeves, and removing watches and jewellery.

Professor Allen-Mersh says: "I think the poster campaign is an excellent initiative. I was pleased to get involved when I was approached by Shona Perkins, Infection Control Sister, and Dr Berge Azadian, Director of Infection Prevention and Control."

Shona Perkins explains: "The poster came about because Emma Long, Sister on ICU, and Dr Nick Fauvel, Consultant Anaesthetist, said we needed a visual image to show staff how to prevent cross-infection on ICU."

"We wanted to stress that infection prevention and control precautions are relevant for all staff who visit ICU, as well as staff based permanently on the unit."

PROTECTING PATIENTS IN OPERATING THEATRES

Lyn Brocklebank, Acting Sister and Infection Control Link Professional in Paediatric Theatres, says: "It is our responsibility to keep patients who are undergoing surgery safe from infection at a time when they are at their most vulnerable."

Staff working in theatres follow strict rules including wearing special scrubs and shoes, and removing all watches and jewellery when they scrub up before surgery.

Safe boxes for watches and jewellery have been set up in operating theatres.

Donna Eakins, Sister and Infection Control Link Professional in the Recovery area in Main Theatres, says: "These procedures are in place to protect patients and our role is to ensure that everyone adheres to them."

KEEPING IT CLEAN IN X-RAY

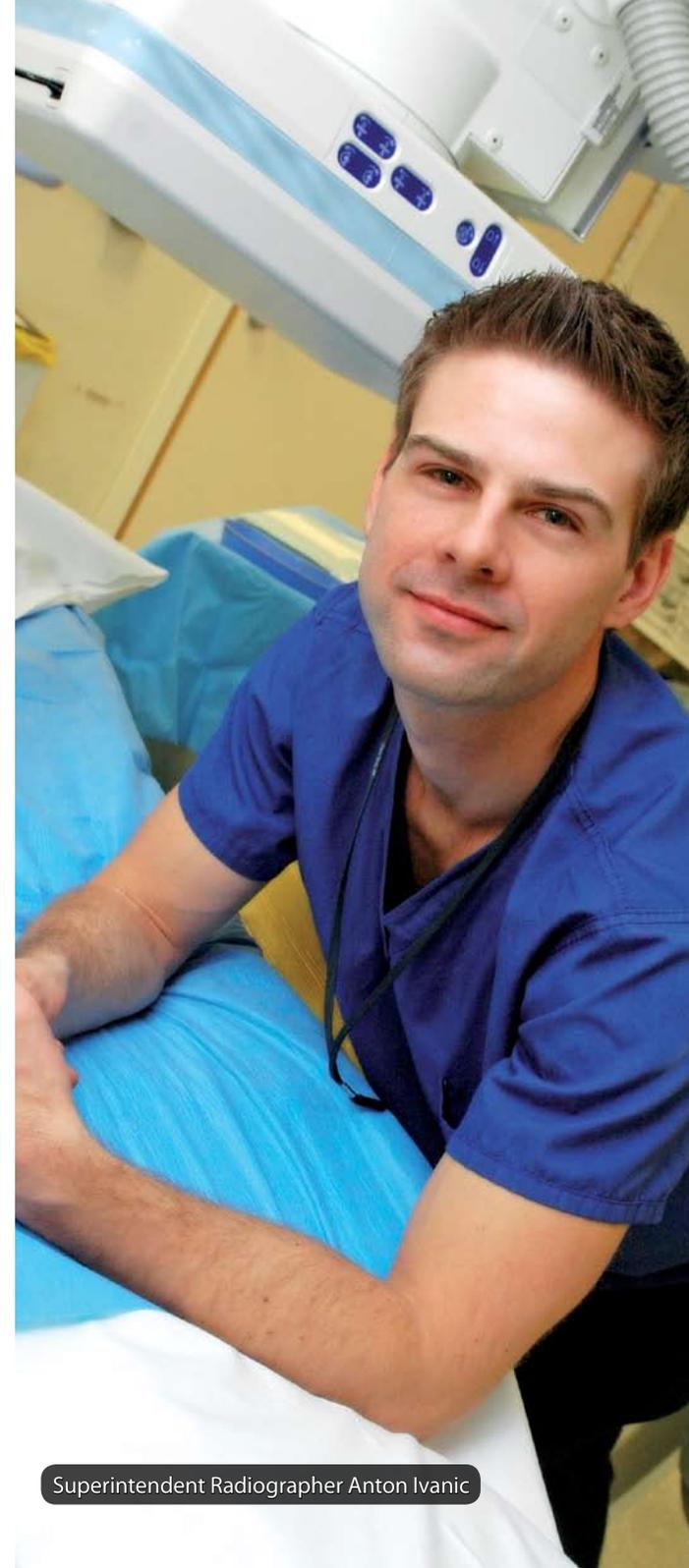
Up to 150,000 examinations are carried out in the X-ray department every year on hospital inpatients, outpatients and patients referred by their GP.

Superintendent Radiographer Anton Ivanic is a department Infection Control Link Professional, working alongside Senior Sister Natalie Kriedmann.

Anton says: "X-ray is a potential hotspot for infection because we have a rapid turnover of patients and because our clinical work can increase the risk of infection."

"Measures introduced include putting glove and apron dispensers in each treatment room and using alcohol gel in our interventional suite which is quicker, more convenient and more effective than soap and water."

Natalie adds: "We have introduced common sense changes to keep patients safe and make everyone's working life easier."



Superintendent Radiographer Anton Ivanic

SERVICE LINE REPORTING

Chelsea and Westminster is leading the way nationally in developing a better understanding of clinical services and how to improve them through a new system called service line reporting.

DELIVERING VALUE FOR MONEY

We were one of three Foundation Trusts chosen by Monitor, the Foundation Trust regulator, to pilot a new approach

testing whether our services are both clinically effective and value for money. Service line reporting measures the performance of individual 'service lines'—such as orthopaedic surgery—to plan future developments that will benefit patients and ensure NHS resources are spent efficiently.

Lorraine Bewes, Director of Finance and Information, says: "Service line reporting gives us robust data about the income and expenditure of individual services so that we can plan our future services more accurately.

"The most exciting benefit is that the detail provided by service line reporting puts frontline clinicians at the heart of discussions about how money is spent. Our pilot of service line reporting in trauma and orthopaedics proves that clinicians are just as frustrated by the inefficient use of resources as managers."

Trauma and orthopaedics was chosen as the pilot area because of the enthusiasm of the team including clinicians such as Orthopaedic Surgeon Mr Warwick Radford.

He says: "Service line reporting has already improved the quality of our service for patients and the working environment for clinical staff. For example, we have set up a ward as a pre-surgery admission ward for all orthopaedic patients.

"This reduces the need for some patients to come in unnecessarily the day before surgery, and ensures patients are assessed thoroughly before they go into the operating theatre."

Lorraine Bewes explains: "The energy that the clinicians brought to the project really gave it momentum. They identified key income and expenditure factors including the average length of time that patients were in hospital after surgery and the use of operating theatre time.

"They earmarked potential savings, such as a 10% reduction in prosthetics costs, so that efficiency targets were driven by clinical staff."

Chelsea and Westminster is committed to rolling out service line reporting across the Trust and embedding lessons learned from the pilot, especially how to translate teams' ideas for improving efficiency into reality.



Lorraine Bewes (Director of Finance and Information) and Kate Hall (General Manager) talk to Orthopaedic Surgeon Mr Warwick Radford

TEACHING & RESEARCH

Excellence in research and the development of the NHS staff of the future to improve patient care are integral to the Trust's status as a teaching hospital—we work with partners including Imperial College and Thames Valley University.

RESEARCH HIGHLIGHTS

Chelsea and Westminster's status as a teaching hospital drives academic research and development—the Trust has 15 research programmes and 213 active research projects.

Research papers produced by researchers at Chelsea and Westminster in the last 12 months have been published in prestigious journals including Lancet and Nature Immunology.

Our research activity is patient-centred and often relates directly to tangible improvements in the care that we provide for NHS patients.

Research and development strengthens Chelsea and Westminster's clinical care, and vice versa, because international evidence suggests high quality patient care is best provided in an environment where research strives for advances in treatment.

Examples of research activity include:

- **Anaesthetics & Imaging**

Consultant Anaesthetist Dr Adrian Wagstaff received a prestigious prize from the Anaesthetics Research Society for a research study about a method to deliver oxygen to patients called Continuous Positive Airways Pressure (CPAP). The research showed that, contrary to what was previously believed, CPAP was effective because of a mask that creates a seal around the mouth and nose rather than the use of positive pressure. Armed with this knowledge, anaesthetists can now investigate oxygen delivery systems that will increase patient comfort.



Research Technician Annabel Rattos at work in the HIV Research Laboratory

- HIV**
Chelsea and Westminster has the largest HIV unit in the UK with a very active research programme, run by St Stephen's AIDS Trust, to improve treatment of HIV patients—24 clinical trials were underway in 2006/07. Close collaboration with the Immunology Unit includes a project to investigate the role of specialised cells, called natural killer cells, which are important in the surveillance of tumours. Joint research continues to find an HIV vaccine. St Stephen's AIDS Trust is also involved in worldwide clinical trials, for example by sponsoring research in Uganda into the use of dried blood spot testing as a cheaper option to test how much of the HIV virus is in the blood.
- Neonatology**
A BSc student from Imperial College, supervised by Consultant Neonatologist Dr Sabita Uthaya working with the Neonatal Academic research team led by Professor Neena Modi, has studied breastfeeding rates among premature babies when they leave hospital—the results of this preliminary study should lead to improved care for premature babies throughout the NHS.
- Respiratory Medicine**
The Trust is a UK centre for a major worldwide research trial of bronchial thermoplasty, the first attempt at a non-drug treatment for chronic asthma. Dr Pallav Shah, Principal Investigator, and his colleagues use special catheters to deliver thermal energy to the airways, reducing 'airway smooth muscle' that can cause breathing problems.
- Acute Medicine**
Derek Bell became the first Professor of Acute Medicine in the UK when he was appointed to this Imperial College post based at Chelsea and Westminster in March 2006. His role includes developing an academic base for acute medicine and supporting medical training. Acute medicine is the fastest growing medical sub-specialty and a new Acute Medical Unit opened in August 2007.

UNDERGRADUATE MEDICAL EDUCATION

Chelsea and Westminster has a major role as a teaching hospital for the doctors of the future as a main campus of Imperial College School of Medicine.

State-of-the-art facilities for undergraduate medical education are based in the Centre for Clinical Practice incorporating a

Clinical Skills Laboratory and a Simulation Centre, a virtual operating theatre used to train medical students.

A new initiative was launched this year to develop the communication skills of undergraduate medical students.

In the Teddy Bear Hospital, medical students use role play with children as 'teddy's parents' and students as 'teddy doctors' to make children less scared of being treated by doctors and nurses.

Salwa Malik, President of the European Medical Students' Association at Imperial College, says: "It can be daunting for medical students to treat children because they cannot use a lot of the medical terms that they might use with adult patients.

"It is important for us to be able to communicate with children on their terms without patronising them and the Teddy Bear Hospital is a brilliant opportunity for us to practise getting it right.

"It is a great way for us to educate children and to help overcome any fears they may have about coming into hospital."

Sue Harris, Clinical Nurse Lead for children's services at Chelsea and Westminster, agrees: "Reducing children's fear of the unknown makes the job of doctors and nurses easier and reassures parents."

PHARMACISTS HELP TO ASSESS JUNIOR DOCTORS

Hospital pharmacists are now involved in assessing the progress of junior doctors at Chelsea and Westminster.

Mini-Peer Assessment ('mini-PAT') enables medical colleagues and other health professionals to score junior doctors against 16 competencies and give constructive feedback.

Dr Kevin Shotliff, Consultant Endocrinologist and Clinical Tutor for junior medical staff at Chelsea and Westminster,



Imperial College medical students in the Teddy Bear Hospital



Patient Jeremy Coathup is assessed by Alison Holdstock (Senior Occupational Therapist)

says: “This form of assessment is welcomed by junior doctors because they like to be told how they are performing.

“It is a good idea for healthcare professionals to get involved in assessing each other because it reinforces the importance of multi-disciplinary team working.”

RESEARCH EVIDENCE BENEFITS THERAPY SERVICE

Research and development does not only involve doctors. This year the Therapy Clinical Excellence Award was launched to recognise physiotherapists, occupational therapists and other therapists who use research evidence to inform patient care.

The award was won by the Hand Therapy team, who treat patients with fractures, tendon and nerve repairs following trauma, and elective procedures such as joint replacements.

The team is active in research and evidence-based practice, and presented papers at the joint Surgeon and Therapist conference in Sydney, Australia, in March 2007.

Dr Jeremy Lewis, Consultant Physiotherapist and Research Lead for the Therapy department, says: “We judged the award against criteria including published research that benefits clinical practice, integration of research evidence into clinical practice, and the development of evidence-based care pathways.”

INDEPENDENT PRESCRIBING

Senior nursing staff have gained degree-level qualifications to enable them to become independent prescribers of medication to patients—traditionally the role of doctors.

A total of 15 nurses who already work in extended roles as nurse consultants, nurse practitioners and nurse specialists can now prescribe drugs if their clinical decision in their specialty is that a patient needs a new medicine or a change to their existing medication.

