



# Annual Report and Accounts

2018/19





Chelsea and Westminster Hospital NHS Foundation Trust  
Annual Report and Accounts 2018/19

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

Copyright © 2019 Chelsea and Westminster Hospital NHS Foundation Trust. All rights reserved.

# TABLE OF CONTENTS

## 1. PERFORMANCE REPORT

<b>OVERVIEW OF PERFORMANCE</b> .....	10
Statement from the Chief Executive .....	11
The year in photos .....	14
History and statutory background of the Trust.....	19
Purpose and activities of the Trust .....	19
Key priorities, issues and risks for 2019/20 .....	20
Going concern .....	22
<b>PERFORMANCE ANALYSIS</b> .....	23
How the Trust measures performance .....	24
Social, community, anti-bribery and human rights issues .....	33

## 2. ACCOUNTABILITY REPORT

<b>DIRECTORS' REPORT</b> .....	40
Names of Trust directors during 2018/19 .....	41
Register of interests.....	41
Compliance with cost allocation and charging guidance .....	41
Political donations.....	41
Better Payment Practice Code .....	42
Well-led framework.....	42
Disclosure of information to Trust auditors .....	43
Income disclosures.....	43
<b>REMUNERATION REPORT</b> .....	44
Annual statement on remuneration .....	45
Senior managers' remuneration policy .....	45
Nominations and Remuneration Committee.....	47
Disclosures required by Health and Social Care Act.....	47
Senior manager remuneration tables .....	48
Fair pay multiple .....	52

<b>STAFF REPORT</b> .....	53
Analysis of staff costs .....	54
Analysis of average staff numbers .....	54
Sickness absence.....	54
Staff Health and Wellbeing .....	55
Staff Engagement.....	55
Gender Pay Gap.....	57
Trade Union Facility Time.....	59
Workforce improvement activity .....	59
Health and safety and occupational health.....	62
Policies and procedures in respect of countering fraud and corruption.....	62
Expenditure on consultancy .....	62
Exit packages .....	63
Awards and achievements .....	65
<b>NHS FOUNDATION TRUST CODE OF GOVERNANCE DISCLOSURES</b> .....	68
Code of Governance compliance statement .....	69
Board of Directors.....	70
Subcommittees of the Board of Directors.....	75
Council of Governors.....	79
Foundation Trust membership.....	82
Directors' responsibilities for preparing the accounts .....	84
<b>REGULATORY RATINGS</b> .....	85
<b>STATEMENTS OF ACCOUNTING OFFICERS' RESPONSIBILITIES</b> .....	87
<b>ANNUAL GOVERNANCE STATEMENT</b> .....	89
Scope of responsibility.....	90
Purpose of the system of internal control .....	90
Capacity to handle risk .....	90
Risk and control framework .....	91
Principal risks .....	94
Review of economy, efficiency and effectiveness of the use of resources.....	100
Annual quality report.....	100
Review of effectiveness.....	101
Conclusion.....	101
<b>3. QUALITY REPORT</b>	
<b>Part 1: Statement on quality from the Chief Executive</b>	
Introduction.....	105
Welcome by the Chief Executive.....	105
Core services.....	107
Key facts and figures for the past three years .....	108
Our vision and values .....	108
Declaration .....	109

## Part 2: Our priorities

Priorities for improvement 2018/19.....	110
How we did in 2018/19 .....	110
Priorities for improvement 2019/20.....	114
Review of services.....	118
Participation in clinical audit .....	119
Commitment to research .....	126
Commissioning for Quality and Innovation (CQUIN) schemes.....	127
Registration with the Care Quality Commission (CQC).....	129
Secondary Uses Service (SUS) information.....	129
Information governance.....	130
Data quality.....	131
Learning from deaths.....	132
Reporting against core indicators .....	134

## Part 3: Other information

Performance indicators.....	143
Patient safety.....	144
Clinical effectiveness and patient experience.....	146
Other quality improvement indicators .....	150
Additional quality highlights .....	153

<b>Annex 1:</b> Council of Governors statement.....	158
<b>Annex 2:</b> CWHHE Clinical Commissioning Group (CCG) statement .....	160
<b>Annex 3:</b> Healthwatch statements .....	162
<b>Annex 4:</b> London Borough of Hounslow Health and Adults Care Scrutiny Panel.....	168
<b>Annex 5:</b> Richmond upon Thames Health Services Scrutiny Committee.....	171
<b>Annex 6:</b> Statement of Directors' responsibilities for the Quality Report.....	172
<b>Annex 7:</b> Independent Auditor's Report to the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust on the Quality Report ....	174

Epilogue.....	178
---------------	-----

## 4. AUDITOR'S REPORT

Independent auditor's report to the board of governors and board of directors of Chelsea and Westminster Hospital NHS Foundation Trust.....	180
--	-----

## 5. FINANCE

<b>ANNUAL ACCOUNTS 2018/19 .....</b>	<b>190</b>
--------------------------------------	------------



**SECTION 1**

**PERFORMANCE  
REPORT**

# **OVERVIEW OF PERFORMANCE**

# Statement from the Chief Executive

I am delighted to introduce the 2018/19 annual report for Chelsea and Westminster Hospital NHS Foundation Trust (the Trust), which covers our two main hospital sites—Chelsea and Westminster Hospital (C&W) and West Middlesex University Hospital (WMUH)—and our 12 community-based clinics. During this busy year our Trust has continued to experience high demand for our emergency and urgent care services. I have been so proud to see our staff demonstrate their outstanding commitment to patient care and experience.

## Our values

The Trust values are firmly embedded. They demonstrate the standard of care and experience our patients and members of the public should expect from any of our staff and services. They are:

- Putting patients first
- Responsive to patients and staff
- Open and honest
- Unfailingly kind
- Determined to develop

## Our achievements

### Strategic priority 1: Deliver high-quality, patient-centred care

Our values and strategic priorities drive us to make our performance better today than it was yesterday and to ensure that we put the quality of care that we offer at the centre of everything we do.

In response to an increased level of demand we have worked innovatively and actively to provide a comprehensive approach, notably:

- Created a state-of-the-art ambulatory emergency care (AEC) service
- Redesigned patient pathways to provide virtual clinics and allow patients to be monitored at home
- Made much better use of digital technology

This updated approach sees optimal use of resources, more convenient care to patients and ensures that our staff are focused on delivering direct care to our sickest patients. It has ensured that we have maintained the level of performance that we continuously aspire to and, indeed, against the context of increased demand, we are seen as one of the best performing hospitals in the country.

We have built on our Care Quality Commission (CQC) report and continue to operate with our 'Good' overall rating in place for both hospitals and in all of the five main domains—safe, effective, caring, responsive and well-led.

We have worked hard to deliver local quality improvement initiatives, we successfully met the national NHS Resolution maternity 10-point safety plan, and the maternity service on each site has been awarded UNICEF baby friendly accreditation. Our palliative care team

is dedicated to providing exemplary care to patients and their families at the end stages of life and we are delighted that four of our wards have been accredited by Gold Standard Framework this year.

We are now moving into our second full year of embedding our ward/department accreditation quality monitoring and improvement programme. This allows us to consistently provide assurance in all clinical areas, and insight and assurance to the Trust Board about areas where improvement is needed.

We are extremely proud of the progress we have made in terms of the quality of the care we provide and we remain committed to achieving further improvements in future years.

## **Our people**

### **Strategic priority 2: Be the employer of choice**

As a Trust, we employ more than 6,000 staff. Over the past year, our focus on our people has, through a series of local, national and international workstreams, seen us achieve a marked reduction in our nursing and midwifery vacancy rates. We now have one of the lowest nursing and midwifery vacancy rates in London. The 2018 NHS National Staff Survey results showed we are in the top 20% for staff feeling able to contribute to improvements, engagement, and recommending our organisation as a place to work and receive treatment.

Our learning and development programmes have been nationally recognised, and I look forward to receiving service improvement presentations from the alumni of our emerging leaders and established leaders programmes.

There are, of course, areas where we can do better, and we are trying to reduce pressures at work with a range of measures to help increase job satisfaction. We have put in place initiatives to continue to improve everyone's health and wellbeing, with our 'PROUD Action Group' to specifically focus on the health and wellbeing of our staff. Some of the largest improvements from last year's survey were in staff feeling able to contribute towards improvements, effective team working and better communication with our senior management. Due to the promotion of a transparent and open culture in which staff are encouraged to report concerns, we have also seen an increase in staff reporting errors and near misses.

I am particularly proud of the progress we have made in our volunteering programme, supported and championed by our chairman and Helpforce. We now have volunteers recognised and supported by our wards and departments and they have proved an invaluable resource in providing extra comfort and care to our patients. In the coming year we intend to increase the scope of the roles available to our volunteers to ensure all the talent available to us is utilised wisely and to mutual benefit.

## **Our sustainability**

### **Strategic priority 3: Delivering better care at lower cost**

We aspire to provide locally-based and accessible services enhanced by world-class clinical expertise. Our excellent financial and operational performance is a source of great pride to us—it is nationally recognised and sees us simultaneously achieving our financial

plan while continuing to be one of the best performers against the national access standards for accident and emergency (A&E), referral to treatment (RTT) and cancer.

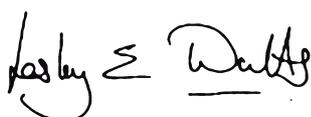
The Trust's use of resources was assessed by NHSI and deemed to be 'Outstanding' with the report stating: "The Trust has an excellent understanding of the practical, evidence-driven approach that is required to balance continuous improvement in clinical quality, operational performance and financial sustainability. The Trust has 'use of resources' as one of its three strategic priorities for improvement, and executives and managers were able to confidently demonstrate the drivers of performance across the three domains."

However, we are not complacent and do not underestimate the extent of the financial challenges that lie ahead. The Trust's 2019/20 plan is predicated on the delivery of a £25.1m cost improvement plan (CIP) and there is a continued need to focus our efforts on sustaining operational efficiency, and to ensure that we continue to provide safe care and the best experience for our patients.

We continue with our intention to realise the benefits of implementing our digital programme and have successfully implemented the first stage of our electronic patient record system (CernerEPR) at WMUH. Implementation at the C&W site is scheduled for autumn 2019. This means the organisation will share one digital platform and access to patient records will be seamless, allowing clinical staff to access relevant patient information securely and quickly. This will not only improve coordination of patient care but also lead to better and more efficient care for all patients.

Work is now well underway on our new adult and neonatal intensive care developments at the C&W site. Our charity, CW+, has provided impressive financial and design support for this programme, which will enable us to provide the very latest and best quality care for more critically ill adults and children each year.

I would like to take this opportunity to thank all of our 6,000 staff who have shown they are proud to care for their patients and colleagues. I know that they will continue to go 'above and beyond' for our patients and the communities we serve, and I look forward to the year ahead as the Trust goes from strength to strength.



**Lesley Watts**  
Chief Executive Officer

24 May 2019

# The year in photos

## April 2018



We were proud to be rated 'Good' by the CQC in all five domains of safe, effective, caring, responsive and well-led

## May 2018



We celebrated our staff with 25 or more years' service at special Long Service Awards ceremonies at C&W and WMUH sites



Celebrating the first official National Operating Department Practitioner Day, recognising a team who play a vital role in making sure surgery runs smoothly



We hosted the 60th anniversary of the Westminster Hospital 1958 set nurses who were joined by Ruth May, Executive Director of Nursing at NHS Improvement

## June 2018



Mr Konstantinos Charitopoulos and Mr Ivo Donkov contribute to a new, less invasive surgical technique for the treatment of prostate conditions



St Mary Abbots Ward improved their Friends and Family Test recommendation rate from 80%–93% by working together to support patients at every step of their stay

## July 2018



Celebrating 70 years of the NHS with the big #7Tea



56 Dean Street received a special recognition award from Pride in London

## August 2018



Presenter and writer Charley Boorman visited our A&E to thank our staff who previously treated him



We celebrated our youth volunteers as part of the national #iWill campaign to help young people learn and develop new skills

## September 2018



Stephen Fry was our special guest at the 30th birthday of our Kobler Clinic—the first HIV clinic in the UK



We launched our flu campaign to encourage staff to protect themselves, their families and patients by getting the flu jab

## October 2018



We celebrated the 10th anniversary of our West Mid birth centre with Srudhika, the first baby born in the centre



We held a reunion celebration for our ex-patients who were previously cared for on our neonatal intensive care unit (NICU)

## November 2018



We opened our Enhanced Care Unit at West Mid—the unit provides high-quality medical and nursing care to critically unwell patients



Dido Harding, Chair of NHS Improvement (right), joined our bleep volunteers for a day to bring medicines to patients

## December 2018



On World AIDS day we announced a dramatic reduction of 63.6% fewer new HIV positive diagnoses compared to 2017



Singer Rita Ora and actor Idris Elba brought Christmas cheer to patients and staff on our children's wards



England Rugby 7s took time out of their training schedule to make our patients' stay in hospital a little bit brighter



N'Golo Kanté and teammates delighted young patients during the Chelsea FC Christmas visit

## January 2019



Our postnatal digital transformation team launched the Lumeon dashboard to help get new mums home more quickly, efficiently and safely



We recognised our top vaccinators with our flu peer vaccinator awards—by the end of the season, 81% of frontline staff had been immunised

## February 2019



Dr Zul Mirza, Consultant in Emergency Medicine, was recognised by NHS Blood and Transplant for his work on organ donation, particularly in the Black, Asian and Minority Ethnic (BAME) community



Our first Medication Safety Awareness Week at the Trust provided staff with interesting facts and information about taking an active role in reducing safety issues related to medication use

## March 2019



TEDx speaker Chris Pointon, widower of the late Kate Granger, spoke to staff about the global #hellomynameis campaign promoting compassionate patient care



We relaunched maternity services on our website bringing together C&W and WMUH in a simple, easy-to-use section at [www.chelwest.nhs.uk/maternity](http://www.chelwest.nhs.uk/maternity)

## History and statutory background of the Trust

Chelsea and Westminster Hospital NHS Foundation Trust (the Trust) was founded on 1 Oct 2006 under the Health and Social Care (Community Health and Standards) Act 2003 and is a statutory body. It acquired West Middlesex University Hospital NHS Trust on 1 Sep 2015 and now runs these two hospital sites.

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

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

West Middlesex University Hospital (WMUH) also has a long history of pioneering, innovative healthcare. It opened in 1894 as the Brentford Workhouse Infirmary and became known as West Middlesex Hospital in about 1920. The main hospital building was redeveloped between 2001 and 2003, with substantial redevelopment continuing today. Both sites are at the hearts of their local communities, providing accessible and state-of-the-art facilities.

## Purpose and activities of the Trust

The Trust delivers specialist and general hospital care at Chelsea and Westminster and West Middlesex University hospitals. Both hospitals have major A&E departments and the Trust provides the second largest maternity service in England.

Our specialist hospital care includes the burns service for London and the South East, children's inpatient and outpatient services, cardiology intervention services and specialist HIV care. We also manage a range of community-based services, including our award-winning sexual health clinics, which extend to outer London areas.

We are active partners in the development of the Health and Care Partnership (HCP) in both North West and South West London to drive improvements to care, and we are working innovatively with our partners to deliver integrated care in Hammersmith and Fulham, Hounslow and West London.

The Trust serves a catchment area in excess of one million people. The Trust's main health commissioning and social care partnerships cover two sustainability and transformation partnership (STP) footprints and the following areas:

- Brent
- Central London CCG
- Ealing CCG
- Hammersmith and Fulham CCG
- Harrow
- Hillingdon
- Hounslow CCG
- Richmond CCG
- Wandsworth CCG
- West London CCG (our statutory host)
- NHS England (NHSE) for specialised services commissioning

We also have a series of contractual, system management and other partnership arrangements with the respective local authorities. This includes membership and reporting arrangements to health and wellbeing boards, and overview and scrutiny committees.

We have established our partnership duties through a series of accountability and reporting mechanisms to local Healthwatch groups (the statutory patient representative organisation).

## Key priorities, issues and risks for 2019/20

At the start of 2019/20 the Trust Board reviewed the Trust's vision over the next five years and agreed that our ambition is to *extend clinical excellence for our patients*. We wish to strengthen our position as a major health provider in North West London (and beyond), our position as a major university teaching hospital, driving internationally-recognised research and development, and establishing ourselves as one of the NHS's primary centres for innovation. Alongside this, in light of the NHS long term plan and the North West London STP, the Trust is also planning on playing a leading role in supporting the development of integrated care systems and improving population health.

To achieve the vision of *extending clinical excellence for our patients* our priorities are proposed as:

- **Extending excellence across acute hospital services:** We have successfully demonstrated our ability to deliver high-quality, low-cost hospital care. The strategy should look to grow and expand this model.
- **Establishing excellent services for population health:** We believe that the NHS long term plan and existing STP (health and care partnership) strategies will incentivise population health management as the setting where we can deliver the best care at the lowest cost. The strategy should look to explore this and the role we should play in the wider health system.

- **Achieving excellence in clinical, operational and financial performance driven by a process of research, discovery and innovation:** We believe that the guiding principles that underpin our organisation are our culture and the values, capabilities and development of our people. The strategy should build on this and, in partnership with CW+, seek to establish the Trust as one of the primary centres for innovation in the NHS.

To support delivery and consistency across all services provided by the Trust we plan to retain the Trust strategic priorities, which are recognised across the organisation and appear in divisional, directorate and ward/department plans and in individual objectives:

- Deliver high-quality, patient-centred care
- Be the employer of choice
- Deliver better care at lower cost

The above priorities are a continuation of the previous year's areas of focus. Each of these priorities will have two to three key performance indicators (KPIs) to measure the success of their delivery. Subsequently, each of these priorities will be broken down into a number of strategic objectives, and a range of measures through which assurance against delivery will be monitored.

The Trust Board has also endorsed two further strategic programmes which are added to the priorities:

- The continued delivery of the EPR programme
- The continued development of our estate and, in particular, a long-term site master plan for the WMUH site

The Trust's operating plan for 2019/20 was submitted to NHSI in Apr 2019 in line with the national business planning timetable, and forms the underpinning planning and delivery support document detailing the key issues and risks facing the Trust. Specifically, it identifies the key themes as:

- **Quality planning and assurance:** Continuing to implement our existing quality strategy and including delivery on the existing quality priority areas and the maintenance of ward accreditation.
- **Activity planning and capacity demand:** Including compliance with the key national performance standards for 4-hour A&E access, 18-week elective access—referral to treatment times (RTT)—and cancer access times. Successful partnership initiatives to reduce non-elective demand are seen as key complementary strategies to this.
- **Workforce:** The Trust has developed a people and organisational development strategy which sets out what we will do to establish ourselves as an employer of choice. The strategy is underpinned by the following strategic themes:
  - Attraction and on-boarding
  - Engagement, culture and leadership
  - Health and wellbeing
  - Designing a workforce for the future
  - Workforce productivity

- **Financial planning and use of resources:** Including risks to our forecasts for activity and supporting budgets, contracts, performance against key national efficiency programmes, and the Trust's own cost improvement programme (CIP). The Trust is coordinating this through a bespoke improvement programme.

## Clinical services strategy

The Trust's key strategic plan is its Clinical Services Strategy 2015–20. At the heart of the strategy is our core aim to deliver the best possible experience and outcomes for our patients and this is supported by four key priorities:

- **Local acute and integrated care services:** Our priorities are integrated urgent and emergency care, efficient planned care, and support for ageing well and for those with multiple and chronic conditions.
- **Specialised services:** Our priorities are specialised women's and children's services delivered across all of North West London, and specialised sexual health and HIV services delivered across London and more widely.
- **Innovation and research:** Our priorities are translating research 'from bench to bedside', bringing the best evidence to bear in clinical care and patient experience, and establishing the Trust as one of the primary centres for innovation in the NHS.
- **Education and training:** Our focus is on multiprofessional training to recruit and train the best staff to deliver our strategy.

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

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

The clinical services strategy and supporting strategies are due to be refreshed in 2019 to reflect the evolving strategic vision for the Trust and the changes in national and regional policy development set out in the NHS long term plan.

## Going concern

The Trust has set a plan for 2019/20 to generate a surplus of £17.8m with an adjusted financial surplus of £11.8m against an agreed control total of £11.8m.

The directors are confident that the surplus is realistic with a strong focus on the achievement of the delivery of £25.1m of cost improvement plans. Following a review of the Trust's plans and projections, including cashflows, liquidity and income base, as well as considering regulatory commitments, the directors have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

# **PERFORMANCE ANALYSIS**

## How the Trust measures performance

The Quality Committee and Trust Board receive a monthly integrated performance report comprising a number of key performance indicators (KPIs), with associated commentary to explain variances and actions in place to deliver improvement. The KPIs cover a range of contractual and internally determined metrics, providing a balanced scorecard for the Trust's performance across the four domains of regulatory compliance, quality, efficiency and workforce. Each KPI, where appropriate, has a target based on either the contractual performance standard, or an internally-set target based on benchmarking information from a peer group of other NHS organisations. The integrated performance report presents the KPIs for both hospital sites independently, as well as the combined Trust performance, and trend data is also provided for the last 12 months to enable the Trust Board to track progress over time. During 2018/19, to help provide context in terms of the Trust's relative performance, a national ranking was provided for the main access standards (A&E, RTT and cancer). The Board also receives a summary of the Trust's financial performance, with more detailed information provided to and scrutinised by the Finance and Investment Committee.

Performance at divisional level is scrutinised through monthly divisional performance review meetings, providing an opportunity for executive directors to have a more detailed discussion with divisional teams to support performance improvement initiatives, and to challenge underperformance. Divisional performance reviews are supported with the relevant division's performance information against the Board-level KPIs, supplemented by additional performance information relevant to the priorities of the division concerned. A comprehensive programme of speciality-based deep dives introduced in 2017/18 are now fully embedded across the organisation. These reviews are executive-led and held with the speciality multidisciplinary teams to review their quality, workforce and efficiency metrics.

Additionally, a weekly performance meeting led by the Chief Operating Officer (COO) is in place to monitor the key performance metrics across both sites and to monitor data quality.

As an additional layer of support and development, the Trust has recruited a Director of Performance and Information who is working closely with internal and external stakeholders to ensure the highest level of performance and data integrity through a period of transition.

In order to support effective operational performance, the Trust employs a team of specialist information professionals who provide analytical support to all parts of the organisation and service all of the Trust's internal and external reporting obligations.

Performance information is provided to the organisation routinely through a combination of desktop self-service tools, automated routine reports, refreshed periodical scorecards and ad hoc reporting on request. Trust performance is scrutinised and supported through a range of daily, weekly and monthly meetings, with the necessary information available for discussion.

### Operational performance

During 2018/19, the Trust has continued to perform very well against the key regulatory and contractual performance metrics, including quality and workforce KPIs. This year has seen the Trust stabilise the delivery of all three regulatory standards. Urgent and

Emergency care continues to be a challenge in the face of growth in demand but, during the year, the Trust has consistently delivered the best performance across the capital as well as one of the best nationally. It's worth noting that the Trust is partway through the roll-out of the CernerEPR electronic patient record system and, following a successful go-live at WMUH, the Trust is now planning our phase two roll-out at C&W.

Throughout 2018/19, the RTT performance was delivered each month with the exception of Aug 2018—this was due to an increase in the waiting list following the go-live of Cerner at WMUH. Since August the Trust has improved month-on-month, reporting its highest performance in Mar 2019 since Apr 2018. Q4 represented the best performance since the merger of the two sites in Sep 2015 which is significant given the challenges the organisation faced with non-elective demand. During 2018/19, there were no reportable patients waiting more than 52 weeks to be treated on either site, and this is expected to continue into 2019/20.

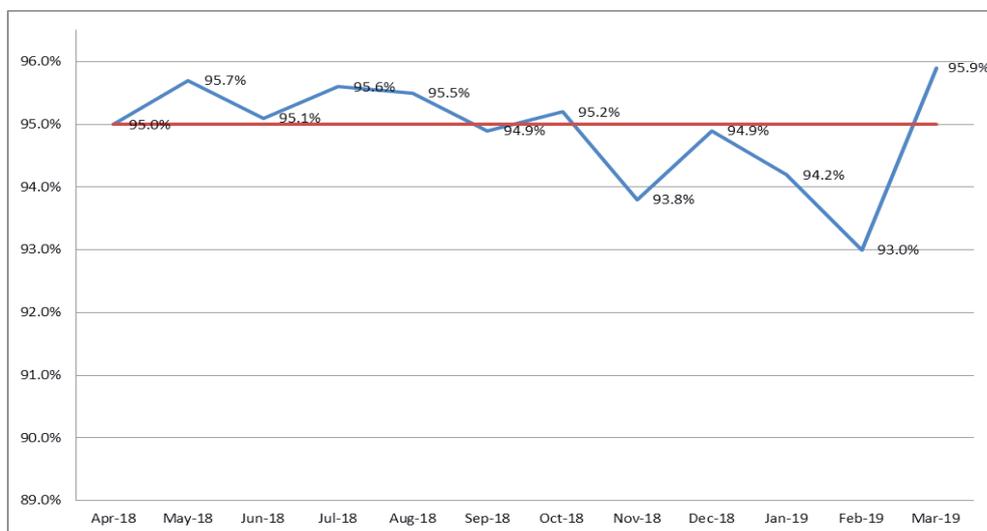
Performance against the A&E 95% standard has been particularly challenging during the year, most notably during Q3 and Q4 across both sites. The non-elective demand facing the NHS has been the subject of much national media scrutiny and, while the aggregate yearly performance for the Trust was just below the standard at 94.9%, this is in no way reflective of the efforts of our staff. Demand has increased further during 2018/19, and the Trust is in the upper decile nationally in terms of overall performance.

Our performance in relation to the 62-day cancer GP referrals to first treatment standard has been excellent during the year. Our compliance with the two-week wait standard has also been excellent. Both of our sites have experienced significant growth in demand with increased referrals compared to 2017/18, yet the organisation has responded well to deliver timely care for our patients.

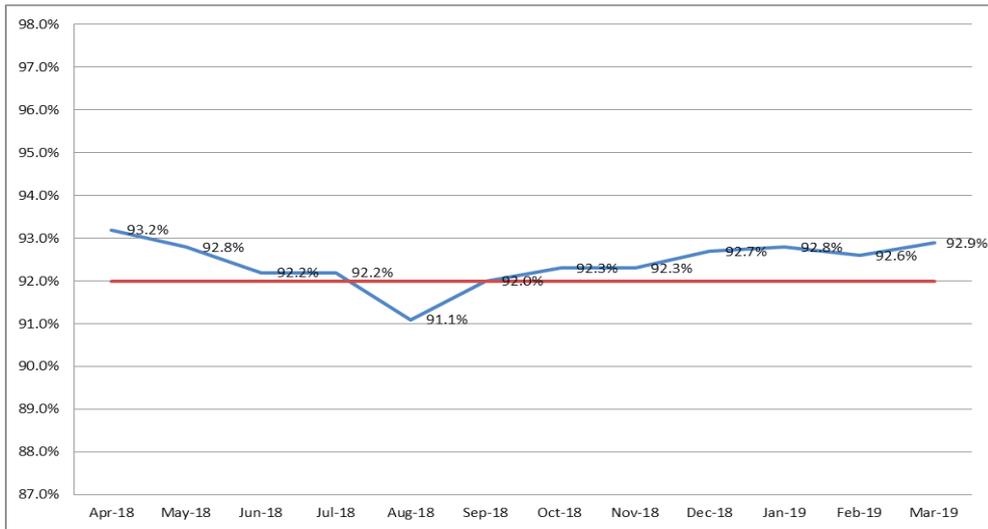
The diagnostic standard has been delivered throughout 2018/19, delivering a Trust aggregate performance of 99.01% against the standard of 99.0%

The following graphs illustrate the Trust's performance against each of the key national standards of A&E waits, RTT times and 62-day cancer waits as noted above.

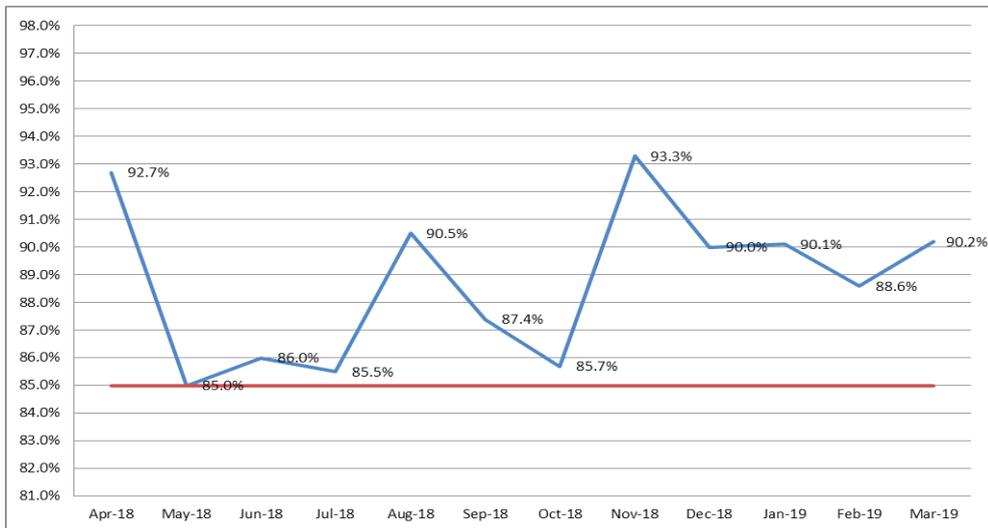
**A&E four-hour waiting time—types 1 and 3 (target 95%)**



## 18-week referral to treatment—incompletes (target 92%)



## Cancer urgent GP referral to treatment waiting time (target 85%)



## Financial performance

The Trust achieved a surplus of £9.9m for the year after downward revaluations relating principally to land and buildings of £16.9m. This resulted in an adjusted surplus of £40.4m.

The Trust received provider sustainability funding of £41.5m—this was £21.6m higher than expected and consisted of £19.9m core funding, £8.7m incentive funding, £3.8m bonus funding and £9.1m general distribution.

The Trust delivered £25.2m of cost improvement programmes (CIPs) during the year.

The following table shows the 2018/19 financial outturn against the plan for 2018/19 under NHS Improvement’s reporting definitions.

	2018/19 outturn (£m)	2018/19 plan (£m)
Operating revenue	713.9	677.8
Employee expenses	(365.1)	(354.8)
Other operating expenses	(323.9)	(275.8)
Non-operating income /expenses	(15.2)	(12.5)
Net reversal of impairments and other non-current asset gains/(losses)	36.3	-
Donated asset income	(5.6)	(7.9)
<b>Adjusted surplus/(deficit)</b>	<b>40.4</b>	<b>26.8</b>
Net surplus/(deficit) %	5.7%	4.0%

Total operating revenue for EBITDA	707.9	669.5
Total operating expenses for EBITDA	(634.8)	(612)
<b>EBITDA</b>	<b>73.1</b>	<b>57.5</b>
EBITDA margin %	10.3%	8.6

<b>Year-end cash</b>	<b>100.3</b>	<b>50.5</b>
----------------------	--------------	-------------

The Trust's finance rating is scored from 1–5 (with 1 being the best) against five metrics set out by NHS Improvement. The Trust's performance and overall score is as follows:

Metric	2018/19 outturn	2018/19 plan
Capital service rating	1	1
Liquidity rating	1	1
I&E margin rating	1	1
I&E variance from plan rating	1	n/a
Agency rating	1	1
Overall use of resources rating	1	Not included in plan

The Trust is planning a surplus for 2019/20 of £17.8m after the receipt of £10.5m provider sustainability funding (PSF) and delivery of a £25.1m CIP.

Achieving financial efficiency through CIPs is increasingly challenging given the increasing demand for our services and the required investment in improving the quality of service delivery. There will remain a strong focus in 2019/20 on delivering our planned savings. Key themes relate to driving up productivity and clinical effectiveness.

During the year, the balance of cash and cash equivalents increased from £52.6m (31 Mar 2018) to £100.3m (31 Mar 2019). The key driver of increased cash balance was the increased PSF funding received during the 2018/19 financial year.

In 2018/19 the Trust invested £50.9m on capital, our largest ever capital programme, which included spending of £11m on CernerEPR, £8m on the new NICU/ICU wards and £10.8m on the maternity modular building at the WMUH site.

## Environmental and sustainability performance

The Trust is committed to long-term sustainability, both for the improved health of the community it serves, and to make a positive contribution to the wider economic and environmental community.

The Trust, for the last five years, has been implementing strategies to improve sustainability across the key delivery areas via a demanding STP. The savings identified

within this report take into account both routine and non-routine adjustments such as those for extreme weather variance, occupancy changes and building use alterations.

This section summarises the Trust's actions to support its statutory and environmental commitments to ensure that the Trust is 'fit for the future' and is compliant with its statutory duties. In addition, the report covers the Trust's environmental impact and provides an interim update and high-level risk analysis for energy, waste and sustainability activity for the Trust and its offsite clinics.

This report aims to meet the minimum reporting requirements set out in the HM Treasury *Public sector annual reports: sustainability reporting guidance 2018/19* and gives an update on the activity.

## Greenhouse gas (GHG) emissions—financial/environmental

**Target:** The NHS Sustainable Development Unit identified that the NHS needed to achieve a 10% reduction in carbon dioxide (CO<sub>2</sub>) emissions by 2015 against the base year of 2007/08. This was an interim target to support the NHS in meeting the targets set out in the Climate Change Act (2009) of a 34% reduction by 2020 and 80% reduction by 2050. The Trust has achieved a 35% reduction to date against the base year, largely due to the installation of combined heat and power (CHP) units at both main sites and the use of energy-efficient lighting.

Carbon Emissions	2015/16	2016/2017	2017/2018	2018/2019
C&W tCO <sub>2</sub> (from EUETS submissions)	15,212	15,510	10,930	8,904
WMUH tCO <sub>2</sub> (from CRC submissions)	7,284	6,815	6,525	5,608
<b>Trustwide tCO<sub>2</sub></b>	<b>22,496</b>	<b>22,325</b>	<b>17,455</b>	<b>14,512</b>

Emissions reduction	Base year	(170)	(5,040)	(7,983)
		<b>1%</b>	<b>22%</b>	<b>35%</b>

## Water—environmental/legislative

**Target:** To reduce the Trust's water consumption by 15% by 2020, based on the 2014 baseline figure of 360,860m<sup>3</sup> which, against the current data, represents a 9% reduction in water consumption.

