



# **Annual Report & Accounts**

## **2010/11**



**Chelsea and Westminster Hospital NHS Foundation Trust**

**Annual Report & Accounts 2010/11**

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



# Contents

## Introduction

About this report . . . . .	5
Chairman's statement . . . . .	6
Chief Executive's statement . . . . .	7

## Strategy

2010/11 . . . . .	9
2011/12 . . . . .	11

## Quality Report

Statement of Directors' responsibilities in respect of the Quality Report . . . . .	15
Independent Auditor's Assurance Report . . . . .	16
Statement on quality from the Chief Executive . . . . .	17
Priorities for improvement and statements of assurance from the Board. . . . .	18
Priorities for quality improvement 2011/12 . . . . .	22
Statements relating to quality of NHS services provided . . . . .	25
Review of quality performance . . . . .	31
Annex 1: Glossary . . . . .	36
Annex 2: Statements from key stakeholders. . . . .	38

## Performance Report

Key facts . . . . .	43
Principal activities of the Trust . . . . .	44
Review of financial performance . . . . .	44
Key variances from plan in 2010/11 . . . . .	45
Review of non-financial performance. . . . .	45
Developments since the end of 2010/11 financial year . . . . .	45
Future developments . . . . .	46
Principal risks and uncertainties facing the Trust . . . . .	47
Trends and factors likely to affect the Trust's future performance. . . . .	48
Research and Development. . . . .	49
Our staff. . . . .	50
Patient care. . . . .	50
Stakeholder relations . . . . .	52

## Governance Report

NHS Foundation Trust Code of Governance . . . . .	55
Board of Directors . . . . .	55
Audit Committee . . . . .	58
Nominations Committees . . . . .	58
Council of Governors. . . . .	59
Foundation Trust membership . . . . .	61

## Statutory Information

Directors . . . . .	63
Brief history of the Trust . . . . .	63
Environmental matters . . . . .	63
Financial information . . . . .	63
Remuneration Report . . . . .	64
Sustainability/climate change. . . . .	65
Equality report . . . . .	65
Staff survey. . . . .	67
Regulatory ratings . . . . .	69
Public interest disclosures. . . . .	70

## Finance

Statement of Accounting Officer's Responsibilities . . . . .	73
Annual Governance Statement . . . . .	73
Independent Auditor's Report. . . . .	76
Foreword to the accounts . . . . .	77
Notes to the accounts . . . . .	80

# Introduction

# About this report

Our annual report follows best practice in corporate reporting by setting out our strategy, reporting back on our performance against strategic objectives and national targets, and presenting information about our service and financial performance transparently and honestly.

The structure of the report is as follows:

- **Introduction**  
Statements by the Chairman and Chief Executive
- **Strategy**  
Including our strategic vision, performance against corporate objectives 2010/11 and details of our corporate objectives 2011/12
- **Quality Report**  
Articulating our commitment to providing quality care for all patients and reporting back on our performance against priorities for quality improvement agreed by the Trust Board
- **Performance Report**  
Including our performance against national targets
- **Governance Report**  
Including details of the Board of Directors, Council of Governors and Foundation Trust membership
- **Statutory Information**  
Other information required to be included in the annual report by Monitor, the independent regulator of Foundation Trusts
- **Finance**  
Including the accounts

A commitment to quality and quality improvement underpins our corporate objectives and this annual report.

## Credits

This annual report has been produced in-house by Chelsea and Westminster Hospital NHS Foundation Trust:

### **Content & Articles**

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Head of Communications

### **Design & Layout**

George Vasilopoulos  
Web Communications & Graphic Design Manager

The Quality Report was written by Catherine Mooney (Director of Governance & Corporate Affairs) with contributions from a wide range of staff throughout the Trust.

# Chairman's statement



2010/11 was a challenging year for the Trust but a successful one.

The economic downturn and the need for the NHS in North West London to reduce its costs by £1 billion over the next three years meant that we had to make 10% cost savings in 2010/11.

I would like to thank Trust Chief Executive Heather Lawrence and the rest of the Executive team, as well as all staff, for achieving these cost savings to ensure that we retain the financial stability that has underpinned our success while at the same time investing in a major redevelopment of the hospital.

Financially, things will be no easier this year as the Trust Board has agreed a further 9% cost savings but I am confident that, with Heather's strong leadership and the commitment of our staff, we are well placed to rise to this challenge.

As a clinician, I am delighted that we gained significant independent recognition of the quality and safety of our services this year despite the challenging economic times.

The Dr Foster Hospital Guide 2010 singled us out as one of only two NHS trusts nationally with significantly lower than expected mortality rates after surgery.

In addition, we were one of only six NHS trusts nationally to be shortlisted for the CHKS patient safety award 2011 which is based on a range of criteria including mortality and infection rates.

As an academic, I am pleased with the progress we made this year as a centre for teaching and research not only through the approval by the Trust Board of our Research Strategy but also as the hub for two sectorwide research and innovation organisations.

The National Institute for Health Research (NIHR) Collaboration for Leadership in Applied Health Research and Care (CLAHRC) for Northwest London aims to embed research findings into clinical practice as quickly as possible with a clear focus on funding projects to improve quality.

The North West London Health Innovation and Education Cluster (HIEC) supports the quick uptake of innovative technologies and services, currently focusing on cancer and cardiovascular care pathways, education and innovation.

Our 14,000 patient, public and staff Foundation Trust members—as well as their elected representatives on the Council of Governors—continue to play an important role in the life of the hospital.

Members supported the Trust's successful campaign for the removal of the Western Extension of the Congestion Charge Zone and they also attended our Annual Members' Meeting and hospital Open Day in record numbers.

These annual events demonstrate the commitment of our patients, local community and staff to Chelsea and Westminster Hospital and we are grateful for their continuing support.

It is my privilege to attend these events and many others as Trust Chairman and looking back on 2010/11 there has been an extraordinary range and diversity of events and celebrations in the hospital which provide an insight into the vibrancy and uniqueness of the Trust.

For example, we held an official opening for the new, purpose-built Hospital School which does such wonderful work with our young patients as part of the ongoing redevelopment of the hospital to improve our services.

HRH Prince Michael of Kent, Patron of the Children's Burns Trust, visited the Burns Unit to see how £90,000 donated to the Unit has been spent to improve services for young patients.

Lord Fowler and colleagues from the House of Lords HIV & AIDS Select Committee visited the hospital to meet patients and staff and were impressed by what they described as our 'pioneering' work and facilities.

These are undoubtedly challenging economic times for the NHS but this promises to be another exciting year at Chelsea and Westminster as we look forward to the completion of the redevelopment of the hospital.

The state-of-the-art facilities for children, people living with HIV and other patients that are due to open in early 2012 have been made possible by our financial stability and by our status as a Foundation Trust.

I am confident that this investment in the future of Chelsea and Westminster will help maintain and develop further our reputation as an excellent hospital.

A handwritten signature in blue ink that reads "Christopher Edwards".

Professor Sir Christopher Edwards  
Chairman



# Chief Executive's statement



Photo reproduced with kind permission of Tim George/Nursing Standard magazine

I would like to thank all staff including our contractors for their commitment, hard work and expertise which ensured that 2010/11 was a year of achievement for the Trust.

Our focus this year was on improving the quality of care for our patients and investing in a major redevelopment of the hospital to improve our services while at the same time delivering significant efficiency savings.

We treated a record number of patients this year and met all major national performance targets, including treating 95% of outpatients and 90% of inpatients within 18 weeks, despite one of the busiest winters on record.

We met targets set by the Foundation Trust regulator Monitor to minimise MRSA bacteraemia and *Clostridium difficile* infections while our hygiene standards have again been rated 'Excellent' by the National Patient Safety Agency's Patient Environment Action Team.

It is important that we get the basics right to ensure that patients have confidence in the quality and safety of the care that we provide.

Although 89% of patients taking part in the latest national inpatient survey rated their treatment at Chelsea and Westminster as 'Excellent', 'Very good' or 'Good', I was personally disappointed that the survey showed a lack of consistency in our standards of care and the Board shared this view.

We want to ensure that all patients have 'Excellent' care and therefore improving the patient experience is a corporate objective in 2011/12 and it is also a key focus of our Quality Report which forms part of this annual report.

Campaign groups will be established to work with patients and Foundation Trust Governors to improve our performance in the three key areas of communication, discharge and care of older people which are increasingly important as we treat more frail, acutely ill and elderly patients.

We have taken a strategic, planned approach to maintaining financial stability which has enabled us to continue investing in our future.

The Trust is currently in the middle of the biggest redevelopment of the Chelsea and Westminster Hospital site since it opened to patients in 1993.

For example, I am proud of the new, modern Outpatients department on the Lower Ground Floor of the hospital which is providing a greatly improved environment for our patients and will facilitate the development in early 2012 of new facilities for children and patients living with HIV.

The new Outpatients department is designed to provide an 'airport style' quality of service to patients including self check-in for patients, light and airy waiting areas and 'gates' that patients are called to before their appointment so they are in the right place at the right time for their treatment.

We recognise that all NHS organisations need to be flexible and able to deliver services in new and innovative ways. The new Outpatients department is capable of adapting its purpose depending on the future shape of the NHS.

The innovative approach of our staff is also demonstrated by the success of 56 Dean Street, our HIV and sexual health centre in Soho, and by our community mobile health clinic which takes services to patients.

We are also providing an increasing number of services in the community as we position ourselves as a healthcare organisation that is willing and able to take our services to where patients are.

For example, our community gynaecology service in Westminster provides consultant-led care in a community setting—the service is provided by female staff for female patients. More than 800 women were treated by the Westminster Community Gynaecology Service in its first year—and 94% of women taking part in patient surveys rated their care as 'Excellent' or 'Good'.

At the time of writing, the Government's planned reforms of the NHS were on 'pause' following the announcement of a 'listening exercise' with patients, the public and staff to address concerns about the Health and Social Care Bill.

We were proud to host the first listening event with patients when Deputy Prime Minister Nick Clegg visited the hospital in April 2011 and a listening event with staff from Chelsea and Westminster and other hospitals when Prime Minister David Cameron visited the hospital in May 2011.

Whatever the outcome of this listening exercise, it is clear that we need to forge closer, stronger relationships with our local GPs as GP consortia will commission our services in future.

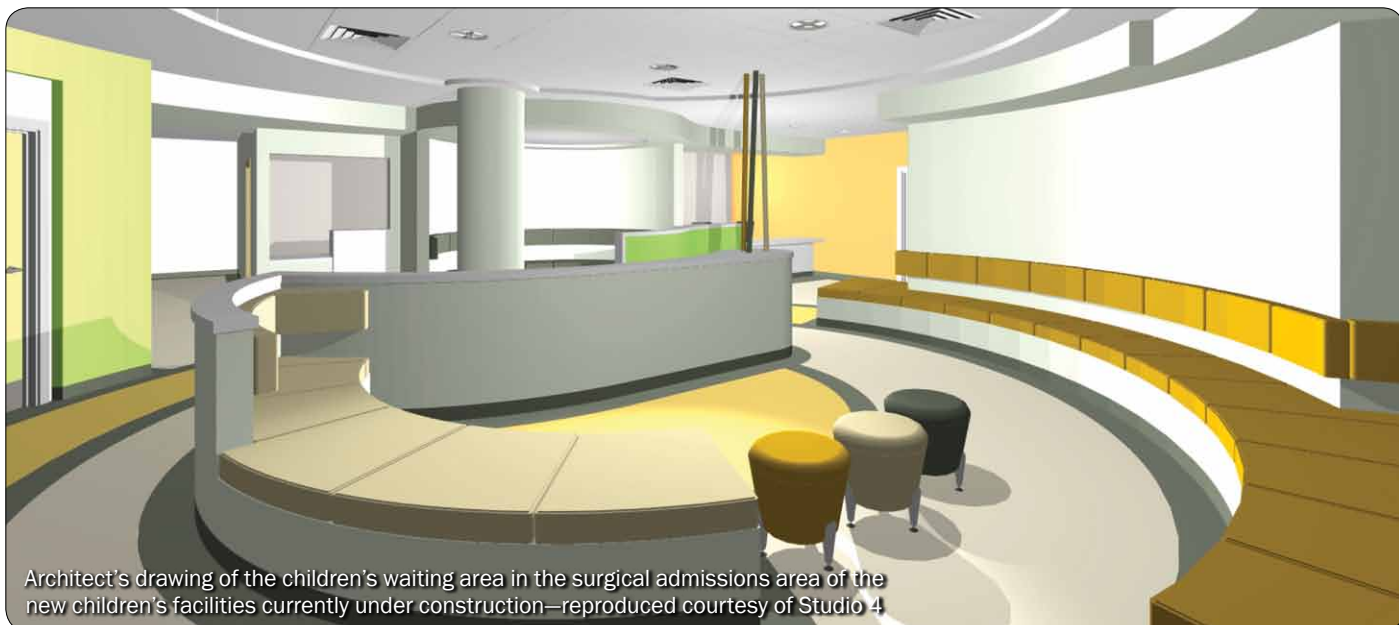
We are also committed to providing more high quality information to patients in line with the Government's principle of 'no decision about me without me'.

The next year will undoubtedly be a challenging one but I am looking forward to working with colleagues on the Board of Directors and staff at Chelsea and Westminster to continue improving the experience of our patients.

*Heather Lawrence*

Heather Lawrence OBE  
Chief Executive

# Strategy



## 2010/11

### Strategic approach

The Trust's strategic vision in 2010/11 was as follows:

*"To provide high quality patient-centred care for our local population and those using our specialist services, delivered by a modern workforce in a range of settings along integrated pathways of care."*

Our strategic priorities in 2010/11 to support delivery of this vision were as follows:

- To improve quality—patient safety, clinical effectiveness and patient experience
- To streamline our administrative processes—for example, the use of technology to deliver our vision of an 'airport style' facility to enhance the patient experience in a new Outpatients department
- To foster an environment of strong clinical leadership
- To work collaboratively through networks and in partnership with other providers
- To provide world class teaching and research
- To deliver more care in community-based settings in close liaison with GPs and other primary and community care colleagues
- To challenge traditional ways of working to ensure an efficient and 'fit for purpose' organisation that is financially sustainable

These cross-cutting priorities were in support of our ongoing aim to be both a provider of specialist services—especially for HIV, burns, high risk maternity, and neonatal and paediatric care—and a provider of local services with a focus on community services.

### Strategic developments

Key developments in support of the Trust's strategic vision included:

- Work started in April 2010 on a £40 million redevelopment to improve the patient environment for children and people living with HIV in particular—the Netherton Grove extension is a two-storey extension to the 1st and 2nd Floors of the hospital which will help the Trust to achieve its vision of providing world class children's services following our designation as the lead centre for specialist paediatric and neonatal surgery in North West London, while also developing HIV services
- A new Outpatients department on the Lower Ground Floor of the hospital opened to diabetes patients in January 2011 and to general surgery, pain and urology patients in April 2011
- A £9.5 million project to overhaul the hospital's infrastructure was started to transform the way in which electricity, heating and cooling is supplied to the hospital—the project will help reduce the Trust's carbon footprint and make us self-sufficient in terms of the power needed to keep services running smoothly
- We continued to expand our portfolio of community services by, for example, winning a competitive tendering process to provide community dermatology services in Kensington and Chelsea for the next three years—this service was launched in October 2010
- We also successfully bid for the contract to provide community gynaecology services in Richmond and Twickenham
- Our Urgent Care Centre opened to adults in October 2010 and to children in April 2011—it is run by the Trust in partnership with local GPs to treat those patients who come to A&E with less serious or urgent injuries and illnesses, providing a faster assessment process and GP-led care so that patients receive the right care in the right place

# Performance against corporate objectives

## Corporate Objective 1: Improve patient safety and clinical effectiveness

### Patient safety

- The Trust was shortlisted for the CHKS patient safety award 2011, a national award for providing a safe hospital environment for patients which is based on criteria including infection and mortality rates
- From October 2010 we met a national target to assess 90% of inpatients for their risk of venous thromboembolism (VTE)—only 26 out of 159 acute hospitals nationally achieved this target
- We achieved our target of reducing the incidence of falls resulting in moderate or major harm by at least 25%
- We met Monitor's target of no more than six MRSA cases during the year—only one elective patient was infected with MRSA while in the hospital

### Clinical effectiveness

- The Trust was named as one of only two hospitals nationally with significantly lower than expected mortality rates after surgery in the Dr Foster Hospital Guide 2010
- We achieved targets for emergency surgery based on National Confidential Enquiry into Patient Outcome & Death (NCEPOD) recommendations
- We reduced the Trust's Hospital Standardised Mortality Ratio (HSMR) by more than 5%
- The average number of days that patients had a catheter (excluding patients who need a lifelong urinary catheter) was reduced from 10 days when an audit was carried out in 2009 to 7.8 days when another audit was carried out in 2010/11

## Corporate Objective 2: Improve the patient experience

- 89% of patients in the latest NHS inpatient survey rated their care at Chelsea and Westminster as 'Excellent', 'Very good' or 'Good'
- 95% of women in the latest national survey of maternity services said their care at Chelsea and Westminster was 'Excellent', 'Very good' or 'Good'
- 95% of children and young people aged 8–17 and 94% of parents of children aged 0–7 in the latest national survey of paediatric inpatient services rated their care at Chelsea and Westminster as 'Excellent', 'Very good' or 'Good'

- We achieved our target of reducing the number of complaints relating to appointments and admissions by 30%
- 75% of staff completing the latest national NHS staff survey said they had an appraisal in the previous 12 months and 69% of staff said they had a Personal Development Plan which is above average for an acute trust
- We achieved our target of a Trust vacancy rate of less than 10% as the vacancy rate was 9.7% at the end of 2010/11, and we also achieved our target of an average monthly sickness rate of 3.6% or less as the average monthly sickness rate for 2010/11 was 3.44%

## Corporate Objective 3: Deliver excellence in teaching and research

- The Research Strategy was approved by the Trust Board and is now being implemented through the Research Strategy Board which is chaired by the Trust Chairman
- Professor Masao Takata, Deputy Head of the Department of Anaesthetics, Pain Medicine and Intensive Care at Imperial College London, was appointed as Magill Chair of Anaesthesia
- The North West London Health Innovation and Education Cluster (HIEC) was officially launched and key performance indicators (KPIs) agreed with NHS London for 2011/12
- The National Institute for Health Research (NIHR) Collaboration for Leadership in Applied Health Research and Care (CLAHRC) for Northwest London led a successful bid for a three-year Improvement Science Fellowship from The Health Foundation
- Two new education fellows were appointed to facilitate medical teaching and to improve students' overall rating of their teaching

## Corporate Objective 4: Ensure financial and environmental sustainability

- We achieved the financial plan for 2010/11 by delivering cost savings of £22.6 million and achieving a surplus for the year of £13.8 million which was £1.5 million ahead of plan
- We improved our performance on environmental sustainability by:
  - Completing a programme to install automatic meter reading for gas and electricity usage
  - Increasing recycling rates to 40% of all waste by the end of 2010/11



## Strategic approach

The Trust's strategic vision for 2011/12 is as follows:

*"To deliver safe and sustainable care of the highest quality and to be the provider of choice for our local population and those using our specialist services, provided in a modern way by multi-disciplinary teams working in an excellent environment, supported by state-of-the-art technology and world class academic research."*

## Strategic objectives to support the vision

While we have made significant progress in delivering our strategic vision, there are a number of significant internal and external challenges and opportunities to be addressed.

Therefore the Trust's strategic objectives for the next three years have been grouped around three broad areas focusing on maintaining and developing our key clinical specialties, exploring opportunities for growth, and ensuring sustainability.

### Maintaining and developing our key clinical specialties

- Maintain our key specialties to secure our future both in terms of financial sustainability and reputation
- Support services that face particular challenges including paediatrics, HIV, cancer and burns because there is a drive within the North West London sector and across London for greater centralisation of specialist services
- Develop clear strategies for key clinical specialties to mitigate the risks to our organisation of the centralisation of services—work is already underway to explore the potential impact and develop appropriate responses

### Exploring opportunities for growth

- Explore the acquisition of another acute trust or a federated model of care, potentially in partnership with our partner hospitals on the Fulham Road, the Royal Brompton and the Royal Marsden
- Engage actively in Integrated Care Pilots (ICPs) in our sector particularly the North West London ICP and the

Wandsworth 'Virtual Ward': equally, we may consider opportunities for vertical integration with a community provider or social care organisation to increase our involvement in public health

- Develop and promote the model of care successfully provided by 56 Dean Street, our HIV and sexual health centre which opened in Soho in March 2009, with a view to expanding or franchising this approach
- Increase our market share of services with potential for growth, for example endoscopy and bariatrics (weight loss surgery)
- Grow private patient income if and when the cap on private patient activity is lifted to compensate for activity that may be lost as a result of NHS efficiency savings and our commissioners' demand management initiatives

### Ensuring sustainability

- Continue to improve the patient experience and patient safety, for example through effective communication and the provision of information to patients and their families, and consultant-led and delivered care
- Maintain financial sustainability—the Trust successfully achieved a Cost Improvement Programme of 10% of the Trust's controllable costs in 2010/11 and a similar scale of Cost Improvement Programme is planned for 2011/12
- Complete a £9.5 million project to overhaul the hospital's infrastructure to help reduce the Trust's carbon footprint and make us self-sufficient in terms of the power needed to keep services running smoothly
- Mitigate the planned reduction in secondary care activity as a result of NHS efficiency savings by exploring the opportunities for growth outlined above and by identifying the potential sharing of 'back office' functions with our partner hospitals on the Fulham Road
- Implement a new senior nursing and management staffing structure, in line with the Trust's three clinical divisions, following a consultation with staff which ended in May 2011
- Ensure that services such as IT, Marketing and Facilities are in place to support the Trust's clinical divisions and its strategic objectives



ICP patient Harry Monroe with Dr Inaki Bovill (Consultant Physician & Geriatrician)

# Corporate objectives

## Corporate Objective 1: Improve patient safety and clinical effectiveness

- **Patient safety**

Have no hospital acquired preventable venous thromboembolism (VTE)

- **Clinical effectiveness**

Improve the quality of emergency surgery for patients by reducing the waiting time for surgery by 10%, reducing the time patients are nil by mouth, and providing better information for patients and relatives

## Corporate Objective 2: Improve the patient experience

- Establish campaign groups for each of the three key areas identified below to work with patients and Foundation Trust Governors to agree targets to measure progress:

- **Communication**

Ensure that patients receive accurate information (verbal and written) about their diagnosis and treatment/care plan in a way they understand and which helps to make them feel involved

- **Discharge**

Explore the possibility of patients having a discharge interview with a senior member of staff before they go home and a follow-up phone call the following day, and explore different models of care to reduce readmission rates

- **Care of older people**

Introduce an individual daily 'wellbeing round' by senior nursing staff for every patient over 75 years old, and identify and assess all patients with dementia at the point of admission so that a dementia care pathway can be implemented

- Remain in the top 20% of acute trusts nationally for staff engagement and be in the top 20% for staff appraisals, as measured by the national staff survey

## Corporate Objective 3: Deliver excellence in teaching and research

- Deliver an agreed improvement in students' overall rating of their teaching
- Implement the Trust's Research Strategy and continue to build upon the Trust's research capacity and capability to support improved patient outcomes
- Develop synergies between the National Institute for Health Research (NIHR) Collaboration for Leadership in Applied Health Research and Care (CLAHRC) for Northwest London, North West London Higher Education and Innovation Cluster (HIEC) and Training for Innovation (TFI) to support implementation of the Quality, Innovation, Productivity and Prevention (QIPP) agenda

## Corporate Objective 4: Ensure financial and environment sustainability

- Deliver a financial risk rating of no less than 3 (where 0 is 'high risk' and 5 is 'low risk') in each of the next three years and deliver the financial plan in each year
- Improve environmental sustainability by:
  - Initiating a formal environmental management system to ensure that all environmental legislative activities are complied with
  - Developing a procurement statement that includes consideration of sustainability in the evaluation of products and services purchased by the Trust



Therapy Technician David Pearce assists a patient at the hospital shop





Andrew Lansley (centre) with Heather Lawrence (Chief Executive) and Dr Mike Anderson (Medical Director) during a visit to the A&E Department in December 2010



Andrew Lansley speaks to A&E Consultant Dr Claire Emerson

# Quality Report



# Statement of Directors' responsibilities in respect of the Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that Foundation Trust Boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2010/11:

- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2010–May 2011
  - Papers relating to Quality reported to the Board over the period April 2010–May 2011
  - Feedback from the commissioners 2 June 2011
  - Feedback from Governors through the Council of Governors Quality Sub- Committee throughout the year
  - Feedback from Kensington and Chelsea Local Involvement Network(LINK) 2 June 2011
  - The Trust's complaints report 2009/10 published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, September 2010
  - The national inpatient survey 2009 and 2010
  - The national staff survey 2009 and 2010
  - The Head of Internal Audit's annual opinion over the Trust's control environment—RSM Tenon up to 31 January 2011 (24 March 2011) and KPMG December 2010–March 2011 (19 May 2011)
  - CQC quality and risk profile March 2011
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered
- The performance information reported in the Quality Report is reliable and accurate
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations published at [www.monitornhsft.gov.uk/annualreportingmanual](http://www.monitornhsft.gov.uk/annualreportingmanual)) as well as the standards to support data quality for the preparation of the Quality Report (available at [www.monitornhsft.gov.uk/annualreportingmanual](http://www.monitornhsft.gov.uk/annualreportingmanual))

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

By order of the Board.



Professor Sir Christopher Edwards  
Chairman  
6 June 2011



Heather Lawrence OBE  
Chief Executive  
6 June 2011

# Independent Auditor's Assurance Report

## Independent Auditor's Assurance Report to the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of the content of Chelsea and Westminster Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2011 (the "Quality Report").

This report, including the conclusion, has been prepared solely for the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Chelsea and Westminster Hospital NHS Foundation Trust's quality agenda, performance and activities.

We permit the disclosure of this report within the Annual Report for the year ended 31 March 2011, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Quality Report.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Chelsea and Westminster Hospital NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

### Scope and subject matter

We read the Quality Report and considered whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and considered the implications for our report if we became aware of any material omissions.

### Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual 2010/11 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual or is inconsistent with the documents.

We read the other information contained in the Quality Report and considered whether it is inconsistent with the specified documents in the Monitor guidance.

We considered the implications for our report if we became aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

### Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised)—'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000').

Our limited assurance procedures included:

- Making enquiries of management
- Comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report
- Reading the documents

A limited assurance engagement is less in scope than a reasonable assurance engagement.

The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### Limitations

It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

### Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2011, the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual.



Deloitte LLP  
Chartered Accountants  
St Albans  
6 June 2011

# Statement on quality from the Chief Executive

The Trust Board of Directors is committed to providing high quality care for our patients.

This commitment to meet the challenge of delivering quality while delivering efficiency cost savings of around 10% a year underpins our corporate objectives for 2011/12:

- Improve patient safety and clinical effectiveness
- Improve the patient experience
- Deliver excellence in teaching and research
- Ensure financial and environmental sustainability

I am grateful to our stakeholders for contributing to the development of this Quality Report, in particular our staff and Foundation Trust Governors, and Kensington and Chelsea Local Involvement Network (LiNK), to ensure that we reflect and address the concerns of patients and the public.

Our commitment to quality improvement is evidenced by the following achievements in 2010/11:

- The Trust was registered without conditions by the Care Quality Commission (CQC) from 1 April 2010 when a new system for regulating standards in the NHS became law—the Trust showed it could meet new essential standards of quality and safety which the CQC monitors
- We were named by the Dr Foster Hospital Guide in November 2010 as one of only two NHS trusts nationwide with lower than expected mortality rates after surgery among patients who had a secondary diagnosis such as internal bleeding, pneumonia or a blood clot

- Chelsea and Westminster Hospital was rated 'Excellent' for the three categories of Environment, Food and Privacy & Dignity in the Patient Environment Action Team (PEAT) assessment 2010
- We achieved Monitor targets for the number of cases of both MRSA bacteraemia and *Clostridium difficile* in 2010/11
- A Statement of Declaration was published by the Trust in December 2010 to confirm that we have the necessary procedures in place to ensure a robust MRSA screening programme for both planned and emergency admissions

The Board of Directors is committed to improving quality further and sees quality as a constant drive for improvement. We set ourselves challenging targets to improve in key areas of safety, effectiveness and patient experience in 2010/11 and, while we made progress in many areas, we have set ourselves further challenges in 2011/12 to ensure that we constantly focus on providing the best and safest care to our patients.

Our performance against our priorities for quality improvement in 2010/11 and the priorities for quality improvement that we have set for 2011/12 are outlined in this Quality Report.

To the best of my knowledge, the information in this report is accurate.

*Heather Lawrence*

Heather Lawrence OBE  
Chief Executive  
6 June 2011



Hand surgery in the Treatment Centre

# Priorities for improvement and statements of assurance from the Board

## Performance against priorities for quality improvement 2010/11

### Priority 1: Patient safety

#### To reduce hospital associated preventable venous thromboembolism (VTE) by 20%

Venous thromboembolism (VTE) is the collective term for deep vein thrombosis (DVT) and pulmonary embolism (PE). A DVT is a blood clot that forms in a deep vein, usually in the leg or the pelvis.

Sometimes the clot breaks off and travels to the arteries of the lung where it will cause a pulmonary embolism (PE). We can avoid many VTEs by offering preventative treatment to patients at risk.

#### What did we do in 2010/11?

We introduced measures to raise awareness among patients and staff that all patients admitted to hospital should be assessed for their risk of VTE and treated appropriately:

- We updated our electronic VTE risk assessment and produced a new electronic VTE risk assessment specifically for pregnant women—these assessments identify adult inpatients at risk of VTE and enable us to provide appropriate treatment
- We updated a patient information leaflet on DVT and PE and a pocket guide for staff which includes guidance on assessing risk factors for VTE and treatment
- We launched a *No more clots* campaign to raise awareness of VTE
- We produced a new mandatory online training module for nurses and all junior doctors receive training on VTE prevention

#### How did we perform in 2010/11?

We wanted to measure the number of DVTs and PEs diagnosed at this hospital that occurred during an admission or within three months of an admission and to check that we had offered the appropriate preventative treatment.

In 2009/10, in a four-month audit period from September to December 2009 we identified 13 patients with VTE that were associated with a hospital admission. On investigation eight of the 13 patients had received appropriate preventative treatment, and five had not.

In 2010/11 in a five-month retrospective audit period from April to August 2010 we identified 22 patients with VTE that were associated with a hospital admission. On investigation 11 of the 22 patients had appropriate preventative treatment and seven further patients were given preventative medication, but some doses were missed. Four patients were not given appropriate preventative treatment.

This shows that we are preventing many VTEs in patients admitted to hospital, but not all VTEs are avoidable despite

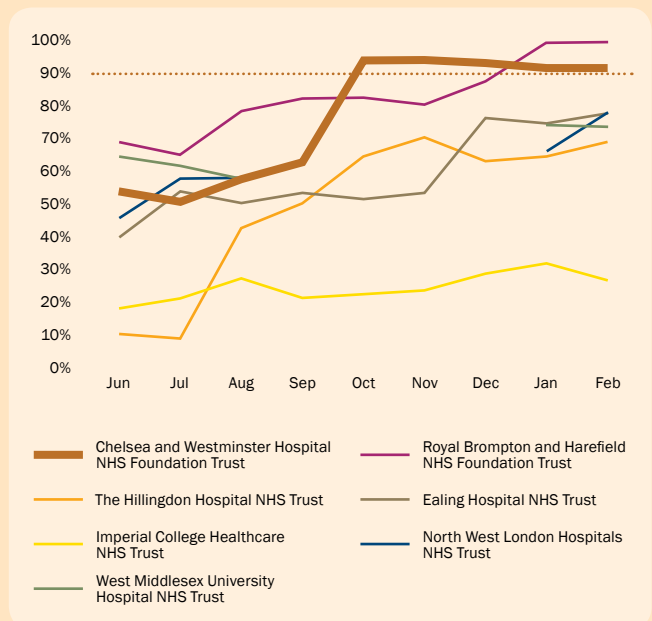
appropriate preventative treatment. We still need to improve to ensure all patients at risk are given the right preventative treatment.