Fiona Milligan, Cardiac Rehabilitation Nurse Specialist, is the Clinical Lead for Non Medical Prescribing and an independent prescriber—other nurses who can now prescribe medication work in clinical areas ranging from diabetes to respiratory medicine.

Claire Shard, Nurse Consultant for Minor Injuries and Minor Illness in the Emergency Department, says: “Enabling properly trained nurses to prescribe medication in their clinical area of expertise means that patients can be treated more quickly.

“Independent prescribing means that nurses, who have always administered drugs and discussed medicines management with their patients, can now prescribe as well.

“There has to be a clinical need for an individual nurse to become an independent prescriber and this must be a team decision in a clinical area. The acid test is whether an independent nurse prescriber will improve patient care.”

Once that clinical need has been established, nurses are enrolled on a degree-level course over six months which includes both academic teaching and supervised practice in a clinical area.

Nurses sit exams, which test both their academic and clinical skills, and then register the qualification with the Nursing and Midwifery Council as independent prescribers.

SPECIALIST SERVICES

We provide a range of specialist services—this section highlights our care for sick and very premature babies, women who are at high risk during pregnancy and birth, and children admitted to our Paediatric Emergency Department.

ANNA'S STORY

Our Neonatal Intensive Care Unit (NICU) is designated as a Level 3 centre that provides the highest level of specialist care for more than 500 sick and very premature babies every year.

Anna and Andy Collier, of East Sheen, set up the charity Three Little Miracles to raise £250,000 for medical equipment to thank the staff on NICU whose expertise saved the lives of their triplets.

Anna says: "If it wasn't for Chelsea and Westminster, our babies would not be alive. The care we received was fantastic. The staff work long hours in a highly pressurised environment but they were brilliant."

The triplets—identical twin girls Isabel and Emily and brother Ben—were born prematurely at just 29 weeks

on 8 January 2006. All three weighed less than three pounds and spent 101 days on NICU.

Anna says: "I had never seen a premature baby before and so when I saw our triplets for the first time it was a huge shock.

"The first four months of their lives until they were well enough to come home were an emotionally gruelling rollercoaster ride. They had breathing problems, infections, blood transfusions and all three needed resuscitation to keep them alive.

"We are so lucky because the babies are perfect in every way. We set up our charity to give something back to the hospital for giving our babies a chance of life."

Treatment in NICU includes providing one-to-one nursing care when babies are on ventilators that keep them alive by supporting their breathing, maintaining babies' body temperature by placing them in an incubator, supplying fluids and nutrition through intravenous tubes, and carrying out hourly observations.

Many babies are transferred here from other hospitals because it is a specialist centre for neonatal intensive care and neonatal surgery.

There are strong links with the maternity service to ensure that mothers and babies are looked after together wherever possible, particularly high risk women including those with heart conditions who we look after with the Royal Brompton Hospital.

- If you would like to donate to Three Little Miracles, log on to the charity's website www.threelittlemiracles.com.

MARIAN'S STORY

More than 400 women a year who give birth at Chelsea and Westminster require specialist support because they are at higher risk. This service has been developed by the opening of the Simpson Unit to provide post-natal care for these women and their babies.



Proud parents Anna and Andy Collier with their triplets Isabel, Emily and Ben

The unit is now staffed by nurses as well as midwives—the nurses look after new mothers, working closely with nursing and medical staff at Chelsea and Westminster and other hospitals such as the Royal Brompton, while the midwives care for their babies in partnership with other midwives and obstetricians.

Breedge Delaney, Lead Nurse for Maternity Recovery on the Simpson Unit, explains: “We are one of the first hospitals to have nurses and midwives working side-by-side in a unit for high risk women.

“We share the care of women with heart conditions with the Royal Brompton Hospital because it is a centre of excellence.”

Marian from Ealing was delighted by her care on the Simpson Unit earlier this year.

She says: “My congenital heart condition means that I am at higher risk during pregnancy and immediately afterwards.

“It is important to feel reassured and well cared for. I have only praise for the care that I received on the Simpson Unit. My concerns were dealt with promptly and I felt more relaxed because I was well looked after.

“The staff arranged access to a paediatrician and sorted out patient transport so that I was able to go to the Royal Brompton for follow-up tests.”

KYRA TRINITY'S STORY

A national review by the Healthcare Commission rated the overall quality of our children's services as 'good'—only 25% of NHS trusts achieved a score of 'good' or 'excellent'.

One of our specialist services is a dedicated 24-hour Paediatric Emergency Department, staffed by doctors, nurses and other healthcare professionals who specialise in treating children.

Kyra Kentopp says that the expertise of Paediatric Emergency staff saved the life of her two-year-old daughter Kyra Trinity when she suffered pneumococcal meningitis.



Kyra Trinity with brothers Neo and Teymor Buckley

“We live in Wandsworth and so I could have taken Kyra Trinity to another hospital but I chose Chelsea and Westminster because we have always been happy with the care here. By the time we got there she went downhill fast and I cannot praise the staff highly enough because they did everything right.”

Kyra Trinity had a very high temperature when she arrived in the Paediatric Emergency Department and she deteriorated within just a few minutes. She was taken to the Resuscitation area where doctors and nurses who suspected she had pneumococcal meningitis administered antibiotics to treat the infection and steroids to reduce the risk of complications.

When her condition stabilised, Kyra Trinity was transferred to the children's High Dependency Unit where a diagnosis of pneumococcal meningitis was confirmed. She went home a week later.

Kyra Trinity's brother, Neo Buckley, said thank you to Paediatric Emergency staff by donating his birthday money to the department. The money was used to buy DVDs for the waiting area.

The popularity of our Paediatric Emergency Department is demonstrated by statistics that show the number of children treated has risen from 26,579 in 2004/05 to 31,094 in 2006/07.



New mother Tanya Mitchell, 24, with staff on the Simpson Unit

STRATEGIC PARTNERSHIPS

Our key partners include other NHS and social care organisations, the Members' Council, Chelsea and Westminster Health Charity and the Friends.

FRIENDS BENEFIT STROKE PATIENTS

The Friends of the Chelsea and Westminster Hospital are valuable partners of the Trust because their generosity makes a tangible difference to patients' lives.

Our Stroke Unit was refurbished thanks to a clay pigeon shoot in September 2006 which raised £27,000. This has paid for a new patient day room with television and DVD player, an improved staff room and space for training and case conferences.

Dr Michael Pelly, Consultant Physician and Lead Consultant for the Stroke Unit, says: "These improvements will enable us to provide patients and their families with a better experience. They have only been made possible by the Friends."

PARTNERSHIP APPROACH HELPS PATIENTS GET THE RIGHT TREATMENT

Chelsea and Westminster works closely with other NHS and social care organisations including the Royal Marsden, Royal Brompton and St Mary's hospitals, Hammersmith & Fulham, Westminster and Wandsworth PCTs, and local authority social services departments.

We work in partnership with Kensington and Chelsea Primary Care Trust, our host commissioner, to develop local health services. This collaboration has been strengthened by the establishment of a Joint Clinical Executive Group between the Trust and the PCT with the active involvement of frontline clinicians.

A good example of this collaboration is that since September 2006 the PCT has employed a Primary Care Co-ordinator in the Emergency Department at Chelsea and Westminster to redirect Kensington and Chelsea patients with non-urgent conditions to their GP.

Patients are assessed initially by a nurse who refers them to the Primary Care Co-ordinator if they are identified as patients whose care could best be provided by a more appropriate healthcare professional such as a GP or community pharmacist.

The project was introduced because it was estimated that up to four out of 10 people attending the Emergency Department in 2005 could have been treated by a primary care professional.

Frankie Lynch, Director of Primary Care at Kensington and Chelsea PCT says: "This joint project has supported more than 500 patients in its first six months."

CHARITY SUPPORTS THE HEALING ARTS

Chelsea and Westminster Health Charity is a key partner organisation for the Trust because it gives grants and raises funds to benefit patients and staff.

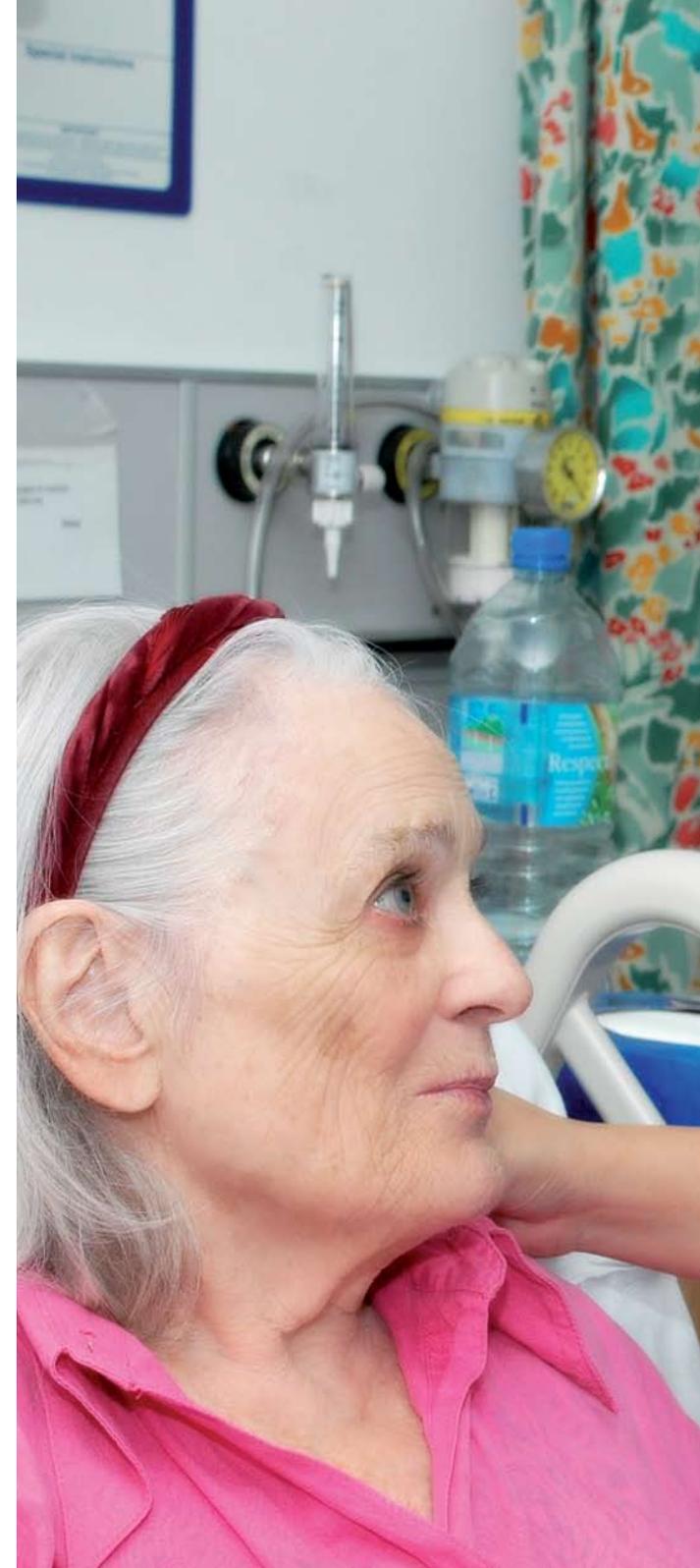
The Charity has made a tangible difference to the hospital by funding the pharmacy robot, incubators for babies in the Neonatal Intensive Care Unit and *You Are The Difference* customer care training for all staff.

In addition, the Charity funds the visual and performing arts programme—Hospital Arts—which is an integral part of the hospital's holistic approach to healthcare.

MEMBERS' COUNCIL

As a Foundation Trust, Chelsea and Westminster has a Members' Council of 10 patients, eight members of the public and six staff—all elected by Foundation Trust members—and 10 nominated representatives of stakeholder organisations.

The Members' Council has a key role in making senior appointments such as the Chairman and Non-Executive Directors, provides input into the Trust's strategic plans for the future, and shapes communication with Foundation Trust members.





Staff Nurse Vahlia Duya cares for Ceris Emerson on the Stroke Unit which has been refurbished thanks to the Friends of the Chelsea and Westminster Hospital

MEMBERS' COUNCIL VIEWPOINTS

Martin Rowell, Patient Council Member

"The real benefit that the Members' Council brings to the Trust is that it has people with different skills and viewpoints to look at the same issue from different angles. We bring a new perspective to the hospital's key challenges.

"Everyone on the Council now seems to have a good understanding of what our role is and how we can make our mark by asking the right questions.

"I enjoy my role as a member of the Membership Development and Communication Sub-Committee because how we communicate with the broader membership of the Foundation Trust is a really big issue."

Valerie Arends, Public Council Member

"I think it is excellent that local people and patients have some input into the workings of their local hospital. I don't think you realise just how complex it is to run a successful hospital until you get involved.

"I have been really pleased to find out how the hospital operates and I have been impressed that when I have raised issues from my personal experience they have been taken seriously.

"I am a member of the Nominations Committee which leads on the appointment of Non-Executive Directors including the Chairman. I am keen that we should recruit more Non-Executive Directors with experience in commercial, service-oriented businesses because I believe that is where the NHS still needs to improve."

Cathy James, Staff Council Member

"As a member of Trust staff, I have found it valuable to hear the views of Council Members who represent patients and the public. For me, the strength of discussions at Members' Council meetings is that you hear different voices and different views.