Water consumption	2017/2018	2018/2019
C&W	235,344	196,808
WMUH	107,014	134,257
Trustwide	342,358	331,065

## Waste—environmental/legislative

In association with ISS at C&W and Bouygues/ISS at WMUH, the Trust aims to:

- **Reduce waste:** Our aim is to focus on the key waste streams produced within the hospital that can be reduced. The implementation of upcycling scheme to re-use equipment and furniture will significantly reduce the number of large items being disposed.

- **Improve knowledge and training:** ISS are working in partnership with the Trust to help provide clear understanding of the correct segregation of waste. A training review survey is being prepared for all nurses and clinical staff to determine current level of understanding and training will be updated accordingly to ensure the needs of staff are being met and provide multiple ways of training Trust and ISS staff.
- **Change behaviours, incorporating into day-to-day work:** Audits and compliance checks on waste stream segregation are completed weekly and data used to help drive behavioural change. These audits are carried out alongside a Trust representative, so we can collaborate and ensure full visibility of the required changes and monitor the impact of these changes.
- **Identify collaborative partnerships:** ISS is working with Costa Coffee Ltd on the recycling of coffee cups at C&W. The aim is to review a wider cup recycling scheme for the Trust (these cups are being recycled and turned into stationary books).
- **Audit waste segregation:** As part of the weekly audits, waste segregation is a main area of focus and part of the daily task for all waste streams. Training is provided to both Trust and ISS staff to support staff to make the correct decisions.

WMUH have also partnered with Bouygues Energies and Services FM Ltd and Eurotec Environmental Ltd to deliver the industry-leading waste management behavioural change programme. This programme will be delivered by an organisation called SUST-N who will deploy a behavioural change team to work with Trust staff and service providers to help improve compliance, health and safety, and to help reduce our waste costs.

Additionally, they will work with the Trust to improve our waste segregation through a programme of audits, reporting and training. The programme will implement offensive waste streams and will also support ISS in implementing a fully managed recycling waste stream. This is due to be fully implemented by the end of Jun 2019.

There has been an overall average net reduction in waste of 10% which is in line with the targeted reduction of 15% by 2020.

### **Patient-led assessment of the care environment (PLACE)—environmental**

PLACE is an annual snapshot that gives organisations a clear picture of how their environment is seen by those using it, and how they can improve it.

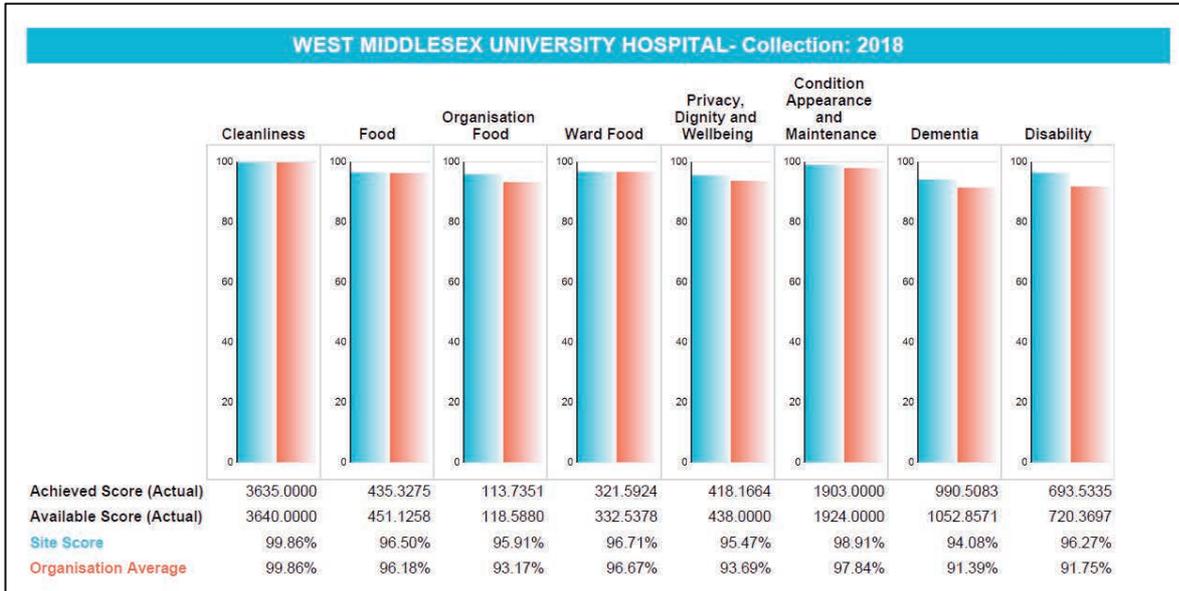
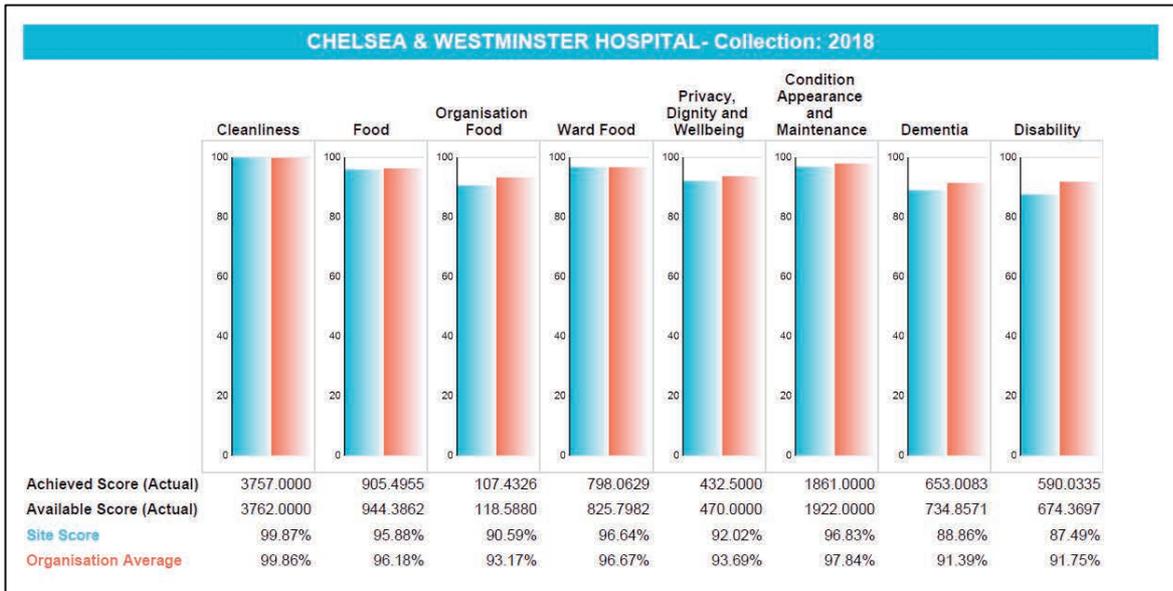
Our annual assessment for 2018 was carried out in Apr/May at both C&W and WMUH. Scores for St Stephen's Centre, 56 Dean Street, Dean Street Express and 10 Hammersmith Broadway clinics are included in total scores for C&W.

The assessment was attended by patient representatives, including members of Healthwatch Kensington and Chelsea and Healthwatch Hounslow, and staff assessors, both clinical and from our estates and facilities teams, on a ratio of 50:50 patient representatives and staff assessors, with no less than two patients representatives per group, as per PLACE/Department of Health guidelines.

The assessment was completed in 10 wards at each hospital, in outpatient departments, emergency departments at both sites, and external and communal areas.

Inspections assessed the patient environment within the following domains:

- Cleanliness
- Food (split into food, organisation food and ward food)
- Privacy/dignity and wellbeing
- Condition, appearance and maintenance
- Dementia
- Disability



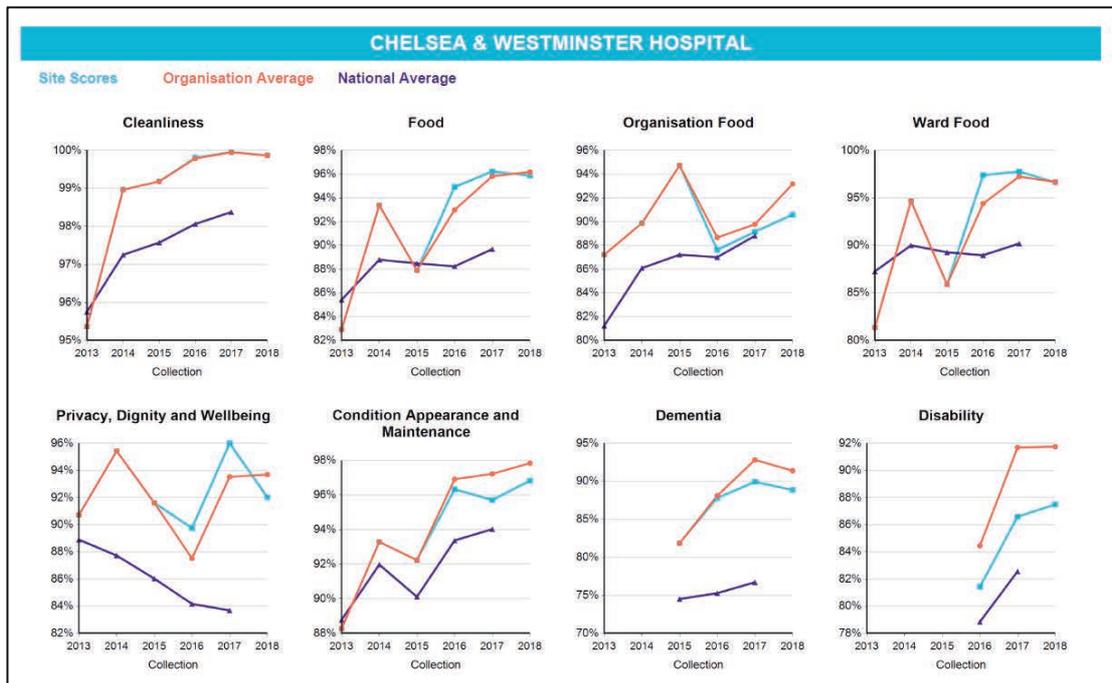
The Trust scored above the national average in all domains assessed, both on individual sites and as a Trust. Results are above the peer groups of leading London trusts in seven out of eight categories.

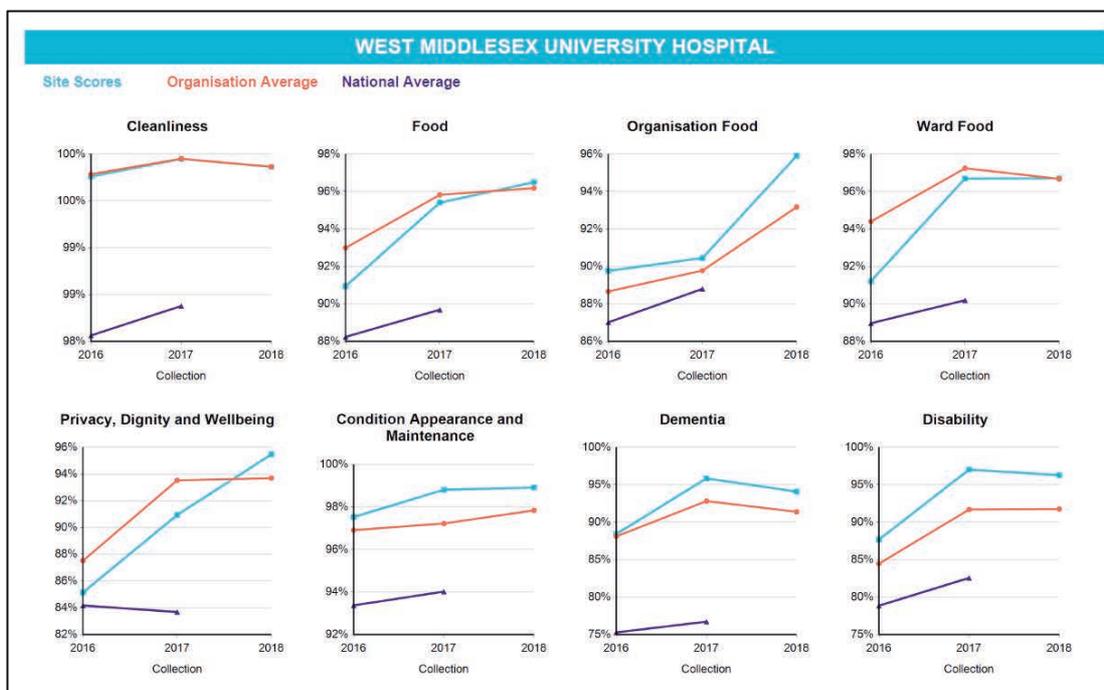
PLACE results 2018	C&W	WMUH	Total
Cleanliness	99.87%	99.86%	99.86%
Food	95.88%	96.50%	96.18%
Organisation food	90.59%	95.91%	93.17%
Ward food	96.64%	96.71%	96.67%
Privacy, dignity and wellbeing	92.02%	95.47%	93.69%
Condition and maintenance	96.83%	98.91%	97.84%
Dementia	88.86%	94.08%	91.39%
Disability	87.49%	96.27%	91.75%
<b>Overall Score</b>	<b>93.52%</b>	<b>96.71%</b>	<b>95.07%</b>

Lower marks were scored within 'organisation food' due to some patients not being readied for meal service and due to a reduced number of patients screened using the malnutrition universal screening tool. We are the top two London hospitals at 99.87% (C&W) and 99.86% (WMUH) for cleanliness. WMUH achieved the highest scores among peer London hospitals within the following categories:

- Ward food—96.71%
- Privacy, dignity and wellbeing—95.47%
- Condition and maintenance—98.91%
- Dementia—94.08%
- Disability—96.27%

At C&W, further improvements will be made to the patient environment for organisation food, privacy, dignity and wellbeing, demential and disability.





An action plan has been formulated to address aspects of the patient environment that require improvement:

- Installing large face clocks displaying time, day and month in all wards and outpatient waiting areas (dementia and disability)
- Providing chairs of different width, back height, with and without arm rests in all waiting areas (dementia and disability)
- Reviewing the quality of patient menus to ensure all dishes meet expectations and high standards and to raise scores from good to excellent for all dishes—we held food tastings before implementing our new menu in Oct 2018 (food)
- Ensuring water jugs for patients are refilled regularly (food)
- Giving patients a choice of having a snack in the evening (food)
- Doors to be in a different colour from walls in outpatient departments (dementia and disability)
- Increasing nutritional screening of patients using the malnutrition universal screening tool (food)
- Reviewing whether handrails in corridors leading to toilets and bathrooms can be installed in wards (dementia and disability)

The PLACE group will continue to carry out bi-monthly mini PLACE audits to assess the patient environment in all categories using the Department of Health’s annual PLACE audit tools and meet bi-monthly to determine progress on areas needing improvement and to recognise good practice.

## Capital works (environmental)

There are a number of ongoing projects to improve the patient environment. These include, but are not limited to, refurbishment of wards, wet rooms and bathroom facilities. The works are ongoing throughout both hospital sites.

A five-year development plan is underway which will ensure that the Trust has state-of-the-art facilities to meet the needs of all its patients and to accommodate the changes set out by the North West London STP.

### C&W site

- Ongoing expansion works of our NICU/ICU—£25m, due to be complete in 2020
- Ambulatory emergency care (AEC) service—£1.3m, completed Apr 2019
- Labour ward refurbishment—£2.3m
- Post-mortem and mortuary reconfiguration to increase the clinical training area—£500k
- Fire stopping—£1m)

### WMUH site

- Ambulatory emergency care (AEC) service—£2.2m
- Percy House (boiler replacement)—£120k
- Marjory Warren fire compartmentalisation—£93k

## Social, community, anti-bribery and human rights issues

Engagement with our patients and the wider community continues to be of upmost importance to the Trust and contributes to our understanding of what people need and expect from the services we provide. We are proactive in our engagement with our patients and the wider community, and have proactive patient and user groups who help co-design our services such as the Maternity Voice Partnership Group. We continue to promote initiatives such as work experience opportunities for students at Queensmill School, a local school for children with autism. Open days are held at both main hospital sites as part of the Trust's community engagement activities in addition to public engagement.

### Community

The Trust is committed to supporting national campaigns to improve the health of our patients. Working in partnership with various external partners the Trust have been able to reach out to patients on a range of health issues. This year some of our Trust volunteers worked in partnership with Harlequins Rugby Club to encourage supporters to undergo a routine health screening, signposting those at high risk to relevant services. The Trust has also supported a campaign to improve the dental health of children and young people at both the hospital sites. A range of activities were undertaken as part of world AIDS day and the new Macmillan information centre opened in a more accessible location at C&W.

The Trust is currently exploring the addition of a Changing Places facility at WMUH to complement the facility offered at the C&W site. The Changing Places facility supports patients with disabilities and their carers using our services.

The Trust has an active programme of learning disability training and a learning disabilities steering group involving staff, the local authority, third-sector organisations, patients and carers. This year the Trust has supported a group of eight students through Project SEARCH, a programme of work experience for young people with learning disabilities who work in various roles in the organisation, obtaining valuable life skills.

## **Equality and diversity**

The Trust's work on embedding diversity and inclusion within the organisation has continued to develop over the past year and we have worked closely both with external partners and our own staff to further understand our workforce race equality standard (WRES) indicators and put into place actions to address the themes identified. The Trust is also participating in Pan-London work to specifically look at the disproportionate number of BAME staff entering into disciplinary proceedings.

In addition, we are shortly due to formally launch our BAME staff network which will be in addition to our already successful women's network. Further staff networks, including an LGBTQ network and disability forum, will be introduced over the coming year.

## **Learning disabilities**

The Trust has continued to work with people who have learning disabilities to improve their access and experience of care. Our lead nurse for learning disabilities has developed a network of nurses across the organisation who have had additional training to support patients in practice.

There continues to be a focus on learning from death for patients with learning disabilities. Mortality and morbidity reviews are undertaken for every patient and the learning from these reviews shared widely throughout the organisation and nationally.

As the Trust moves to CernerEPR, our new electronic patient record system, work is underway to ensure that information relating to patients with learning disabilities is better recorded and more accessible to staff. This is assisted by the use of our hospital passport, which gives staff information about preferences for care who patients who have learning disabilities.

## **Safeguarding**

The Trust actively engages with local safeguarding adult and safeguarding children boards. The Trust has a dedicated team of professionals who work to protect vulnerable adults and children. There are named leads for both safeguarding children and adults which report regularly through respective committees to the Trust quality committee.

We have named executive leads responsible for safeguarding adults and children and we support a team of independent domestic violence advisors to support patients and staff who are affected by domestic abuse.

The Trust offers a range of mandatory and additional training in all areas of safeguarding for both children and adults which are well-attended and positively evaluated by Trust staff.

## Anti-bribery

The Trust does not tolerate any form of fraud, bribery or corruption by its employees, partners or third parties acting on its behalf. We investigate allegations fully and apply sanctions to those found to have committed a fraud, bribery or corruption offence.

KPMG was contracted by the Trust during 2018/19 to provide local counter-fraud specialist (LCFS) services in accordance to Secretary of State directions. The Board's Audit and Risk Committee formally approves the counter-fraud annual workplan and progress reports are provided to the committee at each of its meetings.

## Volunteers

The Trust launched a volunteer services strategy in 2019. The Trust is committed to developing a leading volunteer service within healthcare. Volunteers do not replace roles within the substantive workforce but focus on adding value to the experience of patients and service users. They support our staff to deliver excellent care and patient experience.

Volunteers have a clear identity, role and remit. They are recognised for their contribution and work across all areas of the organisation to augment and enhance the experience of care for our patients. Volunteers undergo appropriate screening and receive high-quality, relevant orientation and training appropriate to their roles. Furthermore, they are supported to feel part of the team at the Trust.

The executive team fully supports and are committed to the volunteer services strategy, along with our official charity CW+. They support the integration of volunteers into all areas of our services and monitor the engagement of departments through scheduled deep dives and the ward accreditation programme. The executive team champions the role of volunteers within the organisation, recognising their contribution to our patients, families and our staff.

The Trust aspires to be a centre of excellence for volunteering within healthcare. The use of volunteers within our services will transform the way care is provided, the experience of care by our patients and the role satisfaction felt by our staff and volunteers. To achieve this we will:

- Recruit, train and deploy 900 volunteers by 2020
- Support, develop, recognise and celebrate the contribution of our volunteer team
- Develop a volunteer services infrastructure that will evolve and develop with the service
- Expect and actively encourage all departments to embrace volunteers and their contribution
- Contribute to the body of literature on the impact and value of volunteering within healthcare
- Continue to contribute to and learn from the national agenda in relation to volunteering and through our association with Helpforce

The Trust serves a large, diverse local population who largely form our volunteering teams. In response to this help and support, the Trust will develop its responsibility to the community we serve in giving back to those who volunteer, maximising the opportunities available to them and enabling each volunteer to reach their full potential.

## **Charity matters—CW+**

The Trust is privileged to be supported by a group of independent charities led by CW+, our official charity partner. The Trust is committed to actively promoting and supporting CW+ and a number of directors of the Trust Board are CW+ trustees. During 2018/19 these included the Trust's Chief Executive Officer Lesley Watts, Chief Medical Officer Zoë Penn and two Trust non-executive directors—Nick Gash and Liz Shanahan.

This shared governance arrangement is designed to ensure clear alignment between the strategic priorities of the Trust and the charity. The most significant areas of support provided to the Trust by CW+ during 2018/19 are summarised below.

### **Transforming NICU/ICU at C&W**

The Trust and CW+ have been working in partnership to create a best-in-class critical care service at Chelsea and Westminster Hospital. With the radical redevelopment programme now entering its second year, we are creating a new ICU environment will enable us to care for an additional 500 patients every year.

We are also increasing space in our redesigned NICU, with dedicated areas for parents and families and the installation of extra cots to care for an additional 150 babies every year. Both units will incorporate the latest clinical and environmental design enhancements, evolving a model of care that will demonstrate improved clinical outcomes for our patients, a supportive environment for parents, cost reductions and improved efficiency.

The full cost of this expansion and redevelopment will be approximately £25 million. The Trust has committed £12.5 million towards the project and this year CW+ completed a successful fundraising campaign which has secured the remaining £12.5 million. Both new facilities will be opened in autumn 2020.

### **Grants and innovation**

The Trust is working closely with CW+ to bring the latest health innovations and technologies to the Trust. CW+'s grants and innovation programme supports staff to fund new innovative projects to advance the delivery of healthcare in our hospitals. In addition to making more than £1m in grants to new initiatives, in 2018, CW+ supported a pipeline of more than 20 health innovation projects for the Trust including sensor technologies, remote wearable monitors, new clinical devices, digital rehabilitation, virtual clinics, smartphone apps and many more.

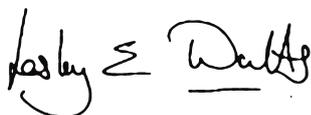
CW+ also sources innovation through collaborations with third parties such as DigitalHealth.London Accelerator, NHS Accelerator and Microsoft Accelerator to match the latest innovations from within the wider health ecosystem with realtime healthcare needs at the Trust.

## Arts and health

In addition to managing an art collection of approximately 2,000 works, CW+ has expanded its arts and health offering across the Trust in the last 12 months. This has included installing new works and enhancements in A&E, paediatrics, our new cardiac catheterisation lab and our older patient wards at WMUH as well as in multiple units across C&W.

CW+ has also continued to deliver a programme of performance and participatory arts projects to support patients on our wards and clinics. These include music, dance, and arts and crafts sessions, as well as more focussed art therapy and rehabilitation sessions for patients.

Finally, the charity has led a major heritage project to collate, present and preserve the archive and history of C&W and its forerunner hospitals as we look forward in May 2019 to celebrating the 300th anniversary of the opening of Westminster Hospital.

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

**Lesley Watts**  
Chief Executive Officer

24 May 2019



**SECTION 2**

**ACCOUNTABILITY  
REPORT**

# **DIRECTORS' REPORT**

## Names of Trust directors during 2018/19

Name	Title	Period	Unexpired term
Sir Tom Hughes-Hallett	Chairman	1 Feb 2017	0 year 10 months
Nilkunj Dodhia	Non-executive Director	1 Jul 2014 (voting from 28 Nov 2015) 1 Jul 2016	2 year 3 months
Nick Gash	Non-executive Director	1 Nov 2015 1 Nov 2018	2 year 7 months
Stephen Gill	Non-executive Director	1 Nov 2017	1 year 7 months
Eliza Hermann	Non-executive Director	1 Jul 2014 (voting from 1 Nov 2014) 1 Jul 2017	1 year 3 months
Jeremy Jensen	Deputy Chair and Senior Independent Director	1 Jul 2014 1 Jul 2017	1 year 3 months
Dr Andrew Jones	Non-executive Director	1 Jul 2014 (voting from 1 Nov 2014) 1 Jul 2017	1 year 3 months
Liz Shanahan	Non-executive Director	1 Jul 2014 (voting from 28 Nov 2015) 1 Jul 2016	0 year 8 months
Gary Sims	Non-executive Director	1 Nov 2017	Resigned 31 May 2018
Lesley Watts	Chief Executive Officer	14 Sep 2015–present	n/a
Karl Munslow-Ong	Deputy Chief Executive	2 Mar 2015	Left 2 Nov 2018
Zoë Penn	Chief Medical Officer	1 Mar 2013–present	n/a
Pippa Nightingale	Chief Nursing Officer	18 Jul 2016–present	n/a
Sandra Easton	Chief Financial Officer	7 Apr 2016–present	n/a
Robert Hodgkiss	Chief Operating Officer	7 Apr 2016–present	n/a
Thomas Simons	Director of HR & OD	4 Mar 2019–present	n/a

## Register of interests

Board members are required to declare their interests annually and as they change, as well as confirming they meet the fit and proper person condition as set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulation 2014.

Members of the public can view the register of directors' interests on the Trust website at <http://www.chelwest.nhs.uk/bod>, by emailing [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk), or by writing to:

Board Governance Manager  
Chelsea and Westminster Hospital NHS Foundation Trust  
369 Fulham Road  
London  
SW10 9NH

## Compliance with cost allocation and charging guidance

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

## Political donations

The Trust did not make any political donations during 2018/19.

## 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 below.

Measure of compliance	2018/19 n°	2018/19 £000
<b>Non-NHS payables</b>		
Total non-NHS trade invoices paid in the year	99,995	278,962
Total non-NHS trade invoices paid within target	89,510	233,414
<b>Percentage of non-NHS trade invoices paid within target</b>	<b>89.5%</b>	<b>83.7%</b>
<b>NHS payables</b>		
Total NHS trade invoices paid in the year	3,928	38,972
Total NHS trade invoices paid within target	2,911	21,847
<b>Percentage of NHS trade invoices paid within target</b>	<b>74.1%</b>	<b>56.1%</b>
<b>Totals</b>		
Total trade invoices paid in the year	103,923	317,934
Total trade invoices paid within target	92,421	255,260
<b>Percentage of total trade invoices paid within target</b>	<b>88.9%</b>	<b>80.3%</b>

## Well-led framework

It is of paramount importance to ensure that the Trust is well-led so that the service and care we provide is safe, high-quality and patient-centred. The Trust was subject to a Care Quality Commission (CQC) well-led inspection in Jan 2018 and received a 'Good' rating for each hospital site and for the Trust overall. The Trust received no 'must do' recommendations and has an embedded quality improvement process. All 57 'should do' actions are now completed and closed, and the Trust has developed its own continuous improvement plan to support the Trust's continuous quality improvement journey and ongoing regulatory compliance. The Trust has undertaken a self-assessment against the CQC well-led framework in-year which was presented to public Trust Board.

An overview of the arrangements in place to govern service quality is included in the Quality Report and Annual Governance Statement. The arrangements include a clear 'ward to board' assurance framework which delivers the well-led CQC framework. The Quality Committee seeks assurance on systems, processes and outcomes relating to quality (safety, clinical effectiveness and patient experience) on behalf of the Board.

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

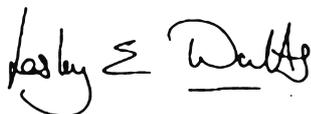
- The annual governance statement
- The annual and quarterly statements required by the risk assessment framework, the corporate governance statement submitted with the annual plan, the quality report and the annual report
- Reports arising from the CQC inspections and the Trust's consequent action plans

## Disclosure of information to Trust auditors

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

## Income disclosures

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

A handwritten signature in black ink, appearing to read 'Lesley Watts', with a stylized flourish at the end.

**Lesley Watts**  
Chief Executive Officer

24 May 2019

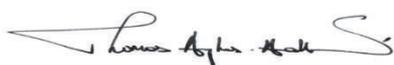
# REMUNERATION REPORT

## Annual statement on remuneration

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

In 2018/19, the committee met on three occasions to consider a number of matters within its terms of reference including making decisions on the remuneration and terms of service of the Chief Executive and other executive directors, including new appointments. When making decisions on the salaries of executive directors, the committee considered benchmarking data for comparable positions, particularly to ensure that salaries remained appropriate where responsibilities of senior managers were amended.

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



**Sir Thomas Hughes-Hallett**

Chair of Nominations and Remuneration Committee

24 May 2019

## Senior managers' remuneration policy

The Nominations and Remuneration Committee sets pay and employment policy for the executive directors and other senior staff designated by the Board. The Trust's policy is for all executive directors to be on permanent Trust contracts with six months' notice.

Remuneration consists mainly of salaries (which are subject to satisfactory performance) and pension benefits in the form of contributions to the NHS Pension Fund. There were four senior managers whose pay exceeded £150,000 during 2018/19. The Nominations and Remuneration Committee provides objective scrutiny to salaries set in excess of the threshold. Remuneration is set with due regard to benchmarking information from other NHS organisations and public sector bodies as appropriate and survey data. Experience, performance and portfolio are also taken into account. Salaries are awarded on an individual basis, taking into account the skills and experience of the postholder and comparable salaries for similar posts elsewhere. Pay is also compared with that of other staff on nationally agreed Agenda for Change terms and conditions, and medical and dental staff terms and conditions. Increases in pay can be withheld where it is considered, through the annual appraisal process, that individual or Trust performance does not warrant an increase, but also subject to affordability and labour market conditions.

There are provisions within the directors' contract of employment for recovery of sums should performance fall below the required standard. Trust employees were not specifically consulted on the policy and procedure for determining the remuneration of directors, however the policy was developed with full consideration given to the terms and

conditions of other staff groups within the Trust and also in accordance with national guidance. The policy is aligned in many ways to the terms and conditions of other staff groups.

The Council of Governors determines the terms of appointment for non-executive directors based on benchmarking data for similar posts elsewhere in the NHS. Typically, non-executive directors are appointed for three-year terms of office—they do not have access to the NHS pension scheme.

Information on the salaries and pensions of directors is included within the senior manager remuneration tables on page 48.

## Future policy table

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

## Service contracts

Information relating to directors' service contracts is included within the table *Names of Trust directors during 2018/19* on page 41.

## Policy on payments of loss of office

Payments for loss of office in a compulsory redundancy situation are made under the nationally negotiated compensation scheme. The Nominations and Remuneration Committee has the authority to consider compensation in relation to exit arrangements for directors. In the event of early termination, executive director contracts provide for compensation in line with the contractual notice period. There were no payments for loss of office made in 2018/19.

## Nominations and Remuneration Committee

The executive Nominations and Remuneration Committee is chaired by Sir Thomas Hughes-Hallett, Trust Chairman, and its membership comprises all other non-executive directors. The Trust's chief executive may be invited to attend all or part of the committee meetings provided that they are not present when their executive role is subject to committee discussion/decision-making. The committee is supported by the company secretary. Details of committee attendance in 2018/19 may be found in the section *NHS Foundation Trust Code of Governance Disclosures* from page 69.