Ensuring that all patients admitted to hospital are assessed for their risk of VTE increases the likelihood that we can provide appropriate preventative treatment.

We monitor the number of patients who have a risk assessment—from October 2010 we achieved the national target of more than 90% (see graph below).

This improvement was a result of raising awareness and updating our electronic risk assessment tool. We were one of only 26 hospitals to achieve this target out of a total of 159 acute hospitals.

#### Percentage of patients admitted to hospital with a completed VTE risk assessment each month for hospitals in the North West London sector Jun–Dec 2010



Source: [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH\\_124558](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH_124558)

We undertake audits to establish the number of patients who receive appropriate preventative treatment. An audit in January 2011 of 46 patients who had orthopaedic surgery showed that 96% received appropriate preventative medication, compared with 69% in an audit in August 2009 of 16 orthopaedic patients.

An audit of patients undergoing planned surgery during one week in December 2010 showed that 100% of patients were offered an information leaflet on DVT and PE at their pre-operative assessment, compared with 83% in 2009.



## Priority 2: Patient experience

**To achieve a progressive improvement in issues identified in the annual national inpatient survey relating to communication, information and responsiveness to the personal needs of patients**

Improving the patient experience is a key Trust corporate objective and issues relating to communication and information were highlighted as areas for improvement in the Trust's national inpatient survey results. In addition, there was a national focus in 2010/11 on responsiveness to the personal needs of patients as measured through five selected questions in the national inpatient survey (see table below).

### What did we do in 2010/11?

We used our realtime electronic patient feedback tool called the Patient Experience Tracker (PET) to ask the five questions. Between August 2010 and March 2011 2,938 patients discharged from our adult inpatient wards gave us the following feedback:

#### Selected questions from national inpatient survey

N°	Question	Overall Satisfaction Score
1	Have you felt as involved as you wanted to be in decisions about your care and treatment?	89%
2	Have you had the opportunity to talk to someone about any worries or fears?	90%
3	Have you been given enough privacy when discussing your condition or treatment?	90%
4	Have you been told about medication side effects to watch out for after you leave hospital?	86%
5	Have you been told who to contact if you are worried about your condition after you leave hospital?	88%

### How did we perform in 2010/11?

The following table identifies how we performed in the national inpatient survey in 2010. It also includes a comparison with our performance in 2009 and a comparison with our performance against the national average of NHS trusts that used Picker Institute to conduct the national inpatient survey programme. A low score is a good score.

#### Performance in national inpatient survey 2010

Ref	Question	2009	2010	Picker Avg 2010
E2	Care: wanted to be more involved in decisions	40%	49%	46%
E5+	Care: could not always find a member of staff to discuss concerns with	59%	62%	57%
E6	Care: not always enough privacy when discussing condition or treatment	27%	26%	28%
G9	Discharge: not fully told of side-effects of medications	48%	47%	46%
G14	Discharge: not told who to contact if worried	24%	23%	21%

Disappointingly, our patient satisfaction scores as measured by the PET are not reflected by any significant improvements in our national inpatient survey scores for 2010.

## Improving the patient experience in Maternity and Children's & Young People's Services

In addition to the general Trustwide objective to improve the patient experience, the Trust also had a specific objective to improve the patient experience for women using our maternity services and for children and young people.

### Maternity

Our objectives in 2010/11 were:

- To achieve a 90% satisfaction score for patient experience on the postnatal ward (Ann Stewart Ward), as measured by the Patient Experience Tracker (PET)
- To reduce the waiting time for an appointment in the Antenatal Clinic to no longer than 15 minutes

### What did we do in 2010/11?

Themes in feedback from women using maternity services have been analysed to identify areas for improvement. One key theme is that some women say they sometimes lack the information and detailed debriefing to allow them to understand what happened during their labour. As a result of this a new post has been created to provide a clinically expert debriefing service for women who need or choose this.

Extended visiting has been introduced onto the antenatal ward so that husbands and partners can stay and support their partners in early labour and during induction.

The postnatal ward is being improved to replace all bathrooms with upgraded bathrooms and showers and to refurbish the ward area, including replacement of worn flooring and making all delivery rooms ensuite.

Recruitment of midwives to ensure that 1:1 care in labour is maintained has reduced our vacancy rate to less than 10%.

Staff training has been reorganised so that all staff undertake annual updates. This training includes simulation exercises and is undertaken in multi-disciplinary groups.

The development team were 'Highly Commended' for their integrated care training programme as part of the Elizabeth Paice Award for Educational Excellence.

An antenatal working party was set up to reduce waiting time for patients.

## How did we perform in 2010/11?

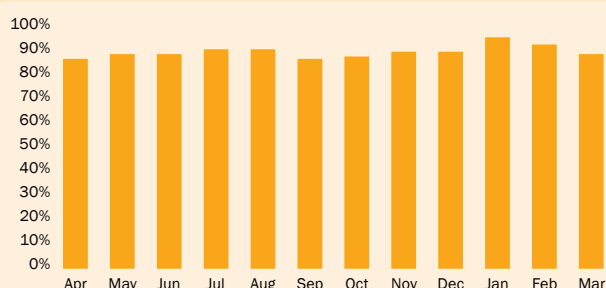
### Postnatal ward

Women on the postnatal ward (Ann Stewart Ward) were asked the following questions using the PET:

- Did you get information you could understand?
- Did you feel the ward was clean enough?
- Were the staff kind and caring?
- Did you feel welcomed when you arrived?
- Overall how would you rate your experience on this ward?

We were unable to achieve consistently the objective of a 90% satisfaction score for patient experience as the following graph demonstrates.

**Monthly percentage satisfaction scores for Ann Stewart Ward 2010/11**



### Antenatal Clinic

The goal of achieving waiting times of no greater than 15 minutes has not been achieved. An audit from 15 to 29 January 2011 showed that the majority of patients had a waiting time of less than 30 minutes but the target wait of 15 minutes was only achieved for 48% of patients.

Reorganising the doctors' clinics to achieve maximum appointments will come into place in July 2011. A further audit of waiting times will then be carried out. There is a refurbishment project planned for 2011 which will improve the waiting and reception areas, and we will be drawing on technological innovations that have been used in the Outpatients redevelopment.

## Children's & Young People's Services

Our objective in 2010/11 was:

- to achieve a 90% satisfaction score for patient experience in Children's Outpatients, as measured by the PET

## What did we do in 2010/11?

A patient experience improvement action plan was implemented by the Children's Outpatients Improvement Group, led by the service director.

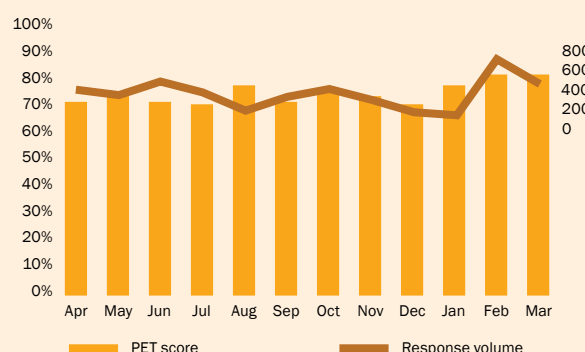
Work undertaken in 2010/11 included:

- The use of pagers in Children's Outpatients to enable families to leave the department while they wait for their appointment and be called back at the appropriate time
- The building of four new outpatient rooms and an associated waiting area to increase clinic capacity
- The installation of an audiology room to support ENT clinics in Children's Outpatients so that clinics can run all in one child-friendly area instead of using an audiology room on another floor
- The launch of a new Children's Outpatients timetable with earlier start times for clinics and more evenly distributed appointment times
- An increased focus on communications and cross-cover between the reception and nursing/healthcare assistant teams

## How did we perform in 2010/11?

A lot of work was undertaken through the year and month-on-month PET scores improved from around 70% in April 2010 to 80% in March 2011, alongside an increase in the numbers of patients using the PET. However, we fell short of our target to achieve a 90% satisfaction score.

**Children's Outpatients PET score and response volume 2010/11**



Several new initiatives will be put in place to ensure continued improvement into 2011/12. A service review and restructure has been undertaken of all children's outpatient and ambulatory care services, with the objective of improving patient experience in these departments.

The agreed proposal merges the reception and healthcare assistant teams so that all staff will learn both administrative and clinical skills and can work flexibly to provide the best service to patients. This new structure will be implemented in summer 2011 and we anticipate will be a significant driver of enhanced patient experience through 2011/12.

A significant improvement to the environment will be delivered with new flooring expected to be completed by May 2011. Alongside this we will be able to release additional clinic room capacity by moving Pre-operative assessment clinics to the new purpose built Pre-operative and Day Case unit on the 1st Floor within the Netherton Grove Extension, enabling more clinics to be offered and reducing waiting times for and during appointments.

## Priority 3: Clinical effectiveness

### To meet agreed targets based on National Confidential Enquiry into Patient Outcome & Death (NCEPOD) recommendations for emergency surgery

We set ourselves targets for emergency surgery by adopting the NCEPOD classification of surgical priority which outlines four levels of surgery:

- **Immediate**—immediate life, limb or organ saving intervention
- **Urgent**—normally within hours of decision to operate, we agreed a target of within 24 hours of booking
- **Expedited**—normally within days of decision to operate, we agreed a target of within four working days of booking
- **Elective**—routine admission for planned surgery at a time convenient for the patient

#### What did we do in 2010/11?

Initiatives started in 2010/11 included:

- Introducing a meeting of the emergency anaesthetist, lead theatre nurse and surgeons who have booked patients

for emergency operations at 7:45am each day to allow planning of the schedule of emergency patients

- Increasing the proportion of weekday emergency lists covered by consultant anaesthetists or associate specialists to 97%, to increase theatre list efficiency, the safety of anaesthesia delivery for emergency cases, and the quality of teaching in emergency anaesthesia
- Initiating an electronic theatre booking system (PICIS) that allows tracking of emergency patients from booking to operation

#### How did we perform in 2010/11?

The following table represents the first five months of the new PICIS system and demonstrates that we have met the target for the majority of patients.

#### Chelsea and Westminster Hospital Main Theatres Emergency Surgery

NCEPOD class	Nov 2010		Dec 2010		Jan 2011		Feb/Mar 2011	
	class total	% in time	class total	% in time	class total	% in time	class total	% in time
Immediate	4	100%	0	100%	0	100%	5	100%
Urgent	237	99%	193	98%	185	99%	298	99%
Expedited	12	83%	42	100%	52	100%	104	96%
<b>Total</b>	<b>253</b>	<b>98%</b>	<b>235</b>	<b>99%</b>	<b>237</b>	<b>99%</b>	<b>407</b>	<b>98%</b>

## Priority 4: Patient Safety

### To reduce the incidence of falls resulting in moderate or major harm by at least 25% in 2010/11

Falls are in the top three most reported incidents in the Trust. Approximately 10–30% of falls result in harm to the patient, of which 10% of injuries are moderate or serious.

We know from feedback and complaints how a fall can cause distress to a patient and their family and can lead to a longer stay in hospital than expected.

#### What did we do in 2010/11?

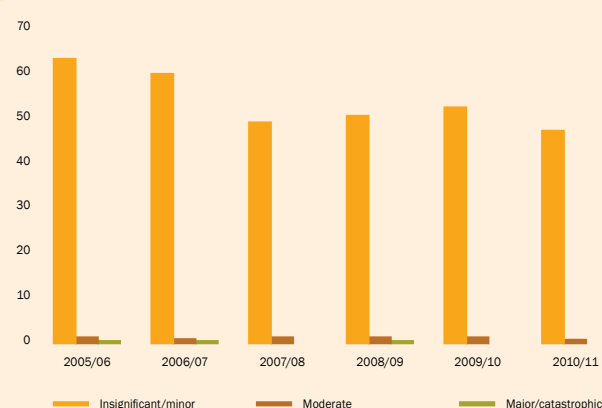
We took the following actions in 2010/11:

- A total of 488 nursing staff undertook falls training although the challenge of extending the training to all staff remains
- The use of falls alarms was trialled on two wards to indicate when 'at risk' patients are standing up and allow prompt help to be provided—this proved to be very successful and further alarms are being purchased for other wards

#### How did we perform in 2010/11

We achieved our target of reducing falls causing moderate or severe harm by 25%, from 12 in 2009/10 to 7 in 2010/11.

#### Patient falls per year, 2005–11



We will continue to work on other initiatives such as an alert on our electronic patient system, the further development of the risk assessment, and work on development, design and deployment of a Falls Safety Checklist—an inter-disciplinary checklist for fall prevention interventions, based around the four basics of fall prevention described in the *Patient Safety First* document.

Please see the local indicator section for our proposed targets for 2011/12.

# Priorities for quality improvement 2011/12

As a result of our continuous review of services throughout the year in conjunction with our key stakeholders, the following priorities for quality improvement were proposed and agreed by the Trust Board of Directors for 2011/12.



Posters from the No More Clots campaign to highlight the importance of VTE assessments for patients

## Priority 1: Patient safety

### To have no hospital acquired preventable venous thromboembolism (VTE)

#### Why is this a priority?

Approximately half of all cases of VTE occur in patients who have had a recent stay in hospital. VTE is one of the most common preventable causes of hospital deaths. It is estimated that in England each year more than 25,000 people die from preventable VTE contracted in hospital.

About one third of patients will develop VTE despite the best care but we can help prevent VTE occurring in two thirds of patients by providing appropriate preventative treatment.

#### What actions are we planning to improve our performance?

In addition to the initiatives already in place, we will set up a system to identify patients who have been diagnosed with VTE during a hospital admission or within three months of admission to identify patients who did not receive appropriate preventative treatment. For these patients, we will undertake

a root cause analysis to identify areas in which we can make improvements.

We will produce guidance for nurses and doctors on compression stockings to ensure that patients wear these correctly and have adequate monitoring.

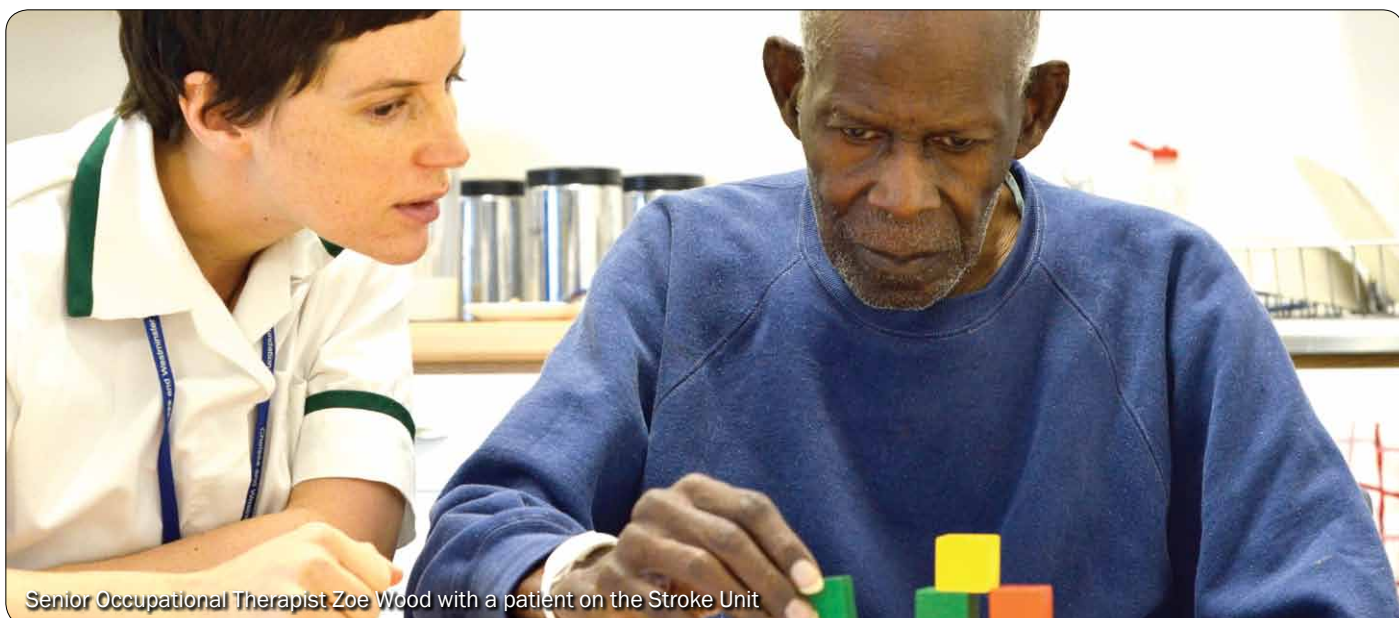
#### How will improvement be measured and monitored?

We will monitor the number of patients with preventable VTE and we will audit on a regular basis whether appropriate preventative treatment and information is being provided.

#### How will progress be reported?

Progress will be reported at the multi-disciplinary Thrombosis and Thrombophylaxis Committee every month and at the Trust Executive Quality Committee and the Assurance Committee on a quarterly basis.





Senior Occupational Therapist Zoe Wood with a patient on the Stroke Unit

## Priority 2: Patient experience

**Our patient experience strategy for 2011/12 will focus on three key areas—communication, discharge planning and the care of older people**

### Why is this a priority?

Our patients and stakeholders have highlighted these three key areas as being of greatest concern:

- **Communication and information**—it is clear from the national inpatient survey that at times we do not communicate with patients effectively and do not provide enough information, which can result in increased anxiety and stress.
- **Discharge planning**—a theme within the national inpatient survey is dissatisfaction with the discharge processes within the hospital. This was supported by feedback from our Foundation Trust Governors and Kensington and Chelsea Local Involvement Network (LiNK).
- **Care of the older person**—the Health Service Ombudsman report “Care and Compassion” (2010) looked at the distressing problems that older people in hospital often face. The national inpatient survey results and our complaints have highlighted that there is more the Trust can do to improve the experience for our older patients and ensure that their dignity is maintained at all times.

### What are our objectives in 2011/12?

We will be setting up campaign groups for each of the three key areas above. The campaign groups will work with patients and governors to agree targets to measure our progress.

- **Communication**  
Our objectives are for patients to receive accurate information (verbal and written) about their diagnosis and treatment/care plan in a way they understand and which helps to make them feel involved.
- **Discharge**  
We will be exploring the possibility of patients receiving a discharge interview before they go home from a senior

member of staff and a follow-up phone call the following day. We will also explore different models of care to reduce re-admission rates.

- **Care of the older person**

An individual daily ‘wellbeing round’ will be undertaken by senior nursing staff, which will include every patient over 75-years-old. In addition, patients with dementia will be identified and assessed at the point of admission and a dementia pathway implemented.

### What actions are we planning to improve our performance?

The three identified themes will be organised into ‘campaigns for action’. Each campaign will have a named campaign leader within each Division who will ensure the campaign is managed to achieve its expected outcomes. There will be a clear action plan for each campaign, which will be closely monitored by the campaign group and campaign leader.

### How will improvement be measured and monitored?

Improvement will be measured by each campaign group and monitored by Divisional Boards. A Non-Executive Director will lead a review every two months. Summaries of any monthly visits undertaken by the Governors and any reports from Kensington and Chelsea LiNK will be considered. The overall measure of success will be improving the national inpatient survey results and reducing complaints in these areas. We will use a range of methods to track patient experience in order to monitor progress.

### How will progress be reported?

The campaign leaders will report into the Patient Experience Committee, and will produce a quarterly report for the Trust Executive Quality Committee and Assurance Committee, which reports to the Board. The Council of Governors will also receive regular updates on progress.

### **Priority 3: Clinical effectiveness/patient experience**

**To improve the quality of emergency surgery for patients by reducing the waiting time for surgery by 10%, reducing the time patients are nil by mouth, and providing better information for patients and relatives**

#### **Why is this a priority?**

Senior surgeons had previously expressed concern about delays for some patients needing urgent surgery and last year we achieved our targets. However, we know from complaints and feedback that there are still concerns from patients and relatives about delays, which affect the time patients have to wait without food and drink, and they feel that they are not given enough information.

Our surgeons also believe that we can reduce waiting times further so this year we want to look at the average waiting time for an operation with a view to decreasing this by at least 10% as well as other aspects of the patient experience.

#### **What actions are we planning to improve our performance?**

- We will increase the availability of emergency/trauma operating theatre time at weekends by instituting an extra emergency list on Saturday afternoons
- We will reduce waiting times for adult patients in main theatres requiring emergency surgery by using the new Netherton Grove paediatric theatre suite (due to open early 2012) for children requiring emergency surgery during normal working hours

- We will improve communication and information to patients and relatives about emergency surgery, in particular when there are delays
- We will minimise the length of time that patients are nil by mouth (not allowed to eat or drink) while waiting for surgery
- We will ensure that a consultant gives approval for a patient to be scheduled for emergency surgery

#### **How will improvement be measured and monitored?**

We will measure the average wait from booking time to operation time and monitor this on a monthly basis and will measure communication with patients through a quarterly survey. We will measure the length of time that patients are nil by mouth by auditing a sample of all patients in an observation period on a quarterly basis.

#### **How will progress be reported?**

Progress will be monitored by the Divisional Board and by the Theatre Improvement Board. Progress will also be reported to the Trust Executive Quality Committee and the Assurance Committee on a quarterly basis.

### **Priority 4: Patient experience/workforce**

**To remain in the top 20% of acute Trusts nationally for staff engagement and to be in the top 20% for staff appraisals as measured by the national staff survey**

#### **Why is this a priority?**

A growing body of evidence has shown a clear correlation between a satisfied workforce and high quality patient care. The staff engagement score in the national staff survey includes the following:

- Staff feeling able to contribute towards improvements at work
- The extent to which staff feel motivated and engaged with their work
- Willingness of staff to recommend the Trust as a place to work and/or receive treatment
- Communication between senior management and staff

The appraisal indicator score in the national staff survey includes the following (targets are based on the top 20% of the current 2010/11 results):

- % of staff who receive an appraisal (we aim to increase our appraisal rates from 75% to 84%)
- % of staff who have a well structured appraisal (we aim to increase the percentage of staff having a well structured appraisal from 39% to 41%)
- % of staff appraised with personal development plans (we aim to increase the percentage of staff appraised with personal development plans from 68% to 72%)

#### **What actions are we planning to improve our performance?**

- Continue to develop face-to-face communication with the Chief Executive and senior management team eg staff forums
- Introduce a "Directors' Den" competition to encourage staff to contribute innovative ideas to improve patient care
- Introduce a new standardised approach to improve the quantity and quality of appraisals and personal development plans (PDPs)

#### **How will improvement be measured and monitored?**

We will monitor monthly appraisal statistics showing the number of appraisals completed and undertake regular audits of appraisals to review the quality of the supporting paperwork. An internal communication survey will be carried out in June 2011. The annual national staff survey results will demonstrate if we have met our targets.

#### **How will progress be reported?**

Monthly reporting on appraisals and PDPs through Divisional Boards and quarterly reporting to the Trust Executive Quality Committee and the Assurance Committee.

# Statements relating to quality of NHS services provided

## Statements of assurance from the Trust Board

During 2010/11 Chelsea and Westminster Hospital NHS Foundation Trust provided and/or sub-contracted 60 NHS services.

The Trust has reviewed all the data available to us on the quality of care in all of these NHS services.

The income generated by the NHS services reviewed in 2010/11 represents 100% of the total income generated from the provision of NHS services by the Trust in 2010/11.

## Review of data on quality of care

The Trust has systems and processes in place to review data on quality regularly.

The Trust is structured around three Divisions and Division specific quality reports are provided quarterly to each Division to review as part of their overall performance reviews.

The reports cover a wide range of data including complaints, concerns, claims and incidents.

Incident trends and the outcomes of more serious incident investigations are reviewed to ensure that actions are followed through and changes implemented.

The reports also include risks on the risk register and progress on actions, data on the incidence of MRSA and *Clostridium difficile*, the results of monthly hand hygiene audits, progress on updating clinical guidelines, and progress on clinical audits, legal claims and research activity.

The results of Trustwide audits in areas including documentation and consent are reported at Divisional level.

Patient experience is addressed through reviewing complaints and concerns as well as progress on completion rates and satisfaction scores from the Patient Experience Tracker (PET) and national inpatient survey results.

Complaints are discussed with the Divisions on a weekly basis and all responses are reviewed by the Chief Executive, Deputy Chief Executive or Chief Nurse.

Actions from complaints are reviewed regularly to ensure completion and an improvement in services.

Problems identified using this data are addressed at local level through the directorate management systems or, if appropriate, escalated to the Executive team.

All the data available at local level is also monitored at corporate level through the Trust Executive Quality Committee.

At a Trustwide level the Trust Executive has a key role to play in driving up quality.

Additional challenge and scrutiny is provided by the Assurance Committee which is a sub-committee of the Board.

The annual business planning process seeks to involve staff at all levels in the organisation to identify issues to be addressed.

We are informed and supported by the Council of Governors Quality Sub-Committee, which includes Kensington and Chelsea Local Involvement Network (LINK) representatives as members.

We have also undertaken an in-depth review of some of our services.

Our Intensive Care Unit achieved a Customer Service Excellence Award, based on criteria including customer insight, culture of the organisation, information and access, delivery and timeliness and quality of service.

The Supervisors of Midwives' annual audit involved a detailed review of the service and the Trust was commended for the Supervisors' annual report, the reduction in agency staff, the normal birth action plan and positive feedback from women on the role of Supervisors.

A quality improvement plan was monitored throughout the year, which resulted in more of a focus on clinical audit as a tool for improvement and assurance, the development of a Board dashboard to include the quality indicators, and further development of our engagement and feedback processes.

In 2011/12 the Divisions will focus on setting up and developing divisional dashboards to measure quality indicators at a local level and we will continue to work on improving our participation in national audits as well as using audit as a quality improvement tool.

## Participation in clinical audits

During 2010/11, 41 national clinical audits and nine national confidential enquiries covered NHS services that the Trust provides.

During 2010/11 the Trust participated in 80% of national clinical audits and 89% of national confidential enquiries that it was eligible to participate in.

See below for full details including:

- National clinical audits and national confidential enquiries in which the Trust was eligible to participate
- National clinical audits and national confidential enquiries that the Trust participated in and for which data collection was completed
- Number of cases submitted to each audit or enquiry as a percentage of the number of registered cases indicated/required by the terms of that audit or enquiry

## National Clinical Audits in which the Trust was eligible to participate

Subject	Participated	Cases indicated or required	Cases submitted	% Cases submitted	Comment
<b>Peri and Neonatal</b>					
CEMACE Perinatal Mortality	Yes	All	24	100%	
NNAP: Neonatal Intensive and Special Care	Yes	650	650	100%	Data reflects Jan–Dec 2010.
<b>Children</b>					
British Thoracic Society: Paediatric Pneumonia	No	n/a	n/a	n/a	Data collection not completed. Priority given to asthma audit, which is more prevalent amongst our paediatric patient population.
British Thoracic Society: Paediatric Asthma	Yes	35	35	100%	
College of Emergency Medicine: Paediatric Fever	Yes	50	50	100%	
Royal College of Physicians: National Childhood Epilepsy Audit	Yes	n/a	n/a	n/a	Data collection commenced 1 May 2011.
The Royal College of Paediatrics and Child Health: Diabetes Audit	No	n/a	n/a	n/a	Previously unable to participate, however recently completely revised the database in order to collect and submit data required to participate in this audit in 2011/12.
<b>Acute Care</b>					
British Thoracic Society: Emergency Use of Oxygen	No	n/a	n/a	n/a	Audit took place from 1 Oct–15 Nov 2010. Resources invested in 3 other major audits at that time.
British Thoracic Society: Adult Community Acquired Pneumonia	Yes	Prospective data collection, therefore n° of cases unknown	Data entry to May 2011	n/a—study ongoing	Closing date for data entry 31 May 2011.
British Thoracic Society: Non-invasive ventilation NIV (Adult)	Yes	Prospective data collection, therefore n° of cases unknown	Data entry to May 2011	n/a—study ongoing	Closing date for data entry 31 May 2011.
British Thoracic Society: Pleural Procedures	Yes	25	25	100%	
National Cardiac Arrest Audit: Cardiac Arrest	No	n/a	n/a	n/a	The Trust will participate in this audit in 2011/12.
College of Emergency Medicine: Vital signs in majors	Yes	50	50	100%	
ICNARC: CMPD Case Mix Program	No	n/a	n/a	n/a	Data is not interpreted on an institutionally individualised basis that is of any benefit to the contributing organisations. The financial cost to participate is also prohibitive.
NHS Blood & Transplant: Potential Donor Audit	Yes	n/a	2		Data is for Apr–Sep 2010.
<b>Long term conditions</b>					
National Adult Diabetes Audit: Diabetes	No	n/a	30	n/a	Data collection not completed due to priority given to participation in the National Inpatient Diabetes Audit.
RCOG National Audit of Heavy Menstrual Bleeding	Yes	5	2	40%	n=5 relates to outpatient clinic only. Recently identified gap gynaecology community clinic, which will be included moving forward.
National Pain Audit: Chronic Pain	Yes	n/a	n/a	n/a	Data collection commences May 2011. Audit concludes at the end of 2012.
National Inflammatory Bowel Disease Audit: Ulcerative colitis & Crohn's Disease	Yes	40	n/a	n/a	Data collection concludes Aug 2011.
National Parkinson's Audit: Parkinson's disease	Yes	n/a	n/a	n/a	Registration of intended participation from May 2011.
British Thoracic Society/ European Audit: COPD	Yes	20	20	100%	
British Thoracic Society: Adult Asthma	Yes	20	20	100%	
British Thoracic Society: Bronchiectasis	No	n/a	n/a	n/a	Audit concluded Jan 2011. Resources invested in 3 other major audits at that time.



Subject	Participated	Cases indicated or required	Cases submitted	% Cases submitted	Comment
<b>Elective procedures</b>					
National Joint Registry: Hip, Knee, and Ankle Replacement	Yes	239	225	94%	Patient data refers to Jan–Dec 2010.
National PROMs Programme, Elective Surgery: Hernia	Yes	151	77	51%	Data relates to Sep 2010–Feb 2011. It should be noted that a proportion of patients chose not to complete questionnaires, which affects the percentage of cases submitted.
National PROMs Programme, Elective Surgery: Hip Replacement	Yes	86	38	44%	Data relates to Sep 2010–Feb 2011. It should be noted that a proportion of patients chose not to complete questionnaires, which affects the percentage of cases submitted.
National PROMs Programme, Elective Surgery: Knee Replacement	Yes	63	53	84%	Data relates to Sep 2010–Feb 2011. It should be noted that a proportion of patients chose not to complete questionnaires, which affects the percentage of cases submitted.
National PROMs Programme, Elective Surgery: Varicose Veins	Yes	39	34	87%	Data relates to Sep 2010–Feb 2011. It should be noted that a proportion of patients chose not to complete questionnaires, which affects the percentage of cases submitted.
<b>Cardiovascular Disease</b>					
National Clinical Audit of Mgt of Familial Hypercholesterolaemia	No	n/a	n/a	n/a	Data collection not completed due to priority given to National inpatient Diabetes Audit.
Myocardial Ischaemia National Audit Project (MINAP) Acute Myocardial Infarction & other acute coronary syndrome	Yes	20	22	100%	Complete.
National Heart Failure Audit	Yes	120	120	100%	Data reflects the 120 cases referred directly to the Heart Failure Nurse Specialist. Await confirmation of 100%.
Stroke National Audit Project (SINAP): Acute Stroke	Yes	20	20	100%	Complete.
National Sentinel Stroke Audit: Stroke Care	Yes	20	20	100%	Complete.
<b>Renal Disease</b>					
College of Emergency Medicine: Renal colic (adults)	Yes	50	50	100%	
<b>Cancer</b>					
National Lung Cancer Audit: Lung Cancer	Yes	Prospective data collection, therefore n° of cases unknown	Data entry to Jun 2011	N/A	Ongoing. Due date 30 Jun 2011.
National Bowel Cancer Audit Programme: Bowel Cancer	Yes	77	77	100%	
<b>Trauma</b>					
NHFD: National Hip Fracture Database	Yes	211	211	100%	
TARN: Severe Trauma	Yes	8	8	100%	
National Falls & Bone Health Audit	Yes	60	40	67%	Complete.
<b>Blood Transfusion</b>					
National Comparative Audit of Blood Transfusion Re-audit of the use of platelets	Yes	40	10	40%	Complete.
National Comparative Audit of Blood Transfusion Repeat use of 'O' Negative blood audit.	Yes	40	33	82.5%	Complete.