"Because we come from a wide variety of backgrounds, we are able to share our experience of the hospital from different perspectives."



OUR WORKFORCE

More than 3,000 people work at Chelsea and Westminster including 2,700 staff employed directly by the Trust, facilities staff employed by our contractors ISS Mediclean and Haden Building Management, and our hospital volunteers.

YOU ARE THE DIFFERENCE

You Are The Difference is a campaign launched in October 2006 to ensure the Trust provides the best possible customer service.

By the end of 2006/07, more than 1,000 staff had received customer service training which is led by a team of customer service 'champions' from throughout the Trust.

You Are The Difference is led personally by Heather Lawrence, Chief Executive, and was made possible by funding from Chelsea and Westminster Health Charity.

Heather Lawrence says: "I am passionate that we should offer an excellent level of customer service to our patients, and to each other as members of staff, to help make us a hospital of choice. *You Are The Difference* will make Chelsea and Westminster a better hospital."

Diane Yeo, Chief Executive of Chelsea and Westminster Health Charity, agrees: "We are delighted that the Trust is taking the issue of customer service seriously. Patients' experience is about more than just the medical care they receive. A friendly welcome at the main reception or an

offer of help from a member of staff who can see that a visitor is lost really makes a difference."

Customer service 'champion' Martin Lupton, Consultant Obstetrician and Gynaecologist, says: "I am happy to be a 'champion' because I believe that the principles behind the campaign are solid and legitimate."

"The Trust has identified common standards of behaviour that it expects all staff to maintain and it is important these are communicated to everyone who works here."

DEVELOPING STAFF TO IMPROVE PATIENT CARE

The Trust has implemented the Knowledge and Skills Framework (KSF) to improve the career development of staff covered by Agenda for Change, the new pay and conditions system that covers most NHS employees.

KSF measures the skills, knowledge and competencies needed to carry out a particular role, and to develop to the next level.

It benefits not only staff but also patients because it links the learning and development needs of staff with the demands of their job so that they can provide high quality patient care.

Chelsea and Westminster is leading the way in the NHS—only 73% of NHS staff in England had received a KSF outline of their job and what is expected of them by October 2006, but 100% of Chelsea and Westminster staff had a KSF outline.

These outlines are the basis for reviewing the performance of staff and creating a personal development plan to highlight areas where individual staff need to progress.

Desiree Cox, a training consultant who helps prepare Trust staff for KSF, says: "Staff see the benefits of a review to focus on the knowledge and skills they need for the job they are doing, as well as using it as a career framework."

Helen Bass, Modern Matron for the Medicine Directorate, agrees: "KSF develops staff so they can do the work they are supposed to do. It's about staff being able to perform in those roles and continuing to develop."



Helen Bass at work on the Intensive Care Unit

CAROLINE'S STORY

According to an evaluation exercise carried out by Volunteering England, the contribution of volunteers who give their time free of charge is not only valued by patients and staff but also brings the Trust closer to its local community.

Becoming a volunteer can be a springboard for local people who want to work here.

Volunteering England's survey of 235 hospital volunteers shows that nine volunteers have moved into part-time or full-time employment with the Trust in the last year.

This trend helps the Trust to recruit local staff who reflect the diversity of our community.

Former volunteer Caroline Farrar, who now has a paid job at Chelsea and Westminster, says: "I had not worked for 10 years because I got married, had a baby and then moved to this country from Kenya with my husband. I live near the hospital and so volunteering was a good way for me to get back into the world of work.

"The staff in the Endoscopy department where I was a volunteer were friendly and welcoming, and they really made me feel part of their team. They gave me the confidence to apply for paid employment."

MIDWIFE RECRUITMENT CAMPAIGN SHORTLISTED FOR TOP AWARD

The Trust's successful campaign to recruit midwives from abroad as part of a strategy to reduce midwifery vacancy rates was shortlisted in the prestigious Health Service Journal Awards 2006.

This campaign has helped strengthen the diversity of the maternity team and eased pressure on other staff by reducing vacancies. Midwives recruited from overseas supported the Trust's award entry.

Georgia Kontossorou, Penelope Kollia and Maria Fountalaki, all originally from Greece, said: "Chelsea and Westminster Hospital swept us off our feet. If you have any worries or concerns, you get a warm welcome and willingness from all the staff."



Cinzia Giammarchi (Volunteer Liaison Manager) and Caroline Farrar

MODERN INFRASTRUCTURE

High quality clinical care is supported by effective, modern support services—including digital X-rays, the Choose and Book IT system, web-based technology in our sexual health services, and management of medicines.

DIGITAL X-RAYS TO SPEED UP DIAGNOSIS

A new digital system of acquiring and distributing X-ray images will greatly enhance the imaging service for patients and clinicians at Chelsea and Westminster.

The filmless X-ray system known as PACS (Picture Archiving and Communications System) was piloted from March 2007

at the South Westminster Centre, SW1, and will be available throughout the Trust this year.

PACS enables clinical images such as X-rays and scans to be stored electronically and viewed on screen instantly. Images can be retrieved in seconds, viewed by staff in more than one department or hospital at the same time, and will never be lost.

Alan Kaye, Diagnostic Radiographer and Radiology Services Manager, says: "Clinical staff will no longer have to search for films and will be able to concentrate on caring for patients."

Dr Margaret Phelan, Consultant Radiologist and Clinical Director of Anaesthetics & Imaging, agrees: "PACS maintains the Trust's position at the forefront in the use of medical technology to support clinical care."

TECHNOLOGY BOOSTS ACCESS TO SEXUAL HEALTH SERVICES

Using new technology has helped to dramatically improve access to sexual health services—the percentage of patients offered an appointment within 48 hours increased from 48% in May 2006 to 93% in February 2007.



Eve Wisdom (Pharmacy Technician) prepares chemotherapy treatment

Introducing a new web-based scheme has contributed to this success. eTriage enables patients who think they may need treatment to 'triage' themselves online 24 hours a day via the Trust website and request clinic appointments via email.

In its first four months, the website had 1,500 'hits' which led to more than 900 clinic appointments. Many patients use eTriage in the evenings and at weekends so it is a key way of improving patient access to sexual health services.

Levels of patient satisfaction with eTriage are high—96% of patients who completed a survey would recommend it to friends and 70% said the website was easy to use.

eTriage was shortlisted for the NHS Innovators Awards 2006 and cited as a good practice case study in the Department of Health publication '10 High Impact Changes for Genitourinary Medicine 48-hour Access'.

TRUST IN TOP 10% FOR MEDICINES MANAGEMENT

Chelsea and Westminster is in the top 10% of NHS trusts nationally for the effectiveness of its medicines management—according to the Healthcare Commission.

The Trust was rated 'excellent' following a review which was published as part of the independent health watchdog's annual performance ratings in October 2006.

Pharmacy staff are key to the effectiveness of the management of medicines at Chelsea and Westminster.

Karen Robertson, Chief Pharmacist, says: "This review measured how effectively we use our resources and, most importantly from a patient's perspective, whether our service is safe and efficient in terms of speed of access to medicines."

The 2006 Patient Survey, also published by the Healthcare Commission, highlighted Chelsea and Westminster as 'significantly better than the national average' in two key areas related to medicines management.

These areas were providing clear written information about medicines that patients take home, and ensuring that patients are told the purpose of medicines they are taking.

RUDOLFO'S STORY

The national Choose and Book computer system, which enables patients to choose where they want to be treated if their GP decides they need a hospital outpatient appointment, is up and running at Chelsea and Westminster.

For most of 2006/07, we used Indirect Booking on Choose and Book which means that patients are given a booking number by their GP and they then phone the Trust to arrange a date and time for their appointment. Indirect Booking appointments increased from 146 in April 2006 to 1,484 in March 2007.

Direct Booking, which enables GPs to book a patient into an outpatient appointment at Chelsea and Westminster from their GP practice, was piloted in Orthopaedics

in March 2007 and will be rolled out across the Trust this year.

Rudolfo Velasquez, 64, who suffers from a painful knee condition, was our first Direct Booking patient when his GP booked him an outpatient appointment with Orthopaedic Surgeon Mr Warwick Radford.

Rudolfo says: "I live within walking distance of Chelsea and Westminster and my GP told me this would be a good hospital to choose for my treatment so we looked at available times for my outpatient appointment there and then. By the time I left the surgery, my appointment was booked."

Following his outpatient appointment, keyhole surgery on Rudolfo's left knee was arranged.



Rudolfo Velasquez

INNOVATION

We only became a Foundation Trust on 1 October 2006 but already we are exploring how we can use our new freedoms to benefit patient care.

SMOOTH TRANSITION TO FOUNDATION TRUST STATUS

Our key aim after Monitor, the Foundation Trust regulator, approved our application to be a Foundation Trust from 1 October 2006 was to achieve a smooth transition to our new status.

We achieved a high level of performance during our first six months as a Foundation Trust from October 2006 to March 2007:

- The Trust had a surplus of £4.6 million for the 2006/07 financial year—a key benefit of Foundation Trust status is that this surplus is retained by the Trust so that we can reinvest it in our services.
- Our financial risk rating by Monitor in March 2007 was 4 out of 5—4 is the maximum achievable rating by a Foundation Trust in its first year.
- The Trust met all key operational performance indicators for 2006/07.

Monitor's review of Foundation Trusts' performance in the first nine months of 2006/07 highlighted Chelsea and Westminster as one of eight trusts that achieved strong financial performance, met all healthcare targets and national core standards.

The Trust now has a solid platform to explore how our new Foundation Trust freedoms enable us to be innovative with our clinical services and business models.

We are investigating how to support the strengthening of community services by extending our services and the expertise of our staff beyond the hospital, in line with government policy for more care to be provided closer to people's homes.

And we are keen to explore strategic partnerships with voluntary and private sector providers—several options are at the early planning stages.

INNOVATION IN SEXUAL HEALTH SERVICES

HIV and sexual health services at Chelsea and Westminster have a proven track record of innovation.

The new freedoms provided by Foundation Trust status provide an opportunity to develop these services further.

Lorraine Bewes, Director of Finance and Information, says: "Our analysis has identified sexual health as an area of the Trust's services that could be expanded because it is already a market leader and is very cost-effective."

Examples of award-winning innovations in our sexual health services include:

- **SORTED**, a nurse-led community outreach initiative based at the Victoria Clinic, SW1, which encourages gay men to get vaccinated against Hepatitis B.

Highly commended for Best Patient or Public Campaign in the Communique Awards 2007.

- **OptionE** service, which allows HIV patients who are stable on treatment to have medication delivered to their home and test results emailed to them—popular with patients because it avoids unnecessary hospital visits.

Won a Nursing Times Award in 2005.

- **eTriage** scheme, which enables patients to request clinic appointments via the Trust website—project led by Dr Ann Sullivan (Lead Clinician, John Hunter Clinic).

Shortlisted for the NHS Innovators Awards 2006.

INNOVATION IN DIABETES CARE

Diabetes is an example of a clinical specialty in which the expertise of the Trust's multi-disciplinary teams can be used to strengthen community services.

Government health policy in specialties like diabetes is for more care to be provided in the community, closer to where people live, while recognising that hospital-based, specialist services are still vital for patients with complications or more complex conditions.

An estimated 2.35 million people in England have diabetes and this figure will rise to more than 2.5 million by 2010.

Chelsea and Westminster recently won a bid to provide specialist support for an enhanced community diabetes service being developed by Kensington and Chelsea PCT.

Bernhard Crede, of Kensington and Chelsea PCT, says: "The input of staff at Chelsea and Westminster will provide overall clinical leadership and ensure that the quality of care provided meets the highest standards."

The PCT is focusing on diabetes patients with Type 2 diabetes who do not require specialist care because they do not have complications or complex diabetes.

Chelsea and Westminster will support the PCT through two Consultant sessions per week, clinical supervision by the Trust's Nurse Consultant and Specialist Diabetes Nurses, and telephone support for GPs, practice nurses and district nurses.

The Trust will continue to provide education in diabetes care for PCT staff.



Diabetes patient Albert Blunt with Alison Cox (Senior Diabetes Specialist Nurse)

INTEGRATED GOVERNANCE

DEVELOPING OUR FOUNDATION TRUST MEMBERSHIP

Developing a representative membership is one of the key elements of Monitor's Compliance Framework for governance.

WHO CAN BE A MEMBER?

- **Patient constituency**
Any patient, or the carer of a patient, treated at the hospital.
- **Public constituency**
Anyone living in the local boroughs of Kensington and Chelsea, Hammersmith and Fulham, City of Westminster and Wandsworth. Each borough is divided into two areas for Members' Council elections.
- **Staff constituency**
Any member of staff. This constituency is divided into six classes for Members' Council elections—Allied Health Professionals, Scientific and Technical; Contracted; Management; Medical and Dental; Nursing and Midwifery; Support, Administrative and Clerical.

HOW ARE WE DEVELOPING A REPRESENTATIVE MEMBERSHIP?

The Membership Development and Communication Sub-Committee of the Members' Council is developing our Membership Development and Communication Strategy.

The membership database is regularly analysed by age, gender and ethnicity to ensure that it is representative of the community we serve.

Steps taken to ensure a representative membership include:

- Promoting Foundation Trust membership at local community Black and Minority Ethnic (BME) Health Forums.
- Engaging BME Trust staff through the BME Staff Forum.
- Publishing a membership recruitment leaflet for distribution in public areas of the Trust and outpatient waiting areas.