## Disclosures required by Health and Social Care Act

The Trust is governed by a Board of Directors. At 31 Mar 2019, the Board comprised eight non-executive directors (including the chairman) and six executive directors (including the chief executive). There are 30 governor positions (26 were in post as at year end) comprising:

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

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

	Total n° in post	N° receiving expenses	Total sum of expenses £000
<b>2018/19</b>			
Governors	26	3	0.37
Directors	14	3	0.62
<b>2017/18</b>			
Governors	30	3	0.34
Directors	17	9	3.66

# Senior manager remuneration tables

## Senior manager remuneration 2018/19 (subject to audit)

Name and title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2019	Lump sum at pension age related to accrued pension at 31 Mar 2019	Cash equivalent transfer value at 1 Apr 2018	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2019
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000
<b>Executive directors<sup>1</sup></b>												
Lesley Watts, Chief Executive <sup>2</sup>	255–260	0	0	n/a	255–260	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Karl Munslow-Ong, Deputy Chief Executive <sup>3</sup>	95–100	0	0	27.5–30	125–130	0–2.5	0–2.5	30–35	65–70	340	84	424
Zoë Penn, Chief Medical Officer <sup>4</sup>	195–200	0	0	115–117.5	310–315	5–7.5	5–7.5	85–90	155–160	1,380	254	1634
Rob Hodgkiss, Chief Operating Officer <sup>2</sup>	185–190	0	0	n/a	185–190	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sandra Easton, Chief Financial Officer <sup>2</sup>	175–180	0	0	n/a	175–180	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pippa Nightingale, Chief Nursing Officer	145–150	0	0	132.5–135	280–285	5–7.5	10–12.5	40–45	95–100	491	177	670
Thomas Simons, Director of Human Resources and Organisational Development <sup>5</sup>	10–15	0	0	52.5–55	60–65	2.5–5	0.00	20–25	0	182	57	240
<b>Non-executive directors</b>												
Sir Thomas Hughes-Hallett, Chairman	55–60	0	0	n/a	55–60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nilkunj Dodhia, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>1</sup> The accounting officer has reviewed which officers act as ‘senior managers’ for the purposes of the remuneration report, and considers that for 2019/20, this only includes the chair and executive and non-executive directors of the Trust

<sup>2</sup> Figures for CETV are not available as the individuals are no longer part of the NHS pension scheme

<sup>3</sup> Left the Board on 4 Nov 2018

<sup>4</sup> The remuneration of the Chief Medical Officer includes £52,500 in respect of her clinical role

<sup>5</sup> Appointed to the Board on 4 Mar 2019

Name and title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2019	Lump sum at pension age related to accrued pension at 31 Mar 2019	Cash equivalent transfer value at 1 Apr 2018	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2019
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000
<b>Non-executive directors, continued (2018/19)</b>												
Nick Gash, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Steve Gill, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Eliza Hermann, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jeremy Jensen, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr Andrew Jones, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Liz Shanahan, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gary Sims, Non-Executive Director <sup>6</sup>	0–5	0	0	n/a	0–5	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>6</sup> Left the Board on 30 May 2018

## Senior manager remuneration 2017/18 (subject to audit)

Name and title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2018	Lump sum at pension age related to accrued pension at 31 Mar 2018	Cash equivalent transfer value at 1 Apr 2017	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2018
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000
<b>Executive directors</b>												
Lesley Watts, Chief Executive <sup>7</sup>	225–230	0	0	195–197.5	425–430	7.5–10	27.5–30	75–80	235–240	0	0	0
Karl Munslow-Ong, Deputy Chief Executive	160–165	0	0	20–22.5	185–190	0–2.5	0–2.5	25–30	65–70	327	13	340
Zoë Penn, Medical Director <sup>8</sup>	190–195	0	0	65–67.5	255–260	2.5–5	0–2.5	80–85	150–155	1,248	132	1380
Robert Hodgkiss, Chief Operating Officer	160–165	0	0	50–55	215–220	2.5–5	5–7.5	25–30	70–75	343	83	427
Sandra Easton, Chief Financial Officer	160–165	0	0	n/a	160–165	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Keith Loveridge, Director of Human Resources and Organisational Development <sup>9</sup>	95–100	0	0	left	95–100	left	left	left	left	567	left	left
Pippa Nightingale <sup>10</sup>	130–135	0	0	130–132.5	260–265	5–7.5	12.5–15	30–35	85–90	395	96	491
<b>Non-executive directors</b>												
Sir Thomas Hughes-Hallett, Chairman	55–60	0	0	n/a	55–60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nilkunj Dodhia, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nick Gash, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Steve Gill, Non-Executive Director <sup>11</sup>	0–5	0	0	n/a	0–5	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>7</sup> Figures for the CETV are not available as the director is over the normal retirement age (NRA) in the existing scheme

<sup>8</sup> The remuneration of the Medical Director includes £141,030 in respect of her clinical role

<sup>9</sup> Left the Trust on 31 Jan 2018

<sup>10</sup> Chief Nurse from 1 May 2017—previously Director of Midwifery/Acting Chief Nurse

<sup>11</sup> Appointed to the Board on 1 Nov 2017

Name and title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2018	Lump sum at pension age related to accrued pension at 31 Mar 2018	Cash equivalent transfer value at 1 Apr 2017	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2018
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000
<b>Non-executive directors, continued (2017/18)</b>												
Eliza Hermann, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jeremy Jensen, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr Andrew Jones, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jeremy Loyd, Non-Executive Director <sup>12</sup>	5–10	0	0	n/a	5–10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Liz Shanahan, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gary Sims, Non-Executive Director <sup>13</sup>	0–5	0	0	n/a	0–5	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>12</sup> Left the Board on 31 Oct 2017

<sup>13</sup> Appointed to the Board on 1 Nov 2017

## **Fair pay multiple (subject to audit)**

The banded remuneration of the highest paid director in the Trust in the 2018/19 financial year was £255,000–260,000 (2017/18: £225,000–230,000). This was 6.56 times the median remuneration of the workforce (2017/18: 5.98 times), which was £39,239 (2017/18: £38,035).

In 2018/19 no employees received remuneration in excess of the highest paid director (2017/18: nil). Remuneration ranged from £12,000 to the highest paid director banded remuneration of £255,000–260,000 (2017/18: £12,000 to the highest paid director banded remuneration of £225,000–230,000).

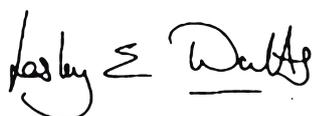
Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### **Definition of ‘senior managers’**

The definition of ‘senior managers’ for the purpose of this 2018/19 report is those persons in voting executive director or non-executive director roles within the organisation.

### **Pensions**

The cash equivalent transfer values (CETV) included within the directors’ report do not allow for a potential future adjustment arising from the McCloud judgement.



**Lesley Watts**  
Chief Executive Officer

24 May 2019

# **STAFF REPORT**

## Analysis of staff costs

Employee expenses	2018/19 Total £000	2018/19 permanently employed total £000	2018/19 other total £000
Salaries and wages	287,815	253,240	34,575
Social security costs	30,946	27,981	2,965
Apprenticeship levy	1,389	1,389	0
Pension cost—defined contribution plans (employer's contributions to NHS pensions)	31,252	29,699	1,553
Pension cost—other	24	24	0
Temporary staff—agency/contract staff	20,593	0	20,593
<b>Total staff costs</b>	<b>372,019</b>	<b>313,333</b>	<b>59,686</b>

## Analysis of average staff numbers

### Average number of employees (WTE basis)

Employee	Substantive	Other	2018/19 total	2017/18 total
Medical and dental	1,198	120	1,256	1,198
Ambulance staff	0	0	0	0
Administration and estates	1,173	225	1,226	1,173
Healthcare assistants and other support staff	997	234	995	997
Nursing, midwifery and health visiting staff	2,409	432	2,508	2,409
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	549	46	574	549
Healthcare science staff	0	0	0	0
Social care staff	0	0	0	0
Other	0	0	0	13
<b>Total average numbers</b>	<b>5,639</b>	<b>1,057</b>	<b>6,696</b>	<b>6,339</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	85	53	138	77

## Breakdown of employees

The following chart provides information of the gender split between the different staff groups as at 31 Mar 2019:

Employee	Female	Male	Total
Executive director	4	2	6
Non-executive director	2	6	8
Senior manager	115	76	191
Other	4,599	1,441	6,040
<b>Total</b>	<b>4,720</b>	<b>1,525</b>	<b>6,245</b>

## Sickness absence

The chart below details the Trust's sickness absence data for 2018/19.

Sickness absence	2018/19 (n°)	2017/18 (n°)
Total days lost	55,317	31,823
Total staff years	5,530	5,225
Average working days lost per whole time equivalent (WTE)	10.0	6.1

## Staff health and wellbeing

The Trust has an in-house occupational health and wellbeing department which is in place to support both managers and staff. In accordance to the sickness absence policy and the equality and diversity policy, the occupational health department advises managers and staff on appropriate working arrangements, which may include making reasonable adjustments or modifications to working hours to accommodate a medical condition. Reasonable adjustments are specific to individuals and could include making adjustments to premises, duties, working hours or acquiring or modifying equipment. The Trust also seeks guidance from specialist external agencies, such as Access to Work, where necessary.

The Trust's recruitment and selection policy ensures that all applicants with a disability who meet the essential criteria are offered an interview. Successful candidates are asked what adaptations they may require to carry out their role. The Trust is also recognised as a Disability Confident employer.

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

To help support members of staff who have a disability the Trust introduced a *Maintaining the employment of staff with disabilities* to provide guidance for both staff and managers.

## Staff engagement

We recognise that engaging with our workforce is key to successfully increasing organisational performance and patient outcomes. We are committed to staff engagement and value the input of staff members at all levels.

A number of engagement events have taken place this year with monthly team brief events held on each of the main sites. These events are hosted by the chief executive and give staff an opportunity to showcase specific improvement projects that they have implemented in the workplace as well as giving staff the opportunity to put questions to the executive team.

The executive team also hold breakfast meetings with all new starters three months after they have joined the Trust to hear from staff how their experience has been in joining the organisation and how this can be improved.

### National NHS staff survey 2018

In autumn 2018, questionnaires were sent to 5,664 staff—2,325 staff took part in this survey, giving us a response rate of 41%.

	2017	2018	Trust change
Response rate	32%	41%	Increase of 9% from previous year

A number of changes have been made to the benchmark report in 2018 and the 32 key findings that were reported in previous years have been replaced by 10 themes which are scored on a 0–10point scale (with 10 being the best or most favourable score).

These 10 themes are:

- Equality, diversity and inclusion
- Health and wellbeing
- Immediate managers
- Morale
- Quality of appraisals
- Quality of care
- Safe environment (bullying and harassment)
- Safe environment (violence)
- Safety culture
- Staff engagement

The table below shows the Trust and the average scores in 2018 as well as the results for the last two years.

Indicator	Trust score 2018	Average for acute trusts 2018	Trust score 2017	Average for acute trusts 2017	Trust score 2016	Average for acute trusts 2016
Equality, diversity and inclusion	8.7	9.1	8.7	9.1	8.7	9.2
Health and wellbeing	5.8	5.9	6.1	6.0	6.0	6.1
Immediate managers	6.9	6.7	6.9	6.7	6.7	6.7
Morale	6.1	6.1	n/a	n/a	n/a	n/a
Quality of appraisals	6.0	5.4	6.1	5.3	5.7	5.3
Quality of care	7.7	7.4	7.7	7.5	7.6	7.6
Safe environment (bullying and harassment)	7.7	7.9	7.7	8.0	7.6	8.0
Safe environment (violence)	9.3	9.4	9.3	9.4	9.3	9.4
Safety culture	6.9	6.6	6.9	6.6	6.7	6.6
Staff engagement	7.3	7.0	7.3	7.0	7.0	7.0

## Headlines

The overall results of the 2018 staff survey show that the Trust has not moved significantly in the majority of the 10 themes with the exception of health and wellbeing where there has been a statistically significant decrease. The Trust results are above average on five of the themes, average for one of them and below average for the other four.

## Areas of strength

- The Trust continues to be above the national average for staff engagement and there has been a 10% increase in the number of staff answering positively in relation to whether they would recommend the organisation as a place to work or be treated
- The Trust scores very favourably in terms of quality of care, safety culture and immediate managers

- Our staff have also scored the quality of their appraisal favourably in comparison to other acute trusts

## Areas for improvement

- The Trust is below average for equality, diversity and inclusion, health and wellbeing, safe environment (violence) and safe environment (bullying and harassment)
- Staff experiencing violence and bullying and harassment from patients and their relatives remains a concern with 35% of staff stating they have experienced bullying and harassment on one or more occasion and 16% of staff stating that they have been subject to physical violence
- The Trust has seen a significant increase (6%) in the percentage of staff who reported they have experienced a work-related musculoskeletal issue in the last 12 months

The Trust is developing an action plan that will address the areas of concern affecting the Trust in line with the overall priority setting process for workforce in 2019.

The full staff survey report is published at [www.nhsstaffsurveyresults.com](http://www.nhsstaffsurveyresults.com).

## Gender pay gap

From the 6 Apr 2017 it became mandatory for employers in the UK with more than 250 staff to publish their gender pay gap data which shows the difference between the average earnings of men and women in the organisation.

For the purposes of gender pay gap reporting employers are required to publish six calculations highlighting the following:

- Average gender pay gap as a mean average
- Average gender pay gap as a median average
- Average bonus gender pay gap as a mean average
- Average bonus gender pay gap as a median average
- Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
- Proportion of males and females when divided into four groups ordered from lowest to highest pay

For our 2018/19 report the snapshot date was 31 Mar 2018.

## Workforce gender split

As at 31 Mar 2018 the total relevant paid workforce was **6,069** staff across all sites and staff groups.

Gender	Number of staff	Percentage split of the workforce
Male	1,498	24.68% of the total workforce
Female	4,571	75.32% of the total workforce

## Average and median hourly rates

Gender	Mean average hourly rate	Median average hourly rate
Male	£24.52	£20.39
Female	£19.95	£17.92
Difference	£4.57	£2.47
<b>Pay gap %</b>	<b>18.62%</b>	<b>12.11%</b>

This highlights that:

- The gender pay gap when expressed as a **mean average** shows that female staff earn 18.62% less than male staff.
- The gender pay gap when expressed as a **median average** shows that female staff earn 12.11% less than male staff.

## Bonus gender pay gap by hourly rate

For the purpose of this report the bonus payments referred to are those made to consultants in the form of clinical excellence awards (CEAs).

At as 31 Mar 2018 the Trust employed 454 consultants, of which 223 (49%) were female and 231 were male (51%).

Gender	Mean average bonus hourly rate	Median average bonus hourly rate
Male	£8.28	£5.78
Female	£8.01	£4.33
Difference	£0.27	£1.45
<b>Pay gap %</b>	<b>3.18%</b>	<b>24.99%</b>

This highlights that:

- The gender bonus pay gap when expressed as a **mean average** shows that female staff earn 3.18% less than male staff
- The gender bonus pay gap when expressed as a **median average** shows that female staff earn 24.99% less than male staff.

## Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment by quartiles (lowest to highest)

Quartile	N° of female staff	N° of male staff	% female staff	% male staff
Lower	22	26	45.83%	54.17%
Lower middle	23	25	47.92%	52.08%
Upper middle	23	25	47.92%	52.08%
Upper	16	32	33.33%	66.67%

## Proportion of males and females when divided into four groups ordered from lowest to highest pay by quartiles (lowest to highest)

Quartile	N° of female staff	N° of male staff	% female staff	% male staff
Lower	1,138	378	75.07%	24.93%
Lower middle	1,241	277	81.75%	18.25%
Upper middle	1,247	267	82.36%	17.64%
Upper	945	576	62.13%	37.87%

## Trade union facility time

The Trust recognises the importance of partnership working between management and recognised trade unions. Partnership working provides a clear framework for consultation, negotiation and decision-making where our trade unions can have a proactive role in matters of strategic importance that affect our staff. It also enables joint ownership of problems and solutions to get the best outcome for the Trust, patients, and our staff and to ensure the delivery of high-quality patient care and a positive working environment.

In line with the Trade Union (Facility Time Publication Requirements) Regulations, which came into force on the 1 Apr 2017, trade union representatives are required to record their paid time off to carry out trade union duties and the Trust is required to publish this information on an annual basis. This data relates to facility time recorded between the period of 1 Apr 2017–31 Mar 2018.

### Number of employees who were relevant union officials during the relevant period, and the number of full-time equivalent employees

	2018/19
Number of employees who were relevant union officials during the relevant period	18
Number of full-time equivalent employees as at 31 Mar 2018	5,405

### Percentage of time spent on facility time for each relevant union official

	2018/19
0%	8
1–50%	9
51–100%	1

### Percentage of pay bill spent on facility time

	2018/19
Total cost of facility time	£93,000
Total pay bill	£347,398,000
% of total pay bill spent on facility time (total costs of facility time/total pay bill x 100)	0.03%

### Hours spent by employees who were relevant union officials during the relevant period on paid union activities, as a percentage of total paid facility time

	2018/19
Time spent on paid union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	0.03%

## Workforce improvement activity

### Recruitment and retention

The Trust has continued with a number of activities to reduce its vacancy rates. This has included a number of initiatives to maximise opportunities such as local, national and international recruitment drives, as well as guaranteed job offers for student nurses and a process for fast-tracking temporary staff to permanent roles. The main focus has been to

reduce the qualified nursing rate to 10% which as at 31 Mar 2019 is 8.29% with an overall Trust vacancy rate of 9.81%.

In addition, a review of our recruitment processes was undertaken and a streamlined recruitment process introduced which has seen the time to hire decrease from 15 weeks to an average of eight weeks.

Further plans are being developed for all other staff groups which will be agreed and monitored through the established Recruitment and Retention Group.

Retention of our staff remains a key priority for the Trust and the Trust has put actions in place to reduce turnover to 13% The plan focuses on the following key themes:

- Improving training/career development
- Enhancing support form managers
- Encouraging staff reaching pensionable age to stay at work
- Improving our benefits offering

As part of this plan, we have introduced a manager training programme, and offer additional extended skills training, career clinics and an enhanced staff benefits package.

## **Performance and development review (PDR)**

PDR continues to be an important part of the support, development and retention of our staff. In 2018/19, 88% of staff received a PDR. As part of the review of staff employment contracts, new terms and conditions were introduced in April 2019 requiring more emphasis on PDRs to ensure staff receive appropriate increments. Performance ratings will also feed into our plans to roll out succession planning and talent management in 2019/20.

## **Leadership development**

The Emerging Leaders and Established Leaders programmes have been reviewed and continue to be delivered working in partnership with Healthskills on the Established Leaders programme. Our Emerging Leaders programme has been undertaken by 154 staff from multiple disciplines, and our Established Leaders programme undertaken by 135 staff in senior roles. We have seen transformation projects implemented, combined with learning around leadership principles. As their careers have progressed, 16 staff have completed both programmes.

## **Other development**

Statutory and mandatory training has reached an all-time high in 2018/19 with the introduction of a new eLearning platform (Learning.chelwest) and more accessible training programmes. Current compliance is at 93%.

A coaching hub has been established and we have 15 coaches supporting staff, as needed, to provide staff with opportunities to discuss career aspirations, work issues etc.

We continue to deliver resilience training and emotional intelligence to support staff manage day-to-day challenges. Work has been done with individual teams as required on each of these topics as well as communication and customer service training.

Pre-retirement and mid-year financial programmes have also been commenced as part of our retention strategy, assisting staff to identify how they can retire and return to the Trust to continue service whether in the same role or a more junior role.

## **Clinical development**

Clinical education programmes are being delivered across all sites to meet the dynamic needs of our changing services and to address changes in national standards of practice. Clinical skills training has been transformed, encompassing blended learning to ensure we address learning styles and have a more efficient method of training delivery. The Clinical Learning and Development team has also been very active supporting the implementation of clinical devices across the Trust and instrumental in safe device training.

The Trust has continued to deliver undergraduate training for nursing (adult and child), midwifery, medicine and allied health professionals. Supporting these students across disciplines is essential to securing an effective, competent workforce and nurture our future employees. This year has seen the introduction of nursing associate and nurse degree apprenticeships, adding to the range of learners' support by staff and clinical education teams.

Workforce development is a key strategy for retention of competent staff—over the past year the Trust, with the support of Health Education England (HEE), we have supported 512 staff members to attain additional training, leading to academically-accredited qualifications. We have also embarked on an advanced care practitioner programme with 33 of our staff commencing or progressing their academic pathway to becoming advanced practitioners. This programme includes staff from nursing, midwifery and allied health professions. The strategy for our workforce development is aligned to STP priorities to meet the changing demands of our communities and services.

## **Recognition schemes**

We held our first annual awards scheme for long service this year, recognising more than 1,600 staff who have worked for the Trust for 10 years or more. Awards were given to those over 25 years on the 25th anniversary of Chelsea and Westminster Hospital. Staff with 10–20 years' service were recognised in separate celebrations in each of the divisions. The annual staff awards were held in Oct 2018 recognising staff from different specialities.

## **Values**

We continue to promote our PROUD values:

- **P**utting patients first
- **R**esponsive to patients and staff
- **O**pen and honest
- **U**nfailingly kind
- **D**etermined to develop

## **Apprenticeships and work experience**

2018/19 saw the uptake of apprenticeships in the Trust and we have currently more than 80 in training in various topics including nursing associate and degree nurse apprenticeships, as well as several in business administration and other fields.

More than 330 young people took advantage of the opportunity to shadow staff in the Trust as part of our work experience programme.

## **Health and safety and occupational health**

The Trust's core health and safety and occupational health policies continue to be updated to ensure that such documents address both main hospital sites and satellite locations.

There were 28 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) incidents reported to the Health and Safety Executive (HSE) during 2018/19, of which 14 related to the C&W site, 10 to the WMUH site and 4 to community nursing/clinics provided by Trust. Details and data relating to incidents, complaints, claims, risk registers and occupational health data is captured on Datix, a web-based, integrated safety learning system. The Datix system is subject to further enhancements to include other patient safety topics, such as patient experience and mortality reviews, and supports a robust reporting culture throughout the Trust to improve our safety practices.

The Trust's health and safety team works with clinical and corporate departments to support a system of self-assessment and independent spot-checks. Areas subject to spot-checks are identified using a risk-based approach. The health and safety plan going forward is structured using the HSE model of 'plan, do, check, act'.

## **Policies and procedures in respect of countering fraud and corruption**

The Trust has an approved counter-fraud and corruption policy and does not tolerate any form of fraud, bribery or corruption by its employees, partners or third parties acting on its behalf. We investigate allegations fully and apply sanctions to those found to have committed a fraud, bribery or corruption offence.

During 2018/19, KPMG was contracted by the Trust to provide its local counter-fraud specialist (LCFS) services in accordance with Secretary of State directions. The Audit and Risk Committee formally approves the counter-fraud annual workplan and progress reports are provided to the committee at each of its meetings.

## **Expenditure on consultancy**

In 2018/19, the Trust incurred £1.0m (2017/18 £1.28m) on consultancy costs which included continued review of payroll processes. Costs were also incurred for the on-going support for the new soft services contract referred to as the Fulham Road Collaborative—of which two thirds have been recharged to our partners the Royal Brompton and The Royal Marsden. Other smaller amounts of spend included external consultancy support for the Hard FM team.

## Off-payroll engagements as at 31 Mar 2019 for more than £245 per day and that last for longer than 6 months

	2018/19 n° of engagements
N° of existing engagements as at 31 Mar 2019	28
<b>Of which:</b>	
N° that have existed for less than one year at the time of reporting	15
N° that have existed for between one and two years at the time of reporting	11
N° that have existed for between two and three years at the time of reporting	2
N° that have existed for between three and four years at the time of reporting	0
N° that have existed for four or more years at the time of reporting	0

## New off-payroll engagements, or those that reached 6 months in duration, between 1 Apr 2018 and 31 Mar 2019, for more than £245 per day and that last for longer than 6 months

	2018/19 n° of engagements
N° of new engagements or those that reached 6 months in duration, 1 Apr 2018–31 Mar 2019	33
<b>Of which:</b>	
N° assessed as within scope of IR35	33
N° assessed as not within scope of IR35	0
N° engaged directly (via PSC contracted to department) and on departmental payroll	0
N° of engagements reassessed for consistency/assurance purposes during the year	0
N° of engagements that saw a change to IR35 status following the consistency review	0

## Off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 Apr 2018 and 31 Mar 2019

	2018/19 n° of engagements
N° of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total n° of individuals on payroll and off-payroll who have been deemed board members and/or senior officials with significant financial responsibility during the financial year (figure includes both on payroll and off-payroll engagements)	14

## Exit packages

### Reporting of compensation schemes—exit packages 2018/19

Exit package cost band (including any special payment element)	N° of compulsory redundancies	N° of other departures agreed	Total n° of exit packages
<£10,000	–	–	–
£10,001–25,000	–	1	1
£25,001–50,000	–	–	–
£50,001–100,000	1	–	1
£100,001–150,000	1	–	1
£150,001–200,000	–	–	–
>£200,000	–	–	–
<b>Total number of exit packages by type</b>	<b>2</b>	<b>1</b>	<b>3</b>
Total resource cost (£)	199,000	20,000	219,000

## Reporting of compensation schemes—exit packages 2017/18

Exit package cost band (including any special payment element)	N° of compulsory redundancies	N° of other departures agreed	Total n° of exit packages
<£10,000	–	9	9
£10,001–25,000	–	4	4
£25,001–50,000	1	–	1
£50,001–100,000	–	–	–
£100,001–150,000	–	1	1
£150,001–200,000	–	–	–
>£200,000	–	–	–
<b>Total number of exit packages by type</b>	<b>1</b>	<b>14</b>	<b>15</b>
Total resource cost (£)	47,000	224,000	271,000

## Exit packages—other (non-compulsory) departure payments

Exit package cost band (including any special payment element)	2018/19		2017/18	
	N° of payments agreed	Total value of agreements (£000)	N° of payments agreed	Total value of agreements (£000)
Voluntary redundancies including early retirement contractual costs	–	–	–	–
Mutually agreed resignations (MARS) contractual costs	–	–	–	–
Early retirements in the efficiency of the service contractual costs	–	–	–	–
Contractual payments in lieu of notice	1	20	13	103
Exit payments following employment tribunals or court orders	–	–	–	–
Non-contractual payments requiring HMT approval	–	–	1	121
<b>Total</b>	<b>1</b>	<b>20</b>	<b>14</b>	<b>224</b>
<b>Of which:</b>				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	–	–	1	121

# Awards and achievements

## Internal awards

### CW+ PROUD to care winners

#### April 2018

- Danilo Passero
- Laura Parry
- Emily Bridges
- Bryan Sy
- Alice Howard

#### May 2018

- Dr Cerys Morgan
- Marina Wingham
- Miriam Segawa
- Iheoma Asoluka
- Lisa Macey

#### June 2018

- Rosie Tyas (top)
- Lauren Van Wietmarschen
- Paula Campbell
- Alice Rochford

#### July 2018

- Khurram Alleem
- Sohob Ali
- Ria Vernon
- Sakin Syed
- Richmond Ward staff team
- Postgraduate teams

#### August 2018

- Suzzet Armstrong
- Madoussou Dasso
- PHDU team
- Sue Bellars
- Kieran Penn (right)
- Peter Temple
- Danielle McNeish

#### September 2018

- Mabel Amponsah
- Michelle Jenkins
- Paul Hague
- Usman Olakara



#### October 2018

- Maria Mercer (right)
- Alice Green
- Jellica Horvatic
- Paolino Buttaci



#### November 2018

- Emergency department nurses
- Fokru Miah
- Ophthalmology department
- Dhivya Kesavan

#### December 2018

- Sanjay Krishnamoorthy
- Postnatal digital project team
- Lord Wigram
- Aine Lennon
- Moriah Culhane
- Andrea Louise Corona
- Harry Bannister

#### January 2019

- Catherine Sands
- Starlight Ward
- Jatinder Kaler
- IT team

#### February 2019

- Lucy Brash
- Dr Dharmik Vora
- Clare Baker
- Carolyn Baker
- Serah Duro



#### March 2019

- Clinical Site team
- Evelyn Quartey
- Ambulatory Day Case Centre team
- Hand Clinic led by Mr Eckersley
- Charles Petre
- Richard Jackson

## Christmas Cheer Awards—Dec 2018

### Chelsea site

- Conor Court
- Ewelina Szubert
- Jamie Coates
- Marilyn Suarez
- Martha Munoz
- Parvaneh Dadolahi
- Richard Jackson
- Rose Le Courdeur
- Tejjiri Ahweyevu
- Tom McBride
- Tori Keeble
- Cecilia Mulder
- Fiona Charuy
- Lydia DiCarlo
- Robert Boast
- Miriam Mairs

### West Middlesex site

- Anatolia Pasvantis
- Andrea Marquez
- Dami Odetoyinbo
- Naw Than Than Nu
- Philip Bekor
- Poppy Allport
- Rashpal Kaur
- Hannah Balcombe
- Jeannete Castillo
- Jennifer O'Brien
- Jessica Irwin
- Sheila Tana
- Steven Weedon
- Susan Fisher
- Teodora Kalacheva
- Vasantha Karunathilaka
- Julie Pié
- Christina O'Neill

## Best Decorated Ward or Department—Dec 2018

### Chelsea site

- Paediatric Physiotherapy, 1st place
- Ron Johnson Ward, 2nd place
- Nell Gwynne Ward, 3rd place

### West Middlesex site

- Coronary Care Unit, 1st place (right)
- Education Centre, 2nd place
- Gynaecology Outpatients, 3rd place

## Staff Awards—Oct 2018

- **Nurse of the year:** Veronica Nuevas
- **Midwife of the year:** Sandra Sealey-Fletcher
- **Doctor of the year:** Dr Angus Kennedy
- **Clinical support worker of the year:** Clever Muruko
- **Allied health professional of the year:** Emma Murton
- **Pharmacist/healthcare scientist of the year:** Helen Morgan
- **Administrative employee year:** Hazel Lonergan
- **Support services employee of the year:** Alex Martins
- **Team of the year:** Palliative Care Team
- **Volunteer of the year:** Andrea Thiyani
- **Inspiring leadership award:** Melaine Guinan
- **Lifetime achievement award:** Dharmen Govinden
- **Quality improvement award:** Emer Bouanem



- **CW+ proud to care annual award:** Paula Campbell
- **CW+ special award:** Nicole Mulhall
- **Chief Executive's special award:** Critical Care Teams (right)
- **Council of Governors special award:** Thewodros Leka and Vanessa Marvin



## External awards

### HSJ Partnership Awards—Mar 2019

- **The Trust and digital innovator Patchwork**—Winners of the *Medical software, systems and technology* award for their digital transformation of the staff bank and highly commended for the *Workforce innovation* award (right)



### Dress for Success Awards—Mar 2019

- **Andrea Blay**—Winner of the *Power of women* award at the Dress for Success Awards, a charity that empowers women to become economically self-sufficient by providing them with interview training, attire and a network of support (right)



### HSJ Awards—Nov 2018

- **Dean Street Prime**—Winners of the *Patient digital participation* award for their enhanced digital intervention service targeted at gay men who are at extremely high risk of HIV to reduce HIV transmission in the community
- **Lesley Watts**—Winner of the prestigious *CEO of the year* award (right)



### Anticoagulation Achievement Awards—Oct 2018

- **WMUH Anticoagulation team**—Winners of the *Best comprehensive thrombosis management centre* award

### 70 most influential nurses/midwives in the history of the NHS—Jul 2018

- **Pippa Nightingale**—Named as one of the top 70 most influential nurses and midwives in the last 70 years of the NHS

### CQC inspection—Apr 2018

- **The Trust**—rated 'Good' in all five of the main domains of safe, effective, caring, responsive and well-led

# **NHS FOUNDATION TRUST CODE OF GOVERNANCE DISCLOSURES**

# Code of Governance compliance statement

Chelsea and Westminster Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis, including membership of Trust Board committees, their terms of reference, and Trust Board performance assessments. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code which was last updated in 2016.

As a Trust, we are 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 the NHS Foundation Trust Code of Governance to ensure the application of the main and supporting principles of the code as a criterion of good practice. For the year ending 31 Mar 2019, Chelsea and Westminster Hospital NHS Foundation Trust complied with all the provisions of the Code of Governance published by NHS Improvement (NSHI).

## Governance arrangements

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

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

The Trust Board undertakes its responsibilities through a set business cycle which includes approving strategies and receiving monitoring reports on areas such as key risks, and financial, operational, and quality and safety performance. The Trust Board approves standing financial instructions, scheme of delegation and reservation of powers policies which outline the decisions that must be taken by the Board and the decisions that are delegated to the management of the hospital. These include contracts, tendering procedures, security of the Trust's property, monitoring and ensuring compliance with Department of Health and Social Care directions on fraud and corruption, delegated approval limits, budget submission, annual reports and accounts, banking arrangements, payroll, borrowing and investment, risk management and insurance arrangements.

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

Throughout the reporting period, the Nominations and Remuneration Committee have kept under review the overall size of the Trust Board and the balance of skills, experience and expertise of its members.

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 Trust Board. The role of the Council of Governors includes:

- Appointment or removal of the chairman and other non-executive directors
- Approving the appointment (by non-executive directors) of the chief executive
- Deciding the remuneration, allowances and other terms and conditions of office of non-executive directors
- Appointment or removal of the Foundation Trust's financial auditors
- Reviewing and developing the Trust's membership strategy

A formal procedure is in place should there be a dispute between the Board and Council of Governors. During 2018/19 no issues of dispute arose, and the governors therefore did not exercise their power under paragraph 10 (c) of schedule 7, NHS Act 2006.

## **Board of Directors**

As at 31 Mar 2019, the Board had eight non-executive directors (including the chairman) and six executive directors (including the chief executive). The Board comprises 43% female and 57% male directors. The skills, expertise and experience of each Trust Board director as at the end of Mar 2019 are detailed below and is appropriate to meet the requirements of an NHS foundation trust.

### **Non-executive directors**

#### **Thomas Hughes-Hallett**

Sir Tom is cofounder (with his friend Paul Marshall) and chair of the Marshall Institute within the London School of Economics and Political Science, chair of Chelsea and Westminster Hospital NHS Foundation Trust and founder and chair of Helpforce. He is a trustee on the Board of the Westminster Abbey Foundation.

He has been appointed a professor in practice at the London School of Economics. Sir Tom has served the Department of Health as a chair and member of a number of advisory boards. He has held senior leadership positions within investment banking and the voluntary sector, including chair of Michael Palin Centre for Stammering Children, English Churches Housing Group, chief executive of Marie Curie Cancer Care and the Institute of Global Health Innovation at Imperial College London, among others.

Sir Tom has chaired commissions both for the government and independently on healthcare broadly, end-of-life care and philanthropy. In 2012 he was awarded a knighthood for his services to philanthropy, in 2013 a beacon fellowship for philanthropic advocacy, a US Ferrari lifetime lectureship by Houston Methodist Medical School and an honorary degree by Anglia Ruskin University. Sir Thomas is married to Juliet, the founder and chair of the charity Smart Works, and his great passions are choral music and family life.

## **Nilkunj Dodhia**

Nilkunj, a non-voting Trust Board member since 1 July 2014, was appointed as a non-executive director on 27 Nov 2015. He has diverse experience as an executive and non-executive director with interests in telecommunications, healthcare and financial services. Nilkunj was previously with McKinsey & Company and also served as chairman of the South West London Elective Orthopaedic Centre (SWLEOC) and as non-executive director of Epsom and St Helier University Hospitals NHS Trust. Nilkunj has an MBA from INSEAD and is a fellow of the Institute of Chartered Accountants in England and Wales. Nilkunj is a member of the Audit and Risk Committee and the Finance and Investment Committee.