## National Confidential Enquiries in which the Trust was eligible to participate

Subject	Participated	Cases indicated or required	Cases submitted	% Cases submitted
NCEPOD: Peri Operative Care	Yes	32	32	100%
NCEPOD: Surgery in Children	Yes	18	17	94%
NCEPOD: Emergency Elective Surgery in the Elderly	Yes	8	8	100%
NCEPOD: Cosmetic Surgery	Yes	None that met criteria during study period.	n/a	n/a
NCEPOD: Cardiac Arrest Procedures Study	Yes	Prospective data collection so n° of cases unknown at this stage.	2	
CEMACE: Maternal and Perinatal Surveillance	Yes	48	48	100%
CEMACE: Obesity in Pregnancy	Yes	Prospective data collection so n° of cases unknown at this stage.	Data entry to 2011	
CEMACE: Head Injury in Children	Yes	32	20	63%

## National Clinical Audits

The reports of nine national clinical audits published in 2010/11 were reviewed by the Trust. See below for details of actions taken to improve the quality of care where appropriate.

National audit	Department leading review	Actions Agreed
CEM: Renal Colic	Emergency Department	One of the measures highlighted for improvement within the national audit report feedback related to pain relief. Specific training focusing on pain relief and appropriate pain scoring has been completed. Subsequently, staff undertook a re-audit to establish whether the effect of the training had made a positive impact on the management of pain within the department. This audit has shown a marked improvement, with results well above the national average for severe pain relief. A rapid assessment team has been established within the Emergency Department to help to ensure that patients are assessed within a hour of arrival. This is one of the department's own indicators of clinical quality.
CEM: Vital signs in Majors	Emergency Department	The Emergency Department multi-disciplinary team reviewed the outcome of the report and agreed that standards are being met and best practice guidance followed. No further action was therefore required.
TARN	Emergency Department	The Emergency Department multi-disciplinary team reviewed the outcome of the report and agreed that standards are being met and best practice guidance followed. No further action was therefore required.
National Audit of Heart Failure	Medicine Department meeting	Clinicians within General Medicine, including Cardiology, reviewed the outcome of the report and agreed that standards are being met and best practice guidance followed. No further action was therefore required.
CEM: Asthma (this was a 2009/10 QA Audit where the original action has been satisfied and superseded)	Emergency Department	There has been a renewed focus through training and audit of the management of asthma as a core skill for both doctors and nurses in emergency department. A rapid assessment team has been established within the Emergency Department to help to ensure that patients are assessed within an hour of arrival.
CEM: Paediatric Asthma	Paediatric Department	An 'Asthma Plan' document has been restocked on the paediatric wards to ensure that these are available for issue to patients as part of their discharge documentation. An ongoing training plan has been established for ward staff, in order to reinforce the importance of issuing these to patients prior to discharge. A more efficient system has also been established to ensure that the documents are routinely available and re-stocked when required. Furthermore, local guidelines containing strong advice to avoid use of chest X-rays/antibiotics in specified groups of patients were reiterated to existing medical staff, and this advice is a part of the information provided to newly appointed staff as part of their induction training.
PICANET	Paediatric Department	Although this audit relates to hospitals with a Paediatric Intensive Care Unit, clinicians within Paediatrics and Neonatology reviewed the outcome of the report and agreed that some of the applicable standards are being met and best practice guidance followed with respect to management of children within an ICU facility. Therefore, the team are in the process of reviewing the appropriateness of participation in the audit, despite not providing an Paediatric Intensive Care Service, and to this end, data is currently being collected.
RCP: National Audit of Dementia	Medicine Department meeting	A review of the results demonstrates that we are meeting most of the standards. However, we need to address some issues around discharge and training.

The reports of 136 local clinical audits were reviewed by the Trust in 2010/11 and we intend to take actions to improve the quality of care. Details are available on request from Dr Mike Anderson, Trust Medical Director at [mike.anderson@chelwest.nhs.uk](mailto:mike.anderson@chelwest.nhs.uk).

## Participation in clinical research

The number of patients receiving NHS services provided or sub-contracted by Chelsea and Westminster Hospital NHS Foundation Trust in 2010/11 who were recruited during 2010/11 to participate in research approved by a research ethics committee was 4,469. Since 2009/10 there has been a 49% increase in the number of patients recruited into clinical trials. Enabling participation in clinical research means we can offer patients the opportunity to access the latest innovative treatments while improving the quality of treatments and services available.

In 2010/11, we conducted 217 clinical research studies, 59 of which were part of the National Institute of Health Research (NIHR) portfolio, which are high quality national studies covering a broad range of clinical themes (eg cancer, stroke, diabetes).

Delivering excellence in research is one of the four Trust corporate objectives and is the main focus of the Trust Research Strategy (2010–2013) *Improving Patients' Lives through Research and Innovation*.

In addition, we host the National Institute for Health Research (NIHR) Collaboration for Leadership in Applied Health Research and Care (CLAHRC) for Northwest London and the North West London Health Innovation and Education Cluster (HIEC) and the Training for Innovation (TFI) hub. These organisations help to advance the implementation of new therapies and approaches to clinical care in the NHS. Examples include the ongoing development of evidence-based care for patients diagnosed with Chronic Obstructive Pulmonary Disease (COPD) looking at improving how we explain to patients about medicines and their side effects and communication of changes in their discharge medications to GPs. This links to one of our new local indicators for 2011/12.

Chelsea and Westminster Hospital has continued to work closely with its local and national research partners including

the National Institute for Health Research (NIHR), NIHR research networks, Imperial College and local charities such as Chelsea and Westminster Health Charity and Westminster Medical School Research Trust. This ensures that our research is responsive to both national and local priorities.

## Goals agreed with commissioners

A proportion of Trust income in 2010/11 was conditional on achieving quality improvement and innovation goals agreed with the Trust's acute and specialised commissioners through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2010/11 and for the following 12-month period are available from the Foundation Trust Secretary at [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk).

In 2010/11, income equal to 1.5% of the value of our main acute contract, which covers most of our NHS services, was conditional upon achieving CQUIN goals agreed with our host commissioner, North West London Commissioning Partnership. We also agreed CQUIN payments linked to our work in HIV and Neonatal Intensive Care, which is commissioned by the London Specialised Commissioning Group, as well as low value CQUINs for our community services in Paediatrics, Dermatology and Gynaecology.

We achieved 90% of our CQUIN-related goals in 2010/11. This level of performance was associated with a payment of £3.6m, compared with a maximum payment of £4.0m.

The Trust agreed and achieved a wide range of quality indicators to underpin these payments as detailed below. The Trust achieved a high level of compliance across the CQUIN schemes with underachievement relating to partial delivery of improvement targets related to the outcome of the national inpatient survey and some underperformance on the proportion of patients discharged before 12 noon.

Area of improvement	Indicator	Rationale for inclusion and performance
Patient Safety	90% of adult patients to have a VTE assessment on admission	Measuring the percentage of patients who have a VTE risk assessment will help ensure that appropriate preventative treatment is given. This is one of the Trust's quality priorities and the target of 90% was achieved from October 2010 onwards.
Patient Experience	Improvement in a composite score relating to a range of questions in the national inpatient survey	The indicator incorporates questions which are known to be important to patients and where past data indicates significant room for improvement across England. The Trust partially met this indicator gaining a payment of 75% of the funding available.
Patient Safety	6 months implementation of the IHI Global Trigger Tool	The Global Trigger Tool identifies avoidable harm through a review of patient records. This will allow interventions to be identified to reduce harm. The Trust reviewed the notes on 50 deaths and has completed a review of a sample of discharges for six months, so fully achieving the target.
Clinical Effectiveness	Implementation of the Enhanced Recovery Programme (ERP) across two specialties	The ERP has been shown to help patients recover faster. The Trust achieved the plan including the target for reduction in length of stay by December 2010.
Clinical Effectiveness	Improvement in the quality and timeliness of discharge summaries	The quality and timeliness of information between primary (GPs, community care) and secondary (hospital) care is of critical importance for patient safety and effective care. An audit in December 2010 showed compliance with 88% of the requirements. We will continue to work on this in 2011/12.
Patient Experience	Increase in the proportion of patients discharged in the morning and at weekends and an increase in the proportion of patients going home on their agreed date	This aims to improve the quality of the patient experience and safety by incentivising good discharge practice within trusts. We achieved the majority of targets on discharge before midday, discharge at the weekend and patients discharged on their agreed date. The weekend/morning discharge targets were not met in Quarter 3 due to the extraordinary winter pressures.
Clinical Effectiveness	Improvement in the quality and timeliness of letters to GPs following new outpatient appointments	The quality and timeliness of information between primary (GPs, community care) and secondary (hospital) care is of critical importance for patient safety and effective care. We did well on the quality requirements (90% performance against target) but did not do well on timeliness with an average of 25 days delay. Additional measures were introduced in Q4 to improve turnaround times and a digital dictation system is being introduced in summer 2011.

Area of improvement	Indicator	Rationale for inclusion and performance
Clinical Effectiveness	Reduction in emergency re-admissions for COPD, heart failure and diabetes	To prevent unnecessary re-admissions by ensuring the best care for patients when in hospital and to encourage best practice in the community. We achieved improvements in readmissions within 14 and 28 days with 14 day readmissions down to 3.65% in Q3 against a target of 5.32% and 28 day readmissions down to 5.84% against a target of 10.32%.
Clinical Effectiveness	Patients' electronic discharge summary includes indication for treatment and intended duration of treatment for hospital initiated Proton Pump Inhibitor therapy and for antimicrobials	To enhance continuing care, when patients were being discharged with a course of treatment of either Proton Pump Inhibitors or antimicrobials, the Trust agreed to ensure electronic discharge summaries provided GPs with information on how long patients should stay on these treatments and why the treatment was started. This information was agreed to be important to GPs in their ongoing care of patients after hospital discharge, including ensuring that patients did not stay on courses of treatment unnecessarily. We achieved a steady improvement across the year.
Clinical Effectiveness	Improve the rate of medicines reconciliation on admission. The target is to ensure that on admission to the Trust, the patient's regular medication is confirmed with the patient/carer and GP record, that all medicines which should be continued are prescribed accurately on the inpatient prescription chart and that any medicines which are discontinued have a reason documented.	To ensure that a patient's medication history is accurate on admission and that there are no unintentional omissions of medicines (due to incomplete or incorrect information) on the in-patient prescription chart that might affect patient care. We achieved our target of 75%.
Clinical Effectiveness	Implementation of Ventilator Associated Pneumonia Care Bundle (see glossary for more information)	Making sure that the four elements of best practice are used: prevention of DVT, prevention of stomach ulcers, withholding sedation for part of the day and keeping the patient elevated. By year end we achieved our target of 95%
Clinical Effectiveness	Implementation of NCEPOD recommendations on time to theatre for emergency patients	Achievement of emergency patient time to theatre from time of booking: Immediate (within 1 hour), urgent (within 24 hours), expedited (within 4 days). This is one of the Trust priorities. We achieved our target of 99% in Q4. See the priorities section of the Quality Report for more information.

## Statements from the Care Quality Commission

The Trust is required to register with the Care Quality Commission (CQC) and its current status is registration without conditions. The Care Quality Commission has not taken enforcement action against the Trust during 2010/11. The Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

## Statement on relevance of data quality and actions to improve data quality

### Data quality metrics and processes

The accuracy and completeness of the data we use to report on quality of care and value for money is of utmost importance and is seen as an integral part of improving clinical effectiveness.

Clinical activity needs to be recorded accurately for a number of reasons. It helps us to measure our care against others, to reduce delays and to inform 'Service Line Management' which is the way that we track value for money and financial efficiency.

Reconciliations are undertaken on a monthly basis to ensure that activity levels reported are accurate. Coding is audited regularly to ensure the accuracy of the clinical data. We ask managers and frontline staff to review and correct data quality reports on a daily basis eg a daily demographic report highlights completeness issues with retrospective data, giving frontline staff the opportunity to correct data as soon as possible after the interaction with the patient.

We also use a demographic report to highlight data completeness issues in relation to episodes of care which are

about to occur so that staff can ensure they have up-to-date information and can update the patient record accordingly.

However, we are seeking to improve and will be taking the following actions to improve data quality:

- The development and leadership of the Trust's Data Quality Group is critical to the success in improving the quality of data. We will focus the role of this group on identifying data quality issues, specifying reporting requirements and ensuring that monitoring information is available at the right frequency to the right individuals and committees.
- We will ensure that inpatient data quality has the same level of focus as outpatient data quality. We will also strengthen the role of the Outpatient Steering Group in improving the quality of data entry.
- We will ensure that data quality issues are highlighted in weekly operational performance reports and monthly divisional performance reports so that managers can brief their teams on any data quality issues in their area. Managers are to be held to account for data quality via the monthly Divisional Boards and Finance/Performance meetings.
- We are developing reporting mechanisms for the new mandatory clinical indicators including ways to ensure accuracy eg reviewing the accuracy and completeness of the Accident and Emergency activity data
- We will develop and implement a new 'Referral to Treatment' module on the Patient Administration System in order to improve the accuracy and completeness of data on patients' waiting times to ensure patients are treated as quickly as possible.
- We will circulate a weekly coding data quality report to highlight records where coding is incomplete in order to prompt completion.



- We will undertake internal coding audits to provide internal assurance on coding accuracy and inform topics of monthly training sessions for the coding team, and will participate in Payment by Results (PbR) coding audits (Audit Commission) which check accuracy and completeness of inpatient and daycase activity coding.

### NHS Number and General Medical Practice Code validity

The Trust submitted records during 2010/11 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

- 91.4% for admitted patient care
- 93.6% for outpatient care
- 76.5% for Accident and Emergency (A&E) care

The percentage of records which included the patient's valid General Medical Practice Code was:

- 99.1% for admitted patient care

- 79.1% for outpatient care\*
- 97.4% for Accident and Emergency (A&E) care

\* **Note:** when data is submitted to SUS, various fields are anonymised for sexual health outpatient attendances, and one of those fields is the GP Practice Code. When data is anonymised it is sent as a null (or blank) value. Sexual health data accounts for around 20% of our outpatient activity and therefore our reported compliance appears low. Our internal data prior to anonymisation is 99.1%.

### Information Governance Toolkit attainment levels

Our Information Governance assessment report score for 2010/11 was 94.52% and was graded green (which means that we achieved at least level 2 on all 45 requirements).

### Clinical coding error rate

The Trust performed well in the 2009/10 audit, demonstrating an accuracy of coding which exceeded the national average, and was not subject to a clinical coding audit in 2010/11.

## Review of quality performance

### How the Trust identifies local improvement priorities

The Trust is committed to understanding and responding to the patient experience and there are a number of ways in which we engage with our patients, staff and the public in determining priorities for quality.

As a Foundation Trust we have the benefit of a well-established and active Council of Governors which represents patients, public and staff to ensure that the views and experiences of people who use our services are heard.

Governors hold frequent 'Meet a Governor' sessions so that patients and the public can express their views about their hospital experience. Governors also visit ward areas with senior nurses to gain patient feedback about their inpatient stay and Governors have also been involved in shadowing staff.

Any problems identified or suggestions made for improvements are either resolved immediately or addressed by the appropriate manager.

We seek clinicians' views through business planning sessions and Trust Executive Quality Committee meetings. We also have a number of mechanisms for more focused discussions. These include a maternity services steering group with patient and Governor representatives, which identified and then monitored the areas requiring improvement.

There are also numerous patient forums in the Trust that represent specific areas including the Patient Environment Action Team, Maternity Services Liaison Committee, HIV Patient Forum, Paediatric Forum and the Learning Disabilities

Forum. These forums influence how we design and deliver our services with an emphasis on quality.

An example of good practice is the Intensive Care Unit (ICU) which invites ex-ICU patients to a forum to discuss their experiences.

Much has been learned from the forum discussions and when patients told staff they found it difficult to understand their traumatic experiences, the ICU team developed a way of helping patients understand their individual journey by writing 'patient diaries' so patients have an understanding of what happened to them as a patient in ICU, which in turn helps the healing process.

ICU also developed a pre-admission booklet which is targeted at high dependency patients who are going for surgery to give insight into the ICU environment, as it was reported by patients that it can be helpful to know that they will wake up in ICU after their operation.

To ensure we focus on equality and diversity we continue to monitor progress against our Single Equality Scheme, which was developed in consultation with staff, patients and community groups. It identifies ways in which equality and diversity must be considered in the delivery of quality services.

Our action plan includes improving the service that patients receive from the Appointments Office by, for example, printing letters in different languages or formats and using telephone translation services to communicate with patients who do not speak English.

The Trust has an Equality Impact Assessment toolkit, which is built into the Trust's business planning process, to ensure

that equality and diversity issues are considered when making service changes.

There are two sub-committees of the Council of Governors that help to identify quality issues and prioritise and, in some cases, improve services. The Membership Sub-Committee focuses on not only increasing our membership but also engaging with and gaining feedback from our members.

The Council of Governors Quality Sub-Committee has a specific remit to help identify priorities for quality and advise us on the content and focus of the Quality Report and quality improvement plan.

Governors regularly feed back on experiences they have heard of as part of their role, and indeed, their own experiences where relevant. This committee identified concerns with medicines and as a result a meeting was held with governors, a representative from the Kensington and Chelsea Local Involvement Network (K&C LINK) and pharmacy staff to discuss medicines management issues.

Priority areas for improvement were agreed to be to reduce the wait for discharge medicines and to improve the way in which information about medicines and their side effects is provided. This group will continue to meet.

Other sources of patient feedback include the annual national inpatient survey, the Patient Experience Tracker

(PET) which enables patients to give instant feedback, complaints and incidents.

Our patient experience strategy was developed based on these various sources of feedback and this is reflected in our patient experience priority. There is consistency in issues raised. For example, the issues identified in the national inpatient survey 2010 mirrored the key areas highlighted by feedback such as the need for improvement in communication, maintaining privacy and dignity, information about medicines and discharge.

We have considered the various sources of feedback and have continually tested our proposals for the priorities, local indicators and other content of the quality report, with our staff and stakeholders to get agreement.

We have ensured that the key issues have been addressed in our Quality Report and in our plans for 2011/12.

## Performance indicators

### Performance against local quality performance indicators 2010/11

The following table outlines performance against indicators for 2010/11 and includes new indicators selected by our stakeholders for monitoring in 2011/12.

Subject	2008/09	2009/10	Target 2010/11	Performance 2010/11	Target 2011/12	Comment
<b>Patient Safety</b>						
MRSA bacteraemia cases	5	10	6	6	6	The figures have been updated to reflect the Monitor target. Last year's report target was incorrectly stated at 3.
<i>Clostridium difficile</i> cases	41	32	100	73	31	The Trust has introduced a best practice testing regime which is far more sensitive than the previous testing regime. The impact of this testing was felt in 2010/11 with <i>Clostridium difficile</i> numbers reported at 73 compared to 32 in 2009/10. The Trust's infection control policies did not change so we are confident it is the test and not our practice which caused the increase.
Hand hygiene audit completion rates	57.7%	71%	90%	89%	100%	Although we did not meet the target we have improved steadily throughout the year and are confident we will meet our new target for 2011/12.
Hand hygiene compliance rates	77%	80%	90%	85%	90%	Although we did not meet the target we have improved steadily throughout the year and are confident we will meet our new target for 2011/12.
Patient falls resulting in moderate or major harm	14	12	9	7	7	We will continue to seek to reduce falls resulting in moderate or severe harm but will focus this year on all falls and will measure falls per 1,000 occupied bed days. Our initial work will be to confirm the accuracy of the data for 2010/11. We will then set ourselves a target to improve our incident reporting rate and reduce our percentage of falls causing harm. Local data collection.
Incident reporting rate	6.6%	7.1%	8%	7.09%	8%	April to September data for 2010 from the National Reporting and Learning System. We plan to introduce a campaign to increase incident reporting to achieve our target.
Never Events	0	0	0	0	0	Data from local incident reporting system.
% of observation charts completed accurately	56.3	68 (Nov 2009)	80%	81%	85%	Local data collection.
Resuscitation calls due to failure to escalate						New target—baseline being established. Replaces number of cardiac arrests as is more specific. Local data collection based on 'Safety First' definitions.
% patients with International Normalised Ratio (INR) less than 5	No data	97.7% (Aug-Dec 2010)	At least 96%	97.48%	96%	Locally collected data. INR is a measure of the ability of the blood to clot. (The target of 86% for 2010/11 in 2009/10 report was an error)

Subject	2008/09	2009/10	Target 2010/11	Performance 2010/11	Target 2011/12	Comment
<b>Clinical Effectiveness</b>						
Mortality (HSMR)	86.2	80.8	76.8	75.8% (taken from Dr Foster Apr 2010–Jan 2011)		A new target will be set using the new indicator—the Summary Hospital-Level Mortality Indicator (SHMI)
% of patients with a catheter	28	17	12.5	13.8%	12.5	Average based on monthly point prevalence studies from November 2010–March 2011. Locally collected data. The number of urinary catheter days has been removed as an indicator as the resource required for the data collection was felt to be out of proportion to the benefits and this was not a nationally recognised indicator which made benchmarking difficult.
% urgent surgery cases operated on within 24 hours of booking		93.5% (avg of Dec 2009 and Mar 2009 data)	100%	99% (average of Nov 2010–Mar 2011 data)	100%	Quality priority. Locally collected data.
% expedited surgery cases operated on within 4 days of booking		93.5% (avg of Dec 2009 and Mar 2009 data)	100%	95% (Average of Nov 2010–Mar 2011 data)	100%	Quality priority. Locally collected data.
Central line continuing care—compliance with Care bundles					90%	See glossary for more information. Setting a trajectory target of 90% means that we will accept a minimum of 90% of the elements being performed every time for every patient. This is a new indicator. Local data collection.
Peripheral line continuing care—compliance with Care bundles					90%	See above.
Urinary catheters continuing care—compliance with Care bundles					90%	See above.
Ulcer prevalence (% of patients with pressure ulcers)	5.68	5.32	4	5.05% (Mar 2011)	NA	Historically, we have focused on reducing the prevalence of pressure ulcers in inpatients—however, this includes both hospital acquired and community acquired pressure ulcers. We do not have control over the numbers of patients admitted with a pressure ulcer therefore for 2011/12 we will focus on reducing hospital acquired pressure ulcers as described below.
Numbers of pressure ulcers—grade 2				120	50% reduction	Performance 2010/11 is the number of incidents for Q2, Q3 and Q4 extrapolated to one year. Locally collected data.
Numbers of pressure ulcers—grades 3 and 4				58	25% reduction	Performance 2010/11 is the number of incidents for Q2, Q3 and Q4 extrapolated to one year. Locally collected data.
<b>Patient Experience</b>						
Patient Experience Tracker completion rate	n/a	75%	80%	53.46%	TBC	The current mechanism for real time feedback will be changed, partly to deal with the problem of poor completion rates; we will look at a range of methods for gaining feedback. We will be setting separate targets for inpatients and outpatients. Local data collection.
Patient Experience Tracker overall satisfaction scores for inpatients	n/a	85%	90%	91%	TBC	The current mechanism for real time feedback will be changed, partly to deal with the problem of poor completion rates; we will look at a range of methods for gaining feedback. We will be setting separate targets for inpatients and outpatients. Local data collection.
% of patients 'fit' for discharge waiting only for medicines					≤10%	New indicator so historical data is not available. Locally collected data.
Complaints and concerns for admissions and appointments	578	320	214	307		Our target was to reduce complaints and concerns by 30%. The data has been reviewed in detail to more accurately reflect the objective eg ensuring complaints are categorised correctly and from the correct area. As a result a new baseline has been set and this will continue to be reviewed in 2011/12. See below.
PEAT Scores	Excellent for food and environment. Good for privacy & dignity	Excellent for food, environment and privacy & dignity	Excellent for food, environment and privacy & dignity	Excellent for food, environment and privacy & dignity (formal confirmation awaited)	Excellent for food, environment and privacy & dignity	
Complaints responded to within target time (formal complaints responded to in 25 working days)	92%	83%	90%	82.54%	90%	Locally collected data.
Percentage of complaints re-opened		10	n/a	9	8	New indicator. Locally collected data.

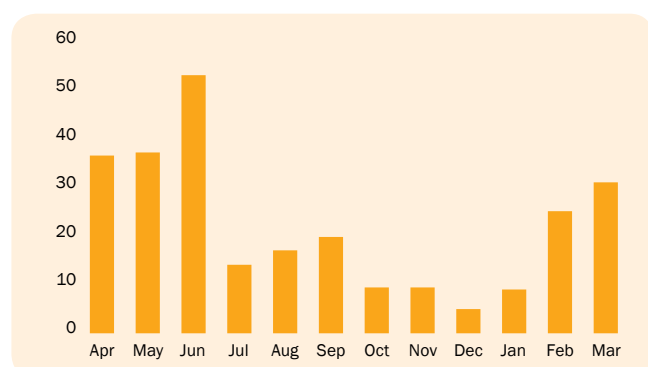
The data above is collected according to national definitions unless indicated otherwise.

## Complaints and concerns for admissions and appointments and focus on outpatients

There has been a steady month-on-month decrease in complaints and concerns received for appointments and admissions since April 2010 with the 30% target being met between Q1 and Q3.

The target was also met in Q4, with the exception of February and March 2011 when there was an unexpected rise in acute admissions resulting in the cancellation of several theatre lists and some surgical outpatient clinics.

### Number of complaints and concerns for appointments and admissions 2010/11



We have tackled specific issues raised in the complaints, for example one of the main sources of complaints was the amount of time patients have to wait for phone queries to be answered in the Appointments Office.

The average call response time has reduced from over 6 minutes to 1 minute and 50 seconds. This has been achieved by implementing new rotas which dedicate all staff in the office to the phones during the busiest periods.

## Outpatients

A restructure of nursing and administrative staff in outpatients has taken place in order to improve the quality of the service provided. New 'case manager' roles have been created in order to streamline the patient pathway and ensure that the patient has a point of contact throughout their care.

A new outpatients facility has been developed which has been designed with patient experience in mind. For example, the new department includes two treatment rooms which will support the development of more 'one-stop' services, reducing the number of visits that patients have to make to the hospital.

In order to reduce queuing and improve patient confidentiality we have implemented self check-in kiosks in our Lower Ground Floor Outpatients department, and plan to roll these out across the Trust. There is also now a coffee shop in the waiting area so patients can access refreshments while they wait.

## Performance against key national priorities 2010/11

The Trust met all the national priority targets tracked by Monitor, the independent regulator of Foundation Trusts.

Indicator Name	Target	2010/11 Performance
Incidence of <i>Clostridium difficile</i>	100	Achieved
Incidence of MRSA Bacteraemia	6	Achieved
18 Week Maximum Wait for Admitted Patients from Point of Referral to Treatment	90%	Achieved
18 Week Maximum Wait for Non Admitted Patients from Point of Referral to Treatment	95%	Achieved
Max time in A&E of 4 hours from arrival to admission, transfer or discharge	98%	Achieved
People suffering heart attack to receive Thrombolysis within 60 mins of call	n/a	n/a
All Cancer Two Week Wait	93%	Achieved
Two Week Wait for Symptomatic Breast Patients (Cancer Not initially Suspected)	n/a	n/a
31-Day (Diagnosis To Treatment) Wait For First Treatment: All Cancers	96%	Achieved
31-Day Wait For Second Or Subsequent Treatment: Surgery	94%	Achieved
31-Day Wait For Second Or Subsequent Treatment: Anti Cancer Drug Treatments	98%	Achieved
31-Day Wait For Second Or Subsequent Treatment: Radiotherapy Treatments	n/a	n/a
62-Day (Urgent GP Referral To Treatment) Wait For First Treatment: All Cancers	85%	Achieved
62-Day Consultant Upgrade Wait For First Treatment: All Cancers	85%	Achieved
62-Day Wait For First Treatment From Consultant Screening Service Referral: All Cancers	n/a	n/a
Access to genito-urinary medicine clinics (48 hours)	98%	Achieved
Outpatients waiting longer than the 13 week standard	0.03%	Achieved
Inpatients waiting longer than the 26 week standard	0.03%	Achieved
Revascularisation waiting times (13 weeks)	n/a	n/a
Cancelled operations by the hospital for non-clinical reasons on the day of or after admission	≤0.8%	Achieved
Cancelled operations by the hospital for non-clinical reasons on the day of or after admission, who were not treated within 28 days	≤5%	Achieved
Delayed transfers of care	3.5%	Achieved



## Embedding Quality—Workforce factors

The NHS Constitution is integral to the Trust's workforce strategy. The Trust recognises that the four staff pledges identified in the NHS Constitution will help create and maintain a highly skilled and motivated workforce capable of meeting the Trust's corporate objective of improving the patient experience.

### **Pledge 1: Provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference to patients, their families and carers and communities.**

All staff should have an annual appraisal and personal development plan based on their objectives (which fit within directorate and departmental objectives)—the 2010 staff survey showed that 75% of staff had an appraisal in the past 12 months.

### **Pledge 2: Provide all staff with personal development, access to appropriate training for their jobs and line management support to succeed.**

The Trust runs more than 100 different learning courses and has a well-established first line management leadership course which includes a theme of managing quality. All new staff attend the Trust's corporate induction and our Chief Executive leads a session explaining the Trust's objectives, our approach to quality and what role staff can play in this. Evaluations of all nursing and 'professions allied to medicine' student placements are carried out by our educational partners and results are fed back to the Trust via the programme and academic boards of the various universities at the end of each academic year. This feedback is then reviewed, necessary actions taken, and ideas for further development agreed. Evaluations of non-medical placements are consistently good.

### **Pledge 3: Provide support and opportunities for staff to maintain their health, well-being and safety.**

Staff wellbeing is a priority for the Trust. We run regular health and wellbeing events for staff which include Mini Health MOTs, weekly subsidised yoga classes, and we have also improved facilities for staff who cycle to work.

Access to fast-track musculoskeletal physiotherapy services and specialist counselling and advisory services are provided for staff.

Stress management courses have been trialled in areas where levels of stress reported in the national staff survey are highest.

Sickness absence levels remain low (under 3.5%) and our staff engagement, as reported in the national staff survey, is in the top 20% of all acute Trusts. The Trust won the 'Most Effective Benefits Strategy' category of the HR Excellence Awards 2010 and was named as the best NHS employer in the Top Employers for Working Families Awards 2010.

### **Pledge 4: Engage staff in decisions that affect them and the services they provide, individually, through representative organisations and through local partnership working arrangements. All staff will be empowered to put forward ways to deliver better and safer services for patients and their families.**

The Trust has developed a culture centred on quality. We have well-established methods of staff engagement including joint consultative frameworks and rigorous methods of communication, and the 2010 staff survey confirms that we have the best communication between senior management and staff of any Association of UK University Hospitals Trust.

## Leadership

Our organisational restructure, which increased clinical leadership, accountability, and shared responsibility with managers for delivery of services, is now well embedded.

## Empowering staff

In recognition of the financial situation facing the Trust and the country, we have taken a strategic approach to the need to make savings, maintain and improve quality and communicate and engage with staff.

We have used a range of internal communications tools and tactics to:

- Provide opportunities for face-to-face communication with the Executive team eg the Executive team are allocated specific areas of the Trust each month to visit as 'designated directors'. The Chief Executive holds a monthly face-to-face Team Briefing for all staff and also held staff open forums about key strategic challenges facing the Trust.
- Consult staff on key decisions that have a major impact on services for patients eg the closure of a medical ward, and a review of how outpatient services are staffed and provided. With outpatients, listening to and responding to the concerns of staff led to many changes from the original proposal.
- Encourage senior clinicians and managers to take responsibility for internal communications and promote a culture of open, honest and transparent communication through a wide range of communication methods eg a monthly Team Briefing, monthly Trust News staff magazine, Daily Noticeboard email bulletin, weekly e-newsletters for specific initiatives such as *Fit for the Future*, and our Intranet.
- Create opportunities to celebrate the achievements of staff eg the quarterly Quality Awards recognise the contributions that individuals or teams of staff make to improving the quality of patient care.