The Trust has set a target for increasing membership numbers in 2007/08 by 12% (Public), 30% (Patients) and 50% (Staff).

HOW MANY PEOPLE ARE MEMBERS?

Number of members, 31 Mar 2007	
Patients	5,898
Public	6,982
Staff	407
Total	13,287

HOW DO WE INVOLVE MEMBERS?

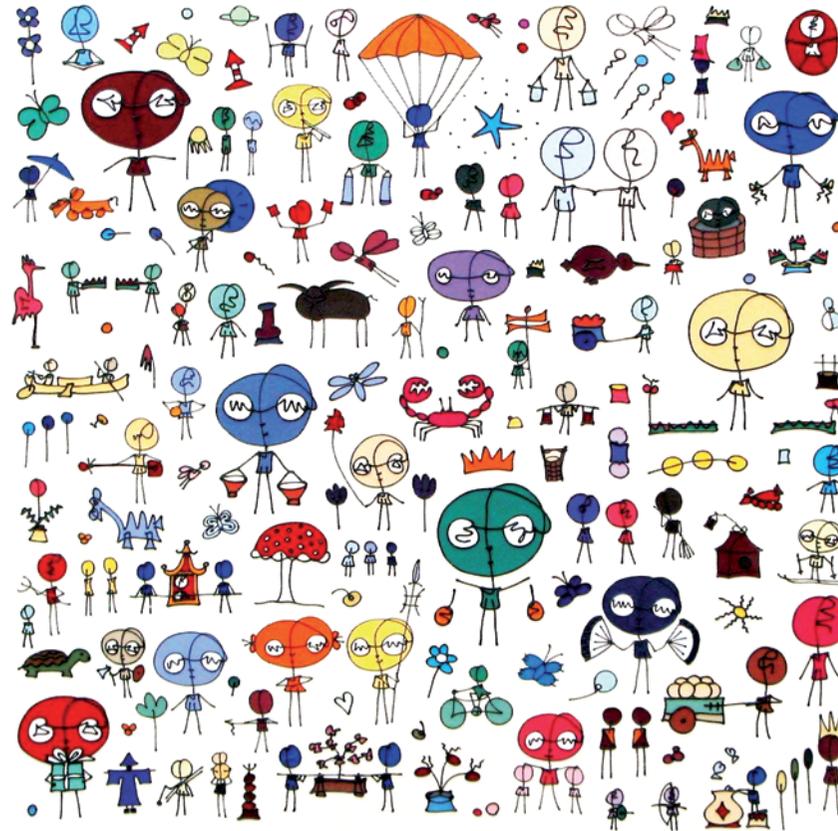
All Foundation Trust members were invited to attend the Trust's AGM in September 2006—as a result there was a record attendance of more than 300 people. Most people attending the AGM were Foundation Trust members—88% of respondents who completed an AGM feedback form had received a personal invitation.

GET IN TOUCH

Members who wish to communicate with their representatives on the Members' Council should contact Julie Cooper (Foundation Trust Secretary), Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, SW10 9NH. She can also be contacted via email julie.cooper@chelwest.nhs.uk or on 020 8846 6716.



Eye-catching art is featured throughout the hospital



Playtime, an art installation by John Bishop, is the latest addition to Chelsea and Westminster Hospital's outstanding collection of visual art. It consists of more than 150 imaginary people made from cotton polymer and then stuck to metal sheeting by magnets. The hospital's visual and performing arts programme is funded and run by Chelsea and Westminster Health Charity.

STATUTORY INFORMATION

OPERATING AND FINANCIAL REVIEW (OFR)— OPERATIONAL REPORTING

HISTORY, PRINCIPAL ACTIVITIES AND ORGANISATIONAL STRUCTURE OF THE TRUST

Chelsea and Westminster Hospital opened in May 1993 on the former site of St Stephen's Hospital. It replaced five hospitals—St Stephen's Hospital, St Mary Abbots Hospital, Westminster Children's Hospital, Westminster Hospital and West London Hospital.

Chelsea and Westminster Hospital NHS Foundation Trust was founded on 1 October 2006, under the Health and Social Care (Community Health and Standards) Act 2003.

It is a central London teaching hospital, providing general hospital services to the local population and specialist tertiary services in a range of specialties including HIV, Burns and Dermatology to patients from a wider area.

It is a main campus of Imperial College School of Medicine and a teaching centre for Thames Valley University.

Most services are on the main Chelsea and Westminster Hospital site but HIV/GUM services are based at the St Stephen's Centre next to the main hospital, at the Victoria Clinic, SW1, and at the West London Centre for Sexual Health, Charing Cross Hospital.

The Trust has a Board of Executive and Non-Executive Directors, and a Members' Council including elected representatives of patients, public and staff as well as nominated representatives of local stakeholder organisations.

Clinical services are divided into five directorates, each led by a General Manager and Clinical Director, and there is a full range of support services including pharmacy, therapy services, and facilities management.

Facilities services are contracted out to ISS Mediclean and Haden Building Management.

KEY AIMS AND OBJECTIVES OF THE TRUST

The Trust has 10 corporate aims—see pages 4 and 5 for details—which underpin 2007/08's corporate objectives and key deliverables, specific measurable activities that enable the Trust to assess whether it has achieved its objectives. These objectives and deliverables were developed in consultation with staff and the Members' Council and were approved by the Board of Directors which monitors them.

REVIEW OF FINANCIAL AND NON-FINANCIAL PERFORMANCE

The Trust achieved a surplus of £4.6 million for 2006/07. Our financial risk rating by Monitor in March 2007 was 4 out of 5 where 5 is 'low risk' and 4 is the maximum achievable rating by a Foundation Trust in its first year.

Factors driving this financial performance included good control over pay budgets (pay was underspent by £0.9 million), one-off savings on HIV drugs spend and some slippage on planned developments (£2.8 million), higher than planned cost per case income (£0.8 million), and interest on cash balances (£0.4 million).

This surplus was achieved despite having to absorb a cut in training income of £1.1 million, lower general private patient activity than planned and significant pressures on non-pay costs.

The Trust met all key operational performance indicators for 2006/07 and was rated 'Good' for both 'Quality of services' and 'Use of resources' in the annual performance ratings published by the Healthcare Commission in October 2006.

The Trust was rated 'Excellent' for medicines management (part of the Acute Hospital Portfolio) and 'Good' for children's services (Improvement Review).

Trends and factors that affected the Trust's performance and position during 2006/07, and that are likely to affect it during 2007/08, include the challenging financial position of the NHS in London.

NHS London has initiated two reviews of relevance to the Trust. 'Healthcare for London', an initiative to devise a strategy for the capital, is led by Professor Ara Darzi and a North West London strategy review is led by PCT commissioners. 'Healthcare for London' has published a report setting out the case for moving activity out of hospital and into the community and for consolidating specialist services in fewer hospitals.

These reviews offer both opportunities and risks to the Trust. There is potential for service reconfigurations but both reviews are ongoing and so will have limited impact this financial year. Their potential impact in future years is being assessed and, as far as possible, taken into account in developing our plans for 2008/09 onwards.

Choose and Book, the mechanism for Patient Choice, is a major factor that has already impacted on the Trust and will do so further this year. Direct Booking has been piloted in Orthopaedics and will be rolled out across the Trust. As a Foundation Trust, any patient can be referred to Chelsea and Westminster irrespective of where they live which may impact on patient numbers and referral patterns.

In common with all NHS trusts, Chelsea and Westminster faces a significant challenge to deliver the government target of treating all patients within 18 weeks of referral by 2008. An 18-week project team has been established to facilitate work to deliver this target.

We have strong relationships with our key partners and stakeholders including local PCTs, local authorities and educational partners such as Imperial College School of Medicine and Thames Valley University.

Our relationships have been strengthened further because these organisations have nominated representatives on the Members' Council.

The Trust has a continuous programme of risk analysis and management, in accordance with its risk strategy and policies, which is supported by three committees with Board accountability—the Audit Committee, Clinical Governance Assurance Committee and Facilities Assurance Committee.

ORGANISATION-WIDE QUALITY ISSUES

The Trust undertook a management audit through an online staff survey to assess leadership and management capacity. The results will inform a new Leadership Academy being launched in the Trust this year.

A customer service training programme for all staff called *You Are The Difference* has been implemented—see page 18 for details.

The Trust carried out an internal communication survey which showed that the preferred mode of communication of most staff is face to face. Action taken in response included staff forums to discuss the annual Staff Survey and a regular Question and Answer session with Executive Directors.

Communication with Foundation Trust members and the Members' Council was facilitated by the setting up of a Membership Development and Communication Sub-Committee of the Members' Council. All members of the shadow Foundation Trust were invited to the AGM in September 2006.

ENVIRONMENTAL MATTERS

The Trust aims through its Environmental Policy to assess the environmental implications of our activities, adopt environmentally sound waste management practices, and promote environmental awareness among staff.

Work led by the Trust's Waste Management Group achieved an 8% reduction in clinical waste volumes. We have a target to recycle 16% of all waste.

The Trust successfully bid for a £20,000 grant from Transport for London for 'green' transport initiatives including new cycle racks and improved lighting in the car park, as well as improved showering facilities for staff.

The Trust is developing a Travel Plan to improve the travel options available to patients, visitors and staff.

EMERGENCY PREPAREDNESS

The Trust's Major Incident Plan is fully compliant with the requirements of Department of Health guidance for emergency preparedness.

The Trust participated in Exercise Emergo, a major incident training exercise commissioned by the Health Protection Agency, in September 2006 to test its Major Incident Plan.

The Trust's contingency plan in the event of a flu pandemic was tested during Exercise Winter Willow which was led by the Cabinet Office.

KEY OPERATIONAL PERFORMANCE INDICATORS

This area is covered under 'Review of financial and non-financial performance' on page 26 and 'Performance against key patient targets' on this page. The Trust met all key operational performance indicators for 2006/07.

OPERATING AND FINANCIAL REVIEW (OFR)—PATIENT CARE

FOUNDATION TRUST STATUS

The Trust achieved a smooth transition to Foundation Trust status from 1 October 2006. Foundation Trust status enabled the Trust to retain its surplus of £4.6 million.

Foundation Trust status has also enabled the Trust to develop a more explicit partnership and improved communication with its members.

This new partnership includes meetings of the full Members' Council and the Membership Development and Communication Sub-Committee of the Members' Council, and inviting all Foundation Trust members to the AGM in September 2006 where feedback was sought on services.

In the future, we believe that Foundation Trust status will benefit patients because financial flexibilities will allow us to invest innovatively to improve patient care, and to develop partnerships with the independent and private sectors, and primary care partners, through joint ventures and vertical integration.

PERFORMANCE AGAINST KEY PATIENT TARGETS

The Trust met all key operational performance indicators for 2006/07. Most of these targets result in improved patient care, for example by reducing inpatient and outpatient waiting times.

The Trust met a challenging target to reduce MRSA bacteraemia and Health Protection Agency statistics showed a reduction in our *Cdifficile* rate to 1.85 per 1,000 bed days in 2006—the national average is 2.39.

A national survey of healthcare associated infections by the Hospital Infection Society indicated that our infection rate is almost half the national average—4.4% of patients at Chelsea and Westminster had an infection at a single point in time, in comparison with a national average of 8.2%.

Our mortality rates are among the most improved in the country following a 36% reduction in the last five years—see page 8 for details.

MONITORING QUALITY IMPROVEMENTS

Progress towards meeting national and local targets is reported to the Board of Directors which approves action required to meet targets.

Annual action plans are developed in response to the Trust's performance in the Healthcare Commission's Patient Survey and Staff Survey, approved by the Board of Directors.

The Trust takes external reviews or assessments of specific services very seriously, and responds to their findings.

For example, in November 2006 our colposcopy service was subject to a quality assurance review by external assessors from the Quality Assurance Reference Centre who monitor standards in cervical and breast treatment.

The Chair of the assessors said that the Chelsea and Westminster colposcopy unit was of a gold standard.

The Trust conducts patient satisfaction surveys to hear the views of patients and make improvements based on feedback.

For example, a survey of patients using sexual health services at the Victoria Clinic, SW1, was carried out in February 2007. The results were extremely positive, an indication of the excellent services provided by staff at the Victoria Clinic.

SERVICE IMPROVEMENTS FOLLOWING COMMENTS FROM SERVICE USERS

Our Patient Advice and Liaison Service (PALS) received 3,531 enquiries in 2006/07. Service improvements made in response to comments received through PALS in 2006/07 include:

- Public toilets are being refurbished.
- Patients attending the Victoria Clinic for sexual health appointments are offered the option of being treated by a clinician of the same gender, when possible.
- A mobility chart has been designed to help staff assess patients' transport needs.

COMPLAINTS HANDLING

The Trust received 449 formal complaints in 2006/07—91% of complaints were responded to within 20 working days, as required by NHS guidelines.

Actions taken in response to feedback in formal complaints include:

- An area on David Erskine Ward has been converted into a relatives' room for private discussions with patients and relatives.
- A Working Party has been established to focus on the care of women in the early stages of labour.
- A designated relatives' telephone line has been set up in the Treatment Centre to minimise overcrowding in the waiting area.