## **Nick Gash**

Nick works as a consultant offering communications, policy and political advice and training to a wide range of clients. He is an associate director of public affairs company Interel Consulting UK. Nick was Chairman at WMUH until the acquisition in 2015, having been a non-executive director and deputy chairman before that. He is Chairman of the North West London assessment panel for national clinical excellence awards and a Lay Advisor to Health Education England (London and South East) for medical recruitment and annual reviews of trainee progression. He has also been appointed as a lay member of the School Board of the London School of Anaesthetics. Until 2004 Nick was the chief executive of the National Union of Students having previously been director of development and training. Nick was for nine years chairman of the trustees of Watermans, a multicultural arts centre based in Brentford. Nick is currently chairman of the Audit and Risk Committee and a member of the People and Organisational Development Committee. Nick is also a trustee of hospital charity CW+.

## **Stephen Gill**

Steve was appointed as a non-executive director on 1 Nov 2017 for a three-year term. On 1 Feb 2018 he was appointed as chair of the People and Organisational Development Committee. Steve has had an international executive career in the IT industry, including chief executive roles with Hewlett-Packard in the UK, Korea and China. He has held non-executive director roles advising the UK government on IT in education. Steve qualified as a chartered accountant with PwC in London and has extensive experience in mergers and acquisitions, strategic planning, talent and succession planning, organisational development, risk management and disaster recovery. Steve is chair of trustees of Age Concern, Windsor. Steve is currently chair of the People and Organisational Development Committee and a member of the Finance and Investment Committee.

## **Eliza Hermann**

Eliza was appointed as a non-executive director on 1 Jul 2014. She spent 25 years in the oil and gas industry working for Amoco and BP on projects all over the world. She held commercial and strategy development roles and, for the last decade of her career, she was a vice president of human resources at BP's headquarters in London. Over the past 15 years Eliza has served as a non-executive director on the boards of various private and public sector organisations. These include a NASDAQ-listed global logistics company, two UK arms-length public bodies, a charity, and NHS Hertfordshire which was, at the time, the second largest NHS commissioning body in England. She has chaired numerous board committees and is currently the chair of the Quality Committee and a member of the People and Organisational Development Committee.

## **Jeremy Jensen**

Jeremy was reappointed as a non-executive director on 1 Jul 2017 for a further period of three years. Jeremy is an experienced financial and managerial troubleshooter with a strong track record of success in rescuing and turning around large complex organisations with multiple stakeholder groups. He has comprehensive experience in both operational roles and as a non-executive director in a wide range of sectors. He is a chartered accountant and holds a degree in economics and economic history from the London School of Economics. In addition to chairing the Finance and Investment Committee, Jeremy is vice chairman of the Trust and its senior independent director.

## **Dr Andrew Jones**

Dr Jones was appointed as a non-executive director on 1 Jul 2014. He is currently chief executive officer at Ramsay Health Care UK and a member of the Ramsay Global Executive Board. A GP by background, he was formerly chief operating officer and, prior to this, managing director of the wellbeing division and medical director at Nuffield Health. Dr Jones has also been an independent advisor to the Department of Health and has a wide range of clinical and strategic executive experience. He studied medicine at Leeds and an MBA at Cambridge. Dr Jones is currently a member of the Quality Committee and the Audit and Risk Committee.

## **Liz Shanahan**

Liz was appointed as a non-voting Board member on 1 Jul 2014 and appointed as a non-executive director on 27 Nov 2015. A medical education and communications professional by background, Liz has extensive experience in healthcare strategy and change consulting. Liz is chief executive of Sante Healthcare Consulting, a healthcare communications consultancy. Previously Liz was global head of healthcare and life sciences for FTI Consulting, where she was a member of the executive leadership forum. She joined FTI in 2007 when they acquired her company. She is also involved with a portfolio of businesses on investment, advisory and non-executive levels. She is a member of the Global Irish Network, ex-chair of the Irish International Business Network, a member of the British Council's Provocation Group and the Kerry Person of the Year 2017/18. Liz is currently a member of the Quality Committee. Liz is also a trustee of hospital charity CW+.

## **Executive directors**

### **Lesley Watts, Chief Executive**

Lesley became Chief Executive of Chelsea and Westminster Hospital NHS Foundation Trust on 14 Sep 2015. A nurse and midwife by training, Lesley has executive experience at the highest level, having been a Chair of a health authority, and director of nursing and operations at a major hospital. Prior to her appointment as chief executive, Lesley was accountable officer (chief executive) for East and North Hertfordshire Clinical Commissioning Group. In 2018 Lesley was awarded the prestigious NHS *CEO of the Year* at the *HSJ Awards*.

### **Zoë Penn, Chief Medical Officer**

Zoë Penn was appointed as medical director in Mar 2013. She was previously divisional medical director for women, neonatal, children and young people, HIV, GUM and dermatology services and is a consultant obstetrician by background.

Miss Penn has been a consultant with the Trust since 1996, during which time she has held a number of positions including clinical lead for gynaecology and clinical director for women's and children's services. She is also a member of the Independent Reconfiguration Panel of the Department of Health since May 2018.

### **Robert Hodgkiss, Chief Operating Officer**

Rob was appointed as chief operating officer in Mar 2016. He joined the Trust in Apr 2012 as divisional director of operations for women, neonatal, children and young people, HIV, GUM and dermatology services. Rob joined the NHS in 1992, initially working as a healthcare assistant before moving on to various junior, middle, senior management roles across London and the Midlands. Rob has a great deal of experience in understanding the complexities of the modern NHS including emergency planning and response, and is the organisation's accountable emergency officer.

### **Sandra Easton, Chief Financial Officer**

Sandra Easton joined the Trust in Aug 2015 as director of finance before becoming chief financial officer in Apr 2016. Previously she was deputy director of finance at Imperial College Healthcare NHS Trust. Sandra started her NHS career in 2001 after finishing her degree in financial services and has a wealth of experience across acute, tertiary, community and mental health providers.

Sandra is responsible for finance, procurement and contracts. She is an associate of the Chartered Institute of Management Accountants (CIMA) and a chartered public finance accountant (CPFA).

### **Pippa Nightingale, Chief Nursing Officer**

Pippa joined the NHS in 1994, originally working as a maternity support worker. She qualified in 1998 and worked clinically for 10 years in maternity and neonates. On completion of her MSc in advanced clinical practice in 2007 she undertook a clinical academic role at the University of Hertfordshire. Pippa entered back into the acute setting as a matron and then as a consultant midwife. She has undertaken numerous professional leadership roles including deputy director of midwifery at Imperial Hospital, and director of midwifery and clinical director at Chelsea and Westminster.

Pippa has experience at leading large-scale, complex health system reorganisations and led the transition of maternity services in North West London—this ensured that safe care was delivered to 33,000 women by standardising maternity services across six acute providers. Pippa is committed to ensuring healthcare services provide high-quality, safe and personalised care to users and their families, and supports staff to develop and progress their careers. Pippa also has responsibility for quality, including our assurance systems and processes.

## **Thomas Simons, Director of Human Resources and Organisational Development**

Tom joined the Trust as director of human resources and organisational development in Mar 2019. Previously he held the chief people officer role at East and North Hertfordshire NHS Trust and took a leading role in the merger of Barts Health NHS Trust. Prior to joining the NHS, Tom had a range of HR roles within retail and consulting. Tom has a wealth of experience in delivering large scale change, service transformation and improvement in transactional HR services. He is a fellow of the Chartered Institute of Personnel and Development (FCIPD).

## **Directors and others in regular attendance at Board meetings 2018/19**

- Chis Chaney, Chief Executive, CW+
- Roger Chinn, Deputy Medical Director
- Iain Eaves, Director of Improvement<sup>14</sup>
- Kevin Jarrold, Chief Information Officer
- Martin Lupton, Associate Dean and Head of Undergraduate Medicine, Imperial College London
- Sheila Murphy, Interim Company Secretary<sup>15</sup>
- Julie Myers, Company Secretary<sup>16</sup>
- Ayshea Richards, Interim Director of Communications<sup>17</sup>
- Gillian Holmes, Director of Communications<sup>18</sup>

## **Key responsibilities of non-executive directors**

For all non-executive directors, key responsibilities include:

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

## **Independence of non-executive directors**

The Trust Board has evaluated the circumstances and relationships of individual non-executive directors which are relevant to the determination of the presumption of independence and determines all of its non-executive directors to be independent in character and judgement. Key changes on the Trust Board in 2018/19 were as follows:

- Gary Sims, Non-Executive Director, resigned from the Trust Board effective 31 May 2018
- Karl Munslow-Ong, Deputy Chief Executive, resigned from the Trust and the Board effective 2 Nov 2018

---

<sup>14</sup> Joined the Trust in Jan 2019

<sup>15</sup> Joined the Trust in Jan 2019

<sup>16</sup> Left the Trust in Mar 2019

<sup>17</sup> Left the Trust in Feb 2019

<sup>18</sup> Left the Trust in Oct 2018

## Performance evaluation of the Board

The annual appraisal of the chairman involved collaboration between the senior independent director and the lead governor of the Council of Governors. The views of non-executive directors, executive directors and governors were sought and contributed to the process. Executive directors have an annual appraisal with the chief executive. The performance of non-executive directors is evaluated annually by the chairman. All Trust Board committees reviewed their effectiveness during 2018/19 and provided assurance reports to the Audit and Risk Committee which, in turn, reported the effectiveness of the committees to the Trust Board.

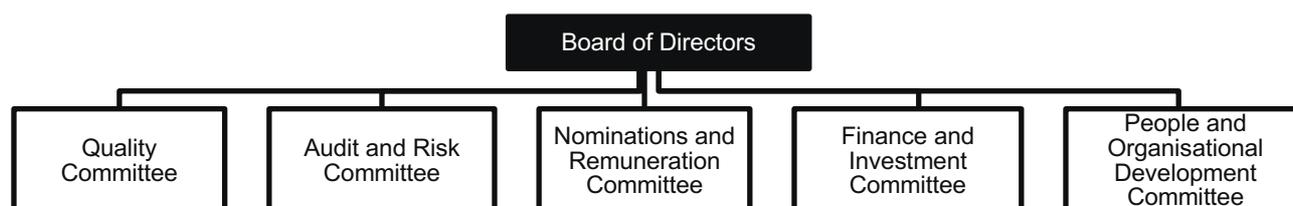
## Board meetings

The Trust Board meets on average no less than six times per year. Special meetings are organised as and when required. There were six public meetings and one extraordinary private meeting in 2018/19. Director attendance is detailed below.

	Ordinary Board meeting attendance	Extraordinary Board meeting attendance
<b>Non-executive directors</b>		
Sir Tom Hughes-Hallett	6/6	1/1
Nilkunj Dodhia	6/6	1/1
Nick Gash	6/6	1/1
Stephen Gill	6/6	1/1
Eliza Hermann	5/6	1/1
Jeremy Jensen	6/6	1/1
Dr Andrew Jones	5/6	1/1
Liz Shanahan	5/6	1/1
Gary Sims <sup>19</sup>	0/1	n/a
<b>Executive directors</b>		
Lesley Watts	6/6	1/1
Sandra Easton	6/6	1/1
Rob Hodgkiss	6/6	1/1
Karl Munslow-Ong <sup>20</sup>	4/4	1/1
Pippa Nightingale	6/6	1/1
Zoe Penn	5/6	1/1
Thomas Simons	1/1	n/a

## Subcommittees of the Board of Directors

The Trust Board committee structure is set out below. Terms of reference set out the responsibilities of each committee and this structure monitors and provides assurance to the Board on the delivery of our objectives and other key priorities.



<sup>19</sup> Left the Board on 31 May 2018

<sup>20</sup> Left the Board on 2 Nov 2018

## Nominations and Remuneration Committee of the Board of Directors for the appointment of executive directors

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

The committee met on:

- **6 Sep 2018** when the agenda included CEO remuneration and priorities, senior team portfolios, the appointment of the Director of HR and Organisation Development, senior executive pension matters and Board committee composition
- **1 Nov 2018** when the agenda included formal approval of the appointment of the Director of HR and Organisation Development and senior team succession planning
- **10 Jan 2019** when the agenda included approval of the appointment of the Director of Performance and Improvement and remuneration of executive directors

Nominations and remuneration committee attendees	Attendance
Hughes-Hallett, Sir Tom	3/3
Dodhia, Nilkunj	3/3
Gash, Nick	3/3
Gill, Stephen	3/3
Hermann, Eliza	3/3
Jensen, Jeremy	3/3
Jones, Dr Andrew	3/3
Shanahan, Liz	3/3
<b>In attendance</b>	
Watts, Lesley	2/2
Easton, Sandra	2/2
Myers, Julie	2/2
Murphy, Sheila	1/1

## Nominations and Remuneration Committee of the Council of Governors for the appointment of non-executive directors

A separate Nominations and Remuneration Committee exists for the nomination, appointment and remuneration of the chairman and non-executive directors. This committee is a committee of the Council of Governors and its membership comprises the chairman, the lead governor and five public- and patient-elected governors.

### Reappointments

During 2018/19, the committee recommended to the Council of Governors that it approve the reappointment of Nick Gash for a three-year term 1 Nov 2018–30 Oct 2021 (approved by Council of Governors at its 27 Sep 2018 meeting) and the reappointment of Nilkunj Dodhia for a two-year term 1 Jul 2019–30 Jun 2021 (approved by Council of Governors at its 29 Nov 2018 meeting). The Committee also recommended to the Council of Governors that it extend the appointment of Liz Shanahan for five months from 1 Jul–30 Nov 2019 (approved by Council of Governors at its 14 Feb 2019 meeting).

## Appointments

During 2018/19, the committee commenced work to appoint a new chair and new non-executive director. On recommendation by the committee and agreement of the Council of Governors it was agreed that Sir Thomas Hughes-Hallett, Trust Chair, would remain in office for up to a further three years to 31 Jan 2023.

Odgers Berndtson were successful at tender and appointed as external head-hunters to undertake the process of recruitment of suitable candidates for consideration by the committee for the non-executive director vacancy arising in Dec 2019.

<b>Nominations and remuneration committee attendees</b>	<b>Attendance</b>
Sir Tom Hughes-Hallett, Chairman	4/4
Richard Ballerand (Public Governor)	1/2
Tom Church (Patient Governor)	1/2
Simon Dyer (Lead and Patient Governor)	4/4
Angela Henderson (Public Governor)	2/3
Elaine Hutton (Public Governor)	2/2
Minna Korjonen (Patient Governor)	2/2
David Phillips (Patient Governor)	4/4
Sonia Samuels (Public Governor)	1/2
Laura Wareing (Public Governor)	1/2
<b>In attendance</b>	
Lesley Watts, Chief Executive Officer	3/4
Sandra Easton, Chief Financial Officer	2/3
Jeremy Jensen, Deputy Chairman/Senior Independent Director	4/4
Thomas Simons	1/1
Julie Myers, Company Secretary	3/3
Sheila Murphy, Interim Company Secretary	2/2

## Finance and Investment Committee

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

## People and Organisational Development Committee

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

## Quality Committee

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

## Audit and Risk Committee

The Audit and Risk Committee assures the Trust Board that probity and professional judgment are exercised in all financial matters. It advises on the adequacy and effectiveness of the Trust's internal control systems, risk management arrangements, counter-fraud measures and governance processes, and on ways of maximising efficiency and effectiveness. In doing this, the audit committee primarily utilises the work of internal audit (provided by KPMG in 2018/19), external audit (provided by Deloitte in 2018/19) and other external bodies. The committee approves the annual work plans of internal and external audit as well as the local counter-fraud specialist (provided by KPMG in 2018/19).

The chief executive is the Trust's designated accounting officer who has the duty of preparing the accounts in accordance with the NHS Act 2006. Nick Gash chaired the committee in 2018/19, which includes two other non-executive directors. The committee met five times in 2018/19.

### Attendance at Audit and Risk Committee

<b>Non-executive directors</b>	<b>Attendance</b>
Nick Gash	5/5
Nilkunj Dodhia	4/5
Liz Shanahan	3/3
Dr Andrew Jones	2/2

### Significant issues considered by the Audit and Risk Committee in relation to the financial statements, operations and compliance

During the course of the year, the Audit and Risk Committee received a number of reports from the internal auditors KPMG. These covered a number of areas including IT operations, risk management, workforce data quality, quality governance, retention strategy, temporary staff management, workforce planning, financial controls, procurement, contract management, electronic patient record, and governance of investor and partner relationships.

The committee considered the following high priority recommendations identified by internal audit:

- For the period 1 Apr 2018–31 Mar 2019 one high risk recommendation was identified by our internal auditors concerning SPHERE, a joint venture the Trust operates with the Royal Marsden Hospital NHS Foundation Trust. The 'procure to pay' review identified two weaknesses in procure to pay processes—these were both retrospectively reviewed and controls subsequently put in place.
- Following the year end, the committee considered the draft annual report and accounts 2018/19 and received the ISA 260 report from its external auditors.

During 2018/19, in addition to non-executive directors and those executive directors in attendance, the Trust's internal and external auditors and counter-fraud specialist attended the committee meetings. When relevant, other senior managers attended meetings to provide a deeper level of insight into certain key issues within their respective areas of expertise including all areas of significant risk.

The committee has engaged regularly with the external auditor over the course of the financial year, including in private sessions without executive attendance. External audit matters discussed have included consideration of the external audit plan, matters arising from the audit of the Trust's financial statements, implementation of adoption of international reporting standards, the review of the Trust's quality reports and any recommendations on control and accounting matters proposed by the auditor.

The Audit and Risk Committee has reviewed the adoption of IFRS 9 and IFRS 15 in 2018/19, and the treatment of Sensyne Health plc shares. The committee is content with the adoption and treatment proposed by the executive team.

### **Policy for safeguarding the external auditors' independence**

The Trust carried out an Official Journal of the European Union (OJEU) tender for statutory audit services in Oct 2016 and reappointed Deloitte LLP on a three-year contract with an option to extend for a further two years. As part of the procurement process, the independence of applicants was assessed. The external auditor has not provided non-audit services in the year.

### **Internal audit**

From Apr 2018, following a competitive tender, the Trust has awarded the contract to provide internal audit and counter-fraud services to KPMG on a three-year contract. The internal audit plan covered the Trust's risk management, governance and internal control processes, both financial and non-financial, across the Trust. Through detailed examination, evaluation and testing of the Trust's systems, internal audit plays a key role in the Trust's assurance processes. The committee reviews the findings of internal audit's work against the annual plan at each of its meetings. The head of internal audit reports to the committee, has a right of direct access to committee members and is managed by the chief financial officer.

## **Council of Governors**

The role, powers and composition of the Council of Governors is outlined earlier in this report and is also set out within the Trust's constitution. The Council of Governors meets at least quarterly and held five meetings in 2018/19. Executive and non-executive directors of the Trust Board are invited to attend. Both elected and appointed governors normally hold office for a period of three years and are eligible for re-election or reappointment at the end of that period. The details of the governors holding office as at Mar 2019 are provided within the table below:

<b>Last name</b>	<b>First name</b>	<b>Constituency</b>	<b>Organisation</b>	<b>Date elected or appointed</b>	<b>Term</b>	<b>Attendance at council meetings 2018/19</b>
Anderson	Julia	University	Imperial College	Oct 2015 (resigned Jun 2018)	n/a	1/1
Anderson	Nowell	Public	Hounslow	Nov 2018	second	5/5
Ballerand	Richard	Public	Kensington and Chelsea	Nov 2017	first	3/5
Bauer	Juliet	Patient	–	Nov 2018	second	3/5
Bryant	Ian	Staff	Management	Nov 2015	n/a	1/4
Church	Tom	Patient	–	Nov 2018	third	2/5

Last name	First name	Constituency	Organisation	Date elected or appointed	Term	Attendance at council meetings 2018/19
Davies	Nigel	Public	Ealing	Nov 2018	second	3/5
Digby-Bell	Christopher	Patient	–	Nov 2017	second	4/5
Dyer	Simon	Patient/Lead Governor	–	Nov 2018	second	5/5
Faulks	Cllr Catherine	Local Authority	Kensington and Chelsea	Aug 2017 (resigned May 2018)	n/a	1/1
Grinham	Jodeine	Staff	Contracted	Nov 2017	first	2/5
Henderson	Angela	Public	Hammersmith and Fulham	Nov 2018	third	4/5
Hodson-Pressinger	Anna	Patient	–	Nov 2018	fourth	4/5
Hutton	Elaine	Public	Wandsworth	Nov 2018	second	2/5
Kanodia	Kush	Patient	–	Nov 2018	second	4/5
Kitchener	Paul	Public	Kensington and Chelsea	Nov 2016	first	5/5
Korjonen	Minna	Patient	–	Nov 2018	first	1/1
Lewis	Martin	Public	City of Westminster	Resigned Nov 2018	n/a	1/3
Mayerhofer	Johanna	Public	Richmond upon Thames	Jan 2018	first	5/5
McDonald	Chisha	Staff	Allied Health Professionals, Scientific and Technical	Nov 2016	first	3/5
McEvoy	Lynne	Staff	Nursing and Midwifery	Nov 2015 (resigned Sep 2018)	n/a	2/3
Nelson	Mark	Staff	Medical and Dental	Nov 2017	first	2/2
O'Farrell	Fiona	Public	Richmond upon Thames	Jan 2018	first	2/5
Parr	Jennifer	Staff	Management	Nov 2018	first	0/1
Pascoe	Guy	Public	Hammersmith and Fulham	Nov 2016	n/a	4/4
Petre-Goncalves	Andreea	Patient	–	Nov 2015	n/a	1/4
Phillips	David	Patient	–	Nov 2015	second	5/5
Pollak	Tom	Public	Wandsworth	Dec 2013 Nov 2016 Nov 2018	third	3/5
Quigley	Cllr Patricia	Local Authority	Hammersmith and Fulham	July 2018	first	2/4
Samuels	Sonia	Public	Westminster	Nov 2016	first	2/5
Scott	Jacquei	Staff	Nursing and Midwifery	Nov 2018	first	0/1
Shotliff	Matthew	Staff	Support, Administrative and Clerical	Nov 2016 (resigned Nov 2018)	n/a	3/4
Walsh	Dr Desmond	University	Imperial College	Oct 2018	first	2/2
Wareing	Laura	Public	Hounslow	Nov 2018	second	4/5

## Council of Governors elections held during 2018/19

An election was held in Nov 2018 to fill vacant seats in the patient, public and staff constituencies. The results were as follows:

- **Patient:** Juliet Bauer (re-elected), Tom Church (re-elected), Simon Dyer (re-elected), Anna Hodson-Pressinger (re-elected), Kush Kanodia (re-elected), Minna Korjonen (elected), David Phillips (re-elected)
- **Public—London Borough of Ealing:** Nigel Davies (re-elected)
- **Public—London Borough of Hammersmith and Fulham:** Angela Henderson (re-elected)
- **Public—London Borough of Hounslow:** Nowell Anderson (re-elected), Laura Wareing (re-elected)
- **Public—London Borough of Wandsworth:** Elaine Hutton (re-elected)
- **Staff—Management:** Jennifer Parr (elected)
- **Staff—Nursing and Midwifery:** Jacquei Scott (elected)

## Council of Governors' register of interests

Governors are required to sign a code of conduct, declare any interests that are relevant annually, and to confirm they meet the fit and proper person condition as set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulation 2014. The register of governors' interests is published annually—a copy can be downloaded from the Trust website at [www.chelwest.nhs.uk/cog](http://www.chelwest.nhs.uk/cog), or requested by emailing [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk), calling 020 3315 6716 or writing to:

Board Governance Manager  
Chelsea and Westminster Hospital NHS Foundation Trust  
369 Fulham Road  
London  
SW10 9NH

## Contacting the governors

Governors welcome the views and suggestions of members and the wider public. Governors' details and biographies are available on the Trust website at [www.chelwest.nhs.uk/cog](http://www.chelwest.nhs.uk/cog). If you would like to contact any of the governors, please email [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk) or call 020 3315 6716.

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

The Trust Board interacts regularly with the Council of Governors to ensure that it understands their views and those of members. Governors are able to attend the Trust's public Board meetings. Non-executive directors and governors also meet twice a year to discuss a range of topics in an open and informal manner. A rolling programme of non-executive director chairs of Trust Board committees presenting at each Council of Governors meeting takes place to allow governors to hold the non-executive directors to account.

## Foundation Trust membership

As a Foundation Trust we are accountable to our local community, patients and staff, who all have the right to become members. Trust members play an active role in helping us to understand the views and needs of the population we serve. Membership is open to anyone over the age of 16. The membership has three constituencies—patient, public and staff—as defined in the Trust constitution and summarised below:

### Patient membership

Anyone who has attended any of the Trust's hospitals as either a patient or as the carer of a patient within the last three years.

### Public membership

Any member of the public over the age of 16 who lives in the area the Trust serves, divided into six constituencies based on local government boundaries:

- Royal Borough of Kensington and Chelsea
- City of Westminster
- London Borough of Hammersmith and Fulham
- London Borough of Wandsworth
- London Borough of Hounslow
- London Borough of Richmond upon Thames
- London Borough of Ealing

### Staff membership

Individuals employed by the Trust under a contract of employment with the Trust, divided into six classes:

- Support, administrative and clerical staff
- Allied health professionals, scientific and technical staff
- Contracted staff
- Medical and dental staff
- Nursing and midwifery staff
- Management staff

All staff automatically became members unless they choose to opt out of membership.

### Membership engagement and strategy

The Trust's membership strategy focuses on recruitment, communication and engagement with members. In 2018/19, the focus has been on developing the communication and engagement with members and the general public. This has included open days and Christmas events at both C&W and WMUH sites, the annual members' meeting, *Your Health* seminars, and regular 'Meet a Governor' sessions in the hospitals and the community. Governors participated in all public and member engagement events organised by the Trust and ran member recruitment sessions within the hospital and across the community throughout the year.

We engage and keep our members updated by distributing a monthly e-newsletter and electronic link to our hospital magazine *Going Beyond* quarterly—this is currently sent out via the membership database to both our public and patient members who have provided us with their email addresses.

Our overall membership for 2018/19 is 18,655. Demographic information provided by member's shows our membership is broadly representative of the population we serve.

As at 31 Mar 2019 the membership profile was as follows:

	Public	Patient	Staff	Total
<b>Age</b>	<b>7,127</b>	<b>5,697</b>	<b>5,831</b>	<b>18,655</b>
0–16	10	0	0	10
17–21	155	10	20	185
22+	6,277	3,860	5,811	15,948
Not stated	685	1,827	0	2,512
<b>Age 22+</b>	<b>6,277</b>	<b>3,860</b>	<b>5,811</b>	<b>15,948</b>
22–29	368	96	1,193	1,657
30–39	736	460	1,702	2,898
40–49	1,091	878	1,394	3,363
50–59	1,255	914	1,098	3,267
60–74	1,505	911	416	2,832
75+	1,322	601	8	1,931
<b>Gender</b>	<b>7,127</b>	<b>5,697</b>	<b>5,831</b>	<b>18,655</b>
Unspecified	98	54	0	152
Male	2,570	2,132	1,405	6,107
Female	4,459	3,511	4,426	12,396
Transgender	0	0	0	0
<b>Ethnicity</b>	<b>7,127</b>	<b>5,697</b>	<b>5,831</b>	<b>18,655</b>
White—English, Welsh, Scottish, Northern Irish, British	3,513	2,206	1,989	7,708
White—Irish	196	119	198	513
White—Gypsy or Irish Traveller	0	0	0	0
White—Other	887	537	667	2,091
Mixed—White and Black Caribbean	101	57	44	202
Mixed—White and Black African	22	11	39	72
Mixed—White and Asian	56	23	45	124
Mixed—other mixed	92	71	86	249
Asian or Asian British—Indian	320	137	472	929
Asian or Asian British—Pakistani	123	53	90	266
Asian or Asian British—Bangladeshi	50	38	38	126
Asian or Asian British—Chinese	42	34	70	146
Asian or Asian British—other Asian	218	137	548	903
Black or Black British—African	307	229	513	1,049
Black or Black British—Caribbean	124	84	235	443
Black or Black British—other Black	67	38	72	177
Other ethnic group—Arab	9	0	0	9
Other ethnic group—any other ethnic group	80	53	256	389
Not stated	920	1,870	469	3,259
<b>Total membership</b>	<b>7,127</b>	<b>5,697</b>	<b>5,831</b>	<b>18,655</b>

## **Directors' responsibilities for preparing the accounts**

The directors have undertaken their responsibility for preparing the accounts under directions issued by NHS Improvement, the independent regulator of Foundation Trusts under the National Health Service Act 2006, and as detailed in the Statement of Accounting Officers Responsibilities section from page 88.

The Trust has ensured that the annual accounts of the organisation have met the accounting requirements of the NHS Improvement *Annual Reporting Manual*, Department of Health *Group Accounting Manual* and HM Treasury *Financial Reporting Manual*. The accounting policies contained in these manuals fall within the remit of the Financial Reporting Advisory Board (FRAB) to the extent that they are meaningful and appropriate to the NHS.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

# REGULATORY RATINGS

## Single oversight framework

The NHS Improvement (NHSI) single oversight framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

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

### Segmentation

The Trust has been placed into segment ‘1’. This segmentation information is the Trust’s position as at 1 May 2018.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website [www.improvement.nhs.uk](http://www.improvement.nhs.uk).

### Finance and use of resources

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

Area	Metric	2018/19 scores				2017/18 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service capacity	1	1	2	3	1	2	3	3
	Liquidity	1	1	1	1	1	1	1	1
Financial efficiency	I&E Margin	1	1	2	3	1	1	2	4
Financial controls	Distance from financial plan	1	1	1	1	1	1	1	1
	Agency spend	1	1	2	1	2	2	2	2
<b>Overall scoring</b>		<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>

# **STATEMENTS OF ACCOUNTING OFFICERS' RESPONSIBILITIES**

# Statement of the Chief Executive's responsibilities as the accounting officer of Chelsea and Westminster Hospital NHS Foundation Trust

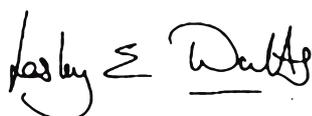
The NHS Act 2006 states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given accounts directions which require Chelsea and Westminster Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Trust and of its income and expenditure, total recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the accounting officer is required to comply with the requirements of the Department of Health and Social Care's *Group Accounting Manual* and, in particular, to:

- Observe the accounts direction issued by NHSI, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the Department of Health and Social Care *Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy
- Prepare the financial statements on a going concern basis

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirement outlined in the above-mentioned act. The accounting officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.



**Lesley Watts**  
Chief Executive Officer

24 May 2019

# **ANNUAL GOVERNANCE STATEMENT**

## Scope of responsibility

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

## Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives—it can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of 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 Mar 2019 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

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

Throughout 2018/19, the Trust Board has had regular oversight of the Trustwide risk assurance framework (RAF), which maps the organisation's aims and objectives against all aspects of risk—clinical, financial, service, reputational and legal. The RAF is scrutinised by the following committees:

- **Trust Board of Directors:** Reviewed full RAF twice per annum
- **Executive Board:** Reviewed the full RAF at each meeting on a monthly basis
- **Audit and Risk Committee:** Reviewed the full RAF at each meeting on a quarterly basis

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

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

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

## **Risk and control framework**

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

### **Identification of risk**

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

- Known ongoing inherent risks of which the Trust is aware, which are controlled and managed
- Foreseeable local risks which are inherent and identified proactively by competent persons
- Strategic risks identified by the Board (including the risks associated with complying with the Trust's foundation trust licence)
- Retrospectively-realised risks from risk sources

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

- Risks/recommendations from incident investigations and themes/trends arising from cumulative analysis of incident data
- Clinical risk assessments

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

In some cases, through the processes described above, the Trust Board may identify complex risks that affect or involve external organisations, such as local stakeholders within the local healthcare community (local authorities, CCGs).

Where this is the case, the Trust adopts a collaborative approach to its risk mitigation plans, ensuring a transparent and 'joined-up' approach to managing risk, recognising that in some cases the Trust will be limited in the degree of risk mitigation it can achieve as an individual organisation.

## Risk assessment

The purpose of undertaking risk assessments is to effectively manage and control significant risks which are/have been identified/inherited or which are foreseeable in nature, as required by health and safety legislation. Risks are evaluated in order to determine the level of exposure and provide input to decisions on where responses to reduce, accept or avoid risks are necessary/acceptable or likely to be worthwhile.

The evaluation of the risk assessment will involve the analysis of the individual risk to identify the consequences/severity and likelihood of the risk being realised. Within the Trust, the severity and likelihood of risk is given a numeric score based on the following matrix:

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

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

Impact level	Descriptor	Risk type			
		Injury	Service delivery	Financial	Reputation/publicity
1	Negligible	No injuries or injury requiring no treatment or intervention	Service disruption that does not affect patient care	Less than £10,000	Rumours
2	Minor	Minor injury or illness requiring minor intervention	Short disruption to services affecting patient care or intermittent breach of key target	Loss of between £10,000 and £100,000	Local media coverage
		<3 days off work if staff			
3	Moderate	Moderate injury requiring professional intervention	Sustained period of disruption to services/ sustained breach of key target	Loss of between £100,001 and £500,000	Local media coverage with reduction in public confidence
		RIDDOR reportable incident			
4	Major	Major injury leading to long-term incapacity requiring significant increased length of stay	Intermittent failures in a critical service	Loss of between £500,001 and £5m	National media coverage and increased level of political/public scrutiny, total loss of public confidence
			Significant under-performance of a range of key targets		
5	Extreme	Incident leading to death	Permanent closure/ loss of a service	Loss of >£5m	Long term or repeated adverse national publicity
		Serious incident involving a large number of patients			Removal of chair/ CEO or executive team

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

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

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

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

## **Principal risks**

As at Mar 2019, the principal risks affecting the attainment of the Trust's corporate objectives (including significant clinical risks, risks to foundation trust licence condition four, in-year and future risks, how the risk will be managed and mitigated, and how outcomes will be assessed) are as detailed below:

### **Failure to successfully implement the new electronic patient record (EPR) system**

The implementation of the new EPR system is reliant upon organisational engagement, supplier delivery on time and programme deliverables, which could have an impact upon patient administrative and clinical systems, and data quality. There are mitigating and control factors in place which are overseen by the chief operating officer. There are clearly-defined criteria to be met before the system is taken into live operation. A detailed plan is in place to provide pre- and post-go-live support including a familiarisation and training programmes for staff, and floorwalkers to help end users adapt to the new system. This includes a set of key performance indicators (KPIs) to track data quality and enable management action to address any emerging problems.