The Trust has been shortlisted in the Internal Communications category of the HR Excellence Awards 2011. In addition in the 2010 NHS Staff Survey, published by the Care Quality Commission in March 2011, staff engagement at Chelsea and Westminster was rated as the best of any Association of UK University Hospitals Trust.

## Our environment

Chelsea and Westminster is a modern, well-designed hospital which provides a high quality environment for patients and staff.

The Trust has a multi-million pound investment programme to maintain and improve the hospital environment:

- Our new Outpatients department on the Lower Ground Floor opened to patients in January 2011 with a new escalator from the Ground Floor to improve access
- In early 2012 the Netherton Grove extension is due to open to patients to provide services to children and patients living with HIV and cancer services

Although the more extensive refurbishment schemes give us an opportunity to achieve big steps forward, we also recognise that smaller changes can have a major impact, for example we have started to replace sections of worn flooring throughout the hospital.

Similarly, all bathrooms within our maternity wards will be refurbished, the Ground Floor public toilets and baby-change room will be updated by summer 2011 and a programme to update facilities in other wards will continue throughout 2011/12.

In order to maintain consistently high performance, the Trust runs internal PEAT visits on a regular basis involving clinical and non-clinical staff as well as patient representatives. These visits monitor cleanliness, patient dignity and food quality against the national PEAT standards and the results are reported quarterly to the Trust's PEAT Steering Group which is chaired by the Chief Nurse.

Additionally, all areas within the hospital are audited jointly on a monthly basis, with representatives from the Trust and the Trust's Facilities contractor reviewing and scoring

the quality of the patient environment in clinical areas. Our internal target is that 90% of all clinical areas are jointly audited and performance is reported to the monthly PEAT Committee and the quarterly Facilities Committee.

## Quality and the business strategy

A commitment to quality and patient-centred services is at the heart of what we do as an organisation. To ensure that our commitment to quality was embedded throughout the organisation in 2010/11 the Board explicitly set corporate objectives that reflected the quality imperative.

For the 2011/12 financial year, the Trust Board has underlined its commitment to quality by maintaining the four corporate objectives from 2010/11.

These corporate objectives are the basis for Divisional and departmental objectives which relate these core themes to specific plans and targets to ensure that there is alignment of objectives throughout the organisation so that quality is embedded in everything we do.

We are committed to meeting the challenge of delivering quality while delivering efficiency cost savings of around 10% a year and have taken a strategic approach. This includes investing in our infrastructure to ensure carbon efficiency, the development of electronic document management to improve the patient experience, clinical effectiveness and safety, and reduce administrative costs, and looking at shared 'back room' services with our neighbouring trusts. This is underpinned by a strong focus on maintaining the commitment and motivation of our staff.

## Feedback on our Quality Report

Readers of our report are welcome to provide feedback on this report and make suggestions for future reports. Please contact Catherine Mooney (Director of Governance and Corporate Affairs) at [cathy.mooney@chelwest.nhs.uk](mailto:cathy.mooney@chelwest.nhs.uk).

# Annex 1: Glossary

Abbreviation	Meaning/definition
CABG	Coronary Artery Bypass Graft
Care Bundle—central line continuing care, peripheral line continuing care and urinary catheters.	A care bundle is the end result of an extensive review of the literature which identifies the key elements/aspects/ intervention of care which, in these care bundles, prevent infections. If all elements are performed, the risk of infection is minimised. If not all elements are performed the risk of infection increases.
Care bundle—ventilator associated pneumonia	As described above, a care bundle is a way of ensuring that recommended evidence based clinical care for patients is actually delivered. The ventilator care bundle is made up of 4 elements, to nurse the patient at 30° head up to prevent gastro-oesophageal reflux, to give preventative treatment for stomach ulcers, to give preventative treatment for clots and to stop sedatives for a period of time daily which reduces the length of stay in the Intensive Care Unit.
CEM	College of Emergency Medicine
CEMACE	Centre for Maternal & Child Enquiries
CLAHRC	Collaboration for Leadership in Applied Health Research and Care
Clinical Coding	Clinical Coding is the translation of medical terminology as written by the clinician to describe a patient's complaint, problem, diagnosis, treatment or reason for seeking medical attention, into a coded format.
COPD	Chronic Obstructive Pulmonary Disease
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
DVT	Deep Vein Thrombosis

Abbreviation	Meaning/definition
Enhanced recovery programme	The enhanced recovery programme is about improving patient outcomes and speeding up a patient's recovery after surgery. One of the outcomes is reduced length of stay. There are four elements to the enhanced recovery programme which include pre-operative assessment, planning and preparation before admission, reducing the physical stress of the operation, a structured approach to management of the patient including pain relief, during and after the operation and early mobilisation (getting up and about).
ENT	Ear, Nose and Throat
HIEC	Health Innovation and Education Cluster
HSMR	Hospital Standardised Mortality Ratio
ICNARC CMP	Intensive Care National Audit & Research Centre—Case Mix Programme
ICU	Intensive Care Unit
IHI Global Trigger Tool	An international tool developed by the Institute for Health Improvement which uses triggers or clues to identify adverse events/incidents and is effective for measuring the overall level of harm in a healthcare organisation
INR	International Normalised Ratio
LINK	Kensington and Chelsea Local Involvement Network
LUCADA	National Lung Cancer Audit
MINAP	Myocardial Ischaemia National Audit Project
NBOCAP	National Bowel Cancer Audit Programme
NCEPOD	National Confidential Enquiries into Patient Outcome and Death
Never Events	Serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented
NHFD	National Hip Fracture Database
NIHR	National Institute of Health Research
NLCA	National Lung Cancer Audit
NNAP	National Neonatal Audit Programme
NOF	Neck and Femur
PbR	Payment by Results
PE	Pulmonary Embolism
PEAT	Patient Environment Action Team
PICANET	Paediatric Intensive Care Network
Picis	Electronic theatre booking system
PET	Patient Experience Tracker
PROMS	Patient Reported Outcomes Measures
Proton Pump Inhibitors	Drugs that reduce the secretion of gastric (stomach) acid
Q1 or Quarter 1	The period April to June 2010
Q2 or Quarter 2	The period July to September 2010
Q3 or Quarter 3	The period October to December 2010
Q4 or Quarter 4	The period January to March 2011
RCOG	Royal College of Obstetricians and Gynaecologists
RCP	Royal College of Physicians
Referral to Treatment time	18 week referral to treatment (RTT) time—the part of a patient's care following initial referral, usually an outpatient referral, which initiates a clock start, leading up to the start of first definitive treatment or other stop point. The target is to meet this within 18 weeks for the majority of patients.
Revascularisation waiting times	The length of time a patient waits before having a surgical procedure for the provision of a new, additional, or augmented blood supply to a body part or organ
Service Line Management	Service Line Management (SLM) identifies specialist clinical areas and manages them as distinct operational units. It enables NHS foundation trusts to understand their performance and organise their services in a way which benefits patients and delivers efficiencies for the trust. SLM also provides a structure within which clinicians can take the lead on service development, resulting in better patient care.
SHMI	Summary Hospital-Level Mortality Indicator—a new indicator for mortality which is due to be made available in 2011
SINAP	Stroke Improvement National Audit Programme
SUS	Secondary Uses Service—provides anonymous patient-based information for purposes other than direct clinical care such as healthcare planning, commissioning, public health, clinical audit and governance, benchmarking, performance improvement, medical research and national policy development
TARN	Trauma Audit & Research Network
TFI	Training for Innovation
VTE	Venous thromboembolism—the collective term for deep vein thrombosis (DVT) and pulmonary embolism (PE)

## Annex 2: Statements from key stakeholders

### Statement from Inner North West London PCTs re. Chelsea and Westminster Quality Accounts 2010/11

Inner North West London (INWL) Primary Care Trusts (PCTs) have reviewed Chelsea and Westminster Hospital NHS Foundation Trust's ("the Trust") Quality Account (QA) report for 2010/11. The Trust presented its QA proposal and improvement areas for 2011/12 to representatives of INWL sub-cluster PCTs in May 2011. The Trust's QA was reviewed by the INWL Executive Management Team, which included GP Consortia representation.

INWL PCTs can confirm that, in their view, the QA complies with the guidelines and demonstrates progress against some key measures of performance and previous areas of concern, such as hand hygiene compliance rates and patient falls.

The PCTs monitor the performance and the quality of services routinely each month with the Trust. The PCTs can confirm that, to the best of our knowledge, the Trust's QA 2010/11 contains accurate information in relation to the services provided.

The Trust has set their priorities in line with national priorities, taking account of local feedback and intelligence to ensure that the priorities are meaningful to the patients using their services. This approach to setting priorities is commended by the INWL PCTs and we are happy to endorse the targets that have been set.

The monitoring of each of the priorities is deemed to be set at appropriately timed intervals for each specific priority, allowing a timely response to address issues that may cause the target to be missed. It is also welcome that there are consistent committees to oversee the progress of all of the priorities.

Venous thromboembolism (VTE) remains a priority for the Trust and it is good to see a development from the previous year's initiatives to now include an audit of hospital acquired VTE followed by root cause analysis for patients that did not receive preventative treatment. This continuous review and learning from cases will help to lead to no hospital acquired preventable VTE.

The continued inclusion of patient experience as a priority, as well as the involvement of patients and stakeholders in the development of this priority, is encouraging. INWL PCTs look forward to being involved in the target setting for the 'campaigns for action' for communication, discharge and care of the older person.

The development of the emergency surgery priority by reviewing feedback from staff and patients has focused this priority to not only improve effectiveness but also improve patient experience. This multi-layered approach to this priority should improve patients' overall experience of the Trust's emergency surgery service and is commended.

It is encouraging seeing the inclusion of the new priority for staff engagement and staff appraisals as well as linking this as an important factor towards improving the quality of patient care provided. The wide-ranging action plan to improve performance against this priority coupled with strong leadership should see improvement.

The actions to improve data quality are focused and targeted towards problem areas. The development and leadership of the Trust's Data Quality Group will be critical to the success of improvement of quality throughout the Trust's services. The actions to improve data quality should ensure that it is seen as an integral part of improving clinical effectiveness.

The Trust has made good progress towards ambitious targets for patient safety, clinical effectiveness and patient experience and in some cases exceeded those targets. However, the Trust has notably not met their Patient Experience Tracker completion rate target. This target has significantly lower attainment compared to last year. Completion rates for the Patient Experience Tracker need to significantly increase to ensure validity of responses received and in order to monitor priority two effectively. Action plans for unattained targets within the QA report have provided assurance for future success.

The PCTs has noted the apparent deterioration of performance on *C.difficile* set in the context of the Trust introducing a new test for *C.difficile* which was far more sensitive and so picked up more cases. Otherwise, the Trust's general continued improving clinical outcomes shows real commitment and is demonstrated by achieving or exceeding all national targets as tracked by Monitor.

Overall, the Trust has improved quality in many ways during 2010/11 and has plans for further improvement during 2011/12. Developed focus on priority areas of patient safety, clinical effectiveness and patient experience will continue to benefit patients accessing the Trust's services.

### Kensington and Chelsea Local Involvement Network (K&C LINK) response to the Chelsea and Westminster Hospital Quality Account 2010/11

Kensington and Chelsea Local Involvement Network (K&C LINK) welcomes the opportunity to comment on the Chelsea and Westminster Hospital NHS Foundation Trust Quality Account (QA) 2010/11.

K&C LINK is pleased to have developed a strong working relationship with the Trust over 2010/11 and would like to commend the hospital on their integrated approach to engagement on QAs locally. We are also delighted to note that previous concerns in relation to nutrition and pharmacy services are being addressed and we look forward to being informed of how these priorities develop over the course of 2011/12.

The LINK has raised points for clarification separately and we welcome the helpful feedback provided on:

1. The outpatient experience
2. The Appointments Office
3. Complaints and the quality process

We would welcome further information on:

- Trust compliance with same sex accommodation standards for patients



- The LINK was disappointed to note the PET satisfaction rate is 53% and that there appears to be a considerable variance between Picker and in-house scores. We would welcome updates from the Trust on the cause(s) for this discrepancy.

The K&C LINK is pleased to note the emergency surgery improvements and that reception and healthcare assistant teams will be merged to provide an improved service to patients.

Considering performance in 2010/11, the emphasis on dignity in care and discharge in 2011/12 is positive and mirrors our own LINK priorities. Our Dignity Champions look forward to visiting the hospital wards again this year and working in partnership with the Foundation Trust on a comparative study of discharge practices at local hospitals in the coming months.

Overall, our members have found Council of Governors meetings and the sub-committees most welcoming and informative. We look forward to further involvement on quality and patient experience in 2011/12.

## Royal Borough of Kensington and Chelsea Health, Environmental Health and Adult Social Care Scrutiny Committee (HEHASC SC) consultation on the Trust's Quality Account 2010/11

### Introduction

As Chairman of this Council's Health, Environmental Health and Adult Social Care Scrutiny Committee, I welcome the opportunity to comment on Chelsea and Westminster Hospital NHS Foundation Trust's Quality Account 2010/2011.

The Scrutiny Committee (HEHASC SC) and the Council both have good working relationships with Chelsea and Westminster Hospital NHS Foundation Trust.

### Comments

The financial outlook for NHS provider trusts in North West London is considered to be a matter of concern. The NHS in North West London needs to close a projected £1,014m funding gap between available resources and "doing nothing" by 2014/15.<sup>1</sup> "£0.7bn of the funding gap should be realised from real terms cuts in prices paid to providers (eg national tariff), leaving £0.3bn to be found through Commissioners managing demand and commissioning different care pathways."<sup>2</sup> The cash pressure could lead to cuts to patient care. The Trust is to be supported in its efforts to make efficiency savings without loss of service.

Chelsea and Westminster Hospital NHS Foundation Trust is a high performing organisation. For example, the hospital was rated "excellent" for Environment, Food and Privacy & Dignity in the Patient Environment Action Team Assessment

2010. In the Dr Foster Hospital Guide 2010, the Trust had lower than expected mortality rates after surgery among patients who had secondary diagnosis such as internal bleeding, pneumonia or a blood clot.

Whatever the future may bring for the rationalisation of services in North West London, there should be a strong place for Chelsea and Westminster Hospital NHS Foundation Trust. Chelsea and Westminster Hospital already provides specialist services in paediatric surgery; burns; maternity; and HIV and sexual health.

The Scrutiny Committee have previously expressed concern as to how the Chelsea and Westminster Hospital NHS Foundation Trust fits with the long-term plans of Imperial College Healthcare NHS Trust. The situation regarding how this is developing remains unclear.

When considering changes to paediatric services at Royal Brompton & Harefield, the knock-on effects at Chelsea and Westminster Hospital NHS Foundation Trust need to be borne in mind. The Scrutiny Committee will be responding to the relevant public consultation accordingly.

We would encourage Chelsea and Westminster Hospital NHS Foundation Trust to be fully involved in the health-promoting strategies in the Royal Borough of Kensington and Chelsea. For example, the public health strategy "Choosing Good Health—Together" and the Community Strategy. More could be said in the Quality Account on how the proposed actions of the Trust align with major public health campaigns.

It is disappointing that patient scores have not improved in the Inpatient Survey for 2010, as stated on page 19 of the Quality Account.

It is pleasing that the NHS staff survey 2010<sup>3</sup> figure shows that Chelsea and Westminster Hospital NHS Foundation Trust compares well with other acute trusts on an overall indicator of staff engagement. The Trust scored 3.74 which was in the highest (best) 20% when compared with trusts of a similar type.

It is noted that on one page, the target for MRSA bacteraemia cases in 10/11 is 3, while on another it is 6.

On page 32 and 34, the target for *Clostridium Difficile* cases in 10/11 is 100 cases—this seems a high target given the previous year's performance. It is noted that the number of cases of *Clostridium Difficile* at Chelsea and Westminster was 41 in 08/09, 32 in 09/10 and has risen to 73 in 10/11. The *Clostridium Difficile* rate per 10,000 occupied bed days was 4.8 for Chelsea and Westminster this year. This does not compare well to similar London trusts (eg Barts & the London—4.8; Imperial College Healthcare—3.9; King's College—3.8; Guy's & St Thomas—3.1; Royal Free—2.8; UCL—2.7; St George's—2.3; Overall—3.2).

There needs to be consistency in the use of the % sign within the tables on p34.

<sup>1</sup> This scenario, that uses assumptions reflecting local circumstances, is on page 37 of "North West London Strategic Commissioning and QIPP Plan 2014/15 (15 December 2010)" [http://hillingdonlink.org.uk/wp-content/uploads/2010/12/NWL-Approved-Strategic-Commissioning-and-QIPP-Plan-2011\\_14-Main-Document-20101215-FINAL.pdf](http://hillingdonlink.org.uk/wp-content/uploads/2010/12/NWL-Approved-Strategic-Commissioning-and-QIPP-Plan-2011_14-Main-Document-20101215-FINAL.pdf)

<sup>2</sup> NHS Kensington and Chelsea's Draft QIPP plan 2011/12 <http://www.kensingtonandchelsea.nhs.uk/media/78327/2.1-qipp-plan2011-12.pdf>

<sup>3</sup> NHS staff survey 2010: <http://www.info4local.gov.uk/filter/?item=1865835>

In the interests of transparency and accountability, the Trust is encouraged to hold its Board of Directors meetings in public and make all papers available, where the issue of confidentiality does not necessitate otherwise.

It is pleasing that Chelsea and Westminster Hospital NHS Foundation Trust did not breach its 3.5% private income cap this year, as reported in the HSJ (27 April)<sup>4</sup>.

It has been somewhat of a challenge to make a meaningful response to the draft Quality Account. The Trust needs to pay due attention to how readable and accessible its Quality Account is. For example, it is difficult to analyse these Quality Accounts, as much information is not included (eg data comparisons over a long timeframe to show the ups and downs of performance).

Input from local involvement networks (LINKs) and Health overview and scrutiny committees should be sought as early as possible. Further engagement with the Trust on its Quality Account over the course of the year would be welcomed, so that the process does not become only an annual consultation response but an ongoing dialogue.

Overall, the progress the Trust has made over the last year is to be welcomed, and the HEHASC SC will look forward to being informed of how the priorities outlined in the Quality Account are implemented over the course of 2011/12.

Councillor Mary Weale  
Chairman of the Health, Environmental Health and Adult Social Care Scrutiny Committee  
Royal Borough of Kensington and Chelsea

## Trust Response

The Trust is grateful for the support from the Royal Borough of Kensington and Chelsea Council's Health, Environmental Health and Adult Social Care Scrutiny Committee.

Please note that page numbers in the statement above have been amended to reflect the final report.

The Trust welcomes the opportunity to clarify the MRSA bacteraemia target which is 6 (see page 32). The Clostridium Difficile target is set by the Department of Health. We introduced a best practice testing regime which is far more sensitive than the previous testing regime. The impact of this testing was felt in 2010/11 with *C.difficile* numbers reported at 73 compared to 32 in 2009/10. The Trust's infection control policies did not change so we are confident it is the test and not our practice which caused the increase. Our performance compared with our peers can be affected by the test that is used.

The performance indicator table has been amended and has been completed with the historical data that is available. It is planned that this will increase with time.

The focus of Imperial College Healthcare NHS Trust is on becoming a Foundation Trust and as a well established Foundation Trust, we are committed to helping them with their solution. As Imperial College London is now separate from Imperial College Healthcare we have been able to make good progress on academic issues.

We note the other comments and will consider this year and in preparation for the next Quality Report.

<sup>4</sup> HSJ: Chelsea and Westminster risked breaching private income cap <http://www.hsj.co.uk/hsj-local/acute-trusts/chelsea-and-westminster-hospital-nhs-foundation-trust/chelsea-and-westminster-risked-breaching-private-income-cap/5029187.article>



Chelsea and Westminster Hospital





Prime Minister David Cameron walks through the new Lower Ground Floor Outpatients Department with Charmaine Robinson (Senior Staff Nurse) and Heather Lawrence (Chief Executive) during a visit to the hospital for a 'listening exercise' with staff in May 2011



Deputy Prime Minister Nick Clegg chats to a patient on the Stroke Unit during a visit to the hospital for a 'listening exercise' with patients in April 2011

# Performance Report



Parents James and Emma Pearce with baby Oscar on the Maternity Unit

## Key facts

There was increased demand for Trust services in 2010/11:

### Number of patients treated

	2010/11	2009/10	2008/09	2007/08
Inpatients	46,863	38,751	37,644	36,729
Outpatients <sup>1</sup>	176,303	160,327	148,941	140,506
Day cases	21,974	17,790	16,821	15,962
A&E + UCC <sup>2</sup>	108,010	100,905	97,640	97,685
<b>Total</b>	<b>353,150</b>	<b>317,773</b>	<b>301,046</b>	<b>290,882</b>

<sup>1</sup> Number of individual patients treated as outpatients not number of attendances in Outpatients (eg if an individual patient attended Outpatients on eight separate occasions, this is counted as one patient and not eight attendances)

<sup>2</sup> Combined A&E and UCC figure applies to 2010/11 only as the Urgent Care Centre (UCC) opened to adult patients in October 2010—it is a 'walk-in' service, developed with GPs, for patients who come to A&E with minor illnesses and injuries that require attention but are not critical or life-threatening

In particular, there was increased demand for our specialist services:

- 5,738 deliveries in Maternity in 2010/11, compared with 5,497 in 2009/10, 5,311 in 2008/09 and 5,177 in 2007/08—these figures include both NHS and Private Maternity Unit deliveries

- 74,876 children treated in 2010/11 as inpatients, outpatients, in Paediatric A&E or as day case patients, compared with 70,357 in 2009/10, 65,668 in 2008/09 and 63,690 in 2007/08

- 6,623 people living with HIV on our caseload in 2010/11, compared with 6,005 in 2009/10, 5,481 in 2008/09 and 5,444 in 2007/08

There were also high levels of satisfaction with Trust services:

- 89% of patients rated their care at Chelsea and Westminster as 'Excellent', 'Very good' or 'Good' in the annual NHS inpatient survey 2010
- 95% of women said their care at Chelsea and Westminster was 'Excellent', 'Very good' or 'Good' in the Care Quality Commission's national survey of women's experiences of maternity services
- 95% of children and young people aged 8–17 and 94% of parents of children aged 0–7 rated their care at Chelsea and Westminster as 'Excellent', 'Very good' or 'Good' in the Care Quality Commission's national survey of paediatric inpatients
- Chelsea and Westminster was named as one of only two NHS trusts nationally with a significantly lower than expected mortality rate after surgery in the Dr Foster Hospital Guide 2010
- For the second year running, standards of hospital hygiene (environment), privacy and dignity, and food were all rated 'Excellent' in the National Patient Safety Agency's Patient Environment Action Team (PEAT) assessment 2011



# Principal activities of the Trust

The Trust is a Central London teaching hospital providing specialist services in a range of specialties including Paediatrics, HIV & Sexual Health and Burns, general hospital services to the local population, and an increasing number of services in community settings closer to where patients live.

Chelsea and Westminster is a campus of Imperial College London School of Medicine.

Most services are provided at Chelsea and Westminster Hospital but HIV and sexual health services are provided at the St Stephen's Centre next to the main hospital building, 56 Dean Street in Soho, and the West London Centre for Sexual Health at Charing Cross Hospital.

Community-based services include gynaecology and dermatology clinics in Westminster, Kensington and Chelsea, and Richmond. A mobile community health clinic ('The Bus') provides services across a range of specialties in such diverse settings as Westfield shopping centre, the Gay Pride festival and Shepherd's Bush Market.

Clinical services are divided into three Divisions, each led by a Divisional Clinical Director and a Divisional Director of Operations.

Facilities services are contracted out to ISS Mediclean and Norland Managed Services.

## Review of financial performance

The Trust has taken a strategic approach to delivering significant cost savings which has helped to ensure financial stability. The Trust delivered 10% cost savings in 2010/11.

A key component of this success has been the Trust's recognition at Executive level of the importance of communication with staff about the challenges facing the Trust.

Two ongoing internal communications campaigns have been used to ensure that staff are well informed—*Fit for the Future* about the need for 10% cost savings in 2010/11 and 9%

cost savings in 2011/12 and *Putting Patients First* about investment in a major redevelopment of the hospital to improve services.

In 2010/11 the Trust's financial performance was given a financial risk rating of 5 out of 5 by Monitor, where 5 is 'low risk', and delivered a surplus of £13.8 million which was ahead of the planned surplus of £12.4 million.

The Trust's annual income and expenditure performance is set out in the following table.

### Summary 2010/11 Income and Expenditure Outturn vs Plan (£m)

	Plan 2010/11	Actual 2010/11	Variance 2010/11
<b>income</b>			
Clinical income	279.4	287.7	8.3
Non-clinical income	41.5	44.1	2.6
<b>Total income</b>	<b>320.9</b>	<b>331.8</b>	<b>10.9</b>
<b>Expenses</b>			
Pay costs	(165.0)	(165.0)	0
Non-pay costs	(125.0)	(135.2)	(10.2)
<b>Total expenses</b>	<b>(290.0)</b>	<b>(300.2)</b>	<b>(10.2)</b>
<b>EBITDA</b>	<b>30.9</b>	<b>31.6</b>	<b>0.7</b>
Depreciation	(9.2)	(8.5)	0.7
Dividend on PDC	(8.6)	(8.9)	(0.3)
Interest	(0.7)	(0.3)	0.4
Loss on disposal of asset	–	(0.1)	(0.1)
<b>Net surplus</b>	<b>12.4</b>	<b>13.8</b>	<b>1.4</b>
<b>Cost Improvement Programme (CIP)</b>	<b>22.6</b>	<b>22.6</b>	<b>0</b>

# Key variances from plan in 2010/11

1. Clinical income was £8.3 million above plan due to increased levels of clinical activity across most specialties and the lower than expected impact of our commissioners' demand management schemes.
2. Non-clinical income was £2.6 million above plan due to increased income relating to education and training activities.
3. Pay costs were in line with plan. This was as a result of pay controls implemented in 2009/10 which allowed the Trust to actively manage levels of temporary staffing in line with service/activity requirements.
4. Non-pay costs were £10.2 million higher than plan due to increased costs of drugs and other clinical supplies as a result of income generating clinical activity and increased provisions for potential bad debts.
5. Depreciation was £0.7 million lower than plan due to slippage in the delivery of the Trust's capital investment programme.
6. Dividend on PDC was £0.3 million higher than plan due to a revaluation of Trust buildings in line with independent valuations.
7. Net interest received was £0.4 million lower than plan due to the Trust delaying drawdown of planned finance for its capital expenditure programme.

## Review of non-financial performance

The Trust performed well in all areas of non-financial performance measured as part of Monitor's 2010/11 compliance framework.

The Care Quality Commission ceased to publish NHS performance ratings for 'Quality of Services' in 2011/12—the Trust was rated 'Excellent' in 2009/10—but instead published Quality and Risk Profiles (QRPs) for each NHS organisation in order to track compliance with essential standards of care.

The QRP included risk ratings of Green (better than expected), Neutral (similar to expected), Amber (tending towards worse than expected) and Red (worse than expected) against each of a maximum of 21 outcomes.

Green represented the lowest risk of non-compliance and Red represented the highest risk of non-compliance.

The Trust was rated either Green or Neutral for all the published outcome risk ratings which were grouped into the following five sections:

Section Summary of Underlying Outcomes	Risk Rating
Involvement and Information	Green
Personalised Care, Treatment and Support	Green
Safeguarding and Safety	Neutral
Suitability of Staffing	Neutral
Quality and Management	Green

The popularity of the Trust's services was confirmed by the results of the annual NHS inpatient survey 2010 which was published in April 2011—89% of patients rated our services as 'Excellent', 'Very good' or 'Good'.

## Developments since the end of 2010/11 financial year

### Integrated Care Pilot (ICP)

The Trust has committed itself to joining a pilot in North West London to deliver integrated care across the sector in the specialties of Diabetes and Care of the Elderly specialties.

The ICP involves primary care, community provision and acute providers working in a collaborative and integrated approach to improve patient care within the two specialties and realise efficiencies across the health system.

Significant joint work is underway to implement this large scale pilot in summer 2011 with extensive gains in new ways of working, more preventative care and reduced admissions to secondary care expected.

A comprehensive evaluation of the ICP will take place in May 2012 to formally assess its outcomes and benefits.

### Putting Patients First—redevelopment of Chelsea and Westminster Hospital

A £40 million redevelopment of the hospital aims to improve services for patients and secure our future as a specialist hospital. As part of the redevelopment, a number of outpatient services have moved to a new, modern Outpatients department on the Lower Ground Floor of the hospital.

This transfer of services was completed after the end of the 2010/11 financial year on 4 April 2011 when the specialties of General Surgery, Urology, Pain Management and Endocrinology moved into the new area to join the Diabetes service which moved in January 2011.

Prime Minister David Cameron and Deputy Prime Minister Nick Clegg both visited the new Outpatients department in April and May 2011 during official visits to the hospital

which included listening events on NHS modernisation for staff and patients respectively.

Also as part of the redevelopment of the hospital, an Urgent Care Centre (UCC) has been developed in partnership with local GPs to provide faster assessment in A&E and ensure that patients receive the right care in the right place.

The UCC, which is a 'walk-in' service for patients who come to A&E with minor illnesses and injuries that require attention but are not critical or life-threatening, opened to adult patients in October 2010 and was extended to care for children from April 2011.

## ***Fit for the Future***

In March 2010, the Trust launched a structured internal communications campaign called *Fit for the Future* with staff about why the Trust must maintain and improve the quality of patient care while delivering 10% cost savings (£22.6 million) in 2010/11.

The Trust achieved a 10% Cost Improvement Programme in 2010/11 and a key development since the end of the 2010/11 financial year has been the announcement of a cost savings target of £19.7 million (c. 9%) in 2011/12.

2011/12 will be another challenging year financially for the Trust as the NHS in North West London must save £1 billion over the next three years and we are committed to investing in developments to the hospital and community-based services.

Another major development since the end of the 2010/11 financial year as part of the *Fit for the Future* programme is that a restructure of the Trust's senior nursing, midwifery and management team has been proposed.

A formal consultation with staff directly affected by the proposals was held in March and April 2011, concluding on 6 May 2011.

## **CHKS patient safety award**

Since the end of the 2010/11 financial year, the Trust was shortlisted for the CHKS patient safety award 2011. CHKS is an independent provider of healthcare intelligence and quality improvement services to the NHS and the private healthcare sector.

This is a national award for providing a safe hospital environment for patients which is based on criteria including infection and mortality rates and, unlike other awards, is not judged by a panel. Although the Trust did not win the award, being shortlisted was a major accolade.

## **Open Day**

More than 1,000 people attended the hospital's popular annual Open Day on 7 May 2011—attractions for visitors included a careers event for young people interested in a career in healthcare, mini health MOTs and a Teddy Bear Hospital for children.

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# **Future developments**

## **Integrated Care Pilot (ICP)—next steps**

The Trust is due to join the second wave of the ICP on 1 July 2011 and so this will be a major landmark in our involvement in the project. Subject to the results of the formal evaluation of the ICP in Diabetes and Care of the Elderly, due to be carried out in May 2012, it may be rolled out more widely to other specialties.

## **Putting Patients First—redevelopment of Chelsea and Westminster Hospital—next steps**

The redevelopment of the hospital will continue in 2011/12.

A two-storey extension to the 1st and 2nd Floors of the hospital will help us to achieve the Trust's vision of providing world class children's services while also developing further our HIV services.

This extension is due to be completed and ready to open to patients in early 2012.

## ***Fit for the Future*—next steps**

The Trust's cost savings target for 2011/12 is £19.7 million.

It is intended to achieve as many savings as possible through the use of shared services models for non-clinical 'back-

office' functions—working closely with colleagues at the two other hospitals on the Fulham Road, the Royal Brompton and the Royal Marsden—as well as the use of new integrated clinical pathways in the community.

The proposed restructure of the Trust's senior nursing, midwifery and management team will be implemented in 2011/12 following the end of a formal consultation with staff directly affected by the proposals in May 2011.