IMPROVEMENTS IN PATIENT/ CARER INFORMATION

A Patient Information Policy and a guide for staff producing information leaflets was approved by the Trust's Executive meeting, which includes Directors, General Managers and Clinical Directors. This policy aims to standardise information and improve its quality by establishing a clear process for the production of patient information.

Improvements included the launch of a new Maternity Services section on the Trust website and the publication of a revised comment card inviting patients to make suggestions and comments about our services.

OPERATING AND FINANCIAL REVIEW (OFR)—STAKEHOLDER RELATIONS

The major new stakeholder partnership entered into by the Trust in 2006/07 to facilitate the delivery of improved healthcare was the establishment of the Foundation Trust Members' Council from 1 October 2006—this area is covered under the Members' Council sections on page 16 and on page 30.

Kensington and Chelsea PCT is the Trust's host commissioner of services. The establishment of a Joint Clinical Executive Group with the PCT has led to close and positive collaboration on the development of local health services.

A service developed by the Trust jointly with the PCT this year to benefit patients was the Accident and Emergency Redirection Project—see page 16 for details.

Imperial College School of Medicine is the Trust's main partner in its role as a teaching hospital.

Teddy Bear Hospital, a new project established by medical students from Imperial College, uses role play to educate children about hospital treatment and helps medical students improve their communication skills—see page 12 for details.

OPERATING AND FINANCIAL REVIEW (OFR)—FINANCE

The Trust had a very successful year in 2006/07, operating as a Foundation Trust for the last six months of the year. The Trust delivered a surplus of £4.58m for the full year, with a £0.45m surplus achieved in the six months to 30 September 2006 and a £4.13m surplus in the six months to 31 March 2007. The financial risk rating reported at March 2007 was 4 out of 5 where 5 is 'low risk' and 4 is the maximum achievable rating by a Foundation Trust in its first year.

The Trust's annual income and expenditure performance is set out in Table 1.

Table 1: SUMMARY 2006/07 INCOME AND EXPENDITURE OUTTURN VS PLAN (£m)

	PLAN 2006/07	ACTUAL 2006/07	VARIANCE 2006/07
INCOME			
Clinical Income	201.9	203.2	1.2
Non-Clinical Income	32.8	35.5	2.7
Total Income	234.8	238.7	3.9
EXPENSES			
Pay Costs	(126.7)	(126.3)	0.4
Non-Pay Costs	(89.2)	(91.3)	(2.1)
Total Expenses	(216.0)	(217.6)	(1.7)
EBITDA	18.8	21.1	2.3
Depreciation	(7.5)	(7.5)	0.0
Dividend on PDC	(9.7)	(9.7)	0.0
Interest	(0.1)	0.7	0.8
	1.5	4.6	3.1
Exceptionals	0.0	0.0	0.0
NET SURPLUS/(DEFICIT)	1.5	4.6	3.1

The key variances from plan in 2006/07 are explained below:

1. Income was £3.9m ahead of plan driven primarily by higher than planned elective non-contract activity, maternity deliveries and increased activity in critical care. Non-clinical income variances related to recharges which partly offset the adverse variance in non-pay. The Trust absorbed a reduction of £1.1m on Multi Professional Education and Training (MPET) income in year within this outturn.
2. Pay budgets were well controlled and delivered within plan despite the higher activity levels. This resulted from tight control on agency spend which reduced from £4.6m in 2005/06 to £3.4m in 2006/07.
3. Non-pay was higher than plan by £2.1m (0.8%). The key pressures were on pathology and clinical supplies costs. During 2007/08 the Trust will introduce monthly usage reports for pathology to assist demand management for tests and has already introduced daily usage reports for prosthetics costs to raise cost awareness with clinicians.
4. Cost improvement plans were 9.5% under-achieved although this was mitigated in year through alternative savings and slippage of developments.
5. Interest received was ahead of plan as the Department of Health proposal to charge interest on cash brokerage did not materialise.

There were no exceptional items charged to the accounts in either the first or second six months of the year.

The Trust had a significant savings programme in 2006/07 of £11.5m (4.9% of turnover) and delivered £10m savings against this plan.

The Prudential Borrowing Limit for the Trust was set at £29.9m. The Trust has two loans in place. One loan for £6.25m is with the Department of Health, repayable over two years, which replaced historical cash brokerage received by the Trust. The second loan for £12.5m is with the Foundation Trust Financing Unit and was arranged to fund the Trust's capital programme. £7.8m of this second loan was drawn down in 2006/07 and the balance will be drawn down in 2007/08.

The Trust's cash balances were £14.2m ahead of plan at the year end, resulting in a year-end cash balance of £25.5m. This significant improvement was due to the following factors:

- Improvement in EBITDA of £2.3m.
- Improved debt collection of £7m.
- Reduction in provisions and liabilities of £4.5m.
- A capital cash underspend of £0.9m due to slippage on projects, primarily implementation of the Picture Archiving and Communications System (PACS).
- Offset by a loan drawdown reduction of £1m.

This improvement in cash reserves will allow the Trust to make a greater investment in capital developments in 2007/08 without the need for additional borrowing above the pre-existing loan agreements.

The capital plan of £8.4m was slightly underachieved by £0.5m due to slippage on projects. £7.8m of the programme was financed through the Foundation Trust Financing Facility. All of the capital spend in 2006/07 related to maintenance capital.

The move to Foundation Trust status resulted in two significant changes to accounting policy. The first was the requirement to account for partially completed spells and the second was to increase the life of the building in line with the independent assessor's view, rather than the District Valuer's view.

Private Patient income for the six months to 31 March 2007 was 2.4% of clinical income, which is well below the 3.5% private patient cap.

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.

Performance against the Code in 2006/07 is summarised in Table 2.

FINANCIAL RISKS

The key financial risks facing the Trust can be summarised as follows:

1. Activity risks including the introduction of Practice Based Commissioning (PBC), Patient Choice, and Demand Management initiatives reducing future referrals below plan.
2. Funding risks including uncertainty around the future funding arrangements for HIV services, potential reviews of the Market Forces Factor and teaching levies, loss of R&D income, and year on year cash releasing efficiency targets.
3. Service reconfiguration risks arising from the NHS London Strategy and the creation of a Clinical Academic Health Sciences centre locally. There are two specific potential risks arising from the emergent NHS London Strategy relating to the possible centralisation of specialist paediatric surgery and creation of one trauma centre for North West London.

Each of these risks have been assessed in terms of their likely impact on the financial standing of the Trust and, where relevant, these have been factored into the Trust's annual plan for 2007/08. Having considered the risks above, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Table 2: PERFORMANCE AGAINST THE BETTER PAYMENT PRACTICE CODE

BY NUMBER OF INVOICES	6 MONTHS ENDED 30 SEP 2006	6 MONTHS ENDED 31 MAR 2007	YEAR TO 31 MAR 2007
Invoices Paid	27,000	23,955	50,955
Invoices Paid Within Target	24,992	22,497	47,489
% OF INVOICES PAID WITHIN TARGET	92.6%	93.9%	93.2%
BY VALUE OF INVOICES (£000)			
Invoices Paid	53,865	40,016	93,881
Invoices Paid Within Target	46,272	35,187	81,459
% OF INVOICES PAID WITHIN TARGET	85.9%	87.9%	86.8%

MEMBERS' COUNCIL

HOW THE BOARD OF DIRECTORS AND THE MEMBERS' COUNCIL OPERATE

The Members' Council 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 Members' Council is not responsible for the day-to-day management of the organisation which is the responsibility of the Board of Directors.

Key roles of the Members' Council are to:

- Appoint the Chairman and other Non-Executive Directors.
- Approve the appointment (by the Non-Executive Directors) of any new Chief Executive.
- Decide the remuneration, allowances and other terms and conditions of office of the Non-Executive Directors.
- Appoint or remove the Foundation Trust's Financial Auditor.
- Appoint or remove any other external auditor appointed to review and publish a report on any other aspect of the Foundation Trust's affairs.
- Review the Trust's constitution and suggest changes.
- Review and develop the Trust's Membership Development and Communication Strategy.

COMPOSITION OF THE MEMBERS' COUNCIL

There are 35 Council Members including:

- Chairman (appointed)—also Chairman of the Board of Directors.
- 6 Staff (elected)—1 each from 6 staff constituencies.
- 8 Public (elected)—2 each from 4 local boroughs.
- 10 Patients (elected)—this constituency is also open to carers of patients aged under 16 or patients who have a condition that means they cannot seek membership.
- 10 Nominated Representatives (appointed)—nominated from 10 partnership organisations.

The Members' Council normally meets quarterly—two meetings were held during the 2006/07 financial year, in November 2006 and February 2007—all meetings are

open to the public and are advertised. Executive and Non-Executive Directors are invited to attend Members' Council meetings—details of their attendance are on this page.

Council Members' terms of office commenced on the day that the Foundation Trust was licensed—1 October 2006.

According to our transition schedule in the Foundation Trust constitution, not less than one third of the initial elected Council Members who polled the highest votes will serve a term of office ending after the annual members meeting' in 2009; not less than one third of the initial elected Council Members who polled the next highest number of votes will serve a term of office ending after the annual members' meeting in 2008; the remaining initially elected Council Members will serve a term of office ending at the conclusion of the annual members' meeting in 2007.

ELECTIONS HELD DURING 2006/07

The Trust held an election to a vacant seat—Public: City of Westminster Area 2—in June 2006. One candidate, Wendy Burrow, was nominated and therefore elected unopposed.

The Trust held elections for three vacant seats—Public: City of Westminster 1, Staff: Allied Health Professionals, Scientific and Technical, and a Patient seat—in March 2007. The results were announced at the Members' Council meeting on 10 May 2007. Council Members elected were Ann Mills-Duggan (Public: City of Westminster 1), Nathan Billing (Staff: Allied Health Professionals, Scientific and Technical) and Chris Birch (Patient).

ACCESS TO REGISTER OF COUNCIL MEMBERS' INTERESTS

Members of the public can gain access to the register of Council Members' interests by making a request to Julie Cooper (Foundation Trust Secretary), Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, SW10 9NH, via email julie.cooper@chelwest.nhs.uk or on 020 8846 6716.

DIRECTORS' ATTENDANCE AT MEMBERS' COUNCIL MEETINGS 2006/07

NON-EXECUTIVE DIRECTORS	ATTENDANCE
Juggy Pandit (Chairman)	2/2
Marilyn Frampton	1/2
Andrew Havery	0/2
Professor Richard Kitney	0/2
Karin Norman	1/2
Charles Wilson	0/2
EXECUTIVE DIRECTORS	ATTENDANCE
Heather Lawrence (Chief Executive)	1/2
Amanda Pritchard (Deputy Chief Executive)	2/2
Dr Mike Anderson (Medical Director)	0/2
Lorraine Bewes (Director of Finance & Information)	2/2
Andrew MacCallum (Director of Nursing)	1/2
Catherine Mooney (Director of Governance & Corporate Affairs) ¹	2/2

¹ attends Foundation Trust Board meetings in her capacity as Company Secretary

HOW THE BOARD HAVE ACTED TO UNDERSTAND THE VIEWS OF COUNCIL MEMBERS AND FOUNDATION TRUST MEMBERS

Executive and Non-Executive Directors have attended Members' Council meetings to gain an understanding of Council Members' views and the views of membership constituencies which they represent.

In addition, workshops on specific issues have been arranged for Directors to gain the input of Council Members.

COUNCIL MEMBERS—WHO'S WHO

NAME (ELECTED OR APPOINTED) CONSTITUENCY/ORGANISATION	END OF TERM OF OFFICE	ATTENDANCE AT MEMBERS' COUNCIL MEETINGS 2006/07	NAME (ELECTED OR APPOINTED) CONSTITUENCY/ORGANISATION	END OF TERM OF OFFICE	ATTENDANCE AT MEMBERS' COUNCIL MEETINGS 2006/07
Juggy Pandit Chairman	October 2007	2/2	Hunt, Jean (elected Mar 06) Patient	To be confirmed	2/2
Alexander, James (elected Mar 06) Public—Hammersmith and Fulham 1	To be confirmed	0/2	James, Cathy (elected Mar 06) Staff—Support, Admin & Clerical	To be confirmed	0/2
Arana, Maria-Elena (elected Mar 06) Patient	September 2009	0/2	Jowett, Prof Sandra (appointed Spring 06) Thames Valley University	September 2009	1/2
Arends, Valerie (elected Mar 06) Public—Kensington and Chelsea 2	To be confirmed	1/2	Kenworthy, Andrew (appointed Spring 06) Kensington and Chelsea PCT	September 2009	1/2
Blakeman, Cllr Judith (elected Mar 06) Public—Kensington and Chelsea 1	To be confirmed	2/2	King, Jane (elected April 06) Patient	September 2007	2/2
Blewett, Christine (elected Mar 06) Public—Hammersmith and Fulham 2	September 2009	2/2	Longworth, Catherine (appointed Spring 06) PCT—Westminster	September 2009	2/2
Browne, Nicky (appointed) The Royal Marsden NHS Foundation Trust	September 2009	1/2	Macrae, Dr Duncan (appointed Spring 06) Royal Brompton & Harefield NHS Trust	September 2009	0/2
Burrow, Wendy (elected Aug 06) Public—Westminster 2	To be confirmed	0/2	Mallet, Sarah (elected Mar 06) Public—Wandsworth 1	To be confirmed	1/2
Delamare, Alison (elected Mar 06) Staff—Contracted	To be confirmed	1/2	Marshall, Cllr Harvey (appointed Apr 06) Westminster City Council	September 2009	0/2
Fitzgerald, Hugo (elected Mar 06) Patient	September 2009	0/2	Maze, Prof Mervyn (appointed Spring 06) Imperial College London	September 2009	1/2
Foulkes, Lionel (elected Mar 06) Public—Wandsworth 2	To be confirmed	1/2	Pease, Dorothy (elected Mar 06) Patient	September 2008	2/2
Wood, Vivian (appointed Mar 07) replaced Kirstie Galbraith Hammersmith and Fulham PCT	September 2009	Wood appointed end of 2006/07: 0/0; Galbraith: 1/2	Rawaf, Prof Salman (appointed) Wandsworth PCT	September 2009	0/2
Gazzard, Prof Brian (elected Mar 06) Staff—Medical and Dental	To be confirmed	2/2	Rowell, Martin (elected Mar 06)) Patient	September 2008	2/2
Grant, Nigel (elected Mar 06) Staff—Management	To be confirmed	2/2	Smith, Jim (elected Mar 06) Patient	September 2009	2/2
Harris, Sue (elected Mar 06) Staff—Nursing and Midwifery	To be confirmed	2/2	Taylor, Cllr Frances (appointed) Royal Borough of Kensington and Chelsea	September 2009	2/2
Henry, Michael (elected Mar 06) Patient	September 2009	1/2	Thomas, Elizabeth (elected Mar 06) Patient	September 2008	0/2

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

Since Chelsea and Westminster became a Foundation Trust on 1 October 2006, the Board of Directors has 6 Non-Executive Directors (including the Chairman) and 5 Executive Directors (including the Chief Executive)—the Director of Governance & Corporate Affairs attends Foundation Trust Board meetings in her capacity as Company Secretary.