### **Growth in non-elective demand above plan**

The Trust is responsible for providing care to an ageing local patient population with non-elective activity levels increasing in excess of commissioning projections. In addition, there continues to be an increase in the presentation of complex patients with multiple comorbidities brought about by demographic changes. The Trust is working with local commissioners on admission avoidance and early supported discharge strategies to ensure the appropriate use of acute inpatient beds. The Trust has invested in ambulatory emergency care services to redirect appropriate non-elective patients. This risk will be monitored directly by the Board.

### **Mental health provision**

Although the Trust has put in place mitigating actions in relation to the provision of mental health care, the Trust experiences continued delays at times in placing mental health patients into Tier 4 (specialised) mental health beds within the health service due to lack of beds. This can result in prolonged waits in A&E for patients who require an admission for mental health illness. The issue has been raised at service provider specialist commissioning boards and STP boards and is being monitored.

## EU exit

The Trust continues to review and mitigate the impact of the potential EU exit. The Trust has set up an operational group and a strategic committee to manage all risks and ensure it continues to operate the hospital in a safe, efficient and effective manner. The operational group meets on a weekly basis and the committee, chaired by the CFO, meets on a monthly basis. They consider the potential impact on all possible risks, including staffing and the supply of drugs and consumables. These risks continue to be monitored and mitigated wherever possible.

## Information governance toolkit and data security and protection (DSP) toolkit attainment levels

Information governance is the way organisations process or handle information. It covers information relating to patients and staff, as well as corporate information, and helps ensure the information is handled appropriately and securely. The DSP toolkit replaces the information governance toolkit this year. Like its predecessor it is an online self-assessment tool that enables NHS organisations and their partnering bodies to measure how well they are complying with Department of Health standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage.

The attainment level assessed within the DSP toolkit provides an overall measure of the quality of data systems, standards and processes. It aims to demonstrate how we are implementing the 10 data security standards recommended by Dame Fiona Caldicott, the national data guardian for health and care.

The DSP toolkit sets out specific criteria that enable performance to be assessed based on submitted evidence and assertions, resulting in three possible outcomes—standards met, standards not fully met (plan agreed), and standards not met. For more information about the DSP toolkit please visit [www.dsptoolkit.nhs.uk](http://www.dsptoolkit.nhs.uk).

**Assessment outcome:** For 2018/19 the Trust achieved ‘standards met’. Substantive staff IG training compliance was at a record end of year high of 96.4%.

## Freedom of information (FOI)

Compliance with FOI has maintained good performance levels. We achieved 91.26% compliance against the 20-day response rate for calendar year 2018 with 745 FOI requests received. The first 2 months of 2019 set new highs with 171 requests received, a 32% increase on 2018.

## Information Commissioner’s Office (ICO) audit

In 2017 the ICO carried out a voluntary audit of four areas with the findings below. We had no urgent recommendations.

- **Training and awareness:** Reasonable assurance
- **Subject access requests:** Limited assurance
- **Data sharing:** Limited assurance
- **Overall rating:** Limited assurance

For context, of the five hospitals with the most recent ICO audits at the time, four also had limited assurance and one had reasonable assurance despite having one urgent recommendation.

In Aug 2018 the ICO carried out the planned follow up audit to check on progress made against their recommendations. Their opening sentence was: *“We acknowledge and are encouraged by the work the Trust has undertaken in order to meet the recommendations made in our audit report.”*

Of the 56 accepted recommendations there were 46 marked as complete, seven partially complete and three not implemented. The ICO now consider the audit engagement as complete.

## **General Data Protection Regulation (GDPR)**

GDPR came into force on 25 May 2018 along with the UK interpretation of this legislation, the Data Protection Act 2018. As required by law we have appointed a data protection officer and are compliant with the core aspects, led in part by work on the DSP Toolkit and various other streams. We are working to centralise GDPR and considering the purchase of an electronic GDPR compliance solution.

## **Quality governance and performance**

The Trust’s quality governance structure, set out below, enables the organisation to maintain and continually improve quality from ‘board to ward’. This assurance framework delivers the well-led CQC framework and provides clear assurance from wards upwards, and from the Board to the clinical areas.

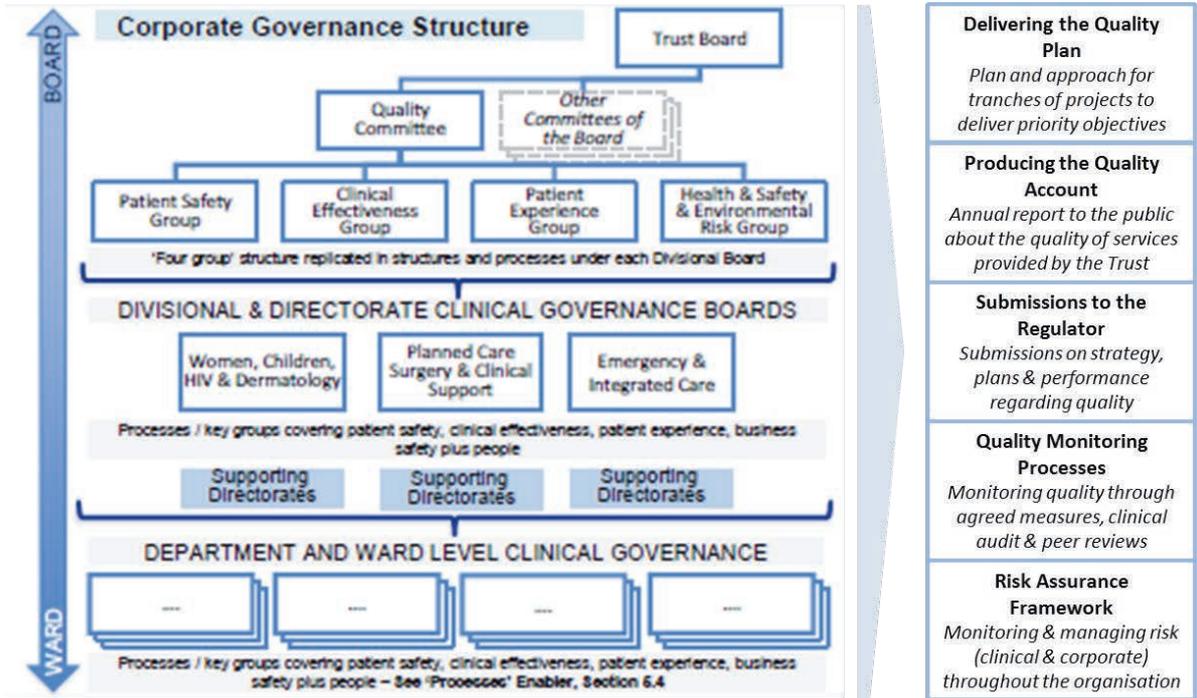
The process has been audited by our external partners and seen as effective. It is led by the Quality Committee, which reports into the Board, and is chaired by a non-executive director with the chief nursing officer as executive lead, supported by the chief medical officer.

Divisional medical directors chair the divisional clinical governance boards, supported by the clinical governance team. Together, this framework monitors quality performance and risk, including serious incidents, complaints and investigations, and is responsible for overseeing delivery against our four special quality priorities for 2019/20.

These projects were identified from an analysis of the themes and key risks arising from reporting through the Quality Committee.

# Our governance and decision-making

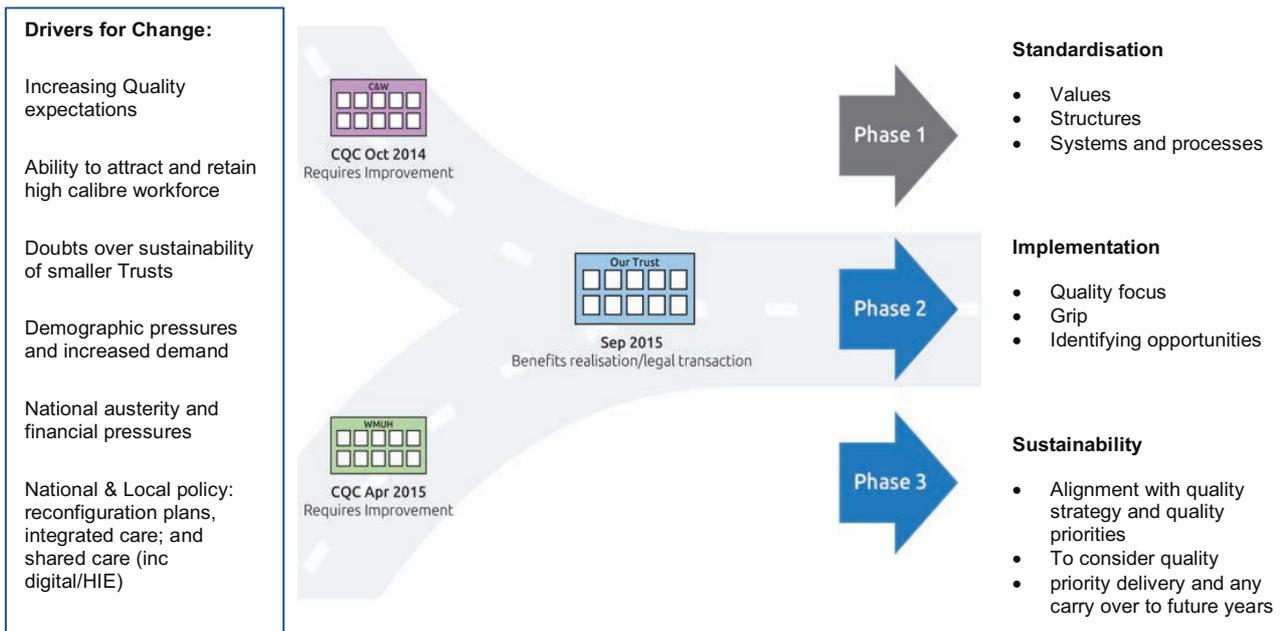
## Ward to board assurance to quality, workforce development and use of resources



The Trust also recognises that it is on a continuous improvement journey which was set out during the acquisition of West Middlesex University Hospital NHS Trust.

## The improvement journey

- Reading the strategic landscape set a powerful case for change
- The 2014 inspections set the Trust on a journey to bring the 2 organisations together in such a way that improved the care we deliver to our patients



The Trust has been successful delivering this plan within a well-established improvement framework. Ward accreditation quality assessments are well-embedded—with all 103 clinical areas inspected last year, this programme continues. Within ward accreditation, the overall performance of each ward is evaluated against a framework in a similar style to a CQC assessment, resulting in a rating of gold, silver, bronze or white. The framework incorporates observation of practice, engagement with staff and patients, and a review of key quality indicators—and helps wards to take action to improve the quality of care that they provide to patients.

During the year, mock CQC assessments were also undertaken in partnership with external peers such as NHSI, CCGs and other trusts to provide external scrutiny to intensify areas of improvement. These findings all fed into an overall improvement plan which was led by our care quality programme (CQP) team.

Further ward to board assurance was provided with weekly visits from the executive team to their link areas to engage with staff and assess progress with their local improvements. The trust also has an embedded quality Friday where weekly education sessions, audits or communication with clinical teams occur.

This comprehensive assurance framework prepared the organisation for a CQC inspection and was instrumental in delivering the positive CQC improvement with the Trust rated 'Good' overall.

## **Ensuring safe staffing**

The Trust is fully compliant with NHS England (NHSE) safe staffing guidance. The Trust undertakes twice-yearly acuity and dependency safe staffing audits, as well as undertaking and submitting monthly 'care hour per patient day' data and planned vs actual data which the Trust uses to monitor compliance with its workforce plan. This data is submitted to public Board monthly in the integrated Board report.

The Trust also has a realtime safe staffing tool in place which is reviewed four times a day in each bed meeting to record red flags of safe staffing and allows for immediate management of staffing shortages.

The Trust uses the acuity and dependency audits to inform the long-term workforce plan. Any changes to clinical staffing is reviewed at quality impact assessment (QIA) panels which are chaired by the chief nursing officer and chief medical officer.

The Trust has an embedded guardian of safe working process and lead which reports to Trust Board—this role is effective in managing immediate changes to medical staffing and also in informing the long-term workforce plan.

## **Data assurance**

The Trust assures the quality and accuracy of elective waiting times data through a combination of regular daily and weekly meetings, and review and sign-off procedures for performance data. The review and sign-off process includes review at the elective access group, Trust executive team meetings, Quality Committee and Board.

We have an advanced feed from the patient administration system (PAS) which is available throughout the Trust and updated daily. Divisional staff and the information team

regularly review a suite of reports including more advanced information for elective waiting times and patient-level information. The Trust will establish a minimum frequency requirement for completing refresher training on data entry into the PAS.

A manual data validation process is undertaken by the information team to review the information entered into the PAS and to investigate the data that underlies reported performance. Identified data issues are logged by the performance team, then investigated and corrected. Recurring issues are subject to root cause analysis, from which corrective action plans are developed to support the relevant services to improve the quality of inputted and reported data.

We have invested significantly at WMUH in data quality improvement via the EPR programme and work is well underway at the C&W site ahead of the phase two CernerEPR deployment. The Trust has had a number of external bodies auditing our data quality performance which has outlined that we are in line with our peers. We anticipate that the full roll-out of the CernerEPR solution will ultimately lead to much greater depth and quality of data to support clinical care.

A Trustwide data quality group is in place, chaired by the director of performance. This group provides oversight of data quality policies, strategies and reviews. The data quality group reports in to the executive management Board to enable prompt escalation of emerging issues to the Board when required.

All Trust sites use the Datix database system for reporting incidents, which provides a unified approach to aid the review of the information governance (IG) incident management process. IG incidents are summarised and reported to the information governance steering group. The IG team assists IG incident investigations as required and advises on lessons learned from these incidents at departmental meetings and/or via Trustwide communication tools.

## **Corporate governance**

Details of the corporate governance structure can be found within the accountability report from page 41. It is a fundamental part of the governance structure that all material issues and risks pass through the executive Board before reaching any of the Board-level committees.

The Trust is fully compliant with the registration requirements of the CQC.

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

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

## Climate change

The Trust will undertake risk assessments to ensure a sustainable development management plan is in place which takes account of UK Climate Projections 2018 (UKCP18) and that its 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 Trust Board keeps a monthly review of the Trust's use of resources through the integrated performance report referred to on page 24 but also with regard to the monthly finance report which allows the Trust Board to obtain a 'grip' on financial performance and cost-effectiveness.

During 2018/19 the Trust has increasingly used various benchmarking sources and the improvement board to identify efficiency opportunities—these include Model Hospital, Getting it Right First time (GIRFT) and Carter. Where the Trust Board identifies key risks and issues in relation to the Trust's use of resources, it will instruct the Finance and Investment Committee to undertake 'deep dive' reviews of such concerns to ensure that a sufficient degree of assurance can be obtained.

The oversight roles of the Trust Board and Finance and Investment Committee are supplemented by the annual internal audit programme which includes a comprehensive review of the Trust's financial systems and controls.

The governance structure below the executive management Board provides opportunities through the divisional board meetings for specific divisions to be challenged on their use of resources within the respective clinical services they provide. This is further supplemented by specialty deep dives and is in addition to the internal audit work undertaken throughout 2018/19. The detail of the key actions of the internal audit programme can be found in the Review of effectiveness section below.

## Annual quality report

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

We have followed this guidance in compiling our quality report as part of the 2018/19 annual report and in refreshing our clinical priorities for 2019/20. This process included engaging with internal stakeholders such as the Board of Directors, Quality Committee, Council of Governors, and key external stakeholders such as local Healthwatch organisations, local commissioners, and overview and scrutiny committees. The breadth of this engagement helps to ensure that the content of the quality report is balanced and in alignment with the needs of the Trust's patient population. The Trust's annual quality report is set out in Section 3 from page 105.

## 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 and Risk Committee and the Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

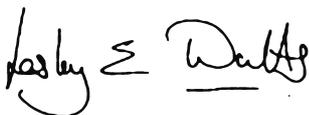
The clinical audit programme also supports my review of the effectiveness of the system of internal control. A full internal review of each clinical audit is undertaken and actions taken to address any identified risks and improve the quality of healthcare that is provided.

The role of the Board, Audit and Risk Committee, Quality Committee, and Finance and Investment Committee in maintaining and reviewing the Trust's systems of internal control is described above. The internal audit programme provides a further mechanism for doing this. KPMG, the Trust's internal auditors, identify high, medium and low priority recommendations within their audit reports, which are monitored in an internal audit recommendations tracker, and which is reviewed frequently by the executive team.

One internal audit report was received in 2018/19 which contained a high-priority recommendation concerning SHERE, a joint venture the Trust operates with the Royal Marsden Hospital NHS Foundation Trust. The weaknesses identified were reviewed and controls subsequently put in place.

## Conclusion

In conclusion, to the best of my knowledge, no significant internal control issues have been identified within 2018/19.



**Lesley Watts**  
Chief Executive Officer

24 May 2019



## **SECTION 3**

# **QUALITY REPORT**

# A year of quality in pictures



# Part 1: Statement on quality from the Chief Executive

## Introduction

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

## Welcome by the Chief Executive

I am pleased to introduce our Quality Report for 2018/19 and to share with you the continued improvements we have made this year.

During this busy year our Trust has continued to experience high demand for our emergency and urgent care services. I have been so proud to see our staff demonstrate their outstanding commitment to patient care and experience.

In response to this increased level of demand we have worked innovatively and actively to provide a comprehensive response—notably we:

- Created a state-of-the-art ambulatory emergency care
- Redesigned patient pathways to provide virtual clinics and allow patients to be monitored at home
- Made much better use of digital technology

This updated approach sees optimal use of resources, more convenient care to patients and ensures that our staff are focused on delivering direct care to our sickest patients. It has ensured that we have maintained the level of performance that we continuously aspire to and, indeed, against the context of increased demand, we are seen as one of the best performing hospitals in the country.

Our focus on our people, through a series of local, national and international workstreams over the last 12 months, has seen us achieve a marked reduction in our nursing and midwifery vacancy rates. We now have one of the lowest nursing and midwifery vacancy rates in London. The 2018 NHS National Staff Survey results showed we are in the top 20% for staff feeling able to contribute to improvements, engagement and for recommending our organisation as a place to work and receive treatment.

I am particularly proud of the progress we have made in our volunteering programme, supported and championed by our Chairman and Helpforce. We now have volunteers recognised and supported by our wards and departments and they have proved an invaluable resource in providing extra comfort and care to our patients. In the coming year we intend to increase the scope of the roles available to our volunteers to ensure all the talent available to us is utilised wisely and to mutual benefit.

I am conscious of the hard work and commitment of everyone across the Trust to deliver ever-improving quality care in all our services. I was delighted to see this effort and

ambition to improve recognised by our latest Care Quality Commission (CQC) result. We were inspected in December 2017 and rated as 'Good' overall, receiving a 'Good' rating for both hospitals and in all of the five main domains—safe, effective, caring, responsive and well-led.

NHS Improvement (NHSI) awarded us an 'Outstanding' rating for 'use of resources', making us the first NHS foundation trust to gain 'Good' across all categories under the CQC's new framework and 'Outstanding' from NHSI. We are now firmly focused on taking our improvement journey from 'Good' to 'Outstanding'.

We have worked hard to deliver local quality improvement initiatives. We successfully met the national NHS Resolution maternity 10-point safety plan, and the maternity service on each site has been awarded the UNICEF baby friendly accreditation. Our palliative care team is dedicated to providing exemplary care to patients and their families at the end stages of life and we are delighted that four of our wards have been accredited by the Gold Standard Framework this year.

We are now moving into our second full year of embedding our 'Ward/Department Accreditation' quality monitoring and improvement program. This allows us to consistently provide assurance in all clinical areas and to provide insight and assurance to the Trust Board about areas where improvement is needed.

We are extremely proud of the progress we have made in terms of the quality of our care we provide and we remain committed to achieving further improvements in future years.

As in previous years, our Trust Quality Priorities for 2019/20 are aligned to the Trust's Quality Strategy and the three quality domains (patient safety, clinical effectiveness and patient experience). They have been informed by:

- Engagement and feedback from our Council of Governors Quality Subcommittee that includes external stakeholders (eg commissioners and Healthwatch)
- Engagement and feedback from our Board's Quality Committee
- Divisional review of incident reporting and feedback from complaints

We continue with our intention to realise the benefits of implementing our digital programme and have successfully implemented the first stage of our electronic patient record system, CernerEPR, at West Middlesex University Hospital. Implementation on the Chelsea site is scheduled for autumn 2019. This means the hospitals will share one digital platform and access to patient records will be seamless, allowing clinical staff to have access to relevant patient information securely and quickly. This will not only improve coordination of patient care but also lead to better and more efficient care for all patients.

Work is now well underway on our new adult and neonatal intensive care developments at Chelsea and Westminster. Our charity CW+ has provided impressive financial and design cost support for this programme, which will enable us to provide the very latest and best quality care for more critically ill adults and children each year.

I would like to take this opportunity to thank all of our 6,000 staff who have shown they are proud to care for their patients and colleagues. I know that they will continue to go above and beyond for the patients and communities we serve, and I look forward to the year ahead as the Trust goes from strength to strength.

## Core services

Our core services include:

- Full emergency department (A&E) services for medical emergencies, major and minor accidents, and trauma at both Chelsea and Westminster Hospital (C&W) and West Middlesex University Hospital (WMUH) sites—the departments are supported by separate on-site urgent care centres (UCCs) and have a comprehensive ambulatory emergency care (AEC) services
- Emergency assessment and treatment services including critical care and a surgical assessment unit (SAU)—the Trust has designated trauma units and stroke units at each site
- Acute and elective surgery and medical treatments, such as day and inpatient surgery and endoscopy, outpatients, services for older people, acute stroke care and cancer services
- Comprehensive maternity services including consultant-led care, a midwife-led natural birth centre, community midwifery support, antenatal care, postnatal care and home births—there is a specialist neonatal intensive care unit (NICU) at C&W, a special care baby unit (SCBU) at WMUH and a specialist fetal medicine service, as well as a private maternity service at C&W
- Children’s services including emergency assessment, a 24/7 paediatric assessment unit (PAU), and inpatient and outpatient care
- HIV and sexual health services
- Diagnostic services including pathology and imaging services and a cardiac catheterisation laboratory at WMUH
- A wide range of therapy services including physiotherapy and occupational therapy
- Education, training and research
- Corporate and support services

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

## Key facts and figures for the past three years

	2016/17	2017/18	2018/19
Outpatient attendances	767,330	776,287	801,270
Total A&E attendances (Emergency Department and Urgent Care Centre)	282,157	306,048	326,116
Inpatient admissions	136,837	141,476	145,136
Babies delivered	10,682	10,644	10,420
Patients operated on in our theatres	33,683	36,140	33,476
X-rays, scans and procedures carried out by clinical imaging	391,609	468,154	431,235
Number of staff including our partners—Trust plus ISS, HATS, JCA and Bouygues	5,981+369	5,879+722	6,177+800

## Our vision and values

Chelsea and Westminster Hospital NHS Foundation Trust is committed to consistently delivering the very highest quality of care and outcomes for our patients. Our ambition is to be one of the leading foundation trusts in the country by providing innovative, efficient and fully integrated healthcare pathways. It's our vision to give outstanding, accessible, effective and safe care across all our services and for all our patients. The Board has set the following strategic priorities for 2019/20, which are to:

- deliver high-quality, patient-centred care
- be the employer of choice
- deliver better care at lower cost

Our PROUD values underpin everything we do at our Trust, and have helped deliver high-quality care as well as unite our staff and services at both our hospitals and our clinics throughout London. They were developed in consultation and engagement with staff, governors, directors and non-executive directors, and are fully accepted and embedded within our culture. The values are:

- **P**utting patients first
- **R**esponsive to patients and staff
- **O**pen and honest
- **U**nfailingly kind
- **D**etermined to develop

We have considered quality based on these four components:

- Patient and staff experience
- Patient safety
- Clinical effectiveness
- Patient access and operational performance

Each of these have a set of ambitions and supporting priorities as well as governance structures which report through subcommittees to the Trust Board.

The Trust also has an improvement framework and a dedicated executive director of improvement to ensure the continued implementation and embedding of an improvement culture across the organisation.



\* HIE: Health Information Exchange

## Declaration

It is important to note, as in previous years, that there are a number of inherent limitations in the preparation of quality reports which may impact the reliability or accuracy of the data reported. Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance or included in the internal audit programme of work each year.

Data is collected by a large number of teams across the Trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted. In many cases, data reported reflects clinical judgement about individual cases, where another clinician might have reasonably classified a case differently.

National data definitions do not necessarily cover all circumstances and local interpretations may differ. Where any local interpretations of national data definitions are applied, the Trust will ensure that variations are taken through appropriate governance to ensure the intent of the definition is achieved.

Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years. The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data.

Notwithstanding these inherent limitations, to the best of my knowledge the information in this report is accurate.

**Lesley Watts**  
Chief Executive Officer

7 May 2019

## Part 2: Our priorities

### Priorities for improvement 2018/19

This section of the report reviews how we performed in 2018/19 in relation to the priorities set in our Quality Report 2017/18. Each of the priorities will have an outline of what we set out to achieve, what we did during the year to improve our patient care, the results we achieved and what we will do going forward in 2019/20.

Chelsea and Westminster Hospital NHS Foundation Trust set the following priorities for 2018/19:

- **Priority 1:** Reduction in Falls
- **Priority 2:** National Safety Standards for Invasive Procedures (NatSSIPs)
- **Priority 3:** NHS Resolution 10-point safety plan (maternity)
- **Priority 4:** Reduction in *E.coli* infections
- **Priority 5:** Complaints management

### How we did in 2018/19

During 2018/19 a quarterly progress report for all priorities was provided to the Quality Committee.

#### Quality priorities progress

##### Reduction in falls

The Trust set out to reduce falls which resulted in harm by 30% in order to be consistent with national best practice. Unfortunately, as a Trust, we did not achieve this target. However, reducing falls and mitigating the risks of falls has been and will continue to be a key area of focus and the Trust is proud of the progress it has made over the last 12 months despite not achieving the significant and ambitious reduction.

This quality priority will remain a key workstream next year and forms part of a wider quality improvement/service improvement which seeks to improve the care of our older patients. The aim of last year was to standardise documentation and pathways of care such as falls risk assessments. During the year the Trust launched its Safer Steps initiative to raise awareness and education for patients and staff.

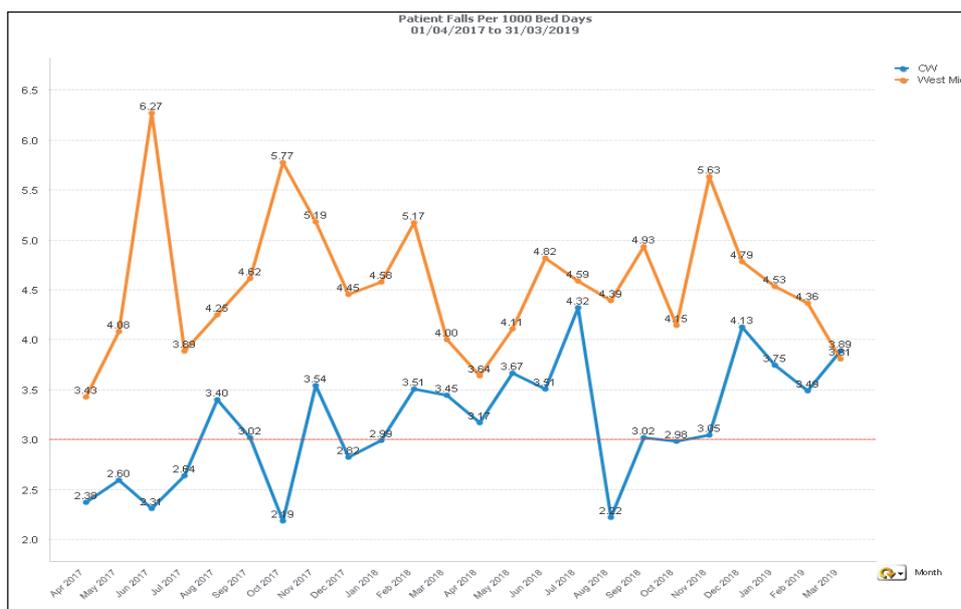


During this year the Trust launched new risk assessment documentation and reviewed the training mechanisms for staff in the reduction in falls. There was also a review of safety equipment used as part of our falls prevention strategy, such as bed rails, falls alarms, crash mats and patient non-slip socks.

During the year the Trust has delivered numerous promotions and education sessions to staff to increase awareness and to promote and increase the reporting of patient falls through the Trust incident system—this is needed in order to gain a clear understanding of the baseline in the number of falls against which to measure improvement.

During 2017/18 there were 1,244 patient falls, of which 209 resulted in some degree of harm. During 2018/19, 1,328 patient falls were reported on the Trust's incident reporting system of which 327 led to harm. The rate of total patient falls by activity (bed days) is provided below. Within 2017/18 there were 3.71 patient falls per 1,000 bed days (C&W: 2.90 and WMUH: 4.65)—this increased in 2018/19 to 3.93 overall (C&W: 3.45 and WMUH: 4.48).

The Falls Steering Group was established to consider what led to patient falls and what could be done to reduce occurrence and harm caused. The key areas for improvement identified through this workstream relate to the reduction of falls that led to patient harm and this will be the Trust's focus in 2019/20.



### LocSIPP and NatSSIP implementation to ensure theatre safety standards are met

The Trust has implemented Local Safety Standards for Invasive Procedures (LocSSIPs) across the Trust in all areas where invasive procedures are performed. This follows the principle of the World Health Organisation (WHO) theatre safety checks undertaken in all theatres, with the aim of reducing 'never events' relating to theatre processes. The Trust had four never events in 2017/18 relating to theatre processes.

The Trust is compliant with National Safety Standards for Invasive Procedures (NatSSIPs) and implemented 42 LocSIPPs in clinical areas. There has been a reduction from four theatre-related never events in 2017/2018 to one in 2018/19. The Trust will continue to monitor and audit compliance with the LocSIPPs process.

### Achieving the maternity 10-point plan

This was the first year that NHS Resolution set a maternity 10-point plan with the aim to improve safety in maternity care nationally. The 10 standards are:

- **Safety action 1:** Are you using the National Perinatal Mortality Review Tool to review perinatal deaths to the required standard?
- **Safety action 2:** Are you submitting data to the Maternity Services Data Set to the required standard?

- **Safety action 3:** Can you demonstrate that you have transitional care services to support the Avoiding Term Admissions into Neonatal Units programme?
- **Safety action 4:** Can you demonstrate an effective system of medical workforce planning to the required standard?
- **Safety action 5:** Can you demonstrate an effective system of midwifery workforce planning to the required standard?
- **Safety action 6:** Can you demonstrate compliance with all four elements of the Saving Babies' Lives care bundle?
- **Safety action 7:** Can you demonstrate that you have a patient feedback mechanism for maternity services and that you regularly act on feedback?
- **Safety action 8:** Can you evidence that 90% of each maternity units' staff groups have attended an 'in-house' multiprofessional maternity emergencies training session within the last training year?
- **Safety action 9:** Can you demonstrate that the Trust safety champions (obstetrician and midwife) are meeting bimonthly with Board-level champions to escalate locally identified issues?
- **Safety action 10:** Have you reported 100% of qualifying 2018/19 incidents under NHS Resolution's Early Notification Scheme?

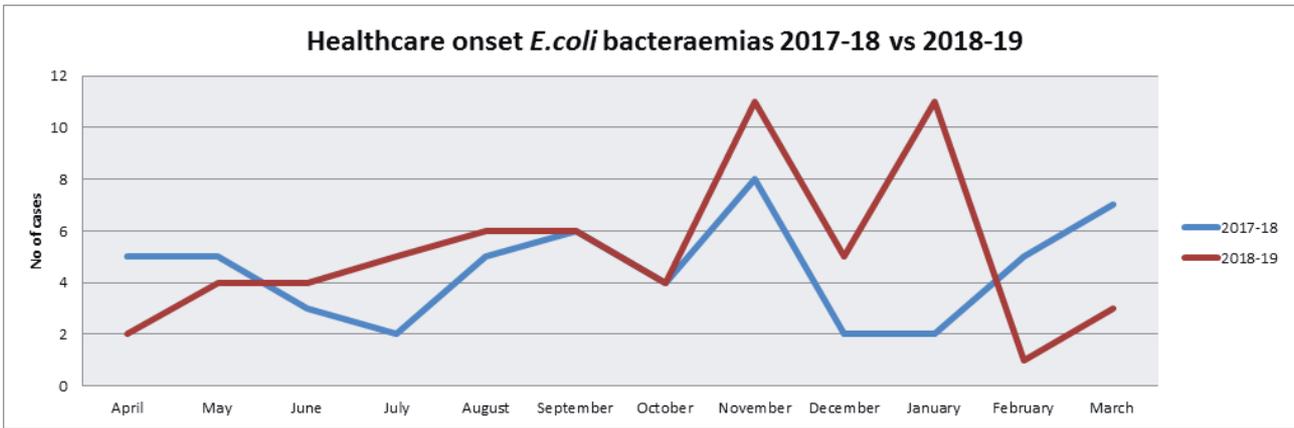
The Trust submitted its evidence in meeting all 10 standards in August 2018 and were notified in September 2018 that they had met all 10 safety standards.

### **Reduction in *E.coli* infections**

This follows the national quality improvement to reduce the number of patients with an *E.coli* bloodstream infection (BSI) by 10% by the end of 2020. This was therefore set by the Trust as a 2-year quality priority. The Trust recognises the challenges of meeting this target as the majority of *E.coli* BSIs are community-acquired, however, it is committed to ensuring there is a reduction in hospital-acquired *E.coli* BSIs.