## **Other developments**

- We continue to explore opportunities to provide other community services in order to expand the Trust's portfolio of 'out of hospital' care, following the success of a number of recent bids to provide these services including community gynaecology in Westminster and community dermatology in Kensington and Chelsea
- The Trust will also consider possible future opportunities to bid to take over the running of a PCT's provider function or to explore the possibility of acquiring another provider organisation (hospital)
- We anticipate a number of reviews of specialist services both in North West London and across London and the South East which may lead to competitive tendering exercises for designation—likely specialties include Specialist Paediatrics, HIV Inpatient Care and Burns

# Principal risks and uncertainties facing the Trust

The Trust has effective mechanisms in place to manage risk, in accordance with its risk management policy and strategy, supported by two committees with Board accountability—the Audit Committee and the Assurance Committee.

There are currently two main areas of uncertainty and risk for the Trust—financial pressures and the potential impact of proposed NHS reforms.

The Trust achieved a very challenging cost improvement programme target of £22.6 million (10%) in 2010/11. For 2011/12, the Trust has set another challenging target of £19.7 million (c. 9%).

The main reasons for this are:

- Expected losses in income due to tariff changes and an anticipated reduction in teaching levies
- Impact of demand management schemes as commissioners move routine outpatient work into the community and the NHS in North West London addresses the need to save £1 billion in the next three years
- Impact of a 4% efficiency requirement embedded in tariffs for 2011/12
- Funding for the Trust's capital development programme of c. £100 million over three years

A risk is that, if £19.7 million of savings are not identified, the Trust will have to underspend in other areas to compensate.

A further risk is the drive by commissioners to relocate routine outpatient activity to community settings. However, it is anticipated that this will be partially mitigated by the Trust successfully bidding to provide these community-based services and reducing infrastructure resources in line with the relocation of these services from the hospital to the community.

There are also uncertainties with regard to the potential impact of the Government's planned NHS reforms, as set out in the Health and Social Care Bill. Proposed changes that may affect the Trust include the reorganisation of commissioning, the future of the private patient income cap, more choice for patients, and increased competition.

The overall Trust strategy has taken these issues into account and plans are in place to mitigate and/or benefit from these proposals.

Finally, some uncertainty remains about the reconfiguration of specialised services within North West London including paediatrics, cancer and burns.

The Trust is working closely with NHS London and the North West London Commissioning Partnership to mitigate risks to the Trust's activity.



Patient Rafiq Anouer has his height measured in Children's Outpatients





The Trust's mobile community health clinic on location at Westfield Shopping Centre

## Trends and factors likely to affect the Trust's future performance

### National factors

The Government announced a 'pause' in the passage of the Health and Social Care Bill through Parliament in May 2011 to allow for a 'listening exercise' with patients, the public and staff.

It is therefore not possible to be certain of the final NHS modernisation changes to be introduced through the Bill but the general direction of travel is clear:

- Increased patient choice—there is a drive for patients to be more informed about services so that they can choose where to be treated
- Increased competition—although the definition of what 'any willing provider' means in practice is under review, there is a definite move towards increasing competition and private healthcare organisations may choose to bid for services currently provided by the Trust
- GP commissioning—devolved accountability and decision making to GP consortia will have an impact on how our services are commissioned in future and who our key relationships are with
- Private patient cap—the possible lifting of the current private patient cap for Foundation Trusts would provide us with an opportunity to increase our income from private patient services

### Regional and local factors

The NHS in North West London must save £1 billion over the next three years and so in the contracting round for 2011/12 there were some challenging proposals and negotiations to manage the reduced available funding in the system.

Two major areas of impact are proposed schemes to relocate activity currently carried out in hospitals into community

settings and restrictions placed on activity including readmissions to hospital.

The Trust has set itself a target of £19.7 million cost savings in 2011/12 following a target of £22.6 million cost savings in 2010/11 which was achieved.

The potential centralisation of specialist services is another significant factor that is likely to have an impact on the Trust in 2011/12, specifically an anticipated tender for the provision of specialist medical and surgical paediatric services in North West London, a designation process to reduce the number of centres providing HIV inpatient care, and reviews of other specialties including cancer and burns services.

The Trust will continue to engage in dialogue with North West London Commissioning Partnership and surrounding acute trusts in North West London to explore the implications and opportunities of a potential reconfiguration of acute trusts in the sector.

The drive to move all NHS trusts to Foundation Trust status offers opportunities for mergers and acquisitions as we are one of the few Foundation Trusts in North West London.

The Board of Directors is clear that any potential acquisition would need to be explored carefully to ensure that it benefits patient care and the NHS trusts involved.

Any potential acquisition would receive due diligence from the outset.

The £40 million redevelopment of the hospital will be a key local focus this year.

A two-storey extension to the 1st and 2nd Floors of the hospital, which will help us to provide world class children's services while also developing further our HIV services, is due to open to patients in early 2012.



# Research and Development

Delivering excellence in teaching and research was a corporate objective in 2010/11 (as it is in 2011/12).

The Trust's Research Strategy, *Improving Patients' Lives through Research and Innovation*, was approved by the Trust Board in 2010/11 and is now being implemented by the Research Strategy Board which is chaired by the Trust Chairman, Professor Sir Christopher Edwards.

In 2010/11, the Trust hosted 217 research projects and recruited more than 4,000 patients into clinical studies.

Building on a successful relationship founded by Professor Brian Gazzard and colleagues 20 years ago between the Trust's HIV and Sexual Health service and the St Stephen's AIDS Trust (SSAT), 2010/11 saw a growth in the number and diversity of HIV and sexual health related research studies.

The research unit passed an inspection by the Medicines and Healthcare products Regulatory Authority (MHRA) as an approved sponsor of trials in HIV infections.

A wide range of public and private sponsors generously provided funding for new investigations during this time with studies including novel interventions to reduce the acquisition and transmission of HIV and Herpes.

Doctors from the HIV and Sexual Health service have also contributed to the latest edition of the British HIV Association guidelines for the care and treatment of people living with HIV.

More than 40 peer-review articles and papers were published in 2010 regarding all aspects of HIV care and an SSAT-sponsored teaching programme now covers 16 countries, providing specialist doctors, advice and medical education for people involved in HIV care, reflecting the ongoing concern for HIV patients not just in the UK but also worldwide.

The Trust has continued to host three organisations that drive research and innovation:

- The National Institute for Health Research (NIHR) Collaboration for Leadership in Applied Health Research and Care (CLAHRC) for Northwest London
- North West London Health Innovation and Education Cluster (HIEC)
- Training for Innovation (TFI)

The CLAHRC aims to embed research findings into clinical practice as quickly as possible, with a clear focus on funding projects to improve quality. In 2010/11 the CLAHRC led a successful bid for a three-year Improvement Science Fellowship from The Health Foundation and also won a quality improvement clinical fellowship from the Royal College of Physicians.

The HIEC is a collaboration of 20 NHS organisations, universities, charitable bodies and industry partners to promote innovation and education. It supports the quick uptake of innovative technologies and services, currently focusing on cancer and cardiovascular care pathways, education and innovation.

TFI helps create and disseminate innovative training tools to further accelerate adoption of new healthcare technologies in the NHS and beyond.

In addition, Medicines for Neonates, is a £1.6 million, five-year research programme funded by the National Institute for Health Research (NIHR) and led by Chelsea and Westminster Hospital NHS Foundation Trust.

This has involved the setting up of a national database to collect data from 159 neonatal units across England. To date we have collected data of over 100,000 babies which will help to improve outcomes, as well as the health and safety of babies admitted to neonatal units.



A baby being cared for in the Neonatal Intensive Care Unit (NICU)

# Our staff

The Trust employs more than 2,700 staff. The Trust's corporate objective for 2010/11 of improving the patient experience included an aim to increase patient satisfaction by achieving upper quartile scores for staff having appraisals and Personal Development Plans in the national staff survey and making year-on-year improvements in sickness absence rates, vacancy rates and uptake of mandatory training.

The Trust is committed to celebrating the achievements of staff.

We have an annual Christmas Cheer Awards, monthly Team/Employee of the Month Award and quarterly Quality Awards.

See the Staff Survey section for full details of the survey results and other information about our staff.

## Patient care

### Foundation Trust status

A key benefit of Foundation Trust status is that the Trust can retain its financial surplus—£13.8 million in 2010/11—to reinvest in services.

For example, part of the Trust's surplus in 2007/08 was used to develop 56 Dean Street, our state-of-the-art HIV and sexual health centre which opened in Soho in March 2009.

56 Dean Street offers Saturday and evening opening hours in an excellent environment and location, and as a result patient numbers have increased so that it is the busiest sexual health centre in London. Staff at the centre have also won national awards for their innovative approach including a campaign to raise awareness of rapid HIV testing.

Another key benefit of Foundation Trust status is financial flexibility. For example, funding of £40 million for the redevelopment of the hospital was made possible by the Foundation Trust Finance Facility.

Engagement with patients, members of the public and staff who are Foundation Trust members is another key benefit—as demonstrated by the Trust's well attended Annual Members' Meeting and Open Day.

The Trust also invested part of its surplus in two new CT scanners which enable the Trust to provide a flexible service for both emergency patients who require instant diagnostic scans and patients with more routine imaging needs.

### Performance against key patient targets

The Trust met all key national targets in 2010/11 and improved patient care by, for example, treating a record number of patients.

We met a challenging national target of treating 95% of outpatients and 90% of inpatients within 18 weeks of GP referral, not only Trustwide but also at specialty level.

This achievement was made possible by the hard work and expertise of staff, despite increasing patient numbers—353,150 in 2010/11 compared with 317,773 in 2009/10—and unprecedented demand for services in December 2010 and January 2011 during one of the coldest winters on record.

We also achieved a national target of treating 98% of A&E patients within four hours, again following the busiest year on record—108,010 patients were treated in A&E and our new Urgent Care Centre in 2010/11, including 32,702 children in our dedicated 24-hour Paediatric A&E which continues to be increasingly popular with parents.

The Trust met targets set by the Foundation Trust regulator Monitor for both MRSA bacteraemia and *Clostridium difficile*.

The Trust had six cases of MRSA bacteraemia in 2010/11—against a target maximum of six cases—and 73 cases of *Clostridium difficile*—against a target maximum of 100 cases.

### Targets agreed with local commissioners

A proportion of our income is conditional on performance in relation to goals relating to quality agreed through the Commissioning for Quality and Innovation (CQUIN) payment framework.

In 2010/11, income equal to 1.5% of the value of our main acute contract (which covers most of our NHS services) was related to CQUIN goals agreed with our host commissioner, North West London Commissioning Partnership.

We also agreed CQUIN payments linked to our work in HIV and Neonatal Intensive Care, which is commissioned by the London Specialised Commissioning Group, as well as CQUINs for our community services in Paediatrics, Dermatology and Gynaecology.

2010/11 CQUIN payments were valued at £4 million.

The 2010/11 CQUIN goals included improving how patients rate their experience of adult inpatient care, ensuring patients are screened for VTE on admission to hospital, improving the effectiveness of discharge from hospital, reducing readmissions for long-term conditions, improving the quality of medication information in electronic discharge summaries, and improving services for patients with dementia.

Project plans were delivered for each CQUIN scheme and monitoring mechanisms were set up to track month by month improvement against each goal.

For example, the five key questions relating to the adult inpatient experience CQUIN were monitored through

our Patient Experience Tracker (PET) instant feedback mechanism. Between August 2010 and the end of March 2011 almost 3,000 patients discharged from adult inpatient wards gave the following feedback on their care:

Question	Average Score
Have you felt as involved as you wanted to be in decisions about your care?	89%
Have you had the opportunity to talk to someone about your worries or fears?	90%
Have you been given enough privacy when discussing your condition or treatment?	90%
Have you been told about medication side effects after you leave hospital?	86%
Have you been told who to contact if you are worried about your condition after you leave hospital?	88%

In 2011/12, CQUIN payments will be linked to areas including:

- Improving how patients rate their experience of adult inpatient care
- Screening all patients admitted to the hospital for VTE
- Improving falls reporting and reducing falls that result in harm
- Improving end of life care
- Implementing the enhanced recovery model in Orthopaedics, Colorectal and Gynaecology
- Implementing the COPD discharge bundle
- Improving women's experiences of maternity care
- Improving acute oncology services

## Monitoring quality improvements

Progress towards meeting national and local targets is reported to the Board of Directors and any action required to meet targets is approved as appropriate.

For example, action plans were developed for approval by the Trust Board in response to the Trust's performance in the national inpatient and staff surveys.

## New or significantly revised services

A number of new or enhanced services were launched in 2010/11 as part of the £40 million redevelopment of the hospital:

- The Preoperative Assessment Centre moved from the 1st Floor to new, improved facilities on the Lower Ground Floor in May 2010
- The new Lower Ground Floor Outpatients department opened in January 2011 when the Diabetes service moved into the modern facilities and other specialties moved into the area in April 2011
- The Urgent Care Centre (UCC), a 'walk-in' service for patients who come to A&E with minor illnesses and injuries that require attention but are not critical or life-threatening, was developed in partnership with local GPs—it opened to adult patients in October 2010 and to children in April 2011

- The Hospital School moved to new, purpose-built facilities on the 1st Floor and was officially opened in September 2010

In addition, following a successful tender process, the Trust was awarded the contract to provide community dermatology services in Kensington and Chelsea for the next three years. The new service went live in October 2010.

The Trust also won the tender process to provide community gynaecology services in Richmond and Twickenham, based in Teddington.

## Responding to complaints

The Trust takes complaints very seriously. All new serious complaints and incidents are reviewed by the Executive team at their weekly meeting and lessons learned from complaints are shared across clinical divisions.

All complaints are logged and reported to directorates through quarterly clinical governance reports. Trustwide quarterly reports and an annual report are prepared for the Risk Management Committee. The reports provide a summary and analysis of complaints raised through the Complaints team and an overview of changes made in response.

The Trust's Membership and Patient Advice & Liaison Service (M-PALS) is available to provide patients with information, support, advice and help in resolving concerns.

In line with national guidance, the Trust places its emphasis on local resolution of concerns raised. Staff are encouraged to do this by acknowledging the problem and where possible resolving the issue or providing an explanation. It is important that the complainant understands what the outcome will be and that this will meet their expectations. The completion of action plans is monitored and reported in the quarterly reports.

The new NHS complaints process no longer stipulates a timescale for responding to complaints but the Trust has set three levels of response depending on the nature, seriousness and complexity of the complaint.

Type 1 (less serious) complaints should be resolved within 10 working days, Type 2 complaints should be resolved within 25 working days, while Type 3 (more serious and often complex) complaints may require a longer timescale which should be discussed and agreed with the complainant.

In 2010/11, 986 Type 1 complaints were received and of these 74% were responded to within the Trust target of 10 working days while 379 Type 2 complaints were received and of these 83% were responded to within the Trust target of 25 working days.

Seven Type 3 complaints were received—two of the investigations were completed within 50 working days, three of the investigations took longer than 50 working days to complete and two of the investigations were ongoing at the time when this annual report was completed. Therefore 40% of Type 3 complaints were completed within 50 working days.

## Service improvements following patients' complaints

Responding to complaints in a considerate and timely way is a priority but another important aspect of handling complaints is to listen to patients' views, observe what and where things went wrong, and make changes to improve services. Lessons learned from complaints should be shared across the Trust to enhance the quality of services for the future.

The following are examples of improvements that have been made to services in response to complaints received in 2010/11:

- **Medicine**

A template discharge summary has been implemented for patients potentially at risk of DVT, to ensure that this important information is included in the discharge letter to their GP

- **Surgery**

A co-ordinator has been recruited to the Bariatrics (weight loss surgery) service to ensure that the appropriate appointments are made in a timely manner which is convenient for patients

- **Children's Services**

A simple guideline has been developed to assist clinical staff in planning care for children and young people with learning and social communication difficulties

- **Maternity**

The Maternity Unit is piloting extended visiting hours on the Antenatal Ward for partners, particularly for those women who are in labour and cannot, for whatever reason, be moved to the Labour Ward

- **Pharmacy**

A drop-off box has been established outside the outpatient pharmacy for patients who live locally to drop off non-urgent prescriptions and return for collection of their prescriptions at a later date

## Improvements in patient/carer information

Chelsea and Westminster has become the first hospital in the UK to make a new information service called StartHere available to patients and carers.

StartHere, which can be accessed by using touch screen information kiosks on the Ground Floor of the hospital, signposts people to organisations that can help them. It includes information on subject areas including coping and caring, housing, and work and education.

New sponsored electronic patient information screens, which were installed in three locations in the hospital in March 2010, provide useful health information and they have also benefited the Trust financially because we receive a percentage of the sponsorship revenue.

A 'Patient Passport' was produced for stroke patients and their carers, following the successful introduction in 2009/10 of a similar publication for people with learning disabilities.

The Trust website, which is used by almost 500,000 people a year, was enhanced in 2010/11 to improve the quality of information available online to patients and carers. Improvements included a series of videos about the Trust and its services.

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## Stakeholder relations

The Trust has maintained and strengthened its relationships with a wide range of stakeholders.

Key stakeholders have nominated representatives on the Council of Governors which also includes elected representatives of patients, members of the public living in our four local boroughs, and Trust staff.

The Trust has also strengthened its relationship with Kensington and Chelsea Local Involvement Network (LINK)—LINK representatives are invited to attend sub-committees of the Council of Governors and they were also invited to the 'listening event' with Deputy Prime Minister Nick Clegg in April 2011.

Local organisations working in health, social care and other sectors are invited to take part in the annual hospital Open Day and our local MPs, Greg Hands and Sir Malcolm Rifkind, have both attended recent Open Days.

We have worked closely with our host commissioner, NHS Kensington and Chelsea, and increasingly we are forging strong links with the North West London Commissioning Partnership and the PCT 'clusters' that have been formed.

In light of the Health and Social Care Bill's proposals to devolve accountability for commissioning to GP consortia, we are developing ever closer links with key local GPs—our GP Relationship Manager facilitates this work.

The Trust also works closely with the Royal Borough of Kensington and Chelsea, in particular the Health, Environmental Health and Adult Social Care Scrutiny Committee.

We are working in partnership with neighbouring NHS organisations on the Fulham Road—Royal Brompton & Harefield NHS Foundation Trust and The Royal Marsden NHS Foundation Trust—to explore opportunities for providing 'back office' functions more efficiently.

The National Institute for Health Research (NIHR) Collaboration for Leadership in Applied Health Research and Care (CLAHRC) for North West London and the North West London Health Innovation and Education Cluster (HIEC) are both hosted at Chelsea and Westminster and involve partnership working with key stakeholders in the NHS, education, industry and other sectors.





Members of the Hand Therapy team show off their interactive display at the hospital Open Day in May 2011



Medical students from Imperial College London ran the Teddy Bear Hospital which was a big hit with our younger visitors at Open Day 2011



# Governance Report

# NHS Foundation Trust Code of Governance

Chelsea and Westminster Hospital NHS Foundation Trust is committed to effective, representative and comprehensive governance which secures organisational capacity and the ability to deliver mandatory goods and services.

The Trust's governance arrangements are reviewed yearly against the provisions of Monitor's Code of Governance to ensure the application of the main and supporting principles of the Code as a criterion of good practice.

It is the responsibility of the Board of Directors to confirm that the Trust complies with the provisions of the Code or, where it does not, to provide an explanation which justifies departure from the Code in the particular circumstances.

For the year ending 31 March 2011 Chelsea and Westminster Hospital NHS Foundation Trust complied with all the provisions of the Code of Governance published by Monitor in March 2010.

## Board of Directors

### Composition of the Board

The Board currently has eight Non-Executive Directors (including the Chairman) and five Executive Directors (including the Chief Executive)—the Director of Governance & Corporate Affairs attends Board meetings as Company Secretary.

The appointment of three Non-Executive Director Designates was approved by the Council of Governors in December 2010. They will become full Non-Executive Directors in October 2011.

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

See 'Board of Directors-Who's Who' 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).

### Balance of Board membership & independence

The Board of Directors is satisfied that its balance of knowledge, skills and experience is appropriate to the Board and its sub-committees.

The Board has evaluated the circumstances and relationships of individual Non-Executive Directors which are relevant to the determination of the presumption of independence.

The Board determines all of its Non-Executive Directors to be independent in character and judgement. A Non-Executive Director is appointed as a representative of Imperial College London, the Trust's partner in medical education. However, the Board remains confident that, in spite of this relationship, this Director's judgement is not likely to be affected.

### Performance evaluation

The annual appraisal of the Chairman involves collaboration between the Senior Independent Director and the Deputy Chairman of the Council of Governors to seek the views of both Executive Directors and Governors. Executive Directors have an annual appraisal with the Chief Executive. The performance of Non-Executive Directors is evaluated annually by the Chairman.

### Access to register of Directors' interests

Members of the public can gain access to the register of Directors' interests by making a request to the Foundation Trust Secretary, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, SW10 9NH, via email [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk) or on 020 3315 6716.

### Board meetings

The Board meets regularly, on average once a month. Special meetings are convened as and when required. There were 10 ordinary meetings in 2010/11.

### Directors' attendance at Board meetings 2010/11

Non-Executive Directors	Attendance
Prof Sir Christopher Edwards	10/10
Colin Glass <sup>1</sup>	4/6
Andrew Havery	10/10
Prof Richard Kitney	8/10
Karin Norman	10/10
Charles Wilson	9/10
Non-Executive Director Designates	
Sir John Baker <sup>2</sup>	3/3
Jeremy Loyd <sup>2</sup>	3/3
Sir Geoffrey Mulcahy <sup>2</sup>	3/3
Executive Directors	
Heather Lawrence	10/10
Amanda Pritchard <sup>3</sup>	5/5
Dr Mike Anderson	10/10
Lorraine Bewes	9/10
Therese Davis <sup>4</sup>	6/8
Mark Gammage <sup>5</sup>	7/7
Andrew MacCallum <sup>6</sup>	2/2
Catherine Mooney <sup>7</sup>	9/10

<sup>1</sup> Term ended 31 October 2010

<sup>2</sup> Non-Executive Director Designates from January 2011

<sup>3</sup> On maternity leave until October 2010

<sup>4</sup> Interim Director of Nursing from June 2010, appointed to substantive post of Chief Nurse and Director of Patient Flow & Patient Experience in February 2011

<sup>5</sup> Interim Deputy Chief Executive until October 2010

<sup>6</sup> Director of Nursing until 27 May 2010

<sup>7</sup> Attends Board meetings as Company Secretary

## Significant commitments of the Trust Chairman

The Chairman is a Senior Research Fellow at Imperial College London and Chairman of the Council of the British Heart Foundation. He is also Chairman of EasiGeothermal and on the Board of Cluff Geothermal. In December 2008 he was appointed as the first Chairman of NHS Medical Education England which provides independent advice to the Government on education, training and workforce planning for medicine, dentistry, pharmacy and healthcare sciences.

## Board of Directors—Who's Who

### Non-Executive Directors

**Professor Sir Christopher Edwards, Chairman:** Professor Edwards was appointed in November 2007. He was the first Principal of Imperial College School of Medicine from 1995 to 2000 before becoming Vice-Chancellor of the University of Newcastle upon Tyne where he led a major restructuring to make it one of the top universities in the UK. During a distinguished medical and academic career, Professor Edwards has held numerous senior positions including President of the Association of Physicians of Great Britain and Ireland and Chairman of the Council of Heads of Medical Schools. He was knighted in June 2008 and appointed as the first Chairman of NHS Medical Education England in December 2008. He is also Chairman of the Council of the British Heart Foundation. He chairs the Finance & Investment Committee.

**Charles Wilson, Vice Chair:** Charles was reappointed for a term of one year ending on 31 October 2011. He is the Senior Independent Director and Chair of the 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. Charles is on the board of a number of charities and is Vice-Chairman of Addaction, the leading drugs treatment charity.

**Colin Glass:** Colin's term ended on 31 October 2010. He has nearly 30 years' experience of consumer business, having joined Boots as a graduate trainee and subsequently worked for some of the biggest retailers in the country. During his career Colin has been Managing Director of both Dixons Stores Group and PC World, Chief Executive of the food group Watson and Philip plc, and Chairman of online company PhotoBox Ltd. He founded and is actively involved in a social enterprise business which provides work-related training for underprivileged groups in south east Asia.

**Andrew Havery:** Andrew was reappointed for a term of one year ending on 31 October 2011. He has been a councillor in Westminster since 2002. Andrew is a chartered accountant and worked for KPMG for eight years before becoming a compliance officer to investment banks.

**Professor Richard Kitney OBE:** Professor Kitney was reappointed for a term of two years ending on 31 October 2012. 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 reappointed for a term of three years ending on 31 October 2012. She worked in investment banking in London and New York as a fixed income specialist, advising on investments, risk and capital management, and structured finance. She was a Non-Executive Director of the NHS Pensions Agency and is currently a member of the Audit Committee and the Investment Committee for Parkinson's UK, a Trustee of the Nursing and Midwifery Council, and My Generation, a community and youth charity that she co-founded.

### Non-Executive Director Designates

**Sir John Baker CBE:** Sir John's appointment as a Non-Executive Director Designate was approved by the Council of Governors in December 2010. He will become a full Non-Executive Director in October 2011. Sir John has had a career in both public and private sectors. He is currently Chairman of Renewable Energy Holdings Plc. He spent 10 years dealing with transport policy as a senior civil servant, followed by 10 years leading an urban regeneration and social housing agency, before becoming Managing Director of the Central Electricity Generating Board in 1979 and leading the management of the UK electricity privatisation and restructuring programme. He was Chief Executive and then Chairman of National Power PLC from 1989 to 1997 and he was Chairman of the World Energy Council from 1995 to 1998. Outside the business arena Sir John is Chairman of the Governing Body of Holland Park School and a Director of Kingston Theatre Trust (Rose Theatre).

**Jeremy Loyd:** Jeremy's appointment as a Non-Executive Director Designate was approved by the Council of Governors in December 2010. He will become a full Non-Executive Director in October 2011. Jeremy is currently a Non-Executive Director of UCL Cancer Institute Research Trust and the Marine Management Organisation. He was formerly Director and General Manager of Carlton Television, Managing Director of Capital Radio and a Non-Executive Director of several other companies in both the UK and USA. Jeremy was also Deputy Chairman of Blackwells, the academic information distributor and retailer.

**Sir Geoffrey Mulcahy:** Sir Geoffrey's appointment as a Non-Executive Director Designate was approved by the Council of Governors in December 2010. He will become a full Non-Executive Director in October 2011. Sir Geoffrey is Chairman of Javelin Group (a retail consultancy), a trustee of CCCS (a debt counselling charity) and an operating partner of GLP (an investment adviser). Until 2002 he was Chief Executive of Kingfisher plc, a retail business operating in 14 countries worldwide with brands in the UK including B&Q, Comet, Superdrug, and Woolworths. He retired after demerging Kingfisher into three separately quoted businesses. Previously he worked for British Sugar, Norton Company (a US engineering company), and Esso. He has been a Non-Executive Director of a number of companies including BT and Intercontinental Hotels (previously Bass plc).

### Executive Directors

**Heather Lawrence OBE, Chief Executive:** Heather has almost 20 years' experience at NHS Trust Board level, having served 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. Her management experience spans all sectors of



Alex Prior (Outpatient Service Improvement Lead), Therese Davis (Chief Nurse and Director of Patient Flow & Patient Experience), Jo Pierre (Sister), Heather Lawrence (Chief Executive), Andrew Lansley (Secretary of State for Health) and Professor Sir Christopher Edwards (Chairman) at the official opening of the Lower Ground Floor Outpatients department

healthcare and includes major service change including the development of innovative services, service re-design, developing an academic department, and closure of services. Heather chairs the North West London Critical Care Network and the Operational Board of the North West London Health Innovation and Education Cluster (HIEC). She was NHS Employers' lead negotiator for the three-year pay deal for staff on Agenda for Change. She was a member of the Government's Nursing and Midwifery Commission through which she and 15 other members advised the Government on the future roles of nurses and midwives. Heather is a Fellow of the Chartered Institute of Personnel and Development. She was awarded the OBE in the New Year's Honours 2009 list for services to healthcare.

**Amanda Pritchard, Deputy Chief Executive (Director of Integrated Service Delivery & Modernisation):** 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 & Ambulatory Services at West Middlesex Hospital. Amanda was an inaugural Health Foundation Leadership Fellow. Both Amanda's children were born at Chelsea and Westminster Hospital, in January 2008 and December 2009.

**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:** Prior to her appointment in May 2003, Lorraine was Director of Performance at University College London Hospitals NHS Foundation Trust and Deputy Director of Finance at Hammersmith Hospitals NHS Trust. She joined the NHS in 1991 following a successful commercial accountancy career, during which she worked at ITN and WH Smith Television Services. Lorraine has led the early implementation of service line reporting in the NHS and is the Senior Information Responsible Officer on the Board with the lead on information governance. She is a graduate of Oxford University and is a chartered accountant.

**Therese Davis, Chief Nurse and Director of Patient Flow & Patient Experience:** Therese rejoined the Trust as Interim Director of Nursing in June 2010, having been Director of Nursing at the Trust a number of years previously. She was appointed to the substantive post of Chief Nurse and Director of Patient Flow & Patient Experience in February 2011. Therese has been a nurse in London for the past 25 years, originally specialising in medical and oncology nursing, and a Director of Nursing for the past 13 years including at the Royal Free Hospital in Hampstead. Her successes include implementing systems and initiatives to improve the experience patients receive whilst in hospital. She has also led many initiatives to enhance patient safety and effectiveness, setting goals and targets to achieve positive change. Therese has a degree in nursing from Manchester University and an MBA from Henley College, for which she received an NHS bursary.

**Mark Gammage, Interim Deputy Chief Executive:** Mark joined the Trust as Interim Director of Human Resources in 2008 and he was also Interim Deputy Chief Executive during Amanda Pritchard's maternity leave from December 2009 to October 2010. Since 2002 Mark has been Managing Director of Dearden Consulting, a well-established healthcare consultancy firm, and his consultancy work has included working as a Director of HR in a number of different NHS organisations. Prior to this, Mark was a Director of HR for a large merged NHS trust, having started his career as an NHS graduate management trainee. Mark has also coached a wide range of individuals and worked as an accredited coach with the NHS National Institute for Innovation and Improvement, the Department of Health and others. Mark is a Fellow of the Chartered Institute of Personnel and Development.

**Andrew MacCallum, Director of Nursing:** Andrew was Director of Nursing until 27 May 2010. He 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. He is now Pro-Vice Chancellor and Dean of Nursing and Human Sciences at the University of West London (formerly Thames Valley University).

**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 Manager. She attends Board meetings as Company Secretary.



# Audit Committee

## Membership and attendance

The Audit Committee is chaired by Andrew Havery, a Non-Executive Director, and includes three other Non-Executive Directors—Karin Norman, Charles Wilson and Sir John Baker who was appointed to the Committee in March 2011.

It met six times in 2010/11—Andrew Havery attended all meetings, Karin Norman attended five meetings, Charles Wilson attended four meetings and Sir John Baker attended the one meeting held following his appointment.

## 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 advises the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money). It prepares an annual report for the Board.

## Policy for safeguarding the external auditors' independence

In so far as the Trust has purchased work from its external auditors outside the audit code in 2010/11, the external auditors' objectivity and independence have been safeguarded.

## Responsibility for preparing the annual accounts

The Chief Executive is the Trust's designated Accounting Officer with the duty to prepare the accounts in accordance with the National Health Service Act 2006.

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# Nominations Committees

Both the Board of Directors and the Council of Governors have a Nominations Committee.

## Nominations Committee of the Council of Governors for the appointment of Non-Executive Directors

The Nominations Committee of the Council of Governors comprises the Chairman of the Foundation Trust (Professor Sir Christopher Edwards), two elected Governors (Professor Brian Gazzard and Sandra Smith-Gordon) and one appointed Governor (Cllr Cyril Nemeth).

Due to a Non-Executive Director's term of office ending on 31 October 2010, a process was put in place to appoint a replacement. A person specification was agreed by the Board and an extensive search was carried out by an external search consultancy, Saxton Bampfylde Hever. An advert was also placed in *The Sunday Times*.

The Nominations Committee of the Council of Governors met on 16 July 2010 to consider the applications of 28 candidates, of whom 13 appeared to match the person specification. The meeting was attended by Professor Sir Christopher Edwards, Sandra Smith-Gordon and Cllr Cyril Nemeth.

From the list of 13 candidates, the Nominations Committee chose 11 candidates who matched most closely the person specification, based on CVs provided to Saxton Bampfylde Hever by each candidate.