The appointment of the Chairman, and appointment/reappointment of Non-Executive Directors, is approved by the Members' Council. The appointment of the Chief Executive is by the Non-Executive Directors, subject to approval by the Members' Council.

From April to September 2006, the NHS Trust Board also included the Director of Human Resources, the Director of Operations, the Director of Strategy & Service Development, and the Director of Information Management & Technology—as reflected in the Attendance Record below.

See below for details of the Board including each Director's name, role or job title, responsibilities, a brief description of their background and length of appointment (Non-Executive Directors only).

BOARD MEETINGS

The Board meets regularly—on average once a month. There were 12 meetings in 2006/07, 6 prior to Foundation Trust status and 6 as a Foundation Trust.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS 2006/07

NON-EXECUTIVE DIRECTORS	ATTENDANCE
Juggy Pandit (Chairman)	12/12
Marilyn Frampton (Vice Chair)	11/12
Andrew Havery (Non-Executive Director)	8/12
Prof Richard Kitney (Non-Executive Director) ¹	8/12
Karin Norman (Non-Executive Director)	11/12
Charles Wilson (Non-Executive Director)	9/12

¹ appointed May 2006

EXECUTIVE DIRECTORS	ATTENDANCE
Heather Lawrence (Chief Executive)	11/12
Amanda Pritchard (Deputy Chief Executive) ¹	6/6
Dr Mike Anderson (Medical Director)	11/12
Lorraine Bewes (Director of Finance & Information)	11/12
Andrew MacCallum (Director of Nursing)	10/12
Catherine Mooney (Director of Governance & Corporate Affairs) ²	12/12
Edward Donald (Director of Operations) ³	5/6
Maxine Foster (Director of Human Resources) ³	6/6
Elliott Howard-Jones (Interim Director of Strategy & Service Development) ³	2/2
Alex Geddes (Director of Information Management & Technology) ³	4/6

¹ took up post September 2006

² attends Foundation Trust Board meetings in her capacity as Company Secretary

³ members of NHS Trust Board but not Foundation Trust Board

BALANCE OF BOARD MEMBERSHIP & PERFORMANCE EVALUATION

A table outlining the competencies of the Board has been developed to ensure a balance of skills and experience on the Board and to inform future appointments of Non-Executive Directors to ensure a balance is maintained.

During May 2006, Board members reviewed the performance of the Board against the proposed Foundation Trust Board competencies and Board member attributes. The review highlighted strengths and development needs against the list of 10 proposed Foundation Trust Board competencies.

This process included an individual review by each Board member of Board performance against each proposed competency and a whole Board discussion and review of Board performance against each proposed competency.

Executive Directors have an annual appraisal with the Chief Executive. Non-Executive Directors' performance and the Chief Executive's performance are evaluated by the Chairman annually.

ACCESS TO REGISTER OF DIRECTORS' INTERESTS

Members of the public can gain access to the register of Directors' interests by making a request to Julie Cooper, Foundation Trust Secretary, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, SW10 9NH, via email julie.cooper@chelwest.nhs.uk or on 020 8846 6716.

BOARD OF DIRECTORS—WHO'S WHO

NON-EXECUTIVE DIRECTORS

JUGGY PANDIT, Chairman: Juggy was reappointed as Chairman for 4 years in October 2003, his term ends in October 2007. He has been Chairman of the Trust since November 1999 and a Non-Executive Director since February 1996. He had a 30-year career in industry, working for ICI, Unilever and Thorn EMI before his retirement.

MARILYN FRAMPTON, Vice Chair: Marilyn was reappointed for 4 years in October 2003, her term ends in October 2007. She is Chair of the Clinical Governance Assurance Committee. A Non-Executive Director since November 1999, Marilyn has a legal background and has worked in education and training in the public sector as a senior manager for many years. She has also served on a number of national committees.

ANDREW HAVERY: Andrew was appointed for 4 years in December 2003, his term ends in December 2007. He has been a councillor in Westminster since 2002. Andrew is a chartered accountant and worked for KPMG for 8 years before becoming a compliance officer to investment banks. He is now Senior Vice President, Corporate and Finance, Millennium and Copthorne Hotels plc.

PROFESSOR RICHARD KITNEY OBE: Professor Kitney was appointed for 4 years in May 2006, his term ends in April 2010. He is Professor of Biomedical Systems Engineering and Dean of the Faculty of Engineering at Imperial College. A leading authority on the use of IT in healthcare, Professor Kitney is Chairman and Director of Visbion Ltd.

KARIN NORMAN: Karin was appointed for 4 years in July 2005, her term ends in June 2009. She worked for 19 years as an investment banker in London and New York for Morgan Stanley, Merrill Lynch, JP Morgan and Citigroup Global Markets advising banks, insurance companies and pension funds on investments, risk and capital management. She is a member of the Audit Committee for the Parkinson's Disease Society, and a Trustee of both the Nursing and Midwifery Council and My Generation, a community charity.

CHARLES WILSON: Charles was reappointed for 4 years in October 2003, his term ends in October 2007. He is the Senior Independent Director and Chair of the Facilities Assurance Committee. Charles spent 50 years in the newspaper industry, serving as editor of a number of papers including The Times. He retired as Managing Director of the Mirror Group plc.

EXECUTIVE DIRECTORS

HEATHER LAWRENCE, Chief Executive: Heather has 18 years' experience at NHS Trust Board level, as Chief Executive of Hounslow and Spelthorne Community and Mental Health Trust and North Hertfordshire NHS Trust before being appointed Chief Executive at Chelsea and Westminster in May 2000. Heather chairs the North West London Critical Care Network and is NHS Employers' lead negotiator on the Staff and Associate Specialists contract.

AMANDA PRITCHARD, Deputy Chief Executive: Prior to her appointment in September 2006, Amanda worked in the Prime Minister's Delivery Unit. She was previously Acting Director of Strategy & Service Development and General Manager for the Surgery and Anaesthetics & Imaging Directorates at Chelsea and Westminster, and Assistant Director of Critical Care and Ambulatory Services at West Middlesex Hospital. Amanda was an inaugural Health Foundation Leadership Fellow.

DR MIKE ANDERSON, Medical Director: Dr Anderson was appointed in Summer 2003. Previously, he was a Consultant Physician and Gastroenterologist at West Middlesex Hospital where he also held the post of Medical Director. He is an Honorary Clinical Senior Lecturer of Imperial College and continues in active clinical practice as a Consultant Gastroenterologist.

LORRAINE BEWES, Director of Finance & Information: 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, where she worked at ITN and WH Smith Television Services.

ANDREW MACCALLUM, Director of Nursing: Andrew was appointed in August 2003, having previously been Director of Nursing at Queen Mary's Sidcup NHS Trust and Deputy Director of Nursing at Guy's and St Thomas' NHS Trust.

CATHERINE MOONEY, Director of Governance & Corporate Affairs: Before being appointed in March 2006, Catherine was Chief Pharmacist at St Mary's NHS Trust for 15 years until March 2004 when she joined Hammersmith Hospitals NHS Trust as Clinical Governance Director until March 2006. She attends Foundation Trust Board meetings in her capacity as Company Secretary.

AUDIT COMMITTEE

MEMBERSHIP & ATTENDANCE

The Audit Committee is chaired by Andrew Havery, a Non-Executive Director, and includes 2 other Non-Executive Directors—Marilyn Frampton and Karin Norman. It met 6 times in 2006/07—Andrew Havery and Marilyn Frampton attended all meetings, Karin Norman attended 3 meetings.

HOW THE COMMITTEE DISCHARGES ITS RESPONSIBILITIES

The Audit Committee assures the Board of Directors that probity and professional judgement are exercised in all financial matters. It is authorised by the Board to seek relevant professional advice and to secure attendance of relevant parties at its meetings.

NOMINATIONS COMMITTEE

MEMBERSHIP & ATTENDANCE

The Nominations Committee is chaired by Juggy Pandit, Chairman of the Foundation Trust, and includes 2 elected Council Members—Valerie Arends (Public: Kensington and

Chelsea 2) and Professor Brian Gazzard (Staff: Medical and Dental)—and an appointed Council Member—Andrew Kenworthy (Kensington and Chelsea PCT).

It met twice in 2006/07—Juggy Pandit and Professor Gazzard attended both meetings, Valerie Arends and Andrew Kenworthy attended 1 meeting each.

DESCRIPTION OF THE COMMITTEE'S WORK

The Nominations Committee leads for the Members' Council on all aspects related to the recruitment, retention and terms and conditions of Non-Executive Director appointments, including the Chairman, to the Board of Directors.

PROCESS FOR BOARD APPOINTMENTS

1. The Nominations Committee will agree the personal specification and the post(s) will be advertised. The use of a recruitment agency will also be considered on a case by case basis.
2. Appropriate candidates (not more than 5 for each vacancy) will be identified by the Nominations Committee through a process of open competition, which takes account of the skills and experience required.
3. The Nominations Committee will shortlist candidates for interview.
4. Candidates will be interviewed by an interview panel consisting of the Chairman, 2 elected members of the Nominations Committee and the Chairman of another Foundation Trust as an independent assessor. In the case of recruiting a new Chairman, the Senior Independent Director will replace the current Chairman for interview purposes.
5. The interview panel will select one candidate whose appointment will be ratified by the Members' Council.

MEMBERSHIP

See page 24 for statutory information on Foundation Trust membership.

PUBLIC INTEREST DISCLOSURES

ACTION TO INFORM, INVOLVE AND CONSULT WITH TRUST STAFF

We are committed to keep staff fully informed about everything that has an impact on their working lives at Chelsea and Westminster by providing them with information, consulting them on key decisions and listening to their concerns.

Actions taken to maintain this commitment include regular monthly meetings between Executive Directors and Staffside Representatives at the Joint Management and Trade Union Committee (JMTUC), and quarterly meetings of the Members' Council attended by 6 staff Council Members. See page 27 for action taken to improve face to face communication with staff.

HEALTH AND SAFETY PERFORMANCE

The number of incidents which required reporting to the Health and Safety Executive reduced from 10 in 2005/06 to 7

in 2006/07. Fire safety procedures were reviewed following the introduction of new legislation in October 2006.

POLICIES IN RELATION TO EQUAL OPPORTUNITIES AND DISABLED EMPLOYEES

The Trust aims to be an employer of choice for all. We have an Equal Opportunities Policy to ensure that there is no direct or indirect discrimination and to build a workforce whose diversity reflects the community we serve.

The employment of disabled employees forms an integral part of the Equal Opportunities Policy. The Trust published a Disability Equality Scheme (DES) in response to new provisions incorporated into the Disability Discrimination Act 2005, which came into effect on 4 December 2006.

A key aim of the DES is that disabled people have the same opportunities as other people to gain employment and promotion at Chelsea and Westminster Hospital NHS Foundation Trust.

For example, the Trust advertises jobs in disability publications and the Occupational Health department

advises on adjustments to support staff with an existing disability or who become disabled.

OCCUPATIONAL HEALTH PERFORMANCE

The Occupational Health department's core activity included 3,033 face to face contacts with staff in 2006/07, a 20% increase on 2005/06—including fitness for work assessments and screening for infectious diseases.

The department led on the development of Trust policies for areas including alcohol and substance misuse, use of latex and the prevention of body fluid exposures.

COUNTER-FRAUD POLICIES AND PROCEDURES

The Trust has a Counter-Fraud Policy for dealing with suspected fraud and corruption, and other illegal acts involving dishonesty or damage to property. Nominated officers who Trust staff can contact confidentially if they suspect a fraudulent act are the Director of Finance & Information and the Local Counter Fraud Specialist (LCFS).