345 patients were identified with an *E.Coli* BSI during 2017/18—of these, 292 (84.64%) were determined to have originated before hospital attendance (community-onset) and 53 (15.36%) during treatment (healthcare-associated). During 2017/18, the rate of healthcare-associated *E.Coli* BSIs was 17.38 cases per 100,000 bed days.

Within 2018/19, 382 patients with *E.Coli* infection were identified—of these, 320 (83.77%) cases were community-onset and 62 (16.23%) were healthcare-associated. During this reporting period, the rate of healthcare-associated *E.Coli* BSIs was 20.33 cases per 100,000 bed days.



In year one of this quality priority, the Trust undertook an audit with a standardised audit tool across the two sites, and undertook a root cause analysis of the 47 cases of *E.coli* infections to understand the common trends to ensure improvement measures implemented were effective. This identified possible improvements in urinary catheterisation and catheter care.

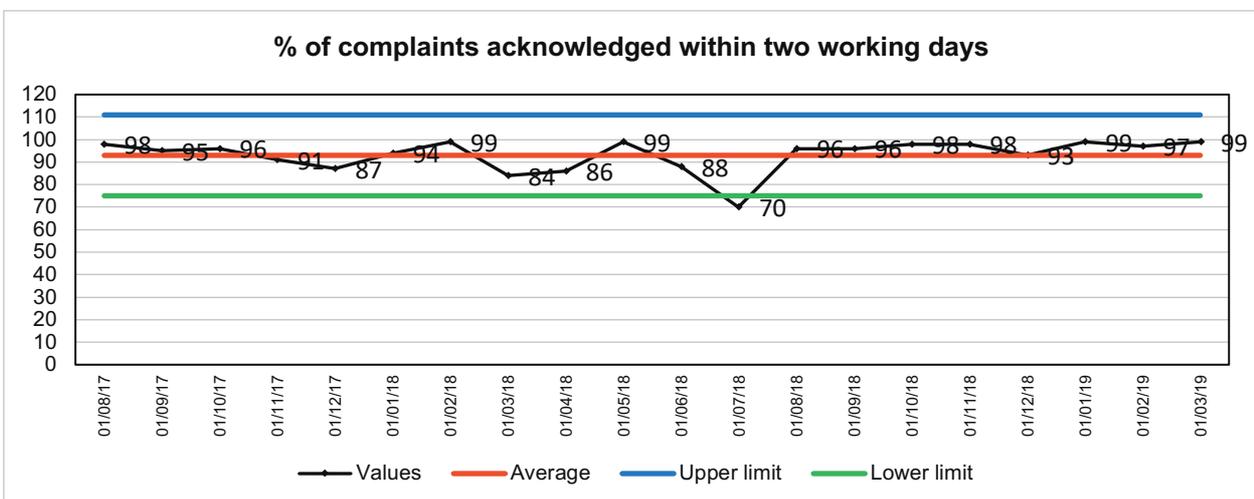
Although the Trust has not seen a reduction in *E.coli* infections in-year which follows the national trend, we do understand the themes and baseline data in order to implement the necessary improvements to be measured in year two of this quality priority.

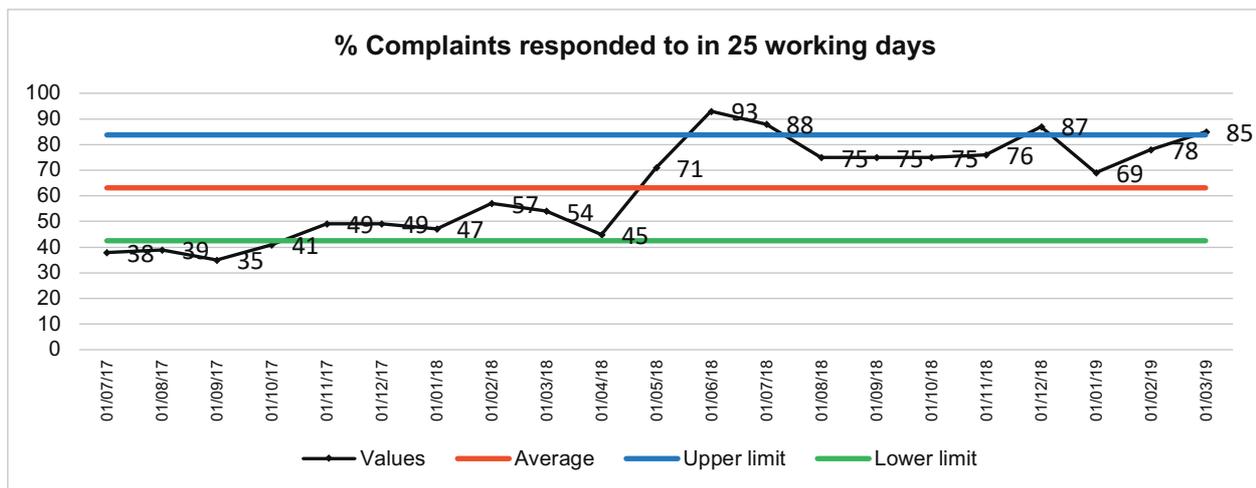
### Complaints management

The Trust set two standards to demonstrate responsiveness to patient complaints—these were that 90% of patients should have their complaint acknowledged within two working days and a response within 25 working days.

To achieve this standard the Trust has reviewed its process and monitoring of complaints management. This has resulted in achieving the two-day acknowledgment standard and improving the response-within-25-working-days standard from 38% to 85%. The Trust will continue its close monitoring of this standard and continues to strive to reach the 90% compliance target. The Trust has also implemented a ‘learning from’ report from the themes and trends of complaints so that these themes can inform the quality improvement agenda.

### Key performance indicators (KPIs)





## Priorities for improvement 2019/20

This section of the report sets out the Trust’s quality improvement priorities for 2019/20 which continue to link the quality priorities to the Trust’s Quality Strategy. In each case we have aligned the priority to one of the three quality domains (patient safety, clinical effectiveness and patient experience). However, we recognise that, in reality, each priority is likely to impact on multiple domains—in particular, patient experience, which we are focusing on as an overarching objective of our Quality Strategy.

In 2019/20 priorities were, as in previous years, identified through engagement across a number of areas which have endorsed the chosen priorities:

- Engagement and feedback from our Council of Governors Quality Subcommittee that includes external stakeholders (such as commissioners and Healthwatch)
- Engagement and feedback from our Board’s Quality Committee
- Divisional review of incident reporting and feedback from complaints

Our ambition for 2019/20 is for teams to continue to develop transferrable and sustainable knowledge and skills in order to carry on the journeys of improvement within the organisation and across the wider health and care system. Within that context, we have set the following priorities for 2019/20:

- Improving sepsis care
- Reducing hospital-acquired *E. Coli* bloodstream infections
- Reducing inpatient falls
- Improving continuity of care within maternity services

Details of each of these priorities, including the actions planned and how we will monitor our progress throughout the year, are presented below. A quarterly report will be provided to the relevant subgroup of the Trust’s Quality Committee—ie Clinical Effectiveness Group, Patient Safety Group or Patient Experience Group and, subsequently, to the Quality Committee itself.

## 1. Improving sepsis care

### Why we have chosen this as a quality priority

Sepsis is recognised as a common cause of serious illness and death. It is estimated that there are 123,000 cases in England each year and 46,000 deaths. Sepsis also has long-term impacts on patients' morbidity and quality of life. In addition, sepsis is associated with high healthcare costs—the UK Sepsis Trust estimates that improved care could lead to savings to the NHS of £170 million. Timely identification and appropriate antimicrobial therapy have been shown to be effective in reducing transition to septic shock and therefore reducing mortality.

### What we aim to achieve during 2019/20

We will:

- Improve screening of sepsis in our emergency departments and inpatient settings so that at least 90% of patients who meet the relevant criteria are screened.
- Improve the timely commencement of appropriate antimicrobial therapy for patients found to have sepsis so that at least 90% of patients receive IV antibiotics within one hour.

### How we will measure our success

- The percentage of patients who met the criteria for sepsis screening and were screened for sepsis (based on monthly audits)
- The percentage of patients who were found to have sepsis and received IV antibiotics within one hour (based on monthly audits)

The baselines and targets for these measures are set out in the table below:

	Baseline*	Target**
% of patients screened for sepsis	84%	90%
% of patient receiving IV antibiotics within one hour	80%	90%

\* Average performance across all audits conducted between Q1 and Q3 2018

\*\* National target

## 2. Reducing hospital-acquired *E.coli* bloodstream infections

### Why we have chosen this as a quality priority

Reducing hospital-acquired *E.coli* bloodstream infections (BSIs) was set as a Trust quality priority in 2018/19. As well as improving safety, reducing avoidable *E.coli* BSIs is expected to result in fewer readmissions, shorter lengths of stay, improved patient experience and reduced antimicrobial prescribing.

Nationally, the overall rate of *E.coli* BSIs (hospital- and community-acquired) has increased by a fifth in the last five years and this trend is set to continue upwards. This has

been driven by a doubling in the rate of community-acquired infections which account for over 80% of the total (320 during 2018/19).

Our work during 2018/19 reveals a complex picture in terms of the primary focus for hospital-onset BSIs, however, there are clear modifiable risk factors that relate to the use of devices (cannulae and catheters) which increase the risk of infection.

### What we aim to achieve during 2019/20

We will reduce the number of hospital-onset *E.coli* BSIs by 10% by:

- Reducing our use of devices (cannulae and catheters) which increase the risk of infection
- Improving adherence to best practice with respect to the use of devices
- Standardisation around products that are associated with a lower risk of infection

We will also continue to engage with and support our commissioners and community colleagues who are leading on the work to reduce community-onset infection, contributing to the local BSI steering group.

### How we will measure our success

- Number of hospital-onset *E.coli* BSIs
- Improved urinary catheter management evidenced by audit data

The baselines and targets for these measures are set out in the table below:

	Baseline		Target
	2017/18	2018/19	2019/20
Annual cases of hospital-onset <i>E.coli</i> BSIs	53 cases—rate of 17.38 per 100,000 bed days	62 cases—rate of 20.33 per 100,000 bed days	≤56 cases—rate 18.30 per 100,000 bed days
Compliance with best practice urinary catheter management	Baseline and target to be set in Q1 using a revised urinary catheter infection prevention and control (IPC) audit tool		

## 3. Reducing inpatient falls

### Why we have chosen this as a quality priority

Reducing inpatient falls was set as a two-year quality priority in 2018/19, supported by the Council of Governors. This quality priority is part of the Trust’s overall frailty improvement plan which was guided by a helpful patient experience review at WMUH which was undertaken by Healthwatch Richmond upon Thames.

Research from NHSI shows that a multifactorial assessment and intervention can reduce falls by around 25%. The Trust has begun the process of implementing this multifactorial assessment and care bundle (‘Safer Steps’) across our two hospital sites. In 2018/19, we launched new risk assessment documentation, falls care plans and training for staff in the reduction in falls as well as safety equipment, such as bed rails, crash mats and patient non-slip socks.

The second year of this quality priority will build on this, embedding it into practice in order to drive a reduction in inpatient falls.

### What we aim to achieve during 2019/20

We will:

- Increase the percentage of eligible patients with a fully completed Safer Steps care plans in place to 70%, leading to a reduction in the number of inpatient falls. This will be supported through the roll-out of a ward-based ‘train the trainer’ model. All adult wards will have a trainer in place by the end of Q1 and at least 70% of adult nursing and HCA staff will be trained by the end of the year.
- Introduce the NHSI falls underreporting tool, a validated tool used to estimate whether the reported falls rate truly reflects the number of patients actually falling on wards. Training on the use of this tool will be completed alongside the initial ‘train the trainer’ workshop for Safer Steps. By introducing this tool, we will be able to better understand our data and more accurately assess whether our interventions are having an impact. During Q1 we will use the tool to establish a baseline falls rate that is adjusted for the rate of underreporting.

The above work will be completed on all adult wards across both sites. However, we recognise that certain wards have a higher number of falls than others. We will therefore also complete more focused work with these wards to reduce the number of falls.

### How we will measure our success

- Falls per 1,000 bed days (adjusted using the NHSI underreporting tool)
- Percentage of eligible patients with a full Safer Steps care plan in place
- Percentage of adult nursing and HCA staff trained on the use of the ‘Safer Steps’ care plan

The baselines and targets for these measures are set out in the table below:

	Baseline	Target
Falls per 1,000 bed days	Baseline and target to be established during Q1 following deployment of the NHSI underreporting tool	
% of patients with Safer Steps plan	31%*	70%
% of staff trained on use of the Safer Steps care plan	0%	70%

\*Audit conducted in Mar 2019

## 4. Improving continuity of care within maternity services

### Why we have chosen this as a quality priority

The Trust provides the fourth-busiest maternity service in the UK and our staff will support the delivery of more than 11,000 babies in 2019/20. The service held a co-design workshop with service users and staff to design the postnatal maternity pathway and review the perinatal mental health maternity pathway. A review of maternity care was also undertaken by Healthwatch Richmond upon Thames. All of these findings support the need to identify maternity quality improvement as a quality priority.

The National Maternity Review report, Better Births, set out a vision for maternity services in England which are safe and personalised, put the needs of the woman, her baby and family at the heart of care, and with staff who are supported to deliver high-quality, continuously-improving care.

At the heart of this vision is the idea that women should have continuity with the person looking after them during their maternity journey, and before, during and after the birth. This continuity of care and relationship between care giver and receiver has been proven to lead to better outcomes and safety for the woman and baby, as well as offering a more positive and personal experience—this was the single biggest request of women about the service heard during the review.

### What we aim to achieve during 2019/20

As of Jan 2019, less than 10% of women who give birth at the Trust were booked onto a continuity of care pathway. The Trust will introduce continuity of care midwifery teams linked to a named consultant and increase the number of women receiving midwifery continuity of care to 30% by Mar 2020. As a result, we will improve the experience of mothers and increase the rate recommending the Trust to be at or above the national average.

Because the evidence base shows a positive impact on stillbirths and unexpected admissions to the neonatal unit we will also monitor whether there is a measurable reduction associated with the implementation of our continuity of care pathway.

### How we will measure our success

- Percentage of women booked onto a continuity of care model of care.
- Percentage of mothers in the Friends and Family Test (FFT) recommending the Trust

The baselines and targets for these measures are set out in the table below:

	Baseline	Target
% of women on a continuity of care pathway*	9%	30%
% recommending Trust for antenatal care**	92%	95%
% recommending Trust for birth**	95%	97%

\* Baseline is performance for Feb 2019

\*\* Baseline is Trust performance Apr 2018–Jan 2019 and target is England national average over the same period

## Review of services

During 2018/19 the Trust provided and or subcontracted 87 relevant health services. The Trust has reviewed the available data on the quality of care in all of these relevant health services. The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by the Trust for 2018/19.

## Participation in clinical audit

During 2018/19, 53 national clinical audits and 7 national confidential enquiries covered relevant health services that the Trust provides. During that period the Trust participated in 90.6% of national clinical audits and 100% of national confidential enquiries in which it was eligible to participate.

The national clinical audits and national confidential enquiries that the Trust was eligible for and participated in, and for which data collection was completed during 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

### National clinical audit project participation

National clinical audit title	Trust eligible	Trust participated	% submitted
BAUS Urology Audit: Nephrectomy	yes	yes	ongoing
BAUS Urology Audit: Percutaneous Nephrolithotomy (PCNL)	yes	yes	ongoing
BAUS Urology Audit: Radical Prostatectomy	yes	yes	ongoing
Case Mix Programme (CMP)	yes	yes	100%
Elective Surgery (National PROMs Programme)	yes	yes	ongoing
Falls and Fragility Fractures Audit Programme (FFFAP): Inpatient Falls	yes	yes	100%
Falls and Fragility Fractures Audit Programme (FFFAP): National Hip Fracture Database	yes	yes	100%
Feverish Children (care in emergency departments)	yes	yes	100%
Inflammatory Bowel Disease (IBD) Registry: Biological Therapies Audit	yes	no	n/a
Learning Disabilities Mortality Review Programme (LeDeR)	yes	yes	100%
Major Trauma Audit	yes	yes	ongoing
Mandatory Surveillance of Bloodstream Infections and <i>Clostridium difficile</i> Infection	yes	yes	ongoing
National Adult Community-Acquired Pneumonia (CAP) Audit	yes	yes	ongoing
National Adult Non-Invasive Ventilation (NIV) Audit	yes	yes	ongoing
National Asthma and Chronic Obstructive Pulmonary Disease (COPD) Audit Programme (NACAP): Adult Asthma Secondary Care	yes	yes	ongoing
National Asthma and COPD Audit Programme (NACAP): COPD Secondary Care	yes	yes	ongoing
National Audit of Breast Cancer in Older People (NABCOP)	yes	yes	100%
National Audit of Care at the End of Life (NACEL)	yes	yes	100%

National clinical audit title	Trust eligible	Trust participated	% submitted
National Audit of Dementia (care in general hospitals)	yes	yes	100%
National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy12)	yes	yes	ongoing
National Bariatric Surgery Registry (NBSR)	yes	yes	100%
National Cardiac Arrest Audit (NCAA)	yes	yes	ongoing
National Cardiac Audit Programme (NCAP): National Audit of Cardiac Rhythm Management (CRM)	yes	yes	ongoing
NCAP: Myocardial Ischaemia National Audit Project (MINAP)	yes	yes	ongoing
NCAP: National Audit of Percutaneous Coronary Interventions (Coronary Angioplasty)	yes	yes	ongoing
NCAP: National Heart Failure Audit	yes	yes	ongoing
National Comparative Audit of Blood Transfusion programme: Use of Fresh Frozen Plasma and Cryoprecipitate in Neonates and Children	yes	yes	100%
National Comparative Audit of Blood Transfusion Programme: Management of Massive Haemorrhage	yes	yes	100%
National Diabetes Audit (Adults): National Diabetes Foot Care Audit	yes	yes	ongoing
National Diabetes Audit (Adults): National Diabetes Inpatient Audit (NaDIA)	yes	yes	100%
National Diabetes Audit (Adults): NaDIA Harms (reporting on diabetic inpatient harms in England)	yes	no	n/a
National Diabetes Audit (Adults): National Core Diabetes Audit	yes	yes	ongoing
National Diabetes Audit (Adults): National Pregnancy in Diabetes Audit	yes	yes	ongoing
National Early Inflammatory Arthritis Audit (NEIAA)	yes	yes	ongoing
National Emergency Laparotomy Audit (NELA)	yes	yes	ongoing
National Gastrointestinal Cancer Programme: National Oesophagogastric Cancer (NOGCA)	yes	yes	ongoing
National Gastrointestinal Cancer Programme: National Bowel Cancer Audit (NBOCA)	yes	yes	ongoing
National Joint Registry (NJR)	yes	yes	ongoing
National Lung Cancer Audit (NLCA)	yes	yes	ongoing
National Maternity and Perinatal Audit (NMPA)	yes	yes	>70%
National Mortality Case Record Review Programme	yes	no	n/a
National Neonatal Audit Programme: Neonatal Intensive and Special Care (NNAP)	yes	yes	ongoing
National Ophthalmology Audit (NOA)	yes	no	n/a
National Paediatric Diabetes Audit (NPDA)	yes	yes	ongoing

National clinical audit title	Trust eligible	Trust participated	% submitted
National Prostate Cancer Audit	yes	yes	100%
Reducing the Impact of Serious Infections (Antimicrobial Resistance and Sepsis): Antibiotic Consumption	yes	yes	ongoing
Reducing the Impact of Serious Infections (Antimicrobial Resistance and Sepsis): Antimicrobial Stewardship	yes	yes	ongoing
Sentinel Stroke National Audit Programme (SSNAP)	yes	yes	90%+
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance Scheme	yes	yes	100%
Seven-Day Hospital Services Self-Assessment Survey (England only)	yes	no	n/a
Surgical Site Infection Surveillance Service	yes	yes	100%
Vital Signs in Adults (care in emergency departments)	yes	yes	100%
VTE Risk in Lower Limb Immobilisation (care in emergency departments)	yes	yes	57.9%

### Confidential enquiries project participation

Confidential enquiry project title	Trust eligible	Trust participated	% submitted
Child Health Clinical Outcome Review Programme: Long-Term Ventilation in Children, Young People and Young Adults	no	no	n/a
Maternal, Newborn and Infant Clinical Outcome Review Programme: Perinatal Mortality Surveillance (reports annually)	yes	yes	ongoing
Maternal, Newborn and Infant Clinical Outcome Review Programme: Perinatal Morbidity and Mortality Confidential Enquiries (reports alternate years)	yes	yes	ongoing
Maternal, Newborn and Infant Clinical Outcome Review Programme: Maternal Mortality Surveillance and Mortality Confidential Enquiries (reports annually)	yes	yes	ongoing
Maternal, Newborn and Infant Clinical Outcome Review Programme: Maternal Morbidity Confidential Enquiries (reports annually)	yes	yes	ongoing
Medical and Surgical Clinical Outcome Review Programme: Perioperative Diabetes	yes	yes	62.5%
Medical and Surgical Clinical Outcome Review Programme: Acute Bowel Obstruction	yes	yes	ongoing
Mental Health Clinical Outcome Review Programme (NCISH)	no	Not eligible but Trust reviews NCISH recommendations	

## National clinical audit projects reviewed by the Trust

The reports of 32 national clinical audits on each site were reviewed by the provider in 2018/19. The Trust intends to improve the quality of healthcare provided and review the remaining national clinical audits relating to 2018/19 to identify and collate actions to be taken to improve the quality of healthcare provided.

The table below provides a summary of some of the actions we intend to take to improve quality, safety and clinical effectiveness arising from participation in national clinical audit. It is not intended to be a comprehensive reflection of the action plans. Actions are ongoing and are monitored via the clinical effectiveness group.

### Actions planned

National clinical audit	Department leading review	Summary and agreed actions arising from national clinical audits
Inflammatory Bowel Disease (IBD) Registry	Gastroenterology	The Trust does not currently take part in this audit as there is no IBD database in place to upload data to the national registry. The clinical effectiveness group recommended the clinical lead liaise with the divisional clinical information officer and take an option analysis to the divisional board. Regarding care of patients, all IBD patients on biologics are required to have an annual review.
National Audit of Dementia	Elderly Care	Dementia champion engaged in teaching on all wards. Dementia pathway in operation at C&W and similar approach being developed at WMUH.
National Bowel Cancer Audit	Cancer	The Trust was notified of their high data submission rate to National Bowel Cancer Audit for the year 2016/17.
National Diabetes Inpatient Audit	Endocrinology and Diabetes	15% of patients admitted to C&W and 20% of patients admitted to WMUH have diabetes but the majority are not admitted due to their diabetes. The following recommendation has been highlighted—bedtime snacks to be introduced to prevent hypoglycaemia in the early morning. There is adequate specialist staffing at WMUH and this is currently under review at C&W.
National Neonatal Audit Programme (NNAP)	Neonatology	A peer review assessed performance in NNAP and an action plan is in place to address areas of lower performance. Nursing and Allied Healthcare Professional numbers need to be increased and a recruitment plan is in place. There is particular concern about therapy provision to the WMUH SCBU. The peer review report has also gone to the compliance group. Ongoing monitoring of improvement should be via the divisional quality board and then to clinical effectiveness group via the quality report.
National Pregnancy in Diabetes Audit	Obstetrics	Pre-conception clinic for women with pre-existing diabetes does not meet the minimum standards for a multidisciplinary team (MDT) clinic. This is a high priority for the division, working with Emergency and Integrated Care colleagues and impacting on targets. A high-level action plan has been identified and will be taken back to divisional management. Funding has been sought to use a new app from Sensyne Health, a healthcare tech company, to benefit the service and integrate with CernerEPR.

National clinical audit	Department leading review	Summary and agreed actions arising from national clinical audits
NIV Checklist Audit	Enhanced Care	British Thoracic Society (BTS) considers it good practice to use a checklist for non-invasive ventilation (NIV)—this was implemented in 2017 and updated in early 2018. The audit identified a 55% improvement in use of the checklist between 2017 and 2018. While the findings were generally positive, the audit has highlighted that more work is needed to improve coding and also around ensuring appropriate ceilings of care are set. The audit will be annual, with the aim of assessing how well NIV is utilised. This will be included in the Emergency and Integrated Care quality report. The policy will be updated in line with the audit findings.

## Local clinical audit projects reviewed by the Trust

The reports of a random selection of 12 of 173 local clinical audits were reviewed by the provider in 2018/19. Below are examples from across the Trust that demonstrate some of the ongoing actions to improve the safety and effectiveness of our services.

### Local clinical audit summary

Local clinical audit title	Summary and agreed actions arising from local clinical audits
Lost Income in Colorectal Outpatients—An Analysis of Clinic Outcome Forms	Clinical outcome forms of 538 colorectal patients were reviewed and content compared with clinician letters of these same patients. An analysis of costs associated with both documents found an annual saving of £506,233 when using clinical outcome forms. The audit recommended educating staff on (1) completing new electronic forms on CernerEPR and (2) financial impact of incorrect completion of forms. The results of these audits were presented at a local surgical meeting and at the Trustwide clinical governance meeting. An oral presentation was scheduled at the Doctors' Academy Conference.
Audit to Assess Compliance to Surgical Prophylaxis Guidelines for Adult Patients at WMUH	The audit analysed case records of 43 patients having elective procedures in different surgical specialities during a period of one month. The audit found poor recording of allergies to antibiotics and nature (ie penicillin), local guidelines not followed when prescribing antimicrobials, lack of electronic prescribing records to enable review of a larger data set, lack of data to determine how many patients are getting screened for MRSA, and lack of allergy testing to determine nature of antimicrobial allergies to target antibiotic use for surgical prophylaxis. The audit recommended local feedback and training for anaesthetic staff on surgical antibiotic prophylaxis guidelines, improved documentation around timings of surgery, especially start (knife-to-skin) and end times, a review of the MRSA screening programme, and an investigation of the role of beta-lactam allergy testing as part of antimicrobial stewardship services within the Trust, followed by a reaudit. The results of the audit were disseminated to the local surgical team and presented at a local surgical team meeting.

Local clinical audit title	Summary and agreed actions arising from local clinical audits
Reaudit of Preoperative Fasting in Elective Surgical Patients	This reaudit was carried out to determine any improvement to a previous audit which found a lack of awareness around preoperative starvation guidelines among staff. The reaudit found that although 100% of surgical admissions lounge (SAL) staff surveyed reported knowing fasting guidelines for solids and liquids, compared to 37.5% in the previous audit, there was no improvement in fasting times. This was due to a lack of communication between SAL nurses and theatre staff, patients given wrong information and not aware of guidelines, list changes, fluids not discussed at team briefing, and issues with patients being cancelled if not starved.
Time to Antibiotic Dosing in Septic Patients	93 patients were identified as receiving amikacin for suspected sepsis during the study period. The time from prescription to administration for patients treated for suspected sepsis as an inpatient was below expectations set by local and national guidance. The 54% observed compliance fell below national standards (90% CQUIN target). The lack of availability of ward stock of amikacin had a significant impact on time to first dose, with wards with stock or where borrowing of other patient stock occurred, resulting in superior time to administration. It was noted that documentation of administration by nursing staff was often completed retrospectively and may not have accurately reflect time of true administration. The audit recommended updating stock availability of antimicrobials to reflect current guidelines and feedback the audit results to sepsis and antimicrobial committees. The audit results were disseminated to the sepsis, antimicrobial and patient safety groups.
Improving Management of Alcohol Withdrawal in the Emergency Department	This reaudit assessed compliance with Royal College of Emergency Medicine (RCEM) recommendations of using the Clinical Institute Withdrawal Assessment for Alcohol (revised) (CIWA-Ar) score to guide the management of alcohol withdrawal in the emergency department after introduction of a departmental guideline. Although compliance with the RCEM standards improved after introduction of the guideline, they did not achieve the recommendations which call for all patients with suspected alcohol withdrawal to have a CIWA-Ar score documented and all patients with suspected alcohol withdrawal to have appropriate intervention initiated and documented. It should be noted that a proportion of patients received treatment without having a CIWA-Ar score documented. The audit recommended updating the departmental guideline based on staff suggestions to make it easier to use, reauditing after the roll-out of the new guideline, and introducing local education sessions. The audit results were disseminated at the local clinical governance meeting.
Compliance with NICE Guidelines of NSTEMI Discharge Summaries	All patients with a non-ST elevation myocardial infarction NSTEMI code discharged within a three-month period were audited. The audit focused on whether the following were included in the discharge summary— diagnosis, advice regarding secondary prevention, follow-up plan, and investigations including haemoglobin (Hb), platelets, creatinine, HBA1c (average blood glucose), lipids and echocardiogram. Additionally, whether the following medications were prescribed— aspirin, clopidogrel, statins, bisoprolol, ACEI/ARBs, GTN spray. The audit found that diagnosis and troponin were documented in 98–99% of the records and >80% records showed appropriate prescription of medication. Echocardiogram was documented in only 57% of records and GTN spray was prescribed for only 33%. The audit recommended incorporating electronic prompting systems in discharge summaries to remind doctors about medications including GTN spray, educating junior doctors on the audit results, and undertaking a comparison with other discharge summary audits across the Trust. The audit results were disseminated at a cardiology audit meeting.

Local clinical audit title	Summary and agreed actions arising from local clinical audits
<p>Audit on ECG Examination: Are ECGs Being Reviewed and Signed by Clinicians?</p>	<p>This retrospective audit was carried out on 100 patients during a one-week period. ECG results (including abnormal) were analysed for signatures and doctors' notes. The audit found that although 74% of ECGs were signed, it was not clear who had signed them. 24% of the records had no signatures and only 2% were signed clearly with the name of the doctor who had signed it. The audit recommended an ECG stamp be put into place using CernerEPR to record ECG results and teaching on ECG to minimise errors when interpreting. The audit results were disseminated to the local A&amp;E team and A&amp;E consultants meeting.</p>
<p>Reaudit of Compliance with National Diabetes Inpatient Audit (NADIA)</p>	<p>This reaudit looked specifically at recommendations around the frequency of monitoring of blood glucose, and the documentation and management of hypoglycaemic episodes in inpatients on an endocrinology ward. Patients were identified from inpatient lists on a single ward on one hospital site with the data compared against the initial audit data. The audit found that ward staff were more effective at monitoring blood glucose levels when compared to the initial audit, with 96% of readings documented as per guidelines. There was improvement in the figures for missed pre-lunch and pre-dinner doses compared to the initial audit. Once again, the re-audit highlighted ongoing deficiencies in the documentation of hypos as per Trust guidelines. Despite this, there was an 18% rise in the number of hypos correctly treated, which indicated that hypos were being increasingly documented albeit in the wrong section on the Lastword patient record system. The audit recommended providing one-to-one sessions with nursing staff to demonstrate documentation of hypoglycaemic episodes on Lastword. Posters will be placed at strategic locations on wards to remind healthcare staff how frequently blood sugars should be checked.</p>
<p>Assess Unit Compliance with NICE Guidance 129 on the Management of Multiple Gestation</p>	<p>Notes were audited of patients booked in for monochorionic diamniotic (MCDA) and dichorionic diamniotic (DCDA) twin pregnancies within an 11-month period. The audit found that although patients had good access to dating scans and screenings, there was a need to check haemoglobin (Hb) routinely at 20–24 weeks and improvement required to ensure DCDA twins were seen at appropriate gestations. The audit recommended an improved awareness of risk screening for pre-eclampsia and an established routine full blood count (FBC) check at the anomaly scan. A prospective pro forma was advised to enable data collection on twin deliveries. The high lower segment Caesarean section (LSCS) rate would be tackled with a patient information leaflet and counselling. The audit findings were presented at an obstetric and gynaecology audit meeting.</p>
<p>Audit of the Neurosyphilis Management Pathway</p>	<p>Patients were identified through Kobler Day Care appointments during a one-year period. The audit found that 83% of patients had cerebrospinal fluid (CSF) biomarkers performed (standard expected 100%), 78% were treated for neurosyphilis (standard expected 100%), 81% were referred for CT head scans by genitourinary clinicians (standard expected 100%) and 100% commenced on treatment completed the full neurosyphilis treatment course. The audit recommended teaching sessions be provided for the genitourinary directorate on neurosyphilis pathways, logistics, and diagnosis criteria, the protocol for CSF testing be discussed with lab managers and clear instructions made available for junior doctors, and a reaudit be undertaken in 2019. The audit findings were disseminated at the to the local team and findings submitted for poster presentation at the joint British HIV Association (BHIVA) and British Association for Sexual Health and HIV (BASHH) conference.</p>

Local clinical audit title	Summary and agreed actions arising from local clinical audits
<p>Audit on the Prescription of Prophylactic Aspirin in Maternity Patients at High Risk of Hypertensive Disorders of Pregnancy</p>	<p>A retrospective analysis was undertaken on maternity notes for all inpatients on the postnatal ward over a four-week period. The analysis looked specifically at whether gestation was booked, if aspirin was prescribed, if any high risk or moderate risk factors were documented, and if there was documentation regarding other reasons for prescription and complications. The audit found 12 of 17 patients who fulfilled the risk factor criteria were not prescribed aspirin—six with one high risk factor and six with one or more moderate risk factors. Four of nine patients prescribed aspirin did not fulfil the risk criteria. The audit concluded that the hospital site was not currently compliant with NICE CG107 guidelines for the prescription of prophylactic aspirin. Also, documentation of start date and end date of Aspirin prescription was not always carried out. The audit recommended an aspirin risk factor tool (or sticker) outlining 'high' and 'moderate' risk factors (similar to VTE tool) be included in antenatal notes to prompt risk factor assessment. A teaching session to given to midwives conducting booking assessment to prompt obstetric referral if risk factors identified. Posters to be displayed in antenatal clinic check-up rooms to remind obstetricians when to offer prophylactic aspirin and to check at each appointment. A reaudit is to be carried out.</p>
<p>Postnatal Contraception</p>	<p>A prospective audit was carried out on 257 women on a postnatal ward to gauge patient understanding of postpartum contraception, their use of contraception pre-conception, choices of contraception use postnatally, their perspective on the demand of immediate postpartum contraception. The audit found that a majority of women were not counselled antenatally about contraception options. There was also no standardised contraception information provided to patients prior to discharge. Additionally, 41% had never used contraception in the past, a second majority (19%) had only ever used condoms and most women were unsure about what they would like to use. The audit recommended that patient information leaflets be provided to all women postnatally, immediate post-partum contraception is offered, and that the Trust postpartum contraception guideline be updated.</p>

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

Active participation in clinical research leads to better treatments for patients and improvements in patient health outcomes. In 2018/19, 6,945 patients receiving relevant health services provided or subcontracted by the Trust were recruited during that period to participate in research approved by a research ethics committee.