These 11 long listed candidates were interviewed by Saxton Bampfylde Hever in August 2010 and the results of the interviews were presented to the Nominations Committee at a meeting on 9 September 2010. The meeting was attended by Professor Sir Christopher Edwards, Professor Brian Gazzard and Sandra Smith-Gordon.

The Committee shortlisted seven candidates for the Nominations Committee interview panel in September 2010. This panel consisted of Professor Sir Christopher Edwards, Professor Brian Gazzard, Sandra Smith-Gordon, Cllr Cyril Nemeth and Jenny Hill, an independent assessor and Non-Executive Director of the Royal Brompton & Harefield NHS Foundation Trust.

The appointment of three Non-Executive Director Designates—Sir John Baker, Jeremy Loyd and Sir Geoffrey Mulcahy—was approved by the Council of Governors in December 2010. They will become full Non-Executive Directors in October 2011.

## Nominations Committee of the Board of Directors for the appointment of Executive Directors

The Nominations Committee of the Board of Directors comprises the Chairman of the Foundation Trust (Professor Sir Christopher Edwards), the Chief Executive (Heather Lawrence) and temporary members drawn from the Board of Directors.

The Committee agreed the job description, person specification and process for the appointment of the Chief Nurse and Director of Patient Flow & Patient Experience. A recommendation was made to the appointments panel in January 2011.

The appointments panel consisted of Professor Sir Christopher Edwards (Chairman), Charles Wilson (Vice Chair and Senior Independent Director), Professor Richard Kitney and Karin Norman (Non-Executive Directors), Sir Geoffrey Mulcahy (Non-Executive Director Designate) and Heather Lawrence (Chief Executive). Mark Gammage (Director of Human Resources) was in attendance. The panel agreed the appointment of Therese Davis as the substantive Chief Nurse and Director of Patient Flow & Patient Experience from 1 February 2011.



# Council of Governors

## How the Board of Directors and the Council of Governors operate

The Council of Governors represents the interests of the local community—patients, public and staff who are Foundation Trust members—and shares information about key decisions with Foundation Trust members.

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

Key roles of the Council of Governors are to:

- Appoint or remove the Chairman and other Non-Executive Directors and approve the appointment (by Non-Executive Directors) of the Chief Executive
- Decide the remuneration, allowances and other terms and conditions of office of Non-Executive Directors
- Appoint or remove the Foundation Trust's Financial Auditors

## Composition of the Council of Governors

There are 35 Governors 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)—patients treated at the hospital in the last 3 years or their carers
- 10 Nominated Representatives (appointed)—nominated from 10 partnership organisations

The Council of Governors meets bi-monthly. There were five meetings in 2010/2011.

Executive and Non-Executive Directors are invited to attend. Details of their attendance are in the table 'Directors' attendance at Council of Governors meetings 2010/11'. Details of Governors' attendance at meetings are in the table 'Foundation Trust Governors—Who's Who'.

Governors' initial terms of office commenced on the day that the Foundation Trust was licensed, 1 October 2006. Both elected and appointed Governors normally hold office for a period of three years and are eligible for re-election or reappointment at the end of that period. Governors may not hold office for more than nine consecutive years.

## Elections held during 2010/11

An election was held in June 2010 in the Patient, Public and Staff constituencies and the following were elected:

- **Public: Hammersmith and Fulham 1**  
Samantha Culhane

- **Public: Kensington & Chelsea Area 1**  
Eddie Adams

- **Public: Wandsworth Area 2**  
Del Hosain

- **Patients**  
Paul Baverstock  
Chris Birch

- **Staff: Support, Administrative & Clerical**  
Charlotte Mackenzie Crooks

An election was also held in November 2010 in the Patient, Public and Staff constituencies and the following were elected:

- **Public: Wandsworth Area 1**  
Harry Morgan

- **Public: Westminster Area 1**  
Martin Lewis

- **Public: Westminster Area 2**  
Melvyn Jeremiah

- **Patients**  
Dr Anthony Cadman  
William Marrash

- **Staff: Nursing and Midwifery**  
Kathryn Mangold

## Access to register of Governors' interests

Members of the public can gain access to the register of Governors' interests by making a request to the Foundation Trust Secretary, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, SW10 9NH, via email [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk) or on 020 3315 6716.

## How the Board has acted to understand the views of Governors and Foundation Trust members

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

Governors attended the hospital Open Day in May 2010 to meet Foundation Trust members and discuss the work of the Council. Foundation Trust members were also encouraged to share their views on the Trust at the Annual Members' Meeting in September 2010.

Governors were invited to attend a series of Trustwide workshops and presentations focusing on business planning and quality to gain their engagement and feedback.

The Director of Strategy attended a number of Council meetings during the year to update Governors on the strategic direction and position of the Trust. Governors were also invited to attend a strategy seminar led by the Trust Chief Executive and Chairman in September 2010.

Following these initiatives, Governors' views were taken into account and the Chief Executive gave a final strategy and business planning presentation to Governors at the Council of Governors meeting in February 2011.

## Directors' attendance at Council of Governors meetings 2010/11

Non-Executive Directors	Attendance
Prof Sir Christopher Edwards	5/5
Colin Glass <sup>1</sup>	1/3
Andrew Havery	4/5
Prof Richard Kitney	5/5
Karin Norman	2/5
Charles Wilson	4/5
Non-Executive Director Designates	
Sir John Baker <sup>2</sup>	1/1
Jeremy Loyd <sup>2</sup>	0/1
Sir Geoffrey Mulcahy <sup>2</sup>	0/1

Executive Directors	Attendance
Heather Lawrence	4/5
Amanda Pritchard <sup>3</sup>	2/2
Dr Mike Anderson	3/5
Lorraine Bewes	4/5
Therese Davis <sup>4</sup>	4/4
Mark Gammage <sup>5</sup>	2/2
Andrew MacCallum <sup>6</sup>	1/1
Catherine Mooney <sup>7</sup>	5/5

<sup>1</sup> Term ended 31 October 2010

<sup>2</sup> Non-Executive Director Designates from January 2011

<sup>3</sup> On maternity leave until October 2010

<sup>4</sup> Interim Director of Nursing from June 2010, appointed to substantive post of Chief Nurse and Director of Patient Flow & Patient Experience in February 2011

<sup>5</sup> Interim Deputy Chief Executive until October 2010

<sup>6</sup> Director of Nursing until 27 May 2010

<sup>7</sup> Attends Board meetings as Company Secretary

## Directors' attendance at Council of Governors meetings 2010/11

Name (Constituency/Organisation)	Date elected or appointed	Attendance at Council Meetings 2010/11 <sup>1</sup>
Prof Sir Christopher Edwards (Chairman)	Nov 2007	5/5
Adams, Eddie (Public—Kensington & Chelsea 1)	Jun 2010	3/4
Ball, Lucy (Staff—Allied Health Professionals, Scientific & Technical)	Nov 2009	4/5
Balmford, Walter (Patient) <sup>2</sup>	Dec 2007	4/4
Baverstock, Paul (Patient)	Jun 2010	0/4
Birch, Chris (Patient)	May 2007	4/5
Blewett, Christine (Public—Hammersmith & Fulham 2)	Nov 2009	4/5
Browne, Nicky (The Royal Marsden NHS Foundation Trust)	Dec 2006	3/5
Cadman, Dr Anthony (Patient)	Nov 2010	1/2
Cass-Horne, Cass J (Patient)	Nov 2009	5/5
Cleary, Alan (Patient)	Nov 2009	5/5
Coolen, Edward (Patient)	Nov 2009	4/5
Dale, Carol (Staff—Management)	Nov 2009	3/5
Finch, Dr David (NHS Wandsworth)	May 2009	2/5
Gazzard, Prof Brian (Staff—Medical & Dental and Deputy Chairman)—Lead Governor	Nov 2009	5/5
Glazebrook, Rosie (NHS Hammersmith and Fulham)	Nov 2009	2/5
Higham, Prof Jenny (Imperial College London)	Feb 2011	0/1
Hosain, Del (Public—Wandsworth 2) <sup>3</sup>	June 2010	2/3
Jesus, Jacinto (Staff—Contracted)	Nov 2009	5/5
Lewis, Martin (Public—Westminster 2)	Dec 2007	5/5
Longworth, Catherine (NHS Westminster)	Oct 2006	3/5
Macrae, Dr Duncan (Royal Brompton & Harefield NHS Foundation Trust)	Oct 2006	4/5
Mackenzie Crooks, Charlotte (Staff—Support, Admin and Clerical)	June 2010	4/4
Mangold, Kathryn (Staff—Nursing & Midwifery)	Nov 2010	2/2
Marrash, William (Patient)	Nov 2010	1/1
Maxwell, Susan (Patient)	Nov 2009	4/5
McWatters, Wendie (Patient)	Nov 2009	4/5
Morgan, Henry (Public—Wandsworth 1)	Nov 2010	1/1
Moyo, Edgar (NHS Kensington and Chelsea)	Jun 2009	4/5
Nemeth, Cllr Cyril (Westminster City Council)	Nov 2009	2/5
Smith, Jim (Patient) <sup>4</sup>	Nov 2009	0/1
Smith, Sue (Staff—Nursing & Midwifery)	Dec 2007	1/4
Smith-Gordon, Sandra (Public—Kensington & Chelsea 2)	Oct 2008	4/5
Symons, Mary (Public—Wandsworth 1) <sup>5</sup>	Dec 2007	1/1
Taylor, Cllr Frances (Royal Borough of Kensington and Chelsea)	Oct 2006	5/5
While, Alison (King's College London)	Oct 2009	5/5
Youngstein, Taryn (Patient)	Nov 2009	2/5

<sup>1</sup> If individuals joined or left the Council of Governors during the financial year, the number of meetings has been adjusted accordingly

<sup>2</sup> Not re-elected in Council of Governors elections Nov 2010

<sup>3</sup> Resigned Dec 2010 due to ill health

<sup>4</sup> Died May 2010

<sup>5</sup> Resigned June 2010

# Foundation Trust membership

## Who can be a member?

- **Patient constituency:** Any patient treated at the hospital in the last three years or the carer of a patient treated at the hospital in the last three years
- **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 Council of Governors elections
- **Staff constituency:** Any member of staff—this constituency is divided into six staff groups which are Allied Health Professionals, Scientific & Technical; Contracted; Management; Medical & Dental; Nursing & Midwifery; Support, Administrative & Clerical

## How many people are members?

Number of members	31 Mar 2010
Patients	5,591
Public	5,737
Staff	3,173
<b>Total</b>	<b>14,501</b>

## How are we developing a representative membership?

The Membership Sub-Committee of the Council of Governors develops and reviews the Membership Development and Communications Strategy and the Membership Development Work Plan.

The Membership and Patient Advice & Liaison Service (M-PALS) is actively involved in supporting promoting membership recruitment in various ways, for example by giving membership application forms to visitors to the M-PALS office in the hospital and by sending out membership application leaflets with letters responding to comments received by the M-PALS office.

There was a focus on increasing engagement between Governors and members in 2010/11 including:

- ‘Meet a Governor’ sessions held by Governors in the hospital’s Information Zone which give members, patients and the public an opportunity to discuss issues of concern with an elected Governor
- Senior Nurse/Governor Rounds which provide Governors with an opportunity to shadow a senior nurse in a clinical area and speak with patients about their hospital experience—patients have the opportunity to discuss any issues with the Governor and senior nurse

An initiative to develop a representative and diverse membership is the Trust’s community mobile health clinic which visits local communities and provides health screening for local, diverse populations, combined with a focus on community engagement and inviting users of the clinic’s services to become members.

The clinic has visited locations including:

- Shepherd’s Bush Market—focusing on BME groups
- T4 and the Stars of 2010 event, Earl’s Court—health screening for a younger age group
- Westfield Shopping Centre—health screening for all combined with a membership roadshow including membership recruitment
- Gay Pride

Analysis of the membership database by age, gender and ethnicity to ensure that it is representative of the communities we serve shows that membership remains particularly low in the following areas:

- Public: Wandsworth Area 1 constituency
- Under-40s age group
- Black and Minority Ethnic (BME) groups

In 2011/12 the Trust will aim to maintain the current level of both public and patient members, and to focus on quality of engagement with members. The 2011/12 Membership Development Work Plan will also concentrate on how we can better represent the BME groups in the communities that we serve.

Members are welcome to attend the quarterly Council of Governors meeting. Members and Governors are invited to the Annual Members’ Meeting which is held in September each year.

## Get in touch

Members who wish to communicate with their representatives on the Council of Governors or Executive Directors should contact the Foundation Trust Secretary, Chelsea and Westminster Hospital NHS Foundation Trust, 369 Fulham Road, SW10 9NH, via email [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk) or on 020 3315 6716.

Members can also contact the Membership and Engagement Manager, Sian Nelson on 020 3315 8548 or via email [sian.nelson@chelwest.nhs.uk](mailto:sian.nelson@chelwest.nhs.uk).

# Statutory Information

# Directors

The Trust has a Board of Directors including the Chairman, seven other Non-Executive Directors, and five Executive Directors (including the Chief Executive).

## Non-Executive Directors

The Chairman is Professor Sir Christopher Edwards.

The seven other Non-Executive Directors are Andrew Havery, Professor Richard Kitney OBE, Karin Norman, Charles Wilson (who is also the Senior Independent Director and Vice Chair), and three Non-Executive Director Designates who were appointed following approval by the Council of Governors

in December 2010—Sir John Baker CBE, Jeremy Loyd and Sir Geoffrey Mulcahy. They will become full Non-Executive Directors in October 2011.

## Executive Directors

Executive Directors are Heather Lawrence OBE (Chief Executive), Amanda Pritchard (Deputy Chief Executive/ Director of Integrated Service Delivery & Modernisation), Dr Mike Anderson (Medical Director), Lorraine Bewes (Director of Finance) and Therese Davis (Chief Nurse and Director of Patient Flow & Patient Experience).

# Brief history 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, St Mary Abbots, Westminster Children's, Westminster and West London.

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

# Environmental matters

The Trust pledged to reduce its carbon footprint by joining the Carbon Trust's NHS Carbon Management programme in May 2007. All staff are encouraged to help cut carbon

emissions and reduce energy bills by taking simple steps to be more energy efficient. See the Sustainability/climate change section for more detailed information.

# Financial information

## Disclosure of audit information

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware.

The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Better Payment Practice Code

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

The Trust's compliance with the Code is set out in the Notes to the Accounts.



The hospital boilerhouse



# Remuneration Report

## Remuneration Committee

The Remuneration Committee is a Committee of the Board of Directors which is appointed in accordance with the constitution of the Trust to determine the remuneration, allowances, pensions and gratuities or terms of service of the Executive Directors and rates for the reimbursement of travelling and other costs and expenses incurred by Directors.

The Board of Directors has delegated responsibility for agreeing remuneration, allowances, pensions and gratuities or terms of service for the Secretary and other Senior Managers. The Remuneration Committee does not determine the terms and conditions of office of the Chairman and Non-Executive Directors. These are decided by the Council of Governors at a General Meeting.

The membership of the Remuneration Committee includes the Trust Chairman, Professor Sir Christopher Edwards, and five Non-Executive Directors—Colin Glass, Andrew Havery, Professor Richard Kitney, Karin Norman and Charles Wilson.

The Remuneration Committee met in April, September and October 2010. Professor Sir Christopher Edwards, Karin Norman and Andrew Havery attended the meeting in April 2010. Professor Sir Christopher Edwards, Colin Glass, Andrew Havery, Professor Richard Kitney, Karin Norman and Charles Wilson were in attendance in September, and Professor Sir Christopher Edwards, Charles Wilson, Karin Norman and Professor Richard Kitney were present in October 2010.

The meetings were attended by the Chief Executive, Heather Lawrence OBE, and the Director of Human Resources, Mark Gammage, for the purpose of providing advice or services

to the Committee that materially assist the Committee in the consideration of the matters before them, other than the consideration of their own remuneration, allowances, pensions and gratuities or terms of service.

The Committee agreed to changes in Executive Director pay to reflect national and local comparative pay rates.

The Committee also agreed that in light of the current economic position Executive Directors would receive no pay inflation increase.

In order to assess whether performance conditions were met for those officers under the remit of the Committee, appraisals are conducted regularly and progress is assessed against personal and corporate objectives, long and short term.

Remuneration consists mainly of salaries and pension benefits in the form of contributions to the NHS Pension Fund which are not subject to performance conditions. Where performance bonuses are considered in exceptional circumstances, these are limited to 20% of the total salary. No bonuses were awarded in the year under review.

For a breakdown of salary and pension entitlements of senior managers, please see Note 4.6 of the signed accounts.

*Heather Lawrence*

Heather Lawrence OBE  
Chief Executive (on behalf of the Board)  
26 May 2011



The main waiting area of the new Lower Ground Floor Outpatients department

# Sustainability/climate change

## Commentary

The NHS has a carbon footprint of 18 million tonnes of CO<sub>2</sub> per year and is committed to reducing this by 20% by 2020.

Chelsea and Westminster Hospital NHS Foundation Trust is committed to playing its part in achieving this overall reduction by implementing a number of carbon reduction measures.

The Trust has committed significant capital expenditure to the installation of a Combined Heat and Power (CHP) scheme which will generate electricity on site and allow the waste heat from the generation process to be utilised to provide heating and hot water.

The CHP scheme will reduce the Trust's annual carbon footprint by 4,200 tonnes of CO<sub>2</sub>. It is due to be completed by December 2011.

The Trust is registered as a participant in the Carbon Reduction Energy Efficiency scheme (known as CRC) and will be submitting its data to the Environment Agency in June 2011.

## Summary performance

The Trust reduced its overall energy consumption by 1% in 2010/11 compared to 2009/10. This was achieved by the installation of energy efficient lighting during the year for which the Trust will see the full year effect in 2011/12. The total expenditure on all utilities fell by 7.2% compared with 2009/10 as a result of falls in gas and electricity tariffs.

The Trust significantly reduced the percentage of waste sent to landfill this year from 71% to 36%. Much of this has been achieved by changes made to the treatment of clinical waste which is now burnt as a fuel and the waste products used for road construction. We have also seen increases in general recycling rates.

Type	Non-financial data			Financial data (£000)		
	2010/11	2009/10	2008/09	2010/11	2009/10	2008/09
<b>Scope 1—Gas (kWh)</b>	<b>26,386,570</b>	26,434,984	28,452,462	<b>681</b>	632	883
<b>Scope 2—Electricity (kWh)</b>	<b>22,054,785</b>	22,651,900	24,048,300	<b>1,582</b>	1,846	2,514
<b>Water (tonnes)</b>	<b>196,384</b>	192,953	184,213	<b>299</b>	282	254
<b>Waste</b>						
Waste sent to landfill (tonnes)	<b>609</b>					
Waste recycled (tonnes)	<b>380</b>					
Clinical waste burnt as fuel (tonnes)	<b>538</b>					
Waste incinerated (tonnes)	<b>158</b>					
<b>Total waste (tonnes)</b>	<b>1,685</b>	<b>1,390</b>	<b>1,360</b>	<b>500</b>	<b>496</b>	<b>407</b>

## Equality report

### Introduction

The Trust's Deputy Chief Executive is the Executive lead for equality and diversity and Chair of the Equality and Diversity Steering Group which leads the Trust's work on addressing equality and diversity issues in the workforce and service provision to patients. The Trust employs a full-time Equality & Diversity Manager.

In 2009 the Trust developed a Single Equality Scheme (SES) approach to monitoring equality issues in anticipation of the multi-equality strand approach that was anticipated to be introduced through the Equality Act.

The Trust produces an annual report which is submitted to the Trust Board. It includes analysis of workforce monitoring as well as the progress of the Single Equality Scheme (which will be replaced by equality objectives from April 2012). Progress of the Single Equality Scheme is also monitored by the Equality and Diversity Steering Group.

### Workforce profile

Key facts about the profile of the Trust's workforce include:

- When comparing the Trust's staff population with the overall ethnic profile of people living in London, we employ a more ethnically diverse range of staff
- Approximately 75% of Trust staff are female
- 1% of staff have declared that they have a disability
- The age profile of the Trust workforce has remained the same as last year with 37% of staff in the 25–34 age bracket
- Of staff who have declared their religion, Christianity is the most widely practised faith

However, it should be noted that in many categories including religion, sexual orientation and disability, too few staff disclose information to make it statistically meaningful.

## Equality Act 2010

The Equality Act was formally introduced in October 2010 with the main aim of simplifying the law by bringing together several strands of anti-discrimination legislation.

The general equality duty of the Act requires public authorities to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between people who share a characteristic and those who do not
- Foster good relations between people who share a characteristic and those who do not

This is very similar to the previous 'general duties' for race, disability and gender equality. The term 'protected characteristic' is now used to describe equality strands such as disability or religion.

The specific duties of the Equality Act require us to publish sufficient information by the end of July 2011 to demonstrate we have complied with the general duty.

The Equality & Diversity Manager has been working with colleagues to identify suitable sources of information in relation to workforce and services to be published by the end of July 2011.

## Single Equality Scheme progress

This section summarises the Trust's progress against key objectives in the Single Equality Scheme (SES) action plan in 2010/11.

### Leadership, corporate commitment and governance

The Equality Delivery System (EDS) is a framework tool that has been designed by the NHS Equality and Diversity Council which is chaired by the NHS Chief Executive, Sir David Nicholson.

This tool will be used to improve the equality performance of the Trust, making it part of mainstream business for the Board and all staff.

It will also be used to help us meet the evidential requirements of the Equality Act 2010 and the statutory duty to consult and involve patients, communities and other local interests (NHS Act 2006 and Equality Act 2010).

The Trust's Equality & Diversity Manager has been working closely with the NHS London Equalities Lead to ensure that the EDS tool can be used by the Trust from 1 April 2012 with the support of the Trust's Executive lead for equality and diversity.

The EDS should form part of the Trust's strategic and annual business cycle and help guide future planning and resource allocation with regards to equality and diversity.

The EDS does not replace legislative requirements for equality, rather it is designed as a performance and quality assurance mechanism for the Board.

### Equality impact assessments

Under the Equality Act 2010, the term equality impact assessment (EIA) has been replaced by equality analysis. The expectation to 'equality check' our policies, functions and processes still remains.

In 2010/11 a different approach to completing EIAs was taken in the Trust. Managers were asked to confirm for which policies or processes they would complete EIAs and how many assessments they would complete.

A total of 31 EIAs were completed in 2010/11. A number of change management proposals also had assessments completed to measure their impact on employees.

### Partnership working, consultation and involvement

The Trust's community mobile health clinic provides health screening and advice, Foundation Trust membership development and engagement in the community. It targets 'hard to reach' groups in the community by, for example, providing a monthly service at Shepherd's Bush Market.

It is recognised that Foundation Trust membership recruitment should focus on increasing membership numbers among under-represented groups including Black and Minority Ethnic (BME) groups.

The Membership and Engagement Manager has been working with the Equality & Diversity Manager to develop an action plan to address this issue.

Over the last year, the Equality & Diversity Manager has developed a working relationship with the BME Health Forum, a collection of voluntary groups in Westminster.

### Accessibility and communications

The Trust's Interpreting and Translation Policy was refreshed and managers have been encouraged to consider telephone interpreting instead of face to face interpreting as a more cost effective intervention, whilst not jeopardising the impact of delivering clinical information to patients.

All patient information leaflets produced in the Trust now include a section to indicate that they can be translated into our top 10 most requested languages. In addition, the Trust has installed Google Translate on its website so that users can read it in their chosen language and we have enabled a product called BrowseAloud on our website so that people who have literacy problems, learning difficulties, dyslexia, mild visual impairments or who speak English as a second language can read aloud all website content.

A 'Patient Passport' has been produced to support people with learning disabilities who use our services. 'Easy Read' versions of a range of patient information leaflets have also been produced to improve the quality of information for people with learning disabilities.

The new Outpatients department on the Lower Ground Floor has kiosks in place for patients to self-check in for their outpatient appointment and the information on the kiosk screens is available in a number of other languages.

## Workforce and training

The Trust monitors equality and diversity training attendance through the Equality and Diversity Steering Group.

Our internally set target was for all departments to send 33% of their staff on mandatory equality and diversity training in 2010/11—34.1% of staff received the training either at corporate induction or at the Making a Difference training course. In 2011/12, the internally set target is for 25% of staff to receive mandatory equality and diversity training.

Training materials and HR policies have been refreshed to take account of the wider legislative requirements of the Equality Act 2010.

For example, the Trust's appraisal documentation has been reviewed to simplify the process and include a specific prompt around equality and diversity.

## Bullying and harassment

The Harassment Advisory Service continues to provide a confidential support service to staff and this is publicised to new staff at corporate induction.

A new cohort of staff volunteers to help provide the service have been recruited and trained by the Equality and Diversity Manager.

The Trust's policy against harassment and bullying in the workplace clearly highlights acceptable standards of behaviour that all staff should expect and adopt. The policy also empowers staff to resolve their issues.

The Trust will continue to actively pursue new and innovative ways of addressing bullying and harassment.

## Next steps

Key objectives for the HR department in 2011/12 have been agreed which address issues raised in this report including the following:

- Introduce the Equality Delivery System tool to improve the equality performance of the Trust and provide a mechanism to give us greater assurance
- Develop Trustwide agreed equality objectives to replace the existing Single Equality Scheme from April 2012
- Continue to engage and build relationships with external partners to hear the views of patients from under-represented groups such as the BME Forum
- Continue to consult with staff networks to understand this report's findings around bullying and harassment and appraisals
- Continue to consult with staff, particularly BME staff, to establish why fewer of them believe that the Trust provides equal opportunities for career progression or promotion, and to take specific medium term action as a result of this consultation

## Conclusions

The Trust meets its statutory obligations to monitor and report on equality and diversity issues and provides assurance that action is being taken and planned to address issues of note.

As a result of workforce analysis, the Trust can be satisfied that there are no significant areas of concern which are unique to this organisation, although there are a number of issues which continue to be raised which require further understanding and investigation and/or specific action to address with external partners.

# Staff survey

## Commentary

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

A range of initiatives are in place to provide staff with information on matters of concern to them, consult staff or their representatives so that their views are taken into account in making decisions that are likely to affect their interests, encourage the involvement of staff in the Trust's performance, and raise staff awareness of financial and economic factors affecting the Trust's performance:

- Executive Directors meet Staffside representatives at monthly meetings of the Joint Management and Trade Union Consultative Committee (JMTUC) and the Director of Human Resources meets with the Staffside Chair on a fortnightly basis
- The Council of Governors, which includes elected staff representatives, meets bi-monthly

- Communication with staff includes a monthly staff magazine, a monthly face-to-face Team Briefing with Executive Directors which is disseminated through the line management structure to all staff, and a Daily Noticeboard email bulletin
- The Chief Executive holds staff forums to engage with staff on important strategic issues including the potential impact on the Trust of the new Government's Health White Paper
- Executive Directors are allocated specific areas of the Trust on a monthly basis and are expected to visit these areas, engage with staff and feedback any issues to the Executive team
- The Trust has established staff networks (eg Creating Excellence Together—the Black and Minority Ethnic staff network and the Lesbian, Gay, Bisexual and Transgender staff network)

The Trust was ranked among the top 20% of acute trusts in the 2010 NHS staff survey for staff engagement, for the second consecutive year, and good communication between senior management and staff was also rated among the top 20% of acute trusts.



## Summary of performance—results from the staff survey 2010

64% of staff completed the NHS staff survey 2010 (compared with a national average response rate for acute trusts of 51%). This response rate was the second highest among acute trusts in London and in the top 10 of acute trusts nationally.

The survey was structured around the four national pledges to staff given in the NHS Constitution and two additional themes around staff satisfaction and equality and diversity.

These pledges and themes are reported under 38 key findings (KFs). Of the 38 Key Findings, 31 were directly comparable with the 2009 survey while seven were amended.

Again this year the Care Quality Commission calculated a 'Staff Engagement Score', which includes staff's perceived ability to contribute to improvements at work, their willingness to recommend the Trust as a place to work or receive treatment, and the extent to which staff feel motivated and engaged with their work.

The Trust's engagement score was 3.74 (compared to 3.73 in 2009) which places us in the top 20% of acute trusts in the country for the second year running.

The Trust improved or maintained its performance for 28 of the 31 existing key findings. Both KFs in Staff Pledge 4, which asks about communication between management and staff and staff's ability to contribute to delivery of better services, improved on last year's results and were in the top 20% of acute trusts nationally.

The Trust also maintained its improvement from the previous year on Staff Pledge 2 which asks about appraisals, personal development, access to training and line management support.

Overall five of the six KFs were higher than the national average for acute trusts and two of the five KFs were in the top 20% of acute trusts nationally.

The % of staff feeling there are good opportunities to develop their potential at work and the % of staff reporting good communication between senior managers and staff were both the highest of any Association of UK University Hospitals (AUKUH) Trust.

A further four KFs—Trust commitment to work-life balance, staff having a well structured appraisal in the previous 12 months, fairness of reporting procedures, and staff able to contribute towards improvements at work—were in the highest 20% of acute trusts nationally.

Areas of concern for the Trust focused on four KFs because our responses were lower than the national average:

- % of staff using flexible working options
- % of staff receiving health and safety training in the previous 12 months
- % of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the previous 12 months
- % of staff experiencing discrimination at work in the previous 12 months

The results of the survey have been published and action plans to address these areas of concern and improve on other KFs will be produced by departments across the Trust.

## NHS Staff Survey response rate 2010 and Job Satisfaction KF

Staff Survey	2010/11		2009/10		Trust improvement/ deterioration
	Trust	National Average	Trust	National Average	
Response rate	64%	54%	65%	55%	-1%
KF32: Staff job satisfaction*	3.48	3.48	3.51	3.47	-0.3

\* Scored from 1–5, with 1 representing very unsatisfied and 5 representing very satisfied staff

## Top and bottom ranking scores

These KF scores show where the Trust compares most favourably with other acute trusts in England (top) and least favourably with other acute trusts in England (bottom).

Top ranking scores	2010/11		2009/10		Trust improvement/ deterioration
	Trust	National Average	Trust	National Average	
KF10: % of staff feeling there are good opportunities to develop their potential at work	51%	41%	51%	42%	0%
KF30: % of staff reporting good communication between senior management and staff	37%	26%	36%	26%	1%
KF31: % of staff able to contribute towards improvements at work	68%	62%	67%	61%	1%
KF34: % of staff who would recommend the Trust as a place to work or receive treatment	3.77	3.80	3.80	3.50	-0.3



Gary Lawson (Chief Executive, Chelsea and Westminster Health Charity), Helen Stracey (Dietetics Service Manager), Antonia Shepherd (HR Business Partner) and Mark Gammage (Director of HR) at the Staff Wellbeing Day in October 2010

Bottom ranking scores	2010/11		2009/10		Trust improvement/ deterioration
	Trust	National Average	Trust	National Average	
KF16: % of staff receiving health and safety training in last 12 months	59%	80%	61%	78%	-2%
KF9: % of staff using flexible working options	56%	63%	n/a	n/a	Comparisons with 2009 score not possible due to changes in format
KF33: Staff intention to leave jobs*	2.76	2.53	2.73	2.51	-0.3
KF25: % of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months*	19%	15%	n/a	n/a	Comparisons with 2009 score not possible due to changes in format

\* Lower is better

## Future priorities and targets

The Trust plans to engage with staff in accordance with the NHS Constitution. The Trust staff survey action plan will focus on addressing areas of concern from this year's

staff survey and building on areas of strength. Each ward and department will develop its own action plan to address local issues.

Progress will be reported through the Trust's established internal communications systems.

## Regulatory ratings

### Commentary

#### Explanation of ratings

##### Financial risk rating

When assessing financial risk, the Foundation Trust regulator Monitor assigns a risk rating using a scorecard which compares key financial metrics on a consistent basis across all NHS foundation trusts.

The risk rating is intended to reflect the likelihood of a financial breach of the terms of authorisation.

The financial indicators used to derive the financial risk rating incorporate five individual ratings which are each rated from 1 (high risk) to 5 (low risk).

##### Governance risk rating

Monitor's assessment of governance risk is based predominantly on NHS foundation trusts' plans for ensuring compliance with the terms of their authorisation but will also reflect historic performance where this may be indicative of future risk.