SUMMARY FINANCIAL STATEMENTS FOR CHELSEA AND WESTMINSTER HEALTHCARE NHS TRUST

FOREWORD TO THE SUMMARY FINANCIAL STATEMENTS

These Summary Financial Statements are merely a summary of the information in the full accounts which can be obtained from the Director of Finance and Information, Finance Directorate, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, London SW10 9NH.

FINANCIAL DUTIES

An NHS Trust has the following statutory financial duties laid down by the NHS Executive:

To break even on its income and expenditure account taking one year with another

The Trust has retained a surplus of £449,000 for the six months to 30 September 2006 and a surplus of £429,000 over the last three years to 31 March 2006 taking one year with another, thereby meeting its break even duty.

To keep within the annual Capital Resource Limit (CRL)

The CRL represents a full 12-month financial period therefore the 6-month accounts render it impractical to measure the Trust's 6-month performance against the annual CRL. For the purpose of these accounts the CRL has been set at £2,847,000 which equals the charges against it.

To keep within the External Financing Limit which is the limit placed on net borrowing

The EFL is formally notified to the Trust following the year-end by the Department of Health. However, in this instance

the Trust's External Financing Requirement of £6,455,000 for the 6 months to 30 September 2006 has been adopted as the External Financing Limit. In the absence of any formal guidance the Trust is deemed to have fulfilled this financial duty for the 6 months to September 2006.

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 paid 93% of its non-NHS bills within the time scale, representing 89% in terms of value. The NHS standard is to pay 95% of the number of invoices received within 30 days. The Trust has put plans in place to improve BPPC performance towards that target.

FINANCIAL PLANS 2006/07

2006/07 is a year of significant change, as the Trust was licensed as a Foundation Trust from 1 October 2006. Operating as a Foundation Trust will enable the Trust to operate with greater financial freedoms and to position itself well as Practice Based Commissioning and Patient Choice develop in West London. As a Foundation Trust we will be able to retain future surpluses to reinvest in the hospital service and access to capital will be more immediate.

As part of its application process, the Trust has developed a 5-year financial plan based on its Service Development Strategy and has developed detailed forward working capital projections for the next 2 years. In the 12-month financial period 2006/07 the Trust is planning for a £2.1m surplus after delivering a savings plan of £11.5m. This is a challenging but achievable target and builds on the excellent improvements in clinical efficiency driven by the Trust's IMPACT programme in 2005/06.

As well as achieving Foundation Trust status, the Trust's financial strategy priority is to develop an excellent activity based costing system, which will enable us to continue

to operate efficiently under the Payment by Results tariff. The Trust already operates below the national average cost with a Reference Cost Index of 97 (100 = National Average).

The overall financial outlook for the North West London Sector continues to be challenging and our host PCT, Kensington and Chelsea PCT has published its Turnaround Plan to recover a £22m cumulative deficit. The Trust is working in partnership with the host PCT on a range of issues to develop and deliver joint plans for a variety of mutual priorities, including a return to financial balance for the sector.

To this end, the Trust has planned for the impact of demand management initiatives next year to avoid unnecessary follow up of outpatient visits and introduction of community support for patients with long term conditions with the aim of improving care and avoiding hospital admission.



Heather Lawrence
Chief Executive
As approved by the Board on 7 June 2007



Lorraine Bewes
Director of Finance and Information
As approved by the Board on 7 June 2007

STATEMENT ON INTERNAL CONTROL FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2006

The statement on internal control can be found in the full accounts.

REMUNERATION REPORT FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2006

This report contains details of the salary and pension entitlements of senior managers that are recorded in the table on page 39.

Remuneration Committee

This Trust Board sub-committee acts on behalf of the Trust Board to determine policy and process for remuneration of the Trust's senior managers.

Its membership includes the Trust Chairman and 5 Non-Executive Directors—the Director of Human Resources acts as Secretary to the Remuneration Committee and the Chief Executive attends its meetings, except when her remuneration is under discussion.

The Remuneration Committee's role is to:

- Monitor and review the performance of Executive Directors.
- Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Trust, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- Ensure that new appointees are offered and accept terms within a previously agreed level.
- Develop remuneration packages which are appropriate, defensible and linked to the discharge of responsibilities, taking advice on labour market pay trends in the NHS and beyond.
- Agree the policy for authorising expense claims from the Chair and Chief Executive.
- Supply details of remuneration for the Trust's annual report.

Senior management remuneration policy

Senior manager pay is benchmarked against comparable roles in trusts of comparable size and complexity to ensure that rates of pay are competitive, represent value for money and provide stability in senior manager roles.

Methods to assess performance conditions

All senior managers are appraised regularly and their performance is assessed against personal and corporate objectives, long and short term.

Policy on duration of contracts, notice periods and termination payments

Contracts of employment do not have predetermined end dates. The notice period for senior managers is 6 months. Termination payments are not made unless for exceptional factors at the discretion of the Remuneration Committee.

Service contracts

All have 6 months notice periods and no provision for early termination is made.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE BOARD OF CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST ON THE SUMMARY FINANCIAL STATEMENTS

We have examined the summary financial statements of Chelsea and Westminster Healthcare NHS Trust for the six-month period ended 30 September 2006 which comprise the income and expenditure account, balance sheet, cash flow statement, statement of total recognised gains and losses, and associated notes relating to management costs, the better payment practice code and auditors' remuneration, income from activities, other operating income and operating expenses, and the audited part of the remuneration report.

This report is made solely to the Board of Chelsea and Westminster Hospital NHS Foundation Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not, in giving our opinion, accept or assume responsibility to anyone other than the Trust and the Board, as a body, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the Annual Report with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion

In our opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the six-month period ended 30 September 2006.

*Deloitte & Touche LLP
11 JUNE 2007*

Deloitte & Touche LLP, St Albans
11 June 2007

INCOME AND EXPENDITURE ACCOUNT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

	6 MOS ENDED 30 SEP 2006 £000	YEAR ENDED 31 MAR 2006 £000
Income from activities	100,919	195,999
Other operating income	16,432	33,561
Operating expenses	(112,351)	(218,651)
OPERATING SURPLUS BEFORE INTEREST	5,000	10,909
Interest receivable	322	248
Interest payable	(40)	(132)
SURPLUS FOR THE FINANCIAL PERIOD	5,282	11,025
Public Dividend Capital dividends payable	(4,833)	(8,821)
RETAINED SURPLUS FOR THE PERIOD	449	2,204

BALANCE SHEET AS AT 30 SEPTEMBER 2006

	30 SEP 2006 £000	31 MAR 2 006 £000
FIXED ASSETS		
Intangible assets	0	0
Tangible assets	274,312	279,918
	274,312	279,918
CURRENT ASSETS		
Stocks and work in progress	5,475	5,237
Debtors	12,998	16,950
Cash at bank and in hand	482	678
	18,955	22,865
CREDITORS: Amounts falling due within one year	(26,426)	(24,499)
NET CURRENT (LIABILITIES)	(7,471)	(1,634)
TOTAL ASSETS LESS CURRENT LIABILITIES	266,841	278,284
CREDITORS: Amounts falling due after more than one year	(2,190)	(969)
PROVISIONS FOR LIABILITIES AND CHARGES	(3,389)	(4,554)
TOTAL ASSETS EMPLOYED	261,262	272,761
FINANCED BY:		
TAXPAYERS' EQUITY		
Public dividend capital	162,346	168,981
Revaluation reserve	91,045	97,085
Donated asset reserve	7,921	7,194
Income and expenditure reserve	(50)	(499)
TOTAL TAXPAYERS' EQUITY	261,262	272,761

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

	6 MOS ENDED 30 SEP 2006 £000	YEAR ENDED 31 MAR 2006 £000
Surplus for the financial year before dividend payments	5,282	11,025
Unrealised surplus on fixed asset revaluations/indexation	(4,192)	6,330
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	24	1,408
TOTAL GAINS AND LOSSES RECOGNISED IN THE FINANCIAL PERIOD	1,114	18,763

CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

	6 MOS ENDED 30 SEP 2006 £000	YEAR ENDED 31 MAR 2006 £000
OPERATING ACTIVITIES		
Net cash inflow from operating activities	16,202	27,581
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	305	248
Interest paid	0	0
Interest element of finance leases	(40)	(132)
Net cash inflow from returns on investments and servicing of finance	265	116
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(5,179)	(9,993)
Net cash outflow from capital expenditure	(5,179)	(9,993)
DIVIDENDS PAID	(4,833)	(8,821)
Net cash inflow before management of liquid resources and financing	6,455	8,883
FINANCING		
Public dividend capital received	0	0
Public dividend capital repaid (not previously accrued)	(6,635)	(8,783)
Public dividend capital repaid (accrued in prior period)	0	0
Capital element of finance lease rental payments	(16)	(42)
Net cash outflow from financing	(6,651)	(8,825)
(DECREASE)/INCREASE IN CASH	(196)	58

BETTER PAYMENT PRACTICE CODE—MEASURE OF COMPLIANCE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

	6 MOS ENDED 30 SEP 2006 N°	6 MOS ENDED 30 SEP 2006 £000	YEAR ENDED 31 MAR 2006 N°	YEAR ENDED 31 MAR 2006 £000
Total non-NHS bills paid in the year	25,390	41,928	53,201	86,897
Total non-NHS bills paid within target	23,655	37,337	39,740	56,339
% non-NHS bills paid within target	93%	89%	75%	65%

Heather Lawrence

Heather Lawrence, Chief Executive
7 June 2007

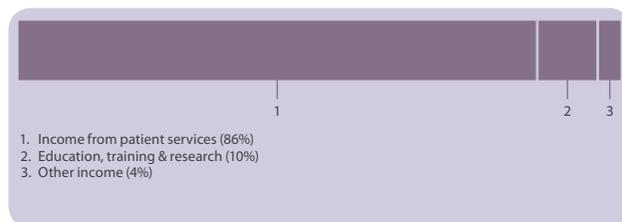
MANAGEMENT COSTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

	6 MOS ENDED 30 SEP 2006 £000	YEAR ENDED 31 MAR 2006 £000
Management costs	5,370	10,560
Income	117,351	229,560
% management costs	4.6%	4.6%

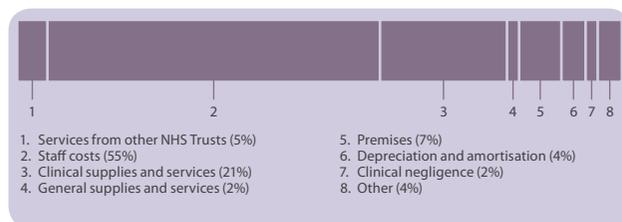
AUDIT FEES FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

	6 MOS ENDED 30 SEP 2006 £000	YEAR ENDED 31 MAR 2006 £000
Audit fees	97	171

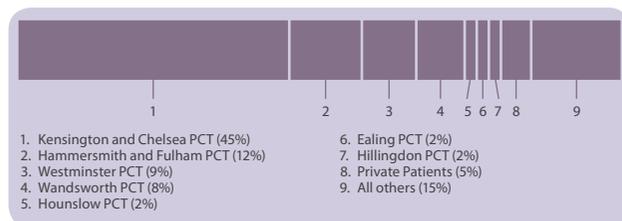
SOURCES OF INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006



OPERATING EXPENDITURE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006



INCOME BY PURCHASER OF HEALTHCARE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006



SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

	SALARY FOR THE 6 MOS ENDED 30 SEP 2006 bands of £5,000	CASH EQUIVALENT TRANSFER VALUE AT 30 SEP 2006 £000	LUMP SUM AT AGE 60 RELATED TO REAL INCREASE IN PENSION AT 30 SEP 2006 bands of £2,500	TOTAL ACCRUED PENSION AT AGE 60 AT 30 SEP 2006 bands of £2,500	REAL INCREASE IN PENSION AT AGE 60 AT 30 SEP 2006 bands of £2,500
Juggy Pandit, Chairman	10-15	-	-	-	-
Heather Lawrence, Chief Executive	70-75	910	7.5-10	152.5-155	2.5-5
Mike Anderson, Medical Director	70-75	665	2-2.5	122.5-125	0-2.5
Lorraine Bewes, Director of Finance & Information	50-55	264	2.5-5	55-57.5	0-2.5
Andrew MacCallum, Director of Nursing & Patient Services	40-45	299	2.5-5	70-72.5	0-2.5
Maxine Foster, Director of HR	40-45	282	0-2.5	65-67.5	0-2.5
Alex Geddes, Director of ICT	40-45	0	2.5-5	10-12.5	0-2.5
Catherine Mooney, Director of Governance & Corporate Affairs	35-40	290	5-7.5	62.5-65	0-2.5
Edward Donald, Director of Operations	25-30	236	2.5-5	60-62.5	0-2.5
Marilyn Frampton, Non-Executive Director	0-5	-	-	-	-
Andrew Havery, Non-Executive Director	0-5	-	-	-	-
Karin Norman, Non Executive Director	0-5	-	-	-	-
Charles Wilson, Non-Executive Director	0-5	-	-	-	-
Professor Richard Kitney, Non-Executive Director (a)	0-5	-	-	-	-

Notes

The calculation of the bands are based on the first six months ended 30 September 2006.

(a) Professor Richard Kitney was appointed as a Non-Executive Director on 01 May 2006 and his salary has been apportioned as appropriate.