Participation in clinical research demonstrates the Trust's commitment to improving the quality of care we offer, making our contribution to wider health improvement, and our clinical staff staying abreast of the latest treatment possibilities.

The Trust was involved in conducting 261 research studies in 2018/19 in A&E, anaesthetics, critical care, diabetes, ENT (ear, nose and throat), maternity, ophthalmology, surgery, metabolic and endocrine medicine, sexual health, genetics, neurology, neonatology, infection, urology, cancer, gastroenterology, paediatrics, haematology, respiratory medicine, cardiology, rheumatology, dermatology and stroke.

116 Trust staff members participated as chief investigators and principal investigators for research studies approved by a research ethics committee at the Trust during 2018/19.

In the last three years, 1,205 publications have resulted from our involvement in research and audits, which shows our commitment to transparency and our desire to improve patient outcomes and experience across the NHS.

Our engagement with clinical research also demonstrates the Trust's commitment to testing and offering the latest medical treatments and techniques.

## **Commissioning for Quality and Innovation (CQUIN) schemes**

The Trust's contracts with principal NHS commissioning organisations include a commitment to invest in and deliver schemes aimed at improving quality in areas that reflect national policy or priorities.

For the 2018/19 contract year, the Trust agreed to five schemes with CCGs and seven schemes with Commissioners of Specialised Services, including Secondary Dental Services and services for Armed Forces personnel.

Each scheme is structured around indicators and milestones designed to drive improvement, directly or indirectly, in aspects of patient safety, patient experience and clinical effectiveness.

A proportion of clinical services income within each contract is linked to these schemes, and actual payments are made based on how well the schemes are delivered according to an assessment by the commissioner of evidence, submitted by the designated leads for each scheme.

The following tables summarise the 2018/19 schemes, the expected level of achievement, and financial benefits. The full-year forecast is based on the level of achievement up to and including Q2, already confirmed by the respective commissioners and a projection of full-year achievement.

The Trust reached an agreement with local commissioners that payment would be made based on an assumed 100% achievement for all schemes described in Table 1 (excluding indicators SLA 1–4), irrespective of the actual outcome of quarterly assessments, and in expectation that the Trust would deliver the schemes as far as possible, but without investing additional money. Forecast delivery achievement reflects the outcomes that are likely following commissioner assessment.

**Table 1**

LOCALLY (CCG) COMMISSIONED SERVICES				2018-19 Contract Value	£ 235,044,040	Applicable contract value		
				2018-19 CQUIN Value	£ 5,876,101	2.5% of Applicable Contract Value		
Indicator No.	Description of CQUIN Indicator	Quality Priorities	Indicator Weighting (% of CQUIN scheme available)	Expected Financial Value of Scheme Indicator	Forecast Delivery Achievement	Forecast Financial Achievement %	Forecast Financial Achievement £	
1a	Improvement of health and wellbeing of NHS staff	Patient Safety, Clinical Effectiveness, Patient Experience	33.33%	0.0833%	£ 195,674	0%	100%	£ 195,674
1b	Healthy food for NHS staff, visitors and patients	Patient Experience	33.33%	0.0833%	£ 195,674	100%	100%	£ 195,674
1c	Improving the uptake of flu vaccinations for front line staff within Providers	Patient Safety, Patient Experience	33.34%	0.0834%	£ 196,262	100%	100%	£ 196,262
2a	Timely identification of sepsis in emergency departments and acute inpatient settings	Patient Safety, Clinical Effectiveness, Patient Experience	25.00%	0.0625%	£ 146,903	60%	100%	£ 146,903
2b	Timely treatment for sepsis in emergency departments and acute inpatient settings	Patient Safety, Clinical Effectiveness, Patient Experience	25.00%	0.0625%	£ 146,903	60%	100%	£ 146,903
2c	Antibiotic review	Patient Safety, Clinical Effectiveness, Patient Experience	25.00%	0.0625%	£ 146,903	100%	100%	£ 146,903
2d - Part 1	Total antibiotic usage (for both in-patients and out-patients) per 1,000 admissions	Patient Safety, Clinical Effectiveness, Patient Experience	8.33%	0.0208%	£ 48,948	100%	100%	£ 48,948
2d - Part 2	Total usage (for both in-patients and out-patients) of carbapenem per 1,000 admissions	Patient Safety, Clinical Effectiveness, Patient Experience	8.33%	0.0208%	£ 48,948	100%	100%	£ 48,948
2d - Part 3	Total usage (for both in-patients and out-patients) of piperacillin-tazobactam per 1,000 admissions	Patient Safety, Clinical Effectiveness, Patient Experience	8.34%	0.0209%	£ 49,007	100%	100%	£ 49,007
4	Improving services for people with mental health needs who present to A&E	Patient Safety, Clinical Effectiveness, Patient Experience	100.00%	0.2500%	£ 587,610	40%	100%	£ 587,610
6	Offering advice and Guidance (A&G)	Clinical Effectiveness, Patient Experience	100.00%	0.2500%	£ 587,610	100%	100%	£ 587,610
9 - Part a	Tobacco screening	Clinical Effectiveness, Patient Experience	5.00%	0.0125%	£ 29,381	17%	100%	£ 29,381
9 - Part b	Tobacco brief advice	Clinical Effectiveness, Patient Experience	20.00%	0.0500%	£ 117,522	17%	100%	£ 117,522
9 - Part c	Tobacco referral and medication offer	Clinical Effectiveness, Patient Experience	25.00%	0.0625%	£ 146,903	17%	100%	£ 146,903
9 - Part d	Alcohol screening	Clinical Effectiveness, Patient Experience	25.00%	0.0625%	£ 146,903	17%	100%	£ 146,903
9 - Part e	Alcohol brief advice or referral	Clinical Effectiveness, Patient Experience	25.00%	0.0625%	£ 146,903	17%	100%	£ 146,903
				<b>1.25%</b>	<b>£ 2,938,051</b>			<b>£ 2,938,051</b>
SLA 1	Clinical and managerial leadership and engagement in transformation programmes to deliver new models of planned and unplanned care	Patient Experience and Financial Effectiveness	25.00%	0.3125%	£ 734,513	100%	100%	£ 734,513
SLA 2	Review progress on implementation of Transformation Programmes	Patient Experience and Financial Effectiveness	25.00%	0.3125%	£ 734,513	100%	100%	£ 734,513
SLA 3	Evaluation of progress on the activity levels set out within 18/19 plans and its alignment to working towards models of care that support the OBC - non elective trends for acute Trusts	Patient Experience and Financial Effectiveness	25.00%	0.3125%	£ 734,513	100%	100%	£ 734,513
SLA 4	For a review of alignment of CIPs with QIPP projects by month 6	Patient Experience and Financial Effectiveness	25.00%	0.3125%	£ 734,513	100%	100%	£ 734,513
				<b>1.25%</b>	<b>£ 2,938,051</b>			<b>£ 2,938,051</b>

**Table 2**

SPECIALISED SERVICES				18-19 Contract Value	£ 123,589,000	Total Contract Value		
				018-19 CQUIN Value	£ 1,216,442	2% of Applicable Contract Value		
Ref.	Description of CQUIN Indicator	Quality Priorities	Indicator Weighting (% of CQUIN scheme available)	Expected Financial Value of Scheme Indicator	Forecast Delivery Achievement	Forecast Financial Achievement £		
CA1/IM1	Enhanced Supportive Care	Clinical Effectiveness, Patient Experience	10.00%	£ 121,644	100%	£ 121,644		
CA2	Nationally standardised dose banding for Adult Intravenous Anticancer Therapy (SACT)	Clinical Effectiveness, Patient Experience	10.00%	£ 121,644	100%	£ 121,644		
CA3	Optimising palliative chemotherapy decision making	Clinical Effectiveness, Patient Experience	10.00%	£ 121,644	100%	£ 121,644		
GE3	Hospital medicines optimisation	Clinical Effectiveness	55.00%	£ 669,043	100%	£ 669,043		
WC5	Neonatal community outreach	Clinical Effectiveness, Patient Experience	15.00%	£ 182,466	100%	£ 182,466		
				<b>100.00%</b>	<b>£ 1,216,442</b>			<b>£ 1,216,442</b>

**Table 3**

<b>SECONDARY DENTAL SERVICES</b>						
		18-19 Contract Value	£ 4,174,289	Total Contract Value		
		018-19 CQUIN Value	£ 62,614	1.5% of Applicable Contract Value		
Ref.	Description of CQUIN Indicator	Quality Priorities	Indicator Weighting (% of CQUIN scheme available)	Expected Financial Value of Scheme Indicator	Forecast Delivery Achievement	Forecast Financial Achievement £
A	Activity reporting by Referral to Treatment (RTT) for each dental speciality	Patient Safety, Clinical Effectiveness, Patient Experience	33.33%	£ 20,869	100%	£ 20,869
B	Acute Dental Systems Resilience Group	Patient Safety, Clinical Effectiveness, Patient Experience	33.33%	£ 20,869	100%	£ 20,869
C	Use of the acute dental portal	Clinical Effectiveness, Patient Experience	33.33%	£ 20,869	100%	£ 20,869.25
			<b>99.99%</b>	<b>£ 62,614</b>		<b>£ 62,608</b>

**Table 4**

<b>ARMED FORCES SERVICES</b>						
		18-19 Contract Value	£ 404,306	Total Contract Value		
		018-19 CQUIN Value	£ 9,962	2.5% of Applicable Contract Value		
Ref.	Description of CQUIN Indicator	Quality Priorities	Indicator Weighting (% of CQUIN scheme available)	Expected Financial Value of Scheme Indicator	Forecast Delivery Achievement	Forecast Financial Achievement £
A	Enhanced Armed Forces Covenant	Patient Experience	100.00%	£ 9,962	100%	£ 9,962
			<b>100.00%</b>	<b>£ 9,962</b>		<b>£ 9,962</b>

## Registration with the Care Quality Commission (CQC)

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

The Trust is required to register with the CQC and its current registration status is 'fully registered'. The Trust has 'no conditions' on registration. The CQC has not taken enforcement action against the Trust during 2018/19. To find out more about the CQC visit [www.cqc.org.uk](http://www.cqc.org.uk).

The Trust has not participated in any special reviews or investigations by the CQC during 2018/19.

## Secondary Uses Service (SUS) information

The Trust submitted records during 2018/19 to the SUS for inclusion in the Hospital Episode Statistics which are included in the latest published data. Best/worst figures were unavailable for NHS number completeness and General Medical Council (GMC) practice code completeness, so national mean is used, which is the most important reference point.

### Valid NHS number

	2018/19	2017/18	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
A&E	97.8%	97.4%	–	–	96.7%
Outpatients	97.6%	97.2%	–	–	99.5%
Admitted patient care	96.9%	96.8%	–	–	99.3%

## GMC practice code

	2018/19	2017/18	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
A&E	97.2%	97.1%	–	–	99.0%
Outpatients	99.7%	99.9%	–	–	99.8%
Admitted patient care	99.6%	99.4%	–	–	99.9%

## Information governance

### Data security and protection (DSP) toolkit attainment levels

Information governance (IG) is the way organisations process or handle information. It covers information relating to patients and staff, as well as corporate information, and helps ensure the information is handled appropriately and securely.

The DSP toolkit replaces the IG toolkit this year. Like its predecessor it is an online self-assessment tool that enables NHS organisations and their partnering bodies to measure how well they are complying with Department of Health standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage.

The attainment level assessed within the DSP toolkit provides an overall measure of the quality of data systems, standards and processes. It aims to demonstrate how we are implementing the 10 data security standards, recommended by Dame Fiona Caldicott, the national data guardian for health and care. The DSP toolkit sets out specific criteria that enable performance to be assessed based on submitted evidence and assertions, resulting in three possible outcomes—standards met, standards not fully met (plan agreed), and standards not met. For more information about the DSP toolkit please visit [www.dsptoolkit.nhs.uk](http://www.dsptoolkit.nhs.uk).

**Assessment outcome:** For 2018/19 the Trust achieved ‘standards met’. Substantive staff information governance training compliance was at a record end of year high of 96.4%.

### Freedom of information (FOI)

Compliance with FOI has maintained good performance levels. We achieved 91.26% compliance against the 20-day response rate for calendar year 2018/19 with 745 FOI requests received.

### Information Commissioner’s Office (ICO) audit

In 2017 the ICO carried out a voluntary audit of three areas with the findings below. We had no urgent recommendations.

- **Training and awareness:** Reasonable assurance
- **Subject access requests:** Limited assurance
- **Data sharing:** Limited assurance
- **Overall rating:** Limited assurance

For context, of the five hospitals with the most recent ICO audits at the time, four also had limited assurance and one had reasonable assurance despite having one urgent recommendation.

In Aug 2018 the ICO carried out the planned follow-up audit to check on progress made against their recommendations. Their opening sentence was: *“We acknowledge and are encouraged by the work the Trust has undertaken in order to meet the recommendations made in our audit report.”*

Of the 56 accepted recommendations, 46 were marked as complete, 7 partially complete and 3 not implemented. The ICO now considers the audit engagement complete.

## General Data Protection Regulation (GDPR)

GDPR came into force on 25 May 2018 along with the UK interpretation of this legislation, the Data Protection Act 2018. As required by law we have appointed a data protection officer and are compliant with the core aspects, led in part by work on the DSP Toolkit and various other streams. We are working to centralise GDPR and considering the purchase of an electronic GDPR compliance solution.

## Clinical coding error rate

The Trust was not subject to the Payment by Results clinical coding audit during 2018/19 by the Audit Commission.

## Data quality

The Trust has been/will be taking the following actions to improve data quality (DQ):

- **Previous audits from KPMG, NHSI and a review from Deloitte:** Key themes and actions from these audits are fed in to the DQ steering group for ongoing monitoring and oversight, to form a key part of the 2019/20 work plan
- **Validation of RTT data:** Undertaken by the performance team at C&W and the RTT validation team at WMUH
- **DQ teams at WMUH (BAU) and C&W (EPR programme):** Established to investigate, fix and re-train all DQ issues
- **Information Governance steering group:** To review and republish the updated DQ policy
- **DQ dashboard:** To monitor and enforce correct system usage at both sites—where retraining is required, there is a training programme run by DQ team at WMUH by which errors gets highlighted to the relevant line manager and DQ team provides training to the staff, key to the CernerEPR go-live at C&W
- **Known DQ issues:** Logged by the DQ team and, for recurring issues, a root cause analysis will be completed to develop a corrective action plan to support relevant services improve the quality of data inputted and reported—chronic DQ issues will be tackled by ad hoc temporary staff as to not impact operational activities

## Learning from deaths

During 2018/19, 1,246 patients died at the Trust, comprising the following number of deaths each quarter of that reporting period:

- 302 in Q1
- 316 in Q2
- 300 in Q3
- 328 in Q4

By 1 May 2019, 720 case record reviews and 10 investigations have been carried out in relation to the 1,246 deaths.

In 10 cases, a death was subject to both a case record review and an investigation. The number of deaths in each quarter for which either a case record review or an investigation was carried out was:

- 226 in Q1
- 220 in Q2
- 160 in Q3
- 114 in Q4

One case representing 0.1% of all patient deaths during the reporting period are judged to be more likely than not to have been due to problems with the care provided to the patient. In relation to each quarter, this consisted of:

- 0 representing 0% for Q1
- 1 representing 0.3% for Q2
- 0 representing 0% for Q3
- 0 representing 0% for Q4

These numbers have been estimated following case record reviews (720 cases) and root cause analyses (10 investigations). The impact of problems in care provision is graded using the classification system initially developed within the Confidential Enquiry into Stillbirth and Deaths in Infancy (CESDI).

CESDI outcome grading system:

- **Grade 0:** Unavoidable death, no suboptimal care
- **Grade 1:** Unavoidable death, suboptimal care, but different management would not have made a difference to the outcome
- **Grade 2:** Suboptimal care, but different care *might* have affected the outcome (possibly avoidable death)
- **Grade 3:** Suboptimal care, different care *would reasonably be expected* to have affected the outcome (probable avoidable death)

Excellent clinical care is provided to the majority of patients who die at the Trust—however, areas for improvement are identified via the case record review process. Key themes for improvement identified via this route include:

- Recognition, escalation and response to deteriorating patients
- Establishment of and ongoing communication with patients and their families regarding ceilings of care
- The timely transportation of patients between Trust sites and other organisations
- Delays undertaking assessments, investigations or diagnoses
- The process for handover between clinical teams

Where case record reviews or investigations identified potential areas for improvement, individual actions plans are developed to support monitor change delivery. Learning from case record reviews is scrutinised by the organisation's Mortality Surveillance Group (MSG).

During this reporting period the MSG has initiated the following organisation-wide actions to support learning and improve outcomes:

- Development of the Trust's inter- and intra-hospital transfer arrangements
- Development of the major haemorrhage processes
- Investigation of ultrasound competency required to place central lines
- Introduction of treatment and escalation plans to support end-of-life care decision-making

The following actions are proposed for 2019/20:

- Introduction of medical examiners and enhancement of Trust bereavement services to provide enhanced learning opportunities and support for patients' families and carers.

The impact of the case record review process and the associated improvement actions can be assessed using the Hospital Standardised Mortality Ratio (HSMR). On 24 April 2019 the relative risk of mortality at the Trust between February 2018 and January 2019 was 71.5 (67.5–75.7), which is below the expected range.

Nine months of low relative risk, where the upper confidence limit fell below the national benchmark, were experienced during the 12-month period to the end of Jan 2018. This indicates a continuing trend for improving patient outcomes and reducing relative risk of mortality within the Trust.

438 case record reviews and 5 investigations were completed after 1 Apr 2018 which related to deaths taking place before the start of the reporting period. One case review/investigation (representing 0.01% of total deaths in 2017/18) was judged to be more likely than not to have been due to problems in the care provided to the patient.

This number has been estimated following case record reviews (438 deaths occurring in 2017/18 had care record reviews completed in 2018/19) and root cause analyses (5 deaths occurring in 2017/18 had root cause analyses completed in 2018/19).

## Reporting against core indicators

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

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

### Core indicators

#### Summary hospital level mortality indicator (SHMI)

	2017/18	2018/19	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
Summary hospital level mortality indicator (SHMI)*	0.8 (better than expected)	0.8 (better than expected)	1.26	0.69	1

\* The SHMI reporting period for 2018/19 is Oct 2017–Sep 2018

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

- The Trust maintains good performance with regards to mortality and has seen a sustained steady improvement in the key national indicators which compares performance with peers—HSMR and SHMI. The outcome indicators encompass both hospital sites and document a step change improvement in outcomes since March 2017.

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

- Mortality surveillance and assurance provided through scrutiny and analysis of information from internal mortality reviews, serious incidents, external data and potential alerts from Hospital Episode Statistics (HES), NHS Digital, SHMI and Dr Foster.
- A dedicated bespoke mortality review module developed within the Datix Safety Learning System to feed information to clinical teams to prompt specialty mortality reviews and learning.
- A learning system module which supports and provides a single repository for all inpatient deaths and provides a platform for recording and analysing consultant led-reviews—any adverse findings trigger further action plans/learning and more in-depth reviews if required.
- Listing trends or themes identified at the Mortality Surveillance Group for further investigation with input from clinical coding and appropriate clinical teams, which informs the development of the Trust Mortality Management Plan.

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

	2017/18	2018/19	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
Percentage of patient deaths with palliative care coded	32.0%	51.0%	14.2	59.5	33.4

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

- The Trust's percentage of deaths coded as palliative has increased dramatically in the last year and in comparison to the national average.
- Since the increase in establishment of the specialist palliative care team and the change to a seven-day face-to-face service across both sites, we have been able to support more patients at the end of life. We also now have end-of-life facilitators on both sites. Our palliative care team reviews about 65% of patients who die in the Trust which is high in comparison to other acute trusts. We consider that this represents an improvement in quality for this vulnerable patient group.

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

- Aiming to maintain at the current level as the percentage is probably near optimal.

## Patient-related outcome measures (PROMs)

Patients undergoing elective inpatient surgery for hip and knee replacement funded by the English NHS are asked to complete questionnaires before and after their operations to assess improvement in health as perceived by the patients themselves. PROMs data can be used to inform changes in service delivery.

	Trustwide			National performance		
	Average score (pre-op)	Average score (post-op)	Health gain/% of patients reporting improvement	Average score (pre-op)	Average score (post-op)	Health gain/% of patients reporting improvement
Total knee replacement	15.2	32.5	17.4/98.7%	18.9	36.0	17.1/94.6%
Total hip replacement	16.6	41.4	24.8/96.0%	17.6	39.8	22.2/97.2%

The national performance is taken from the most recent nationally published data for the period Apr 2017–Mar 2018. The data for the Trust on these two procedures is favourable against the national average scores in all domains.

## Readmission rate (28 days)—age 0–15 years

	2017/18	2018/19	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
Readmission (28 days)—age 0–15 years (P00902)*	6.9%	6.7%	19.4%	3.2%	10.8%

\* Data sourced from Dr Foster for patients readmitted, non-elective age 0–15 years

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

- The readmission rate on both sites shows a slight decrease from the previous year and is below the national mean. The indicators are reviewed as part of standard governance procedures in place within the Trust and any anomalies investigated.

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

- Both hospital sites have senior paediatric medical cover in line with Royal College of Paediatrics and Child Health (RCPCH) guidelines from 8am–10pm, seven days a week, aiding in both the assessment of children presenting for treatment and those who are deemed fit for discharge.
- A paediatric assessment unit (PAU) model was introduced at the WMUH site in 2015/16 and this has had a positive impact on the readmission rate. The pathway has since been further refined and the introduction of paediatric consultants in emergency medicine to the emergency departments has also had a significant positive impact on the acute pathway.
- On both sites there are protected rapid access slots in outpatients which enable ongoing care to be accessed quickly, without an inpatient admission.

#### Readmission rate (28 days)—age 16+ years

	2017/18	2018/19	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
Readmission (28 days)—age 16+ years (P00902)*	12.2%	12.7%	29.4%	2.0%	13.5%

\* Data sourced from Dr Foster for patients readmitted, non-elective age 16+ years

The indicators are reviewed as part of the bed productivity meeting within the Trust and any anomalies are investigated and actions identified to address them. The Trust is below the national mean for this indicator.

#### Patient flow and discharge initiatives

A number of initiatives have been coordinated via the bed productivity programme board which have aimed to improve readmission rates and drive down length of stay:

- **Red to green days:** The initiative is fully rolled out across our main downstream wards (medical and surgical). It provides daily identification of issues causing delays to care delivery and discharge, allowing action to be taken by the ward multidisciplinary team or to be escalated for support.
- **Seven-day therapies:** Following successful pilots, seven-day therapies provision for medical rehabilitation teams has commenced on both sites. This enables timelier therapies intervention and discharges across a seven-day period, enabling earlier discharges and reducing the time to be seen by the therapies team.

- **Home First:** The aim of this project is to discharge patients when medically fit allowing for therapies and social care/reablement assessments to take place in the patient's home using a 'discharge to assess' pathway. The benefits are a reduction in length of stay and reduction in the care needs once assessed in the patient's own environment. It is hoped that this will impact on readmission rates.
- **Expansion of the discharge team:** This includes the introduction of a two before twelve (2B412) discharge assistant role assigned to wards to support discharge planning and ensure timely discharges.

## Responsiveness to personal needs

	2017/18	2018/19
	Trustwide	Trustwide
Responsiveness to personal needs (P01779)	65.7%	65.4%

The patient survey results for 2018 were published in Feb 2019. There are a number of actions underway to improve survey results across the board.

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

- This indicator forms part of the National Patient Safety Survey and is reviewed alongside the Friends and Family Test, complaints and incidents—not in isolation.

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

- Patient experience is a priority for the organisation. The 2018 inpatient survey has shown some improvements from the previous year yet highlights room for improvement regarding care and treatment, which fits with 'response to personal needs'.
- The patient experience team have been collecting realtime feedback alongside the Friends and Family Test. This data is available to ward and department areas enabling them to have ownership of that data and see realtime improvements based on feedback from their patients. The Trust received positive feedback in terms of responsiveness to personal needs in the 2018 CQC feedback report.
- The patient experience group reviews the survey results along with other key metrics. Divisional leads are responsible for taking forward actions within their areas and reporting back to the Trust patient experience group.
- Divisional patient experience metrics are in place and there is an emphasis on staff engagement to share good practice but also to improve on negative themes from the results.

## Staff recommending our Trust

	2017/18	2018/19	National performance
	Trustwide	Trustwide	Acute trusts
Staff recommending our Trust as a place to work	69%	72%	63%
Staff recommending our Trust as a place to be treated	78%	81%	71%

In the most recent staff survey, the Trust has continued to see sustained improvement in these key people performance indicators. The Trust's overall staff engagement scores also remain above the national average and the third-best acute performance in London.

In 2017, there was a 5% increase for staff who would recommend the Trust as a place to work and a 6.5% increase for staff who would recommend the Trust as a place to be treated. This meant that in 2017 the staff engagement score moved from being below average to above average.

In 2018, the Trust has seen further improvements in both of these scores meaning that 73% of staff would now recommend the organisation as a place to work and 81% of staff would recommend the organisation as a place to be treated. Both scores are 10% above the national average for acute trusts.

### Venous thromboembolism assessment

	2016/17	2017/18	2018/19
	Trustwide	Trustwide	Trustwide
Percentage of admitted patients risk assessed for VTE	93.0%	86.1%	75.8%

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

- The national target ( $\geq 95\%$ ) of adult patients with completed VTE risk assessments on admission to hospital was not achieved for 2018/19—however audits demonstrate that patients are receiving appropriate thromboprophylaxis despite lack of evidence or documentation of VTE risk assessment completion on admission.
- There is monitoring of VTE risk assessment completion rates with circulation of performance reports to divisions to address and target areas to improve performance.
- Audits on whether patients at risk of VTE are prescribed appropriate pharmacological and mechanical thromboprophylaxis (if indicated), unless contraindicated, are performed on a quarterly basis by pharmacy staff. More than 90% of inpatients at risk of VTE are prescribed appropriate thromboprophylaxis. Feedback on appropriate pharmacological and mechanical thromboprophylaxis is disseminated to divisions/clinical leads.

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

- Weekly and monthly monitoring of VTE risk assessment performance, with circulation of reports to divisions and support for departments not meeting the target.
- The VTE steering group explored changes to the VTE risk assessment on the RealTime e-system with a full review and options appraisal, however this was deemed not feasible as resources were allocated to CernerEPR project.
- VTE magnets were introduced for display on ward noticeboards to identify patients requiring VTE risk assessment completion.

- Reporting solutions reviewed and corrected to enable reporting on completed VTE risk assessments for WMUH site to assist with feedback to divisions for improvement.
- Root cause analysis investigation for reported hospital associated VTE events, with shared learning to prevent recurrence.

### **C.difficile occurrence**

The nationally published data on *C.difficile* is in terms of absolute numbers, not in terms of per 100,000 bed days, and so we have no national comparators to include.

	2017/18	2018/19	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
<i>C.difficile</i> occurrence per 100,000 bed days (P01792)	3.61	4.92	155	0	29.1

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

- The numbers of cases of *C.difficile* infection (CDI) and the rate per 100,000 bed days has fallen year-on-year between 2007/08 and 2017/18.

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

- Harmonising Trust policy on the management of diarrhoea across both hospital sites.
- Proactive antimicrobial stewardship programme.
- A medical review carried out on all patients experiencing diarrhoea.
- The use of *C.difficile* packs/checklist at both sites to aid early medical review and reduce the number of inappropriate specimens sent.
- Patients with suspected infectious diarrhoea to be isolated in a side room within two hours of onset of diarrhoeal symptoms.
- Healthcare workers to adhere to strict handwashing with soap and water, rather than alcohol hand rub, when attending cases of diarrhoea.
- Appropriate use of personal protective equipment (PPE) when attending cases of diarrhoea.
- Availability of hand wipes for patients prior to meals along with educating patients, carers and visitors to wash their hands and, in the case of visitors, not to visit their relatives if they have symptoms of diarrhoea and vomiting.
- Ongoing training of staff of CDI management.
- A root cause analysis (RCA) of each case is undertaken by senior medical and nursing staff caring for the patient and development of an action plan to address lessons learned which are monitored at the quality and risk meetings.
- The outcomes of RCAs are reviewed by the Infection Prevention and Control Group.

NHS Improvement has not set the CDI case objective for 2019/20. The case objective for 2018/19 was set at 15 and the CDI *rate* objective 4.9 per 100,000 bed days.

The changes to the CDI reporting algorithm for financial year 2019/20 are:

- Reducing the number of days to identify hospital-onset healthcare-associated cases from  $\geq 3$  to  $\geq 2$  days following admission.
- Adding a prior healthcare exposure element for community-onset cases.

For 2019/20, cases reported to the healthcare-associated infection data capture system will be assigned as follows:

- **Healthcare-onset healthcare-associated:** Cases detected three or more days after admission.
- **Community-onset healthcare-associated:** Cases detected within two days of admission where the patient has been an inpatient in the Trust reporting the case in the previous four weeks.
- **Community-onset indeterminate association:** Cases detected within two days of admission where the patient has been an inpatient in the Trust reporting the case in the previous 12 weeks but not the most recent four weeks.
- **Community-onset community-associated:** Cases detected within two days of admission where the patient has not been an inpatient in the Trust reporting the case in the previous 12 weeks.

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

The data for this indicator is taken from the National Reporting and Learning System (NRLS). The figures for lowest- and highest-scoring hospitals enable comparison with other acute non-specialist NHS trusts and demonstrate the wide range of incident reporting across the NHS acute sector.

Number and rate of patient safety incidents		Trustwide	Lowest scoring hospital	Highest scoring hospital
Oct 2016–Mar 2017	Number	4,507	1,301	14,506
	Rate per 1,000 bed days	29.18	23.13	68.97
Apr 2017–Sep 2017	Number	4,361	1,133	15,228
	Rate per 1,000 bed days	29.16	23.47	111.69
Oct 2017–Mar 2018	Number	4,977	1,311	11,325
	Rate per 1,000 bed days	32.14	24.19	124
Apr 2018–Sep 2018	Number	5,160	566	9,467
	Rate per 1,000 bed days	37.7	13.1	107.4

Number and % of patient safety incidents resulting in severe harm or death		Trustwide	Highest scoring hospital	Lowest scoring hospital
Oct 2016–Mar 2017	Number	19	92	1
	%	0.42%	1.1%	0.02%
Apr 2017–Sep 2017	Number	7	121	0
	%	0.16%	1.97%	0%
Oct 2017–Mar 2018	Number	8	99	0
	%	0.1%	1.5%	0%
Apr 2018–Sep 2018	Number	8	14	3
	%	0.2%	0.1%	0.5%

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

- All staff at the Trust are reminded through a number of different channels (for example, induction, safety meetings) that all incidents must be reported on the local incident management system, Datix.
- All incidents reported on Datix are investigated by the clinical team and then quality-checked and reviewed by the Quality and Clinical Governance department prior to upload to the NRLS.
- All patient safety incidents are uploaded to NRLS within the required timeframe.

The Trust has taken/will be taking the following actions to improve this rate, and therefore the quality of its services, by:

- Efforts to embed the Datix incident reporting system throughout the organisation continue with an ongoing programme of training and raising awareness. Clinical governance presence at meetings, including senior nursing and midwifery quality rounds, team briefings, divisional away days and quality boards.
- Patient safety incidents continue to be reviewed on a daily basis by the Quality and Clinical Governance department who escalate or take appropriate action when necessary.
- Serious incidents are investigated, and the findings used to inform learning and quality improvement.
- Investigation reports continue to be reviewed at local level through morbidity and mortality meetings or quality meetings, and also at Board level via monthly serious incident reports which are also disseminated widely throughout the organisation.
- The divisional quality boards include incident reporting as a standing item on the agendas as part of the ongoing work to continually improve reporting rates.
- A quarterly incident report summarises incident investigations, pulls out themes and learning, and identifies any trends in incidents. This report is disseminated throughout the organisation.

## Additional considerations for 2018/19

### Seven-day services

The Trust is implementing the priority clinical standards for seven-day hospitals by focusing on delivering best value for patients and the system.

The current position is being assessed by point-of-care surveys, internal clinical audits and reviews of job plans/processes across the clinical divisions. This will inform a detailed gap analysis.

Key standards:

- **Standard 2—First consultant review within 14 hours:** The Trust should achieve this standard across all major non-elective specialties and sites.
- **Standard 5—Access to consultant directed diagnostics:** Should achieve with some need for increased weekend provision/network arrangements.
- **Standard 6—Access to consultant-led interventions:** Should achieve with formal arrangements with tertiary providers.
- **Standard 8—Twice daily review:** Should achieve standard in high dependency areas—some focused work will be required to deliver a daily consultant or delegated review in all other clinical ward areas. This will require review of daily board round processes, weekend handover processes and systems for documented delegated review—the work plan will encompass a comprehensive review of job plans and multidisciplinary processes across all divisions and will require an implementation plan during 2019/20.

### Freedom to Speak Up

In February 2015 Sir Robert Francis published his report on Freedom to Speak Up (FTSU), an independent review into creating an open and honest reporting culture in the NHS. This report recommended the establishment of a national network of FTSU Guardians, precipitated by his earlier investigation into the failings at Mid Staffordshire NHS Foundation Trust. Following this, all NHS contracts required that each organisation have at least one FTSU Guardian from October 2016.

The Trust's FTSU Guardian is Vanessa Sloane (Director of Nursing, WMUH) supported by non-executive lead Nick Gash. Both are supported to deliver the programme by 10 FTSU champions across our main sites.