Monitor considers eight elements when assessing the governance risk rating—legality of constitution, growing a representative membership, appropriate Board roles and structures, service performance, clinical quality and patient safety, effective risk and performance management, co-operation with NHS bodies and local authorities, and provision of mandatory services.

Monitor rates governance risk using a graduated system of green, amber/green, amber/red and red, where green indicates low risk and red indicates high risk.

## Summary of performance

In 2010/11 the Trust was rated green for governance. The plan for 2010/11 was for a green rating although the Trust did vary from this plan during the second and third quarters due to the levels of detected cases of MRSA bacteraemia during these periods.

By the end of 2010/11 the Trust had successfully met its targets for hospital acquired infections leading to a green rating for governance.

The financial risk rating was planned at 4 but the Trust actually achieved a rating of 5 during each quarter of the year. This represents an improved performance for financial risk compared to 2009/10.

## Financial risk rating performance

The Trust planned to achieve an overall financial risk rating of 4 for each quarter of 2010/11, on the cumulative position. The Trust's actual performance was a 5 for each quarter cumulatively.

The overall financial risk rating reflects the weighted average of five individual ratings—one of these five ratings was higher than plan during each quarter, Liquidity.

The Liquidity rating assesses the level of cash available to the Trust and the number of days it could continue to pay its creditors without receiving income. During each quarter the Trust had an average of 33 days of cash, which provides a rating of 4 compared to a planned rating of 3.

2010/11	Annual Plan	Q1	Q2	Q3	Q4
Financial risk rating	4	5	5	5	5
Governance risk rating	GREEN	GREEN	AMBER/ GREEN	AMBER/ GREEN	GREEN

2009/10	Annual Plan	Q1	Q2	Q3	Q4
Financial risk rating	4	4	3	4	4
Governance risk rating	GREEN	GREEN	GREEN	GREEN	GREEN

# Public interest disclosures

## Action to inform, involve & consult with staff

See the 'Staff Survey' section for details.

## Policies in relation to equal opportunities

We have an Equality & Diversity Policy to help explain the current equalities legislation and to ensure that staff are aware of their responsibilities as employees of the Trust and as frontline healthcare workers providing services to patients.

In addition, the Trust has a zero tolerance approach to bullying and harassment which is set out in our Harassment & Bullying Policy.

The Trust also considers requests for flexible working or reasonable adjustments through the respective policies for flexible working and the recruitment and retention of staff with disabilities.

## Policies in relation to disabled staff

### Policies for giving full and fair consideration to applications for employment by disabled people

The Trust has an Equality & Diversity Policy and a Recruitment and Selection Policy and Procedure which supports applications from disabled candidates to receive full and fair consideration. Specific support for Trust staff

is provided through mandatory recruitment training for recruiting managers, as well as a policy for the recruitment and retention of staff with disabilities.

The Trust is a recognised '2 Ticks' employer. This status is awarded by Jobcentre Plus to employers that have made commitments to employ and develop the abilities of disabled staff.

### Policies for continuing the employment of, and arranging appropriate training for, staff who have become disabled

Disabled staff, managers, Human Resources and Occupational Health staff advise on adjustments to support disabled staff including adjustments to job roles, working hours and environment, and provide additional training in line with the policy for the recruitment and retention of staff with disabilities.

### Policies for training, career development and promotion of disabled staff

Staff should have regular appraisals and any training needs or personal development opportunities should be identified during the employee's appraisal in accordance with the Trust's Appraisal Policy and Study Leave Policy.

## Health & Safety performance

The number of incidents reported to the Health & Safety Executive decreased from 36 in 2009/10 to 22 in 2010/11.

## Occupational Health performance

The principal aim of the Occupational Health department is to help the Trust meet its responsibilities towards staff and others affected by its activities.

Occupational Health is vital in aiding the organisation to promote and maintain the health and wellbeing of its workforce.

Over the last year the service has continued to grow—in 2010/11, 3,501 activities were undertaken by Occupational Health staff providing services to the Trust and a number of other small organisations.

All prospective staff are required to complete a pre-employment health screening questionnaire to establish their fitness to undertake the job they have been offered based on the information provided.

In 2010/11 a total of 585 pre-employment health and medical interviews were undertaken by the Occupational Health department to obtain further information about the fitness of staff for work.

In addition, 840 management referrals/reviews were undertaken in 2010/11. Line managers continue to be the

main source of referrals, requesting Occupational Health assistance with the management of sickness absence, rehabilitation and performance issues.

On 1 December 2010, The Royal Marsden NHS Foundation Trust took over the provision of the Occupational Health service at Chelsea and Westminster.

In 2011/12 new processes will be introduced to streamline procedures and an event will be held in the Trust to provide information about the Occupational Health service to all staff.

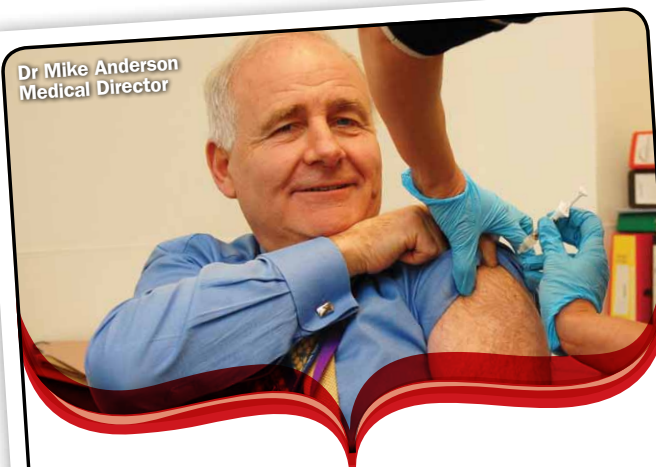
## Counter-fraud policies & procedures

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 staff who Trust staff can contact confidentially if they suspect a fraudulent act are the Director of Finance and the Local Counter-fraud Specialist (LCFS).

## Sickness absence data

The annual sickness absence level in the Trust in 2010/11 was 3.44%.



Dr Mike Anderson  
Medical Director

**I've had mine.**

**Have you had yours?**

Swine flu vaccination is the best way to protect yourself, your family and patients—  
all staff are encouraged to get vaccinated

See regular All Staff emails for details of times and locations

Choose Chelsea and Westminster  
Chelsea and Westminster Hospital NHS Foundation Trust



Roz Wallis  
Consultant Nurse  
Infection Control

**I've had mine.**

**Have you had yours?**

Swine flu vaccination is the best way to protect yourself, your family and patients—  
all staff are encouraged to get vaccinated

See regular All Staff emails for details of times and locations

Choose Chelsea and Westminster  
Chelsea and Westminster Hospital NHS Foundation Trust

Senior clinicians advocated staff flu vaccinations as part of a vaccination programme run by the Occupational Health department



# Finance

# Statement of Accounting Officer's Responsibilities

## Statement of the Chief Executive's responsibilities as the Accounting Officer of Chelsea and Westminster Hospital NHS Foundation Trust

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

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

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

- Observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure

requirements, and apply suitable accounting policies on a consistent basis

- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- 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 OBE  
Chief Executive and Accounting Officer  
26 May 2011

## Annual Governance Statement

### Scope of responsibility

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

I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks

to the achievement of the policies, aims and objectives of Chelsea and Westminster Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chelsea and Westminster Hospital NHS Foundation Trust for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

The Trust has a risk management strategy and operational policies approved by the Trust Board.

All Directors working in the Trust take responsibility for risk identification, management and mitigation within their areas of work and practice, in line with the management and accountability arrangements in the Trust. The Divisions are responsible for their areas and this is supported by quarterly Divisional quality reports which contain a wide range of information including information on risks, incidents, complaints, infection control, and training.

Risk management is overseen at corporate level through the Trust's Risk Management Committee and in addition other

committees as appropriate eg the Health and Safety and Fire Committee, the Capital Programme Board and the Facilities Committee. The Risk Management Committee reports to the Trust Executive Quality Committee and also provides reports to the Assurance Committee, which reports to the Board.

The dissemination of good practice and lessons learned from incidents or near misses is achieved through a variety of mechanisms including Divisional reports, discussion of incidents and risk assessments at relevant committees eg the Risk Management Committee and Trust Executive Quality Committee, and newsletters such as 'Risk News'.

Risk management training is given to staff on induction and regular training opportunities are provided within the hospital to staff at all levels, based on their responsibilities and the Training Needs Analysis. Compliance with training requirements is monitored quarterly at divisional and executive level and reported to the Assurance Committee.

The Trust maintained Level 2 of the Clinical Negligence Scheme for Trusts (CNST) maternity standards following the assessment in February 2010. The Trust achieved Level 2 in the general NHS Litigation Authority Risk Management Standards in December 2008.

## The risk and control framework

The key elements of the quality governance arrangements are as described in Monitor's Quality Governance Framework; strategy, capabilities and culture, processes and structure and measurement. The Trust is committed to continuous improvement and learning; from incidents and complaints, outcomes from audits and experiences of others. The quality of performance information is assessed through data quality reports to Divisions and regular audit. Compliance with CQC registration is assured by the Assurance Committee through review of the CQC standards compliance and by the monitoring of action plans and feedback from patients and staff.

The Trust manages its risks to data security through a number of different approaches. The Trust has a Board level Senior Information Risk Owner (SIRO). The SIRO chairs an Information Governance Committee (IGC) which is responsible for setting the framework for information governance standards in the Trust and ensuring delivery of action plans to improve compliance. A key part of the IGC's work is to review compliance against the Information Governance Toolkit and to ensure the evidence is externally assured through audit. The key strands of the Trust's management of risk to data security are:

- The development of appropriate information governance policies and staff procedures eg the Trust has an approved Information Risk policy which provides the framework for managing information risk in conjunction with an Information Governance Strategy and Policy, Information Security Policy and overall Risk Management Policy and Strategy.
- The development of a range of information governance training packages and literature, suitable to the needs of different staff groups and mandating this annually. The Trust has focused on areas of particular sensitivity eg HIV and sexual health services.

- Ensuring that the Trust's IT systems are physically secure and have sufficient password protection and firewalls to prevent harm from malware or external hacking—this also includes provision of encrypted portable devices and provision of e-mail encryption facilities.

The Trust has been externally assessed as green (scoring at least level 2 on all 45 requirements) on its Information Governance Toolkit for 2010/11 and the following are the key areas of focus:

- The risk that not all staff complete their training and lack of assurance on staff competency in information governance awareness. This particularly relates to potential for lack of awareness of some staff and patients of the procedures to safeguard patient confidentiality and assure data protection.
- The risk that not all flows of person identifiable information have been mapped.
- The risk that the structure for managing information assets has not been fully embedded within the organisation to enable proactive risk assessment within each department.

The Trust's plans for mitigating the above risks are:

- To conduct awareness surveys amongst staff and patients about the use of personal information.
- To complete a comprehensive information flow mapping to analyse the type of information accessed by staff and their level of authorisation. The Trust's strategy is to implement an Electronic Document Management System which will help to address this risk.
- To identify Information Asset Owners and Information Asset Administrators for each system and train them in their responsibilities for proactive information risk assessment.

The Information Governance Toolkit assessment for 2010/11 which was independently verified by Internal Audit, assessed all key requirement areas at Level 3.

The Audit Committee receives a regular update on information governance and assures the Board through the reports to the Board.

The major organisational risks relate to uncertainty about the Health and Social Care Bill and long term sustainability and the Trust will work with staff and partners in agreeing a plan for mitigation, which will build on the current plans.

The risk management strategy identifies the key elements to managing risk. This includes reactive risk management through analysis of incidents, identification of trends, investigations of serious incidents and subsequently identification of action plans to reduce risk. These actions are monitored through the divisions and the Risk Management Committee. The Trust's risk objectives include a target to increase incident reporting and this will be a particular focus for 2010/11.

Risk is identified in the Trust proactively in a number of different ways. Directorates and departments undertake an annual comprehensive risk review using a risk assessment tool. Gaps in meeting key risks are identified and action plans developed. Risks are also identified on an ad hoc basis and evaluated using the Trust risk assessment form. This

captures risk information for clinical and non-clinical risks and supports risk evaluation and action planning. Risks may also be identified from incidents, complaints and claims. A colour coded risk matrix is used to rate risks. Risks graded red are considered serious risks and risks graded orange are considered high risk.

Risk assessments are peer reviewed to include an assessment of the risk rating to ensure validity. All risks are entered into the centrally held risk register, which is managed by the corporate risk team. Risks that are red or orange are reviewed at the Risk Management Committee and if appropriate by other committees eg those with capital implications are reviewed at the Capital Programme Board. Risks identified through completion of the Assurance Framework are monitored by the Board. Risk assessments and the directorate risk register are part of the quarterly Quality Reports which are reviewed by the directorates. Risks that are red are notified to the Trust Board and these are monitored quarterly.

Risk management is further embedded in the activity of the organisation in a number of other ways. Local risk management processes reflect the overall strategy of the Trust. Directorates and departments are required to identify risks associated with the delivery of objectives. Risk identification is part of the business planning template; and risk identification is included in application forms for capital expenditure. The capital plan is regularly compared with the risk register to ensure significant risks requiring funding are prioritised.

Risks which may prevent the Trust from achieving its corporate objectives are identified during the development of the Trust's Assurance Framework.

Equality impact assessments are undertaken for major service changes, as well as for policies and procedures.

The lead PCT is involved in risks which affect them through negotiation on the contract. In addition there is liaison and partnership work with relevant bodies on risks which affect them or which they can mitigate eg ISS Mediclean for facilities management, Olympic South Limited for transport, Norland for estates, the local safeguarding children's board for children's issues and various organisations for safeguarding vulnerable adults. The Trust also works with local agencies on emergency and business continuity planning.

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

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

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

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance

with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The development and reporting of patient level costing and service level reporting continues to ensure that the Board is aware of relative profitability and efficiency. This information is used proactively to identify opportunities for improving efficiency and profitability for each service. Service line reports have been developed to improve access to drill down reports to investigate cost variation and are reported to the service on a monthly basis.

Monthly finance and performance reports are provided to the Board. The Trust has exceeded the target for generation of net surplus and has delivered its target Cost Improvement Programme. A new divisional structure to strengthen clinical accountability for resource use was in place during the year.

It is within Internal Audit's remit to make recommendations on the effective use of resources and they have undertaken a review of cost improvement and procurement processes.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board ensures the effectiveness of the system of internal control through clear accountability and reporting arrangements.

The Audit Committee is a formal sub-committee of the Board and is accountable to the Board for reviewing the establishment and maintenance of an effective system of internal control and risk management. The committee meets at least five times per year. The Audit Committee approves the annual audit plans for internal and external audit activities and ensures that recommendations to improve weaknesses in control arising from audits are actioned by executive management.

The Board monitors the Assurance Framework and objectives quarterly, ensuring actions to address gaps in control and gaps in assurance are progressed.



The Finance and Investment Committee conducts an objective review of financial and investment policy issues and reports to the Board.

The Assurance Committee is a formal sub-committee of the Board. This committee is accountable for seeking assurance that systems, processes and outcomes contribute to the Trust's aims and values and objectives relating to patient safety and quality, a safe and clean hospital environment and staff satisfaction and to ensure that there is evidence of robust governance and assurance processes in these areas.

The Trust Executive Quality Committee, the Risk Management Committee and the Facilities Committee report into the Assurance Committee.

Until December 2010 internal audit services were outsourced to RSM Tenon and from January 2011 to KPMG. Both have provided an objective and independent opinion to the Chief Executive, the Board and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives.

Each assignment is discussed with the appropriate line manager or director and a report including management responses and a proposed action plan is presented to the Audit Committee. Internal Audit routinely follows up action with management to establish the level of compliance and the results are reported to the Audit Committee.

Executive Directors are accountable to the Board, the Audit Committee and the Assurance Committee for ensuring management arrangements are in place to develop relevant strategies, policies, systems and procedures to maintain internal control and to take action to address any gaps identified from the review of these systems.

Executive Directors are responsible for setting team objectives to ensure the delivery of corporate objectives and the management of risk. There is a quarterly report to the Board on progress on objectives, including a review of the risks.

There is a clinical audit strategy, a policy and a yearly plan which takes into account national and local clinical audit requirements. There is a continued focus on clinical audit to drive service improvement and patient safety.

## Conclusion

No significant internal control issues have been identified.



Heather Lawrence OBE  
Chief Executive  
26 May 2011

# Independent Auditor's Report

## Independent Auditor's Report to the Board of Governors and Board of Directors of Chelsea and Westminster Hospital NHS Foundation Trust

We have audited the financial statements of Chelsea and Westminster Hospital NHS Foundation Trust for the year ended 31 March 2011 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Cash Flow Statement, and the related notes 1 to 37.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor—Independent Regulator of NHS Foundation Trusts.

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Chelsea and Westminster Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006.

Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose.

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

## Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code of NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements.

If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 March 2011 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor—Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

## Opinion on other matter prescribed by the National Health Service Act 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the National Health Service Act 2006 requires us to report to you if, in our opinion:

- proper practices have not been observed in the compilation of the financial statements; or
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources

## Certificate

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



Heather Bygrave FCA BA (Hons)  
(Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St Albans, United Kingdom

27 May 2011

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# Foreword to the accounts

These accounts for the year ended 31 March 2011 have been prepared by Chelsea and Westminster Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.



Heather Lawrence OBE  
Chief Executive  
26 May 2011

## Statement of comprehensive income for the year ended 31 March 2011

	Note	2010/11 £000	2009/10 £000
<b>Operating income</b>			
Operating income from operations	2	331,807	308,519
Operating expenses from operations	3	(308,701)	(292,483)
<b>Operating surplus</b>		<b>23,106</b>	16,036
<b>Finance costs</b>			
Finance income	7.1	112	95
Finance expense—financial liabilities	7.2	(462)	(613)
Public dividend capital dividends payable		(8,951)	(8,557)
<b>Net finance costs</b>		<b>(9,301)</b>	(9,075)
<b>Surplus for the year</b>		<b>13,805</b>	6,961
<b>Other comprehensive income</b>			
Revaluation gain/(loss) property, plant and equipment		40,278	(38,246)
Receipt of donated assets		50	155
Other reserve movements		(186)	(240)
<b>Total comprehensive income/(expense) for the year</b>		<b>53,947</b>	(31,370)

## Statement of financial position as at 31 March 2011

	Note	31 Mar 2011 £000	31 Mar 2010 £000
<b>Non-current assets</b>			
Intangible assets	8	4,870	0
Property, plant and equipment	9	318,342	265,939
<b>Total non-current assets</b>		<b>323,212</b>	265,939
<b>Current assets</b>			
Inventories	11	6,081	6,045
Trade and other receivables	12	15,554	18,617
Cash and cash equivalents	20	38,773	19,861
<b>Total current assets</b>		<b>60,408</b>	44,523
<b>Current liabilities</b>			
Trade and other payables	14	(40,320)	(27,843)
Borrowings	16.1	(169)	(919)
Provisions	19.1	(2,386)	(1,896)
Other liabilities	15.1	(6,745)	(4,863)
<b>Total current liabilities</b>		<b>(49,620)</b>	(35,521)
<b>Total assets less current liabilities</b>		<b>334,000</b>	274,941
<b>Non-current liabilities</b>			
Borrowings	16.2	(14,819)	(6,624)
Provisions	19.2	(456)	(459)
Other liabilities	15.2	(370)	(3,450)
<b>Total non-current liabilities</b>		<b>(15,645)</b>	(10,533)
<b>Total assets employed</b>		<b>318,355</b>	264,408
<b>Financed by (taxpayers' equity)</b>			
Public dividend capital		162,549	162,549
Revaluation reserve	22	94,791	55,696
Donated asset reserve		5,909	4,986
Income and expenditure reserve		55,106	41,177
<b>Total taxpayers' equity</b>		<b>318,355</b>	264,408

*Heather Lawrence*

Heather Lawrence OBE, Chief Executive  
26 May 2011

## Statement of changes in taxpayers' equity for the year ended 31 March 2011

	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Donated Assets Reserve £000	Income & Expenditure Reserve £000
<b>Taxpayers' equity at 1 Apr 2010 as previously stated</b>	<b>264,408</b>	162,549	55,696	4,986	41,177
Surplus for the year	<b>13,805</b>	0	0	0	13,805
Revaluation gain on property, plant and equipment	<b>40,278</b>	0	39,219	1,059	0
Receipt of donated assets	<b>50</b>	0	0	50	0
Asset disposals	<b>0</b>	0	(124)	0	124
Other reserve movements	<b>(186)</b>	0	0	(186)	0
<b>Taxpayers' equity at 31 Mar 2011</b>	<b>318,355</b>	162,549	94,791	5,909	55,106
<b>Taxpayers' Equity at 1 Apr 2009 as previously stated</b>	<b>295,778</b>	162,549	91,320	7,693	34,216
Surplus for the year	<b>6,961</b>	0	0	0	6,961
Impairments on property, plant and equipment	<b>(38,246)</b>	0	(35,624)	(2,622)	0
Receipt of donated assets	<b>155</b>	0	0	155	0
Asset disposals	<b>0</b>	0	0	0	0
Other reserve movements	<b>(240)</b>	0	0	(240)	0
<b>Taxpayers' equity at 31 Mar 2010</b>	<b>264,408</b>	162,549	55,696	4,986	41,177

## Statement of cash flows for the year ended 31 March 2011

	Note	2010/11 £000	2009/10 £000
<b>Cash flows from operating activities</b>			
Operating surplus from continuing operations		<b>23,106</b>	16,036
<b>Non-cash income and expense</b>			
Depreciation and Amortisation	3	<b>8,478</b>	7,459
Transfer from the Donated Asset Reserve	2.2	<b>(186)</b>	(240)
Amortisation of Government Grants		<b>(5)</b>	0
Decrease/(Increase) in Trade and Other Receivables		<b>3,063</b>	(7,199)
(Increase)/Decrease in Inventories		<b>(36)</b>	543
Increase in Trade and Other Payables		<b>7,746</b>	1,529
(Decrease) in Other Liabilities		<b>(1,192)</b>	0
Increase in Provisions		<b>387</b>	82
Other movements in Operating Cash flows		<b>148</b>	238
<b>Net cash generated from operations</b>		<b>41,509</b>	18,448
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		<b>(615)</b>	0
Purchase of property, plant and equipment		<b>(20,565)</b>	(15,519)
Sale of property, plant and equipment		<b>0</b>	104
<b>Net cash used in investing activities</b>		<b>(21,180)</b>	(15,415)
<b>Cash flows from financing activities</b>			
Interest received		<b>110</b>	103
Loans received		<b>12,525</b>	0
Loans repaid		<b>(4,917)</b>	(6,113)
Capital element of finance lease rental payments		<b>(158)</b>	(177)
Interest paid		<b>(234)</b>	(482)
Interest element of finance leases		<b>(127)</b>	(108)
PDC dividends paid		<b>(8,616)</b>	(8,448)
<b>Net cash used in financing activities</b>		<b>(1,417)</b>	(15,225)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>18,912</b>	(12,192)
<b>Cash and cash equivalents at 1 Apr 2010</b>		<b>19,861</b>	32,053
<b>Cash and cash equivalents at 31 Mar 2011</b>		<b>38,773</b>	19,861



# Notes to the accounts

## 1. Accounting policies and other information

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the accounts and accompanying notes will be prepared in accordance with the 2010/11 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 New and revised standards and interpretations

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) but are not yet required to be adopted or are not yet effective.

- IAS 24 related party disclosures (revised 2009)
- IFRS 9 Financial Instruments: Financial Assets & Liabilities
- IFRS 7 Financial Instruments: Disclosures—Transfers of Financial Assets
- IAS 12 Income Taxes Amendment
- IFRIC 14 amendment
- IFRIC 19 "Extinguishing financial liabilities with Equity Instruments"

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements. All other revised and new standards have not been listed here as they are not considered to have an impact on the Trust. Monitor does not permit the early adoption of accounting standards, amendments and interpretations that are in issue at the reporting date but effective at a subsequent reporting period.

### 1.2 Accounting convention

These accounts have been prepared under the historical cost convention, modified by the revaluation of properties, and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

### 1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

In accordance with IAS 18, income relating to those spells which are partially completed at the financial year end is apportioned across the financial years on a pro rata basis.

## 1.4 Expenditure on employee benefits

### 1.4.1 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

### 1.5 Pension costs

**NHS Pension Scheme**—Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers' pension cost contributions are charged to operating expenses as and when they become due. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

### 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

## 1.7 Property, plant and equipment

### 1.7.1 Recognition

Property, plant and equipment are capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably;
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives eg plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

## 1.8 Measurement

### 1.8.1 Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value.

All assets are measured subsequently at fair value as follows:

- (a) Land and non-specialised buildings—market value
- (b) Specialised buildings—depreciated replacement cost
- (c) Non-property assets—depreciated historic cost

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be fully recoverable.

All land and buildings are restated to fair value in accordance with IAS 16 and Monitor guidance, using professional valuations every five years and an interim valuation after three years to ensure that fair values are not materially different from the carrying amounts. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual based on modern equivalent assets.

A valuation of specialised buildings was carried out by Montagu Evans (Independent Chartered Surveyors, Registration number OC312072). Buildings were valued at depreciated replacement cost on a modern equivalent asset basis as at 31 March 2011. In order to derive relevant build costs, Montagu Evans gave regard to the RICS Build Cost Indices in consultation with their own building surveyor. In accordance with the RICS and Treasury's Financial Reporting manual valuation guidelines, an 'instant build' approach was assumed in that the modern equivalent assets would be constructed at the date of valuation without phasing or lead in periods. It also assumes the site is cleared and ready to take the new buildings and therefore there is no allowance for the demolition of any existing buildings or site preparation.

### 1.8.2 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised.

### 1.8.3 Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service

delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which have been reclassified as 'Held for Sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Property, plant and equipment are depreciated over the following useful lives:

- Buildings are depreciated on a straight line basis, after accounting for residual value, over the remaining useful economic life of 37 years;
- Dwellings and leasehold improvements are depreciated over the shorter of the useful economic life or lease term;
- Plant and machinery, furniture and fittings and information technology are depreciated on a straight line basis over the useful economic life of the asset, deemed as 5 years for short life assets, 10 years for medium life assets and 15 years for long life assets.

### 1.8.4 Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

In accordance with the Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

## 1.9 De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
  - (a) management are committed to a plan to sell the asset;
  - (b) an active programme has begun to find a buyer and complete the sale;
  - (c) the asset is being actively marketed at a reasonable price;
  - (d) the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - (e) the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

## 1.10 Donated assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the Income and Expenditure Reserve.

## 1.11 Private finance initiative (PFI) transactions

The Trust is not party to any PFI transactions.

## 1.12 Intangible assets

### 1.12.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

### 1.12.2 Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- (a) the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- (b) the Trust intends to complete the asset and sell or use it;
- (c) the Trust has the ability to sell or use the asset;
- (d) how the intangible asset will generate probable future economic or service delivery benefits eg the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- (e) adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- (f) the Trust can measure reliably the expenses attributable to the asset during development.

Expenditure which does not meet the criteria for capitalisation is treated as an operating expense in the year in which it is incurred. Where possible, the Trust discloses the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

## 1.13 Software

Software which is integral to the operation of hardware eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware eg application software, is capitalised as an intangible asset.

## 1.14 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

## 1.15 Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Software is amortised over 5–10 years.

## 1.16 Government grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Grants from the Department of Health are accounted for as Government grants. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to operating income over the life of the asset in a manner consistent with the depreciation charge for that asset.

### 1.17 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

### 1.18 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and other short term highly liquid investments. These balances are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Monies held in the Trust's bank account belonging to patients are excluded from cash and cash equivalents (see "third party assets" below).

Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within payables. Interest earned on bank accounts and interest charged on overdrafts is recorded respectively as "finance income" and "finance cost" in the periods to which they relate. Bank charges are recorded as operating expense in the periods to which they relate.

### 1.19 Financial instruments and financial liabilities

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Trust will commonly have the following financial assets and liabilities: trade receivables (but not prepayments), cash and cash equivalents, trade payables (but not deferred income), finance lease obligations, borrowings, provisions.

### 1.20 Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent that, performance occurs ie when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described above. Regular way purchases or sales are recognised and de-recognised, as applicable, using the trade date. All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

### 1.21 De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risk and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### 1.22 Classification and measurement

Financial assets are classified into the following specified categories:

- Financial assets 'at fair value through Income and Expenditure'; or
- 'Loans and receivables'; or
- 'Available-for-sale' financial assets

Financial liabilities are classified as either:

- Financial liabilities 'at fair value through Income and Expenditure'; or
- 'Other financial liabilities'

The Trust has no financial assets classified as 'at fair value through Income and Expenditure' or 'Available for sale'. There are also no financial liabilities classified as 'at fair value through income and expenditure'.

### 1.23 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income, except for short-term receivables when the recognition of interest would be immaterial.

### 1.24 Other financial liabilities

All 'other' financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the date of the Statement of Financial Position, which are classified as non-current liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

### 1.25 Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset. Evidence is gathered via formal communication between the Trust and the counterparties.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original



effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of bad debt provision. The bad debt provision is charged to operating expenses.

## 1.26 Leases

### 1.26.1 Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

### 1.26.2 Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

### 1.26.3 Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

## 1.27 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms.

## 1.28 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 19.3 to the accounts.

## 1.29 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

## 1.30 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets but are disclosed in the notes to the accounts where an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed in the notes to the accounts, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- (a) possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- (b) present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

## 1.31 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) net cash balances held with the Government Banking Service (GBS), excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

## 1.32 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## 1.33 Corporation tax

Corporation tax is not applicable to the Trust.

## 1.34 Foreign exchange

The functional and presentational currencies of the Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;

- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

### 1.35 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

## 2. Operating income from operations

### 2.1 Operating income (by classification)

Income from activities	Note	2010/11 £000	2009/10 £000
Elective income		43,869	42,007
Non elective income		80,761	75,876
Outpatient income		62,209	54,414
Accident & Emergency income		10,631	10,380
Other NHS clinical income		80,616	72,792
Private patient income	2.3	10,788	8,184
Other non-protected clinical income		2,274	1,604
<b>Total income from activities</b>	2.4	<b>291,148</b>	<b>265,257</b>

Income categorised within Other NHS clinical income has been reviewed and it was found more appropriate to reclassify certain elements of 2009/10 income into specific categories as follows: £36.7m moved from Other NHS clinical income to Elective Income (£23.2m) and Non-Elective income (£13.5m) and £11.8m moved to Other NHS Clinical Income from Non-Elective income (£1.6m) and Outpatient income (£10.2m).

### 2.2 Other operating income

	2010/11 £000	2009/10 £000
Research and development	4,153	4,329
Education and training	25,286	24,514
Charitable and other contributions to expenditure	22	92
Transfers from donated asset reserve in respect of depreciation on donated asset	186	240
Non-patient care services to other bodies	914	649
Profit on disposal of equipment	0	4
Other income	10,098	13,434
<b>Total other operating income</b>	<b>40,659</b>	<b>43,262</b>
<b>Total operating income from operations</b>	<b>331,807</b>	<b>308,519</b>

Other income includes the following significant amounts: Staff recharges £3.5m (2009/10—£3.6m), Estates recharges £1.5m (2009/10—£3.6m) and Clinical Excellence Awards £1.0m (2009/10—£1.1m).

## 2.3 Private patient income (PPI)

	Base year restated £000	2010/11 £000	2009/10 £000
Private patient income	5,824	10,788	8,184
Total patient related income	157,015	291,148	265,257
Proportion (as percentage)	3.7%	3.7%	3.1%

In following the guidance of PPI Cap Revised Rules (Monitor February 2010) the Trust has carried out a review of all income stream categories to determine what private income/charges to include in the PPI Cap. The identified change comprises the inclusion of Overseas Non Reciprocal income and exclusion of top up charges to NHS patients for private facilities used. This resulted in a restatement of the base year PPI cap.