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves

a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figure shown relates to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefits in another scheme or arrangement in which the individual has transferred to the NHS pension scheme. They also include any additional pension benefits accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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 period.

SUMMARY FINANCIAL STATEMENTS FOR CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST

FOREWORD TO THE SUMMARY FINANCIAL STATEMENTS

These Summary Financial Statements are merely a summary of the information in the full accounts, which can be obtained from the Director of Finance and Information, Finance Directorate, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, London SW10 9NH.

GOING CONCERN

After making enquiries, the Directors have reasonable expectation that Chelsea and Westminster Hospital NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST

The Health and Social Care (Community Health and Standards) Act 2003 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of Accounting Officers, 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 Accounting Officers' Memorandum issued by Monitor, the independent regulator of NHS Foundation Trusts.

Under the Health and Social Care (Community Health and Standards) Act 2003, 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 Financial 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 Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on a going concern basis.

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

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

Heather Lawrence

Heather Lawrence
Chief Executive and Accounting Officer
7 June 2007

STATEMENT ON INTERNAL CONTROL FOR THE PERIOD 1 OCTOBER 2006 TO 31 MARCH 2007

The statement on internal control can be found in the full accounts.

REMUNERATION REPORT FOR THE PERIOD 1 OCTOBER 2006 TO 31 MARCH 2007

This report contains details of the salary and pension entitlements of senior managers that are recorded in the table on page 43.

Remuneration Committee

This Trust Board sub-committee acts on behalf of the Trust Board to determine policy and process for remuneration of the Trust's senior managers.

Its membership includes the Trust Chairman and 3 Non-Executive Directors—the Director of Human Resources acts as Secretary to the Remuneration Committee and the Chief Executive attends its meetings, except when her remuneration is under discussion.

The Remuneration Committee's role is to:

- Monitor and review the performance of Executive Directors.
- Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Trust, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- Ensure that new appointees are offered and accept terms within a previously agreed level.
- Develop remuneration packages which are appropriate, defensible and linked to the discharge of responsibilities, taking advice on labour market pay trends in the NHS and beyond.
- Ensure the Trust complies with Monitor's directives and advice on pay and remuneration.

- Agree the policy for authorising expense claims from the Chair and Chief Executive.
- Supply details of remuneration for the Trust's annual report.

Senior management remuneration policy

Senior manager pay is benchmarked against comparable roles in trusts of comparable size and complexity to ensure that rates of pay are competitive, represent value for money and provide stability in senior manager roles.

Methods to assess performance conditions

All senior managers are appraised regularly and their performance is assessed against personal and corporate objectives, long and short term.

Policy on duration of contracts, notice periods and termination payments

Contracts of employment do not have predetermined end dates. The notice period for Executive Directors is 6 months, for Directors the notice period is 3 months. Termination payments are not made unless for exceptional factors at the discretion of the Remuneration Committee.

Service contracts

All Executive Directors have 6 months notice period, Directors have 3 months notice period and no provision for early termination is made.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS' COUNCIL AND BOARD OF DIRECTORS OF CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST

We have examined the summary financial statements of Chelsea and Westminster Hospital NHS Foundation Trust for the six month period ended 31 March 2007 which comprise the income and expenditure account, balance sheet, cash flow statement, statement of total recognised gains and losses, and associated notes relating to management costs, the better payment practice code and auditors' remuneration, income from activities, other operating income and operating expenses, and the audited part of the remuneration report.

This report is made solely to the Members' Council and Board of Directors ("the Boards") of Chelsea and Westminster Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 5 of the Health and Social Care (Community Health and Standards) Act 2003.

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 auditors' report and for no other purpose.

To the fullest extent permitted by law, we do not, in giving our opinion, accept or assume responsibility to anyone other than the Trust and the Boards, as a body, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the Annual Report with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion

In our opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the six month period ended 31 March 2007. We have not considered the effects of any events between the date on which we signed our report on the annual accounts (11 June 2007) and the date of this statement.

Deloitte & Touche LLP
14 AUGUST 2007

Deloitte & Touche LLP, St Albans
14 August 2007

INCOME AND EXPENDITURE ACCOUNT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007

	6 MOS ENDED 31 MAR 2007 £000
Income from activities	103,244
Other operating income	18,111
Operating expenses	(112,774)
OPERATING SURPLUS	8,581
Interest receivable	503
Interest payable	(114)
SURPLUS FOR THE FINANCIAL PERIOD	8,970
Public Dividend Capital dividends payable	(4,833)
RETAINED SURPLUS FOR THE PERIOD	4,137

BALANCE SHEET AS AT 31 MARCH 2007

	31 MAR 2007 £000	1 OCT 2006 £000
FIXED ASSETS		
Tangible assets	276,013	274,312
	276,013	274,312
CURRENT ASSETS		
Stocks and work in progress	5,573	5,475
Debtors	8,829	12,998
Cash at bank and in hand	25,469	482
	39,871	18,955
CREDITORS: Amounts falling due within one year	(29,100)	(26,426)
NET CURRENT ASSETS/(LIABILITIES)	10,771	(7,471)
TOTAL ASSETS LESS CURRENT LIABILITIES	286,784	266,841
CREDITORS: Amounts falling due after more than one year	(16,279)	(2,190)
PROVISIONS FOR LIABILITIES AND CHARGES	(3,990)	(3,389)
TOTAL ASSETS EMPLOYED	266,515	261,262
FINANCED BY:		
TAXPAYERS' EQUITY		
Public dividend capital	162,602	162,346
Revaluation reserve	91,040	91,045
Donated asset reserve	7,843	7,921
Income and expenditure reserve	5,030	(50)
TOTAL TAXPAYERS' EQUITY	266,515	261,262

Heather Lawrence

Heather Lawrence, Chief Executive
7 June 2007

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007

	6 MOS ENDED 31 MAR 2007 £000
Surplus for the financial year before dividend payments	8,970
Reductions in the donated asset reserve due to depreciation, impairment and/or disposal of donated assets	(78)
TOTAL RECOGNISED GAINS AND LOSSES FOR THE FINANCIAL PERIOD	8,892

CASH FLOW STATEMENT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007

	6 MOS ENDED 31 MAR 2007 £000
OPERATING ACTIVITIES	
Net cash inflow from operating activities	18,814
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	498
Interest paid	(66)
Interest element of finance leases	(40)
Net cash inflow from returns on investments and servicing of finance	392
CAPITAL EXPENDITURE	
Payments to acquire tangible fixed assets	(3,670)
Net cash outflow from capital expenditure	(3,670)
DIVIDENDS PAID	(4,833)
Net cash inflow before financing	10,703
FINANCING	
New public dividend capital received	256
Loans received from Foundation Trust Financing Facility	7,794
Other loans received	6,250
Capital element of finance lease rental payments	(16)
Net cash inflow from financing	14,284
INCREASE IN CASH	24,987

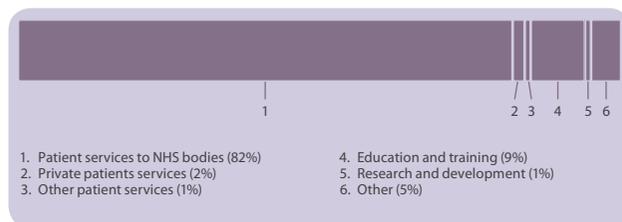
MANAGEMENT COSTS FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007

	6 MOS ENDED 31 MAR 2007 £000
Management costs	5,357
Income	121,355
% management costs	4.4%

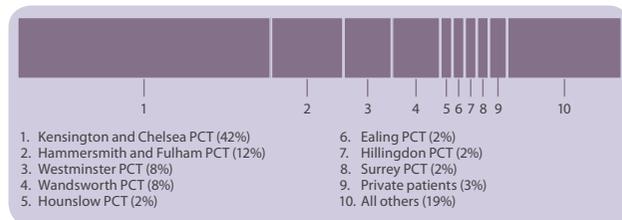
BETTER PAYMENT PRACTICE CODE FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007

	6 MOS ENDED 31 MAR 2007 N°	6 MOS ENDED 31 MAR 2007 £000
Total bills paid in the year	23,955	40,016
Total bills paid within target	22,497	35,187
Percentage of bills paid within target	93.9%	87.9%

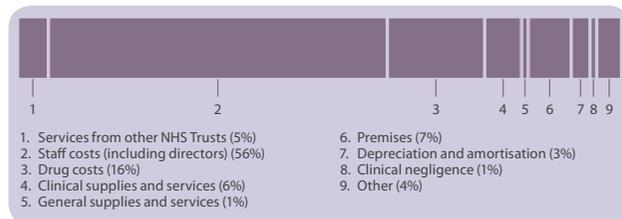
SOURCES OF INCOME FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007



OPERATING EXPENDITURE FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007



INCOME BY PURCHASER OF HEALTHCARE FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2007



SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

	SALARY FOR THE 6 MOS ENDED 31 MAR 2007 bands of £5,000	OTHER REMUNERATION FOR THE 6 MOS ENDED 31 MAR 2007 bands of £5,000	CASH EQUIVALENT TRANSFER VALUE AT 31 MAR 2007 £000	LUMP SUM AT AGE 60 RELATED TO REAL INCREASE IN PENSION AT 31 MAR 2007 bands of £2,500	TOTAL ACCRUED PENSION AT AGE 60 AT 31 MAR 2007 bands of £2,500	REAL INCREASE IN PENSION AT AGE 60 AT 31 MAR 2007 bands of £2,500
EXECUTIVE DIRECTORS						
Heather Lawrence, Chief Executive	70-75	0	961	15-17.5	157.5-160	5-7.5
Mike Anderson, Medical Director	70-75	0	682	5-7.5	60-62.5	0-2.5
Amanda Pritchard, Deputy Chief Executive (a)	50-55	0	96	0-2.5	67.5-70	0-2.5
Lorraine Bewes, Director of Finance & Information	50-55	5-10	282	5-7.5	62.5-65	0-2.5
Andrew MacCallum, Director of Nursing & Patient Services	40-45	0	314	2.5-5	127-130	0-2.5
NON-EXECUTIVE DIRECTORS						
Juggy Pandit, Chairman	10-15	0	-	-	-	-
Marilyn Frampton, Non-Executive Director	0-5	0	-	-	-	-
Andrew Havery, Non-Executive Director	0-5	0	-	-	-	-
Karin Norman, Non Executive Director	0-5	0	-	-	-	-
Charles Wilson, Non-Executive Director	0-5	0	-	-	-	-
Professor Richard Kitney, Non-Executive Director (b)	0-5	0	-	-	-	-
DIRECTOR						
Catherine Mooney, Director of Governance & Corporate Affairs	35-40	0	321	10-12.5	67.5-70	2.5-5

SALARY AND PENSION ENTITLEMENTS NOTES

The calculation of the bands are based on the six month period ended 31 March 2007.

- (a) Amanda Pritchard became the Deputy Chief Executive on 25 September 2006, her salary has been apportioned accordingly.
- (b) Professor Richard Kitney was appointed as a Non Executive Director on 1 May 2006 and his salary has been apportioned as appropriate.

As non executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for them.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figure shown relates to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefits in another scheme or arrangement in which the individual has transferred to the NHS pension scheme. They also include any additional pension benefits accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries

Real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

HOW TO GET INVOLVED

FOUNDATION TRUST MEMBERSHIP

If you have not already signed up as a member of our Foundation Trust, it could not be easier:

- Call us on 0870 707 1567 to ask for an application form.
- Log on at www.nhs-membership.co.uk/cwht to complete an application form online.
- Write to request an application form: Chelsea and Westminster Hospital NHS Foundation Trust, c/o Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.

If you are a Foundation Trust member and you have a query about your membership, call us on 0870 707 1567 or email cwht@nhs-membership.co.uk—we will be happy to help.

WORKING HERE

We are always interested in attracting new staff who want to participate in and build on our success. For all the latest vacancies, please log on at www.chelwest.nhs.uk.

VOLUNTEERING

If you are interested in volunteering at Chelsea and Westminster, please call Cinzia Giammarchi (Volunteer Liaison Manager) on 020 8746 8480 or email cinzia.giammarchi@chelwest.nhs.uk.

CHELSEA AND WESTMINSTER HEALTH CHARITY

Chelsea and Westminster Health Charity gives grants and raises funds to benefit patients and staff at Chelsea and Westminster—to find out more, make a donation, or get involved in fundraising, please call Diane Yeo (Chief Executive) on 020 8846 6600 or email diane.yeo@chelwest.nhs.uk.

THE FRIENDS OF THE CHELSEA AND WESTMINSTER

The Friends is a voluntary organisation and registered charity which supports the work of the hospital for the benefit of patients, their families and staff—to join the Friends, please call 020 8746 8825, email friends.office@chelwest.nhs.uk or write to: The Administrator, The Friends of the Chelsea and Westminster Hospital, 369 Fulham Road, London, SW10 9NH.

ABOUT THIS REPORT

This annual report has been produced in-house by Chelsea and Westminster Hospital NHS Foundation Trust. For more copies, please call the Communication Department on 020 8846 6828. Content and articles by Matt Akid, design and layout by George Vasilopoulos, print by HM Printers Ltd, photography by John Goodman and George Vasilopoulos.



Front Cover: Breedge Delaney, Lead Nurse for
Maternity Recovery, with newborn baby Taylor Hier

Chelsea and Westminster Hospital **NHS**
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