Themes from concerns align with both complaints/patient feedback in terms of behaviours, and with our staff survey regarding grievances and staffing concerns. A number of concerns affect just the individual—others affect a larger team but are raised by an individual. On a small number of occasions, the concerns have been raised anonymously—in these cases, all but one of the individuals raising concerns did come forward and identify themselves to the guardian. All concerns have been followed up and feedback is provided to individual staff members.

Data is submitted quarterly to the National Guardian's Office—numbers fluctuate but are in line with other similar-sized organisations. The FTSU guardian reports quarterly to the Trust's people organisational committee, which report to Trust Board.

## **Rota gaps**

All junior doctor training grades employed by the Trust have been successfully transferred to the new terms and conditions implemented in Aug 2016. The Trust has ensured that all posts have contractually-agreed service requirements and training opportunities, including Clinical Governance and mandatory training. Rota design to ensure safe working is compliant for all such posts at the Trust. The Trust has fully implemented the Guardian of Safe Working role which has embedded processes and reports progress quarterly to the Trust Board.

Rota gaps are a common theme affecting most clinical departments on both sites. The introduction of zero days as a mechanism to make existing rotas compliant has resulted in a reduction in the total number of doctors in the workplace at any time. Rota gaps continue to be a national problem. It is anticipated that there will be a further reduction of up to 20% as junior doctors choose to leave formal training posts in 2018–20.

While the focus remains on recruiting to posts, the Trust is developing strategies to ensure that clinical care and safe working conditions are maintained by ensuring regular reviews of anticipated gaps in good time.

Six junior clinical fellow posts have been added across the medical specialties at WMUH this year to support the wards. All of these are filled with appointed doctors who have named educational supervisors and are actively involved in appraisal and training pathways.

The exploration of task shifting and the formal involvement of physician associates within the workplace are also being established. The clinical divisions have been invited to actively contribute to this process.

All rota gaps are filled with locum doctors recruited through our bank or agency arrangements. Overall the Trust has had 31 rota gaps.

## **Part 3: Other information**

### **Performance indicators**

During 2018/19, the Trust has performed very well against the key regulatory and contractual performance metrics, including quality and workforce key performance indicators (KPIs). The start of the financial year was challenging in the delivery of all three regulatory standards, but during the year compliance has shown continuous improvement. Of particular note is the Trust's continued strong performance in delivering A&E, referral to treatment (RTT) and cancer access standards, despite unprecedented demand during the course of the year. Below is a summary of some of our KPIs for 2018/19. However, this should be read in conjunction with the main narrative of the annual report for a better understanding of the context of these performance measures. You can find details of our current performance, updated on a monthly basis, on our website [www.chelwest.nhs.uk](http://www.chelwest.nhs.uk).

## NHS Improvement risk assurance framework

The table below summarises the performance indicators for the Trust.

	2018/19	2018/19
	Trustwide target	Trustwide performance
Incidents of <i>Clostridium difficile</i>	15	15
All cancers: 31-day wait from diagnosis to first treatment	96%	97.9%
All cancers: 31-day wait for second or subsequent treatment (surgery)	94%	97.1%
All cancers: 31-day wait for second or subsequent treatment (anti-cancer drug treatments)	98%	100.0%
All cancers: 62-day wait for first treatment (urgent GP referral to treatment)	85%	89.3%
Cancer: Two-week wait from referral to date first seen—comprising all cancers	93%	94.2%
Referral to treatment waiting times <18 weeks— incomplete	>92%	92.4%
A&E: Total time in A&E ≤4 hours	95%	94.9%
Self-certification against compliance with requirements regarding access to healthcare for people with a learning disability	Yes	Yes

## Local quality indicators

The local quality indicators are the same as last year. This provides us with an opportunity to review the KPIs that are important to us and the quality of patient care that our patients receive. The indicators chosen are important not just to the Trust but to North West London as a whole. In determining the indicators, we have focused on where we can embed and sustain improvements and share learning from the wider NHS. In addition, falls and complaints have been reported as a quality priority. Falls and pressure ulcers were linked to the Trust's *Quality Strategy and Plans for 2015–18*. Having the same local quality indicators allows us to compare performance year on year. The nine indicators chosen span the domains of patient safety, clinical effectiveness and patient experience with some covering more than one domain.

## Patient safety

### Pressure ulcers

Prevention of hospital-acquired pressure ulcers is crucial to the prevention of harm agenda and has remained a focus for the Trust in 2018/19. The table below provides an overview of the number of incidents reported on the Trust's incident reporting system on both sites during 2018/19 compared to the previous two years' data. This data shows that there has been sustained improvement with a further decrease in the volume of grades 3 and 4 pressure ulcers reported as serious incidents.

The focus in 2019/20 will be to sustain the reduction in grades 3 and 4 pressure ulcers and also make a reduction in hospital-acquired grade 2 pressure ulcers. The Trust continues to be engaged in work with NHS Improvement on the prevention and reduction of pressure ulcers across hospital and community.

	2016/17	2017/18	2018/19
	Trustwide	Trustwide	Trustwide
Grades 3 and 4 pressure ulcers reported as serious incidents	20	13	6
Pressure ulcers (grades 2, 3 and 4)	228	182	167
Pressure ulcers (grades 2, 3 and 4, including community-acquired)	1,082	1,052	1,109

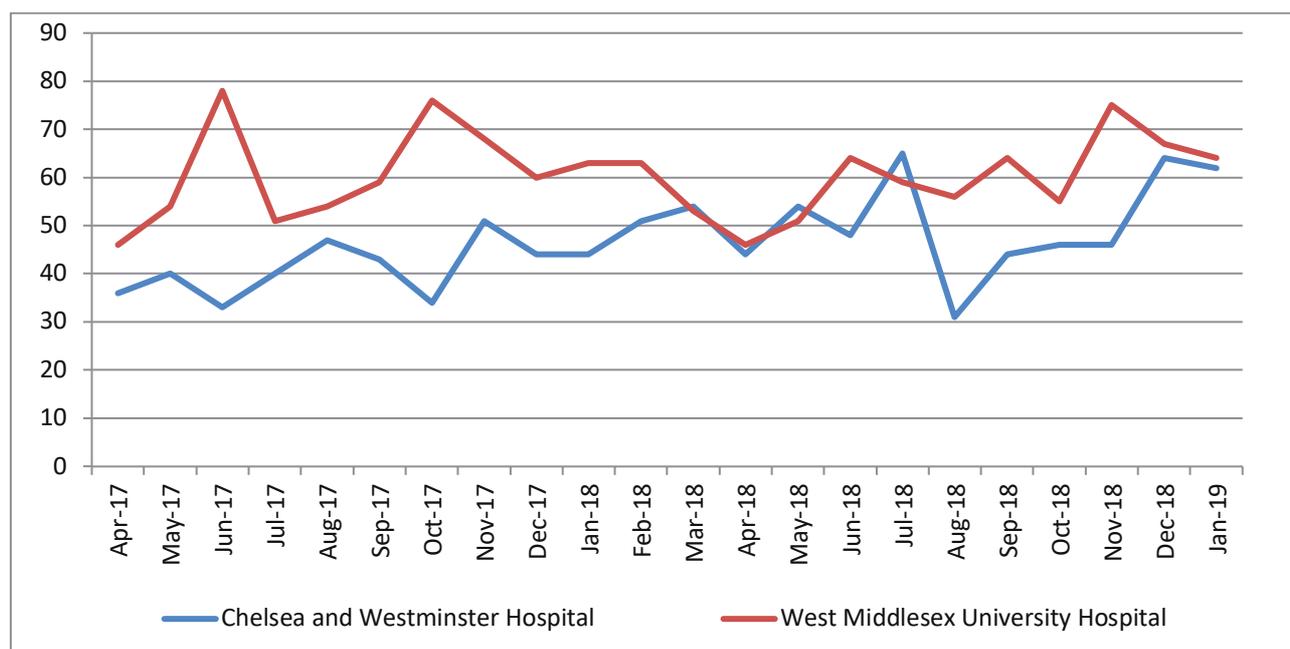
## Falls

Fall prevention has been a quality priority for the Trust since 2017. Significant progress has been made on aligning our two hospital sites, with the creation of a cross-site steering group that meets monthly and acts as a standing panel to review and provide multidisciplinary scrutiny to all incidents relating to falls resulting in harm.

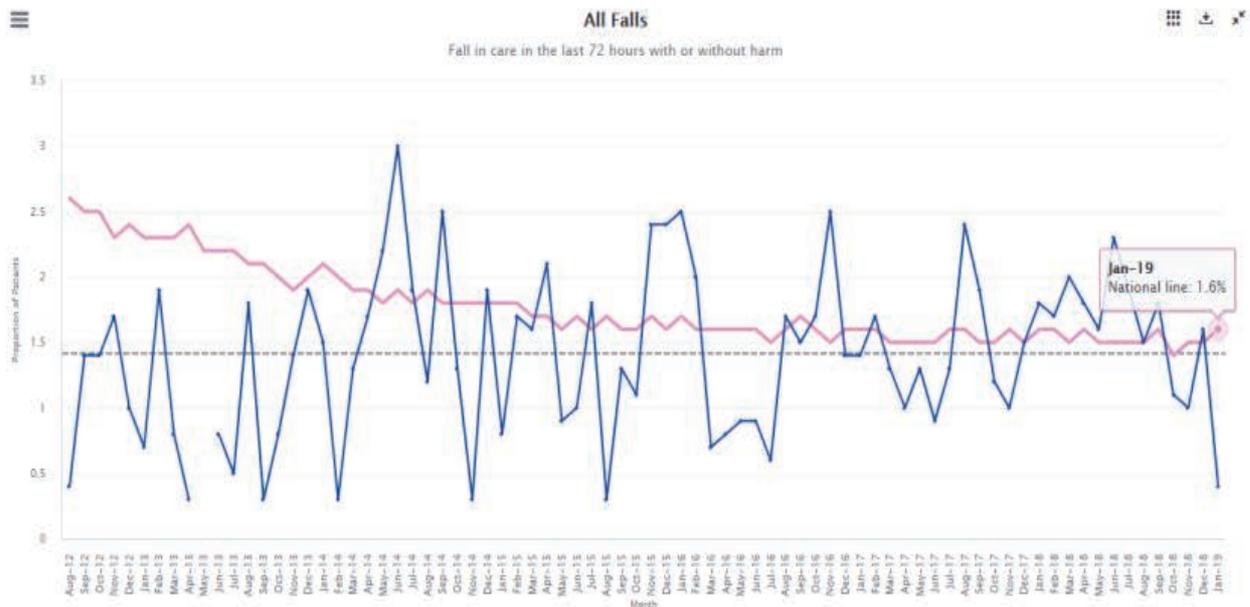
This group has created a falls policy and a falls assessment tool, based on national best practice, to be completed for all admitted adult patients. The work is reported to improvement board (identified schemes), the patient safety group, executive Board, quality committee and Trust Board.

Graph 1 shows the number of patient falls per month by hospital site while graph 2 shows the proportion of falls at our Trust compared to the national average. While we remain below the national average, there are still too many preventable falls. The introduction of a clinical nurse specialist for older people aims to align the falls work with dementia and frailty, recognising how intimately linked these are and better utilising training opportunities and support for frontline staff in managing patients at risk of falls.

**Graph 1:** Number of patient falls per month by hospital site



**Graph 2:** Data from national safety thermometer comparing the proportion of falls at the Trust to the national average



## Clinical effectiveness and patient experience

### A&E performance

Performance against the A&E 95% standard has been particularly challenging during the year, most notably during Q3 and Q4 across both sites.

	2017/18	2018/19	National performance		
	Trustwide	Trustwide	Worst	Best	Mean
A&E/UCC Patient stay in A&E less than 4 hours all types	94.3%	94.9%	69.6%	98.5%	88.9%

### Referral to Treatment

Throughout 2018/19, Referral to Treatment (RTT) performance was delivered each month with the exception of Aug 2018. Since August the Trust has improved month-on-month, reporting its highest performance in Mar 2019 since Apr 2018. Q4 represented the best performance since the merger of the two sites in Sep 2015, which is significant given the challenges the organisation faced with non-elective demand.

During 2018/19, there were no reportable patients waiting more than 52 weeks to be treated on either site and this is expected to continue into 2019/20.

Our performance for the 62-day cancer GP referral to first treatment standard has been excellent during the year. Our compliance with the 2-week wait standard has also been excellent. Both of our sites have experienced significant growth in demand with increased referrals compared to 2017/18 yet the organisation has responded well to deliver timely care for our patients.

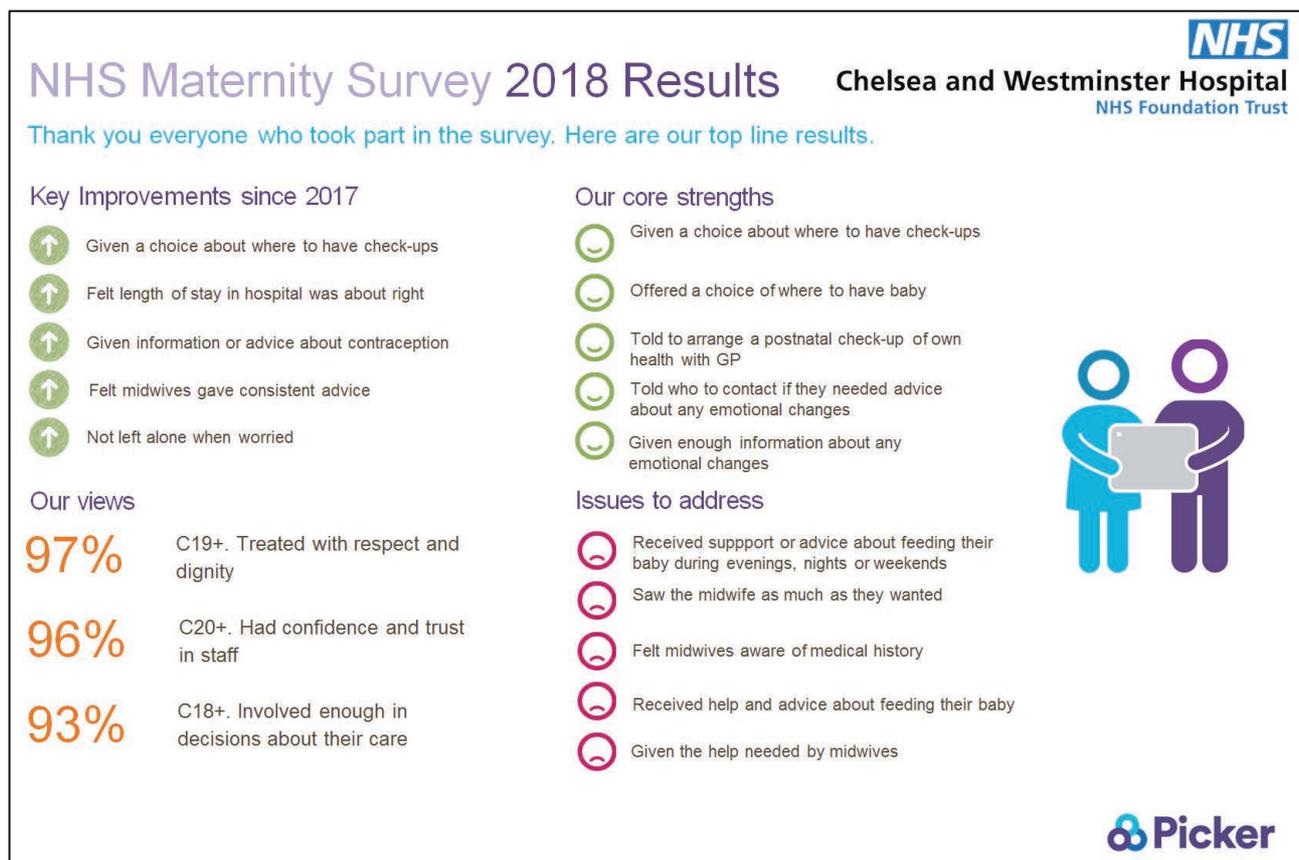
	2017/18	2018/19	National performance		
	Trustwide	Trustwide	Worst	Best	Mean (Q3 year to date)
18 Week RTT	91.5%	92.4%	77.4%	100%	93.6%
Cancer 2 week waits	93.8%	94.2%	70.8%	100%	92.0%
Cancer 31 days diagnosis to treatment	99.1%	97.1%	83.1%	100%	96.8%
Cancer 62 days referral to treatment	89.4%	89.3%	48.1%	100%	79.0%

## Patient experience CQC surveys

In 2018/19, the Trust participated in national surveys for inpatients, maternity services and children's services. The results from the children's services survey will be available after April 2019 and therefore are not presented here.

### Maternity survey

The maternity survey saw high levels of satisfaction and, overall, the service ranked 29th nationally in comparison to other organisations who also chose Picker to administer their survey. The infographic below clearly demonstrates the strengths and improvements from the 2017 survey and includes indications of where the service can continue to improve. Our maternity services have developed an action plan in relation to this feedback.



In addition, the results have been analysed to ascertain any difference in the experience of care between Black and Asian minority ethnicity (BAME) and non-BAME patients. In many areas of the survey there was little or no difference in the experience of care. The following three areas showed a significant difference in responses which will form part of the maternity services action plan:

Question	Trustwide	Non-BAME respondents	BAME respondents
B4+ Offered a choice of where to have baby	92%	95%	89%
F2+ Had a telephone number for midwives	94%	95%	92%
F7 Saw the midwife as much as they wanted	69%	71%	62%

## Inpatient survey

The inpatient survey saw high levels of satisfaction and the Trust ranked 47th in the country for positive responses compared to other organisations who also elected to use Picker to administer their survey.

Of note for the inpatient survey, the Trust had the second-most improved response rate in the country. While there is still development required, this does demonstrate that the range of improvement measures are having an impact on our patients' experience of care.

The infographic below demonstrates the strengths and improvements from the 2017 survey and includes indications of where the service can continue to improve. The Trust will continue to use the Patient Reported Experience Measures (PREMs) in conjunction with an action plan to improve the survey responses for 2019.



Work will be undertaken to analyse the survey results in line with selected protected characteristics to identify any areas for improvement for these specific patient groups.

## Complaints and safeguarding training

Complaints are reported in the *Quality priorities progress* section on page 113.

Friends and Family Test results have shown improvements in all areas for service recommendation with a 5.2% improvement in the inpatient score. All areas exceed the 90% recommendation rate KPI. However, more work is required to meet the 30% response rate target.

This year the Trust has moved to an electronic feedback system, giving patients the opportunity to provide feedback at the point of discharge. Volunteers are also helping to collect this data which has proven a success.

Safeguarding training remains a key quality indicator for the Trust to ensure our staff know their responsibilities in protecting our most vulnerable patients. Despite challenges of high turnover, adult safeguarding level 1 achieved 94% compliance and children's safeguarding training level 1 is currently at 95%—with both consistently achieving more than 90% throughout the year.

Both adult and children's training content are reviewed at least annually to ensure it is relevant, up-to-date and in line with the latest national and pan-London guidance for those requiring training. Our policy and training incorporate domestic abuse, child sexual exploitation, modern slavery and exploitation, and Prevent (counter-terrorism awareness training). We plan to undertake a deep dive audit with CCG partners in the first quarter of 2019/20.

	2016/17	2017/18	2018/19
	Trustwide	Trustwide	Trustwide
Complaints responded to within 25 working days	32%	70%	85%
<b>Friends and Family Test (maternity)</b>			
• Response rate	19.6%	18.8	21.8%
• Recommendation Score	90.1%	91.4	92.3%
<b>Friends and Family Test (inpatients)</b>			
• Response rate	31.9%	35.7%	22.7%
• Recommendation Score	88.4%	89.2%	94.4%
<b>Friends and Family Test (A&amp;E)</b>			
• Response rate	14.8%	16.5%	21.3%
• Recommendation Score	88.4%	86.3%	90.2%
<b>Friends and Family Test (paediatrics)</b>			
• Response rate	7.9%	25.8%	26%
• Recommendation Score	93.1%	92.9%	94%
<b>Friends and Family Test (sexual health)</b>			
• Response rate	25.0%	20.3%	21%
• Recommendation Score	95.3%	94.8%	95%
Safeguarding adults training	87.3%	90%	93%
Safeguarding children's training	90.8%	88%	95%

## Other quality improvement indicators

The Care Quality Programme (CQP) is an established a structure for continuous quality improvement in the Trust to improve quality of care, reduce variation in a sustained manner and support an improvement culture in the organisation. The work programme involves six bespoke tools to improve quality and safety in all clinical areas within our organisation. These are:

- A ward and department accreditation scheme to enable the organisation to peer review clinical areas and award a grading and improvement plan based on set quality standards
- A twice-annual peer review of clinical areas involving external peer reviewers with Trust staff
- Weekly multidisciplinary quality rounds led by clinical and non-clinical staff, with a focus on education and including measurable audit component
- Peer review of out-of-hours working and the identification and management of deteriorating patients
- Focus groups led by executives and senior managers to spend time with teams to gain staff views and establish methods to support staff
- A senior manager link programme for each clinical area with regular quality reviews and supportive visits

The Trust continues with an ambitious quality improvement plan to reach an 'Outstanding' CQC rating. The improvement process is now well-embedded, based around the Trust PROUD values and an improvement framework. A quality improvement team is also embedded in the organisation.

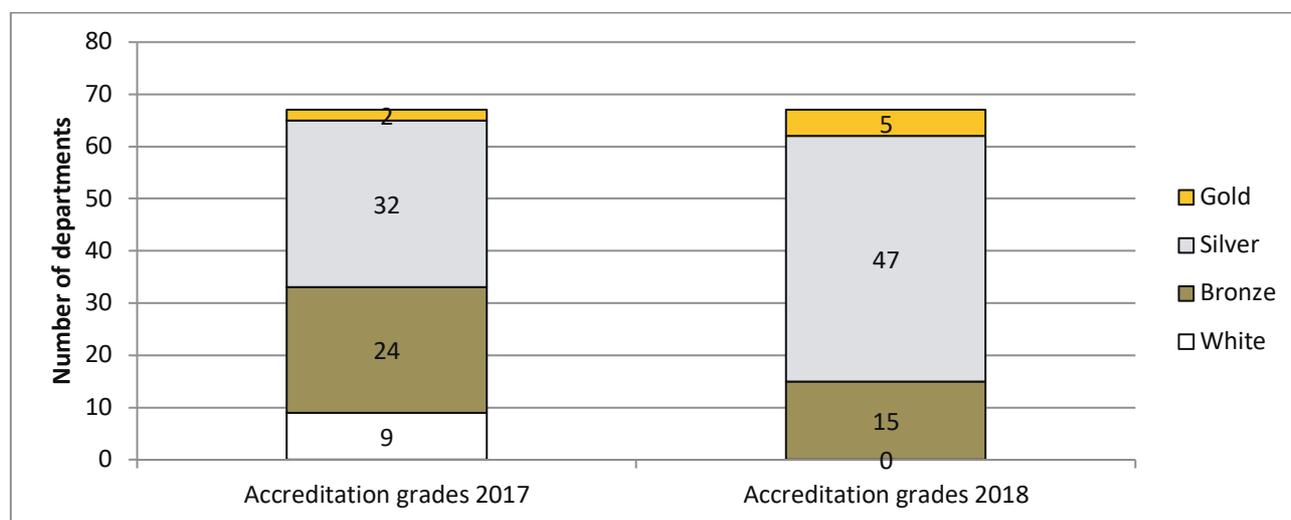
The improvement framework has created a positive competitive culture across all clinicians to drive the improvement of care in their clinical areas. Additionally, the assessment process of the methodology for ward and department accreditations allows the executive and Trust Board to be sighted objectively on the quality progress of each clinical area. This improvement approach has been positively received within the organisation and has created opportunities for executive directors to recognise and celebrate positive achievement.

### Quality focus: Ward and department accreditation

The Trust has continued to develop the peer review accreditation process led by the chief nursing officer and the corporate nursing team. The process uses an assessment tool similar to the CQC framework. The grading awarded is visible in each clinical area. The grading system used by the Trust ranges from gold to white:

- **Gold:** Achieving highest standards with embedded evidence in data
- **Silver:** Achieving minimum standards and above with evidence in improvement data
- **Bronze:** Achieving minimum standards with some improvement work underway
- **White:** Not achieving minimum standards and no evidence of active improvement work

We carried out 164 accreditations in 97 clinical areas this year—67 areas have been reaccruited which demonstrates where improvement has been achieved. Comparing the initial and subsequent grades of these 67 areas shows how the standards are improving. The following graph outlines the change in distribution of grades for the departments that have been reaccruited on subsequent occasions.



Any actions requiring quality improvement during accreditation visits are documented into an accreditation report to inform the work programmes of clinical teams. The actions are documented by priority in relation to staff and patient safety. During the year patient representatives from our Council of Governors were included in accreditation visits bringing a valuable patient focus to the process.

Over the year, further clinical areas were added to the accreditation programme. The accreditation tool, gradings structure and accreditation process have been reviewed to align with the CQC’s framework for inspection and the Trust’s quality improvement framework.

### Care Quality Commission (CQC) ratings

The Care Quality Programme (CQP) workstreams developed during 2017 to address quality improvement and prepare the Trust for the comprehensive CQC inspection following integration has continued through this year to maintain quality improvement and meet the CQC’s standards. The programme improves the quality of care for patients in clinical areas across all sites, aiming to embed a continuous culture of delivering high-quality care and works alongside the CQC’s domains of safe, caring, responsive, effective and well-led.

A workstream of peer reviews was delivered during the year demonstrating that the Trust is open, transparent and eager to use every opportunity to improve. Staff have become familiar with the principles of quality improvement and CQC requirements and this has given us an opportunity to refocus the culture of all clinical and non-clinical groups.

The CQP senior manager link programme continues to support staff engagement and provide staff with regular opportunities to talk to senior leaders of the Trust. Clinical departments have been assigned a senior leader who visits the teams on a regular basis.

Senior nurses, midwives and allied health professionals meet weekly to audit different areas of quality known as 'quality rounds'. These offer staff educational sessions from subject matter experts in addition to protected time to review practice in clinical areas.

The CQC continues to meet senior leaders at the Trust on a quarterly basis to discuss a regular agenda of issues relating to the safe, effective, caring, responsive and well-led domains. The Trust also meets with NHSI on a regular basis to review quality. The overall CQC rating remains at 'Good', with a rating of 'Outstanding' from NHSI for the Trust's use of resources. The following ratings remain as awarded in April 2018:

### Overall results for the Trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Chelsea and Westminster Hospital	Good ↑ Mar 2018	Good ↑ Mar 2018	Outstanding ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
West Middlesex Hospital	Requires improvement ↔ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
<b>Overall trust</b>	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018

### Results for Chelsea and Westminster Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Good ↑ Mar 2018	Good Mar 2018	Outstanding ↑ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018
Medical care (including older people's care)	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
Surgery	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
Critical care	Good Jul 2014	Good Jul 2014	Good Jul 2014	Good Jul 2014	Good Jul 2014	Good Jul 2014
Maternity	Good Jul 2014	Good Jul 2014	Good Jul 2014	Good Jul 2014	Good Jul 2014	Good Jul 2014
Services for children and young people	Good ↑ Mar 2018	Good ↑ Mar 2018	Outstanding ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
End of life care	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018
Outpatients	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Requires improvement Mar 2018	Good Mar 2018
Diagnostic imaging	Not rated	Not rated	Not rated	Not rated	Not rated	Not rated
HIV and Sexual Health Services	Good Jul 2014	Not rated	Outstanding Jul 2014	Outstanding Jul 2014	Outstanding Jul 2014	Outstanding Jul 2014
<b>Overall*</b>	Good ↑ Mar 2018	Good ↑ Mar 2018	Outstanding ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018

## Results for West Middlesex University Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Good ↑ Mar 2018	Requires improvement Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
Medical care (including older people's care)	Requires improvement ↓ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018
Surgery	Requires improvement ↔ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
Critical care	Good Nov 2015	Good Nov 2015	Good Nov 2015	Good Nov 2015	Good Nov 2015	Good Nov 2015
Maternity	Requires improvement Nov 2015	Good Nov 2015	Good Nov 2015	Good Nov 2015	Good Nov 2015	Good Nov 2015
Services for children and young people	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
End of life care	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018
Outpatients	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Requires improvement Mar 2018	Good Mar 2018
Diagnostic imaging	Not rated	Not rated	Not rated	Not rated	Not rated	Not rated
Overall*	Requires improvement ↔ Mar 2018	Good ↑ Mar 2018	Good ↔ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018	Good ↑ Mar 2018

## Additional quality highlights

### Staff Awards

Congratulations to all of the nominees and winners at our Staff Awards, which took place on 18 Oct 2018 at Rooms on Regents Park. This annual ceremony and dinner is a chance to recognise and celebrate the stars within our organisation who go above and beyond to provide the best possible care for our patients, with nominations from staff, patients and relatives. Awards range from nurse to administrator of the year, along with special awards from our charity CW+ and Chief Executive Lesley Watts.

The winners of our 2018 awards were:

- **Nurse of the year:** Veronica Nuevas (Practice Development Nurse), WMUH
- **Midwife of the year:** Sandra Sealey-Fletcher (Midwife), WMUH
- **Doctor of the year:** Dr Angus Kennedy (Consultant Neurologist), C&W
- **Clinical support worker of the year:** Clever Muruko (Healthcare Assistant), WMUH
- **Allied health professional of the year:** Emma Murton (Occupational Therapist, Kew Ward), WMUH

- **Pharmacist/healthcare scientist of the year:** Helen Morgan (Deputy Chief Pharmacist), C&W
- **Administrator of the year:** Hazel Lonergan (Outpatients Receptionist), C&W
- **Support services employee of the year:** Alex Martins (ISS Maintenance), C&W
- **Team of the year:** Palliative Care Team, cross-site
- **Volunteer of the year:** Andrea Thiyani (Bleep Volunteer), C&W
- **Inspiring leadership award:** Melanie Guinan (Lead Nurse for Children, Neonatal and Young People), cross-site
- **Lifetime achievement award:** Dharmen Govinden (Lead Nurse), WMUH
- **Quality improvement award:** Emer Bouanem (Clinical Nurse Specialist), C&W
- **CW+ PROUD to Care annual award:** Paula Campbell (Admin Team Leader), C&W
- **CW+ special award:** Nicole Mulhall (Ward Manager, Edgar Horne Ward), C&W
- **Chief Executive's special award:** Critical Care Teams/ICU, cross-site
- **Council of Governors special award:** Thewodros Leka (Lead Pharmacist for Surgery), WMUH and Vanessa Marvin (Deputy Chief Pharmacist), C&W

## End-of-life care

This has been another incredibly active year for the Trust in terms of palliative and end-of-life care. We have improved our CQC rating from 'Requires improvement' to 'Good' on both sites. The CQC commended outstanding areas of care:

- "End of life care had a high profile throughout the hospitals on both sites. There was a focus on improving the experience for patients nearing the end of life and there appeared to be a widespread commitment to achieving this."
- "There was an innovative approach to how clinical and non-clinical staff were trained in all aspects of end-of-life care—in particular the use of high-fidelity simulation scenarios modelled on a patient's journey at the end of life."
- "Butterfly rooms were developed which are rooms reserved for patients identified as having days or hours to live. They included all the necessary equipment and facilities patients and their families needed to remain close to one another until death."
- "There were appropriate and sensitive processes for end-of-life care for neonates and children and young people."
- "The specialist palliative care team provides face-to-face care seven days a week on both sites."

We have supported quality improvement through a national Commissioning for Quality and Innovation (CQUIN) project which provides early palliative care intervention for cancer patients and we have extended to heart failure patients in the last year. We are on track to achieve 100% of financial targets for the third year which will have retained more than £380,000 for the Trust.

We took part in the national audit of care of the dying patient which has confirmed we are providing excellent care with all areas above the national average. We have presented work at two international conferences to support sharing of best practice. We put forward four wards—two at each hospital site—for accreditation in the nationally-recognised Gold Standards Framework, all of which were successful in receiving accreditation.

We have developed Band 6 competencies specific to specialist palliative care nursing with the aim to 'grow our own' to recruit and retain staff, keeping with the Trust's priority to be the employer of choice.

Our booklet for bereaved relatives has been updated in response to the national 2018 NHS guidance *Learning from deaths*. We have incorporated important recommendations on working with bereaved families and carers to improve their experience of our service.

We are implementing a pilot project to put in place volunteers to support end-of-life care patients and their families.

## **Stroke**

The Trust is part of the Pan-London Stroke Model with an acute stroke unit (SU) on each site—Nell Gwynne Ward at C&W and Kew Ward at WMUH. Both units provide care, treatment and rehabilitation to local patients within 72 hours following a stroke.

At our 2018 stroke peer review led by Professor Tony Rudd (National Clinical Director for Stroke, NHS England) both sites achieved a red, amber, green (RAG) rating of 'green' with the report stating there had been a significant improvement from the previous stroke peer review. The report commended the Trust on its excellent delivery of stroke services, recognising the significant amount of work that had gone into the improvement of both hospital sites.

## **Ambulatory Emergency Care**

The Trust has made a significant investment in the development of the Ambulatory Emergency Care (AEC) service at both sites with the completion of building works for the enlarged department at C&W in December 2018 and the expansion of the department at WMUH due for completion in summer 2019.

The underlying principle is that a significant proportion of adult emergency patients can be managed safely and appropriately on the same day without admission to a hospital bed. The avoidance of unnecessary overnight stays for emergency patients not only improves the quality of patient care and experience but also reduces occupied bed days in hospital.

The benefits of ambulatory care include:

- Improved patient experience and outcomes
- Transformed emergency care processes with improved efficiency
- Released acute care bed days

The units continue to develop shared clinical care pathways to improve access for patients directly from their GP or the Emergency Department while also developing pathways to support earlier, safe discharging of inpatients. The purchase of a range of point-of-care testing equipment allows for quicker assessment, decision-making and care delivery. The care pathways are also supported by the development of a range of specialist 'hot clinics' which allow for rapid assessment by a clinical specialist when needed.

## Clinical innovation and improvement: Clinical fellow projects 2018/19

Initiatives to improve quality frequently involve frontline staff, including junior doctors. The