### 2.4 Operating income (by type)

Income from activities	2010/11 £000	2009/10 £000
NHS Foundation Trusts	1,129	4
NHS Trusts	10	0
Primary Care Trusts	278,085	255,289
Local Authorities	27	0
Department of Health—other	0	176
Non NHS: Private patients	9,843	8,184
Non NHS: Overseas patients (non-reciprocal)	945	1,086
NHS injury scheme	887	414
Non NHS: Other	222	104
<b>Total</b>	<b>291,148</b>	<b>265,257</b>

## 3. Operating expenses from operations

Operating expenses	2010/11 £000	2009/10 £000
Staff costs	163,832	159,796
Executive directors costs	830	743
Non executive directors costs	137	118
Termination benefit	96	0
Early retirements	28	0
Drug costs	50,634	47,681
Supplies and services—clinical (excl drug costs)	34,950	34,944
Supplies and services—general	4,897	4,907
Transport	1,440	1,465
Research and Development	943	1,314
Establishment	4,947	4,872
Premises	19,299	18,627
Services from NHS Trusts	513	213
Purchase of healthcare from non-NHS bodies	1,273	708
Legal fees	611	170
Consultancy costs	1,354	1,905
Training, courses and conferences	773	708
Patient travel	112	110
Car parking & Security	4	30
Hospitality	77	107
Insurance	191	183
Audit fees:		
Audit services—statutory audit	138	109
Audit services—regulatory reporting	0	0
Other auditors remuneration—further assurance services	12	12
Other auditors remuneration—other services	0	10
Clinical negligence	5,124	4,789
Increase in bad debt provision	6,559	216
Depreciation on property, plant and equipment	8,453	7,459
Amortisation on intangible assets	25	0
Loss on disposal of other property, plant and equipment	50	168
Other	1,399	1,119
<b>Total operating expenses from operations</b>	<b>308,701</b>	<b>292,483</b>

### 3.1 Operating leases

#### 3.1.1 Arrangements containing an operating lease

	2010/11 £000	2009/10 £000
Minimum lease payments	1,817	1,988
Less sublease payments received	0	(28)
<b>Total</b>	<b>1,817</b>	<b>1,960</b>

### 3.1.2 Arrangements containing an operating lease

	31 Mar 11 £000	31 Mar 10 £000
<b>Future minimum lease payments due:</b>		
• not later than 1 year	1,769	1,579
• later than 1 year and not later than 5 years	5,209	6,729
• later than 5 years	3,334	3,040
<b>Total</b>	<b>10,312</b>	<b>11,348</b>
Total of future minimum sublease lease payments to be received at the Statement of Position date	0	0

## 4. Employee expenses and numbers

### 4.1 Employee expenses

	2010/11 £000	2009/10 £000
Salaries and wages	127,436	125,233
Social security costs	11,189	10,669
Employers' contributions to NHS Pension Scheme	13,945	12,481
Termination benefit	96	0
Agency/contract staff	12,120	13,078
<b>Total</b>	<b>164,786</b>	<b>161,461</b>

### 4.2 Average number of persons employed (WTE Basis)

	2010/11 WTE	2009/10 WTE
Medical and dental	539	538
Administration and estates	592	581
Healthcare assistants and other support staff	248	230
Nursing, midwifery and health visiting staff	1,057	1,012
Nursing, midwifery and health visiting learners	0	1
Scientific, therapeutic and technical staff	300	294
Bank and agency staff	411	523
Other	27	26
<b>Total</b>	<b>3,174</b>	<b>3,205</b>

(WTE—Whole Time Equivalent)

### 4.3 Employee benefits

	2010/11 £000	2009/10 £000
Employee benefits	100	69

### 4.4 Retirements due to ill-health

During 2010/11 there were three (2009/10—three) early retirements from the Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of ill-health retirements for the year ended 31 March 2011 were £0.2m (2009/10—£0.2m)

## 5. Better Payment Practice Code

### 5.1 Better Payment Practice Code—measure of compliance

	2010/11		2009/10	
	N°	£000	N°	£000
Total bills paid in the year	62,846	161,633	73,168	162,743
Total bills paid within the target	56,892	142,138	57,803	130,195
Percentage of bills paid within target	90.5%	87.9%	79.0%	80.0%

The Better Payment Practice Code requires the Trust to aim to pay 95% of all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

### 4.5 Exit packages

During 2010/11 there were three compulsory redundancies, each within banding £25,001–£50,001. There were no other departures for staff except for exit packages relating to senior managers disclosed in the Directors' remuneration note, whose details are within note 4.6.

### 4.6 Salary and Pension entitlements of senior managers (table on following page)

Non-Executive Directors do not receive pensionable remuneration therefore there are 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 spouse's contingent 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.

Real increase in CETV for current year may be significantly different from prior year. This is due to a change in the factors used to calculate CETVs, which came into force on 1 October 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations. These placed responsibility for the calculation method for CETVs (following actuarial advice) on Scheme Managers or Trustees. Further regulations from the Department for Work and Pensions to determine cash equivalent transfer values (CETV) from Public Sector Pension Schemes came into force on 13 October 2008.

#### 4.6 Table of salary and pension entitlements of senior managers

	a) Remuneration				b) Pension				
	Salary for the year ended 31 Mar 2011 bands of £5,000	Salary for the year ended 31 Mar 2010 bands of £5,000	Other costs for the year ended 31 Mar 2011 bands of £5,000	Other costs for the year ended 31 Mar 2010 bands of £5,000	Accrued pension and related lump sum at age 60 as at 31 Mar 2011 bands of £2,500	Real increase/(decrease) in pension and related lump sum at age 60 as at 31 Mar 2011 bands of £2,500	CETV at 31 Mar 2010 £000	CETV at 31 Mar 2011 £000	Real increase/(decrease) in CETV for the year ended 31 Mar 2011 £000
<b>Executive Directors</b>									
Heather Lawrence OBE, Chief Executive	175–180	170–175	0	0	307.5–310.0	(15.0)–(12.5)	0	0	0
Dr Mike Anderson, Medical Director	160–165	150–155	0	0	297.5–300.0	15.0–17.5	1,675	1,752	(12)
Lorraine Bewes, Executive Director of Finance	130–135	125–130	0	0	127.5–130.0	0–2.5	564	544	(50)
Amanda Pritchard, Deputy Chief Executive (Director of Integrated Service Delivery & Modernisation)	80–85	100–105	0	0	70.0–72.5	2.5–5.0	183	160	(33)
Mark Gammage, Interim Deputy Chief Executive <sup>1</sup>	75–80	35–40	0	0	0	0	0	0	0
Andrew MacCallum, Director of Nursing	25–30	95–100	0	0	132.5–135.0	(5.0)–(2.5)	601	529	(105)
Therese Davis, Chief Nurse and Director of Patient Flow & Patient Experience <sup>2</sup>	140–145	0	0	0	0	0	0	0	0
<b>Non-Executive Directors</b>									
Professor Sir Christopher Edwards, Chairman	35–40	35–40	0	0	0	0	0	0	0
Andrew Havery, Non-Executive Director	15–20	15–20	0	0	0	0	0	0	0
Charles Wilson, Non-Executive Director	15–20	15–20	0	0	0	0	0	0	0
Karin Norman, Non-Executive Director	10–15	10–15	0	0	0	0	0	0	0
Professor Richard Kitney OBE, Non-Executive Director	10–15	10–15	0	0	0	0	0	0	0
Colin Glass, Non-Executive Director	5–10	10–15	0	0	0	0	0	0	0
Sir John Baker CBE, Non-Executive Director Designate	0–5	0	0	0	0	0	0	0	0
Jeremy Loyd, Non-Executive Director Designate	0–5	0	0	0	0	0	0	0	0
Sir Geoffrey Mulcahy, Non-Executive Director Designate	0–5	0	0	0	0	0	0	0	0
<b>Directors</b>									
Mark Gammage, Director of HR and Organisational Development <sup>1</sup>	60–65	120–125	0	0	52.5–55.0	45.0–47.5	0	192	192
Catherine Mooney, Director of Governance & Corporate Affairs	85–90	80–85	0	0	120.0–122.5	2.5–5.0	538	523	(43)
Alexander Geddes, Director of Information management & Technology <sup>3</sup>	0	55–60	25–30	0	0	0	0	0	0
Amit Khutti, Director of Strategy and Service Planning <sup>4</sup>	10–15	80–85	0	0	15.0–17.5	(2.5)–0	42	34	(11)
Lucy Hatfield, Director of Strategy and Service Planning <sup>5</sup>	75–80	0	0	0	0	0	0	0	0
Axel Heitmueller, Director of Strategy and Service Planning <sup>6</sup>	25–30	0	0	0	0–2.5	0–2.5	0	3	3
William Gordon, Director of Information Management and Technology	80–85	45–50	0	0	0	0	0	0	0
Neil Callow, Deputy Director of Finance <sup>7</sup>	0	10–15	0	0	0	0	0	0	0
Kelda Alleyne, Deputy Director of Finance <sup>8</sup>	85–90	60–65	0	0	2.5–5.0	0–2.5	11	22	10

#### Notes to senior managers' salary and pension table

<sup>1</sup> Covered maternity leave of the Deputy Chief Executive until 31 Oct 2010—paid via Dearden Consulting Ltd for this period. From 1 Nov 2011 reverted to Director of HR, paid via Dearden Consulting Ltd until joined Trust payroll in March 2011. Cost reported until 28 Feb 2011 is therefore full cost to the Trust. Mark Gammage is Managing Director of Dearden Consulting Ltd.

<sup>2</sup> Paid via Delphi Consulting Ltd for this period therefore cost reported is full cost to the Trust. Therese Davis is Managing Director of Delphi Consulting Ltd.

<sup>3</sup> Left the Trust in November 2009—other costs relate to payments made within a compromise agreement

<sup>4</sup> Left the Trust in May 2010

<sup>5</sup> Interim paid via agency between May and December 2010 therefore cost reported is full cost to the Trust

<sup>6</sup> Joined the Trust in December 2010

<sup>7</sup> Left the Trust in May 2009

<sup>8</sup> Joined the Trust in June 2009



## 5.2 The Late Payment of Commercial Debts (Interest) Act 1998

There were no amounts included within interest expense (note 7.2) arising from claims made under this legislation (2009/10—nil).

## 6. Loss on disposal of fixed assets

The loss on disposal of fixed assets was £0.05m (2009/10—£0.16m) consisting of various pieces of medical equipment decommissioned.

## 7. Finance

### 7.1 Finance income

	2010/11 £000	2009/10 £000
Interest on loans and receivables	112	95

### 7.2 Finance costs—interest expense

	2010/11 £000	2009/10 £000
Loans from Foundation Trust Financing Facility	331	482
Finance leases	122	131
Other	9	0
<b>Total</b>	<b>462</b>	<b>613</b>

## 8. Intangible assets

### 8.1 Intangible assets at the balance sheet date comprise the following elements

	Software licences £000
Cost or valuation at 1 Apr 2010	0
Additions—purchased	914
Additions—donated	0
Impairments	0
Reclassifications	5,186
Revaluation surpluses	0
Disposals	0
<b>Cost or valuation at 31 Mar 2011</b>	<b>6,100</b>
Amortisation at 1 Apr 2010	0
Provided during the year	25
Reclassifications	1,205
Revaluation surpluses	0
Disposal	0
<b>Amortisation at 31 March 11</b>	<b>1,230</b>
<b>Net book value</b>	
Owned at 31 Mar 2011	4,870
Finance lease at 31 Mar 2011	0
Donated at 31 Mar 2011	0
<b>NBV Total at 31 Mar 2011</b>	<b>4,870</b>

## 9. Property, plant and equipment

### 9.1 Property, plant and equipment at the balance sheet date comprises the following elements

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 Apr 2010	50,000	180,196	2,001	4,394	40,746	186	19,387	697	297,607
Additions—purchased	0	0	0	22,440	1,899	0	149	71	24,559
Additions—donated	0	0	0	0	50	0	0	0	50
Impairments charged to revaluation reserve	0	0	0	0	0	0	0	0	0
Reclassifications	0	7,641	0	(10,907)	693	0	(2,742)	129	(5,186)
Other revaluations	0	38,075	0	0	0	0	0	0	38,075
Disposals	0	(16)	0	0	(3,865)	(65)	(5,671)	(470)	(10,087)
<b>Cost or valuation at 31 Mar 2011</b>	<b>50,000</b>	<b>225,896</b>	<b>2,001</b>	<b>15,927</b>	<b>39,523</b>	<b>121</b>	<b>11,123</b>	<b>427</b>	<b>345,018</b>
Accumulated depreciation at 1 Apr 2010	0	0	0	0	21,967	65	9,154	482	31,668
Provided during the year	0	2,456	111	0	3,358	24	2,468	36	8,453
Impairment	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	(1,205)	0	(1,205)
Revaluation surplus	0	(2,203)	0	0	0	0	0	0	(2,203)
Disposal	0	(12)	0	0	(3,819)	(65)	(5,671)	(470)	(10,037)
<b>Accumulated depreciation at 31 Mar 2011</b>	<b>0</b>	<b>241</b>	<b>111</b>	<b>0</b>	<b>21,506</b>	<b>24</b>	<b>4,746</b>	<b>48</b>	<b>26,676</b>
<b>Net book value</b>									
Owned at 31 Mar 2011	50,000	220,450	0	15,927	17,056	1	6,377	379	310,190
Finance lease at 31 Mar 2011	0	0	1,890	0	353	0	0	0	2,243
Donated at 31 Mar 2011	0	5,205	0	0	608	96	0	0	5,909
<b>Total at 31 Mar 2011</b>	<b>50,000</b>	<b>225,655</b>	<b>1,890</b>	<b>15,927</b>	<b>18,017</b>	<b>97</b>	<b>6,377</b>	<b>379</b>	<b>318,342</b>
<b>Net book value</b>									
Protected assets at 31 Mar 2011	50,000	221,943	0	0	0	0	0	0	271,943
Unprotected assets at 31 Mar 2011	0	3,712	1,890	15,927	18,017	97	6,377	379	46,399
<b>Total at 31 Mar 2011</b>	<b>50,000</b>	<b>225,655</b>	<b>1,890</b>	<b>15,927</b>	<b>18,017</b>	<b>97</b>	<b>6,377</b>	<b>379</b>	<b>318,342</b>
<b>Net book value</b>									
Owned at 31 Mar 2010	50,000	176,005	0	4,394	17,614	1	10,233	215	258,462
Finance lease at 31 Mar 2010	0	0	2,001	0	490	0	0	0	2,491
Donated at 31 Mar 2010	0	4,191	0	0	675	120	0	0	4,986
<b>Total at 31 Mar 2010</b>	<b>50,000</b>	<b>180,196</b>	<b>2,001</b>	<b>4,394</b>	<b>18,779</b>	<b>121</b>	<b>10,233</b>	<b>215</b>	<b>265,939</b>
<b>Net book value</b>									
Protected assets at 31 Mar 2010	50,000	177,828	0	0	0	0	0	0	227,828
Unprotected assets at 31 Mar 2010	0	2,368	2,001	4,394	18,779	121	10,233	215	38,111
<b>Total at 31 Mar 2010</b>	<b>50,000</b>	<b>180,196</b>	<b>2,001</b>	<b>4,394</b>	<b>18,779</b>	<b>121</b>	<b>10,233</b>	<b>215</b>	<b>265,939</b>

## 10. Net book value of assets held under finance lease contracts at the Statement of Position date

### 10.1 Finance lease assets

	31 Mar 11 £000	31 Mar 10 £000
Dwellings	1,890	2,001
Plant and machinery	353	490

### 10.2 Total amount of depreciation charged to the Statement of Comprehensive Income in respect of assets held under finance lease

	2010/11 £000	2009/10 £000
Dwellings	111	34
Plant and machinery	137	137

Contingent rents charged to the Statement of Comprehensive Income in the period are not material.

## 11. Inventory

### 11.1 Inventories

	31 Mar 11 £000	31 Mar 10 £000
Raw materials & consumables	6,081	6,045

### 11.2 Inventories recognised in expenses

	31 Mar 11 £000	31 Mar 10 £000
Inventories recognised in expenses	45,027	42,864
Write-down of inventories as expense	0	1,100
<b>Total</b>	<b>45,027</b>	<b>43,964</b>

## 12. Trade receivables and other receivables

### 12.1 Current receivables

	31 Mar 11 £000	31 Mar 10 £000
NHS receivables	13,950	13,483
Provision for impaired receivables	(7,938)	(2,736)
Prepayments	1,422	837
Accrued income	337	901
Other receivables	7,783	6,132
<b>Total current trade and other receivables</b>	<b>15,554</b>	<b>18,617</b>

## 13. Impairment of receivables

### 13.1 Provision for impairment of receivables

	31 Mar 11 £000	31 Mar 10 £000
At 1 April	2,736	2,574
Increase in provision	9,326	1,165
Amounts utilised	(1,357)	(54)
Unused amounts reversed	(2,767)	(949)
<b>At 31 March</b>	<b>7,938</b>	<b>2,736</b>

### 13.2 Analysis of impaired receivables

	31 Mar 11 £000	31 Mar 10 £000
<b>Ageing of impaired receivables</b>		
Up to three months	3,919	133
In three to six months	139	678
Over six months	3,880	1,925
<b>Total</b>	<b>7,938</b>	<b>2,736</b>
<b>Ageing of non-impaired receivables past their due date</b>		
Up to three months	0	9,184
In three to six months	718	913
Over six months	0	4,117
<b>Total</b>	<b>718</b>	<b>14,214</b>

## 14. Trade and other payables

### 14.1 Current payables

	31 Mar 11 £000	31 Mar 10 £000
NHS payables	10,406	7,151
Trade payables—capital	4,688	395
Other trade payables	5,042	5,879
Other payables	6,393	5,386
Accruals	13,791	9,032
<b>Total current payables</b>	<b>40,320</b>	<b>27,843</b>

## 15. Other liabilities

### 15.1 Current

	31 Mar 11 £000	31 Mar 10 £000
Deferred income	6,745	4,863
Deferred Government grant	0	0
<b>Total other current liabilities</b>	<b>6,745</b>	<b>4,863</b>

### 15.2 Non-current

	31 Mar 11 £000	31 Mar 10 £000
Deferred income	6	0
Deferred Government grant	364	3,450
<b>Total other non-current liabilities</b>	<b>370</b>	<b>3,450</b>

## 16. Borrowings

### 16.1 Current borrowings

	31 Mar 11 £000	31 Mar 10 £000
Loans from Foundation Trust Financing Facility	0	756
Obligations under finance leases	169	163
<b>Total current borrowings</b>	<b>169</b>	<b>919</b>

### 16.2 Non-current borrowings

	31 Mar 11 £000	31 Mar 10 £000
Loans from Foundation Trust Financing Facility	12,525	4,161
Obligations under finance leases	2,294	2,463
<b>Total non-current borrowings</b>	<b>14,819</b>	<b>6,624</b>

## 17. Finance lease

### 17.1 Finance lease obligations

	31 Mar 11 £000	31 Mar 10 £000
<b>Gross lease liabilities</b>	<b>3,296</b>	<b>3,563</b>
of which liabilities are due:		
• not later than one year	271	267
• later than one year and not later than five years	848	971
• later than five years	2,177	2,325
	<b>3,296</b>	<b>3,563</b>
<b>Less: finance charges allocated to future periods</b>	<b>(833)</b>	<b>(937)</b>
<b>Net lease liabilities</b>	<b>2,463</b>	<b>2,626</b>
of which liabilities are due:		
• not later than one year	176	163
• later than one year and not later than five years	555	646
• later than five years	1,732	1,817

### 17.2 Finance lease commitments

	31 Mar 11 £000	31 Mar 10 £000
Minimum payments	3,277	3,563
Number of years of commitment	17	18

## 18. Prudential Borrowing Limit (PBL)

	31 Mar 2011		31 Mar 2010	
	Authorised £000	Actual £000	Authorised £000	Actual £000
Total long term borrowing	42,200	14,988	56,700	7,543
Working capital facility	20,000	0	20,000	0
<b>Total</b>	<b>62,200</b>	<b>14,988</b>	<b>76,700</b>	<b>7,543</b>

Disclosure of the actual working capital facility as at 31 March 2011 and 31 March 2010 is the amount drawn down whereas in prior years the available facility was disclosed.

Financial ratios	Prudential borrowing limits	IFRS 31 Mar 2011		IFRS 31 Mar 2010	
		Approved PBL ratio	Actual PBL ratio	Approved PBL ratio	Actual PBL ratio
Minimum dividend cover (times)	>1.0x	4.1x	3.5x	3.9x	2.7x
Minimum interest cover (times)	>3.0x	40.7x	70.0x	49.7x	38.5x
Minimum debt service cover (times)	>2.0x	20.1x	5.7x	5.7x	3.7x
Maximum debt service to revenue (%)	<3.0%	0.5%	1.7%	2.1%	2.0%

The Trust is required to comply and remain within a Prudential Borrowing Limit. This is made up of two elements:

- the maximum cumulative amount of long term borrowing. This is set by reference to the four ratio tests set out in the Prudential Borrowing Code for NHS foundation trusts. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit, and
- the amount of any working capital facility approved by Monitor.

Further information on the Prudential Borrowing Code for NHS foundation trusts and Compliance Framework can be found on Monitor's website.

## 19. Provisions for liabilities and charges

### 19.1 Current provisions

	31 Mar 11 £000	31 Mar 10 £000
Pensions relating to other staff	3	42
Other provisions including short term employee benefit	2,383	1,854
<b>Total current provisions</b>	<b>2,386</b>	<b>1,896</b>

### 19.2 Non-current provisions

	31 Mar 11 £000	31 Mar 10 £000
Pensions relating to other staff	408	411
Other provisions including short term employee benefit	48	48
<b>Total non-current provisions</b>	<b>456</b>	<b>459</b>

### 19.3 Provisions for liabilities and charges analysis

	Pensions— other staff £000	Others incl employee benefit £000	Total provision £000
At 1 April 2010	453	1,902	2,355
Arising during the year	0	500	500
Utilised during the year	(13)	0	(13)
Reversed unused	(29)	29	0
<b>At 31 Mar 2011</b>	<b>411</b>	<b>2,431</b>	<b>2,842</b>
<b>Expected timing of cash flows:</b>			
Not later than one year	3	2,383	2,386
Later than one year and not later than five years	12	0	12
Later than five years	396	48	444
<b>Total</b>	<b>411</b>	<b>2,431</b>	<b>2,842</b>

## Clinical Negligence Liabilities

Amount included in provisions of the National Health Service Litigation Authority at 31 March 2011 in respect of clinical negligence of the Trust is £46.26m (2009/10—£40.48m).

## 20. Cash and cash equivalents

	31 Mar 11 £000	31 Mar 10 £000
Balance at 1 Apr 2010	19,861	32,053
Net change in year	18,912	(12,192)
<b>Balance at 31 Mar 2011</b>	<b>38,773</b>	<b>19,861</b>
<b>Comprising:</b>		
Cash at commercial banks and in hand	46	742
Cash with the Government Banking Service	38,727	19,119
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>38,773</b>	<b>19,861</b>

## 21. Third party assets

The Trust held £0.02m cash at bank at 31 March 2011 (2009/10—£0.05m) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts.

## 22. Revaluation reserve

	31 Mar 11 £000	31 Mar 10 £000
Revaluation reserve at 1 Apr	55,696	91,320
Revaluation gains/(losses) and impairment losses on property, plant and equipment	39,219	(35,624)
Asset disposals	(124)	0
<b>Revaluation reserve at 31 Mar</b>	<b>94,791</b>	<b>55,696</b>

## 23. Contractual capital commitments

Commitments under capital expenditure contracts at 31 March 2011 were £6.0m (2009/10—£0.5m).

## 24. Events after the reporting period

There have been no events after the reporting period since the Statement of Position date.

## 25. Contingencies

There were no contingent liabilities at the Statement of Position date.

## 26. Related party transactions

Chelsea and Westminster Hospital NHS Foundation Trust is a public benefit corporation established by the order of the Secretary of State for Health. Government Departments and their agencies are considered by HM Treasury as being related parties. No funds are held in trust by Chelsea and Westminster Hospital NHS Foundation Trust on behalf of the Chelsea and Westminster Health Charity, but are held by the Trustees who prepare the Charity's accounts independently of the Trust. There were related party transactions for HR consultancy services between Dearden and the Trust during the year, however the balances and transactions were not material. Mark Gammage, Director of Human Resources and Organisational Development, is Managing Director of Dearden.

## 27. Significant related parties

### 27.1 Related party transactions

	31 Mar 2011	
	Income £000	Expenditure £000
<b>Main commissioners</b>		
Kensington and Chelsea PCT	60,005	20
Croydon PCT	50,526	6
Hammersmith and Fulham PCT	38,761	15
Wandsworth PCT	29,561	217
Westminster PCT	23,591	103
NHS London	22,613	0
Ealing PCT	9,398	0
Hounslow PCT	7,352	0
London Specialised Commissioning Group	5,109	0
Richmond and Twickenham PCT	4,792	0
Lambeth PCT	4,595	0
Brent PCT	4,136	0
Department of Health	3,382	0
Imperial College Healthcare NHS Trust	3,293	16,519
<b>Other government departments and central bodies:</b>		
HM Revenue & Customs	0	41,902
NHS Business Services Authority	0	5,536
NHS Litigation Authority	0	5,143

### 27.1 Related party balances

	31 Mar 2011	
	Accounts Receivable £000	Accounts Payable £000
<b>Main Commissioners</b>		
Hammersmith and Fulham PCT	1,580	67
Kensington and Chelsea PCT	1,358	0
Hounslow PCT	1,088	0
Wandsworth PCT	973	113
Ealing PCT	663	83
Croydon PCT	586	3,126
Westminster PCT	465	74
NHS London	359	91
Imperial College Healthcare NHS Trust	322	1,906
Brent PCT	203	60
Department of Health	54	550
<b>Other government departments and central bodies:</b>		
HM Revenue & Customs	0	3,637
NHS Business Services Authority	0	539

## 28. PFI schemes

The Trust is not party to any PFI schemes.

## 29. Losses and special payments

There were 1,232 cases of losses and special payments (2009/10—68 cases) totalling £1.6m (2009/10—£0.06m) for the year ended 31 March 2011. The amounts reported as losses and special payments are reported on an accruals basis but excluding provisions for future losses.

## 30. Financial instruments

IAS 32 (Financial Instruments: Disclosure and Presentation), IAS 39 (Financial Instrument Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Trust does not have any complex financial instruments and does not hold or issue financial instruments for speculative trading purposes. Because of the continuing service provider relationship the Trust has with primary care trusts and the way those primary care trusts are financed, the Trust is not exposed to the degree of financial risk faced by non NHS business entities.

The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Finance and Investment Committee manages the Trust's funding requirements and financial risks in line with the Board approved treasury policies and procedures and their delegated authorities.

The Trust's financial instruments comprise loans, finance lease obligations, provisions, cash at bank and in hand and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Trust's operations.

## 31. Categories of financial instruments

### 31.1 Financial assets

	31 Mar 11 £000	31 Mar 10 £000
Loans and receivables (including cash)	52,905	37,641
<b>Total</b>	<b>52,905</b>	<b>37,641</b>

### 31.2 Financial liabilities

	31 Mar 11 £000	31 Mar 10 £000
Other financial liabilities (amortised cost)	53,992	34,262
<b>Total</b>	<b>53,992</b>	<b>34,262</b>

## 32. Financial instruments book value to fair value

### 32.1 Book values of financial assets & liabilities

	Book value 31 Mar 11 £000	Book value 31 Mar 10 £000
<b>Financial assets</b>	<b>38,773</b>	<b>19,861</b>
<b>Financial liabilities</b>		
Finance leases obligation for more than one year	2,294	2,463
Loans due in more than one year	12,525	4,161
<b>Total</b>	<b>14,819</b>	<b>6,624</b>

### 32.2 Fair values of financial assets & liabilities

	Fair value 31 Mar 11 £000	Fair value 31 Mar 10 £000
<b>Financial assets</b>	<b>38,773</b>	<b>19,861</b>
<b>Financial liabilities</b>		
Finance leases obligation for more than one year	2,294	2,463
Loans due in more than one year	12,525	4,161
<b>Total</b>	<b>14,819</b>	<b>6,624</b>

As allowed by IFRS 7, short term trade debtors and payables measured at amortised cost may be excluded from the above disclosure as their book values reasonably approximate their fair values.



## 33. Liquidity and interest risk tables

### 33.1 Financial assets

	Weighted avg interest rate (%)	Less than 1 year £000	1–2 years £000	2–5 years £000	More than 5 years £000	Total £000
Non-interest bearing		14,132	0	0	0	14,132
Fixed interest rate instrument	0.45%	38,773	0	0	0	38,773
Variable interest rate instrument		0	0	0	0	0
<b>Gross financial assets at 31 Mar 2011</b>		<b>52,905</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,905</b>
Non-interest bearing		17,780	0	0	0	17,780
Fixed interest rate instrument	0.45%	19,861	0	0	0	19,861
Variable interest rate instrument		0	0	0	0	0
<b>Gross financial assets at 1 Apr 2010</b>		<b>37,641</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,641</b>

### 33.2 Financial liabilities

	Weighted avg interest rate (%)	Less than 1 year £000	1–2 years £000	2–5 years £000	More than 5 years £000	Total £000
Non-interest bearing		36,239	0	0	0	36,239
Finance lease liability	3.84%	286	286	667	1,853	3,092
Fixed interest rate instrument	3.06%	0	783	4,697	7,045	12,525
Provisions under contract	0.33%	2,366	12	36	352	2,766
<b>Gross financial liabilities at 31 Mar 2011</b>		<b>38,891</b>	<b>1,081</b>	<b>5,400</b>	<b>9,250</b>	<b>54,622</b>
Non-interest bearing		24,441	0	0	0	24,441
Finance lease liability	3.50%	267	271	699	2,327	3,564
Fixed interest rate instrument	4.85%	756	756	756	2,649	4,917
Provisions under contract		1,867	42	42	327	2,278
<b>Gross financial liabilities at 1 Apr 2010</b>		<b>27,331</b>	<b>1,069</b>	<b>1,497</b>	<b>5,303</b>	<b>35,200</b>

## 34. Interest rate risk

100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Chelsea and Westminster Hospital NHS Foundation Trust was not, therefore, exposed to significant interest rate risk.

## 35. Liquidity risk

The Trust's net operating costs are mainly incurred under legally binding contracts with primary care trusts, which are financed from resources voted annually by Parliament. This provides a reliable source of funding stream which significantly reduces the Trust's exposure to liquidity risk.

The Trust also manages liquidity risk by maintaining banking facilities and loan facilities to meet its short and long term capital requirements through continuous monitoring of forecast and actual cash flows.

In addition to internally generated resources the Trust finances its capital programme through a loan facility, while the working capital is backed by a committed facility of £20m, unutilised at 31 March 2011. Details are included in note 18.

## 36. Credit risk

Credit risk exists where the Trust can suffer financial loss through default of contractual obligations by a customer or counterparty.

Trade debtors consist of high value transactions with primary care trusts under contractual terms that require settlement of obligation within a time frame established generally by the Department of Health. Other trade debtors include private and overseas patients, spread across diverse geographical areas. Credit evaluation is performed on the financial

condition of accounts receivable and, where appropriate, sufficient prepayment is required to mitigate the risk of financial loss.

Credit risk exposures of monetary financial assets are managed through the Trust's treasury policy which limits the value that can be placed with each approved counterparty to minimise the risk of loss. The counterparties are limited to the approved financial institutions with high credit ratings. Limits are reviewed regularly by senior management.

The maximum exposure of the Trust to credit risk is equal to the total trade and other receivables within Note 12.

## 37. Operating Segments

The Board of Directors is of the opinion that the Trust's operating activities fall under the single heading of healthcare for the purpose of operating segments disclosure. IFRS 8 requirements were considered and the Trust has determined that the Chief Operating Decision Maker is the Trust Board of Chelsea and Westminster Hospital NHS Foundation Trust. It is the responsibility of the Trust Board to formulate financial strategy and approve budgets.

Significant operating segments that are reported internally are the ones that are required to be disclosed in the financial statements. There is no segmental reporting for revenue, assets or liabilities to the Trust Board. Expenditure is reported by segment to the Trust Board. However those segments fully satisfy the aggregation criteria to be one reportable segment as per IFRS 8. Therefore all activities of the Trust are considered to be one segment, 'Healthcare', and there are no individual reportable segments on which to make disclosures.



Choose  
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Westminster**

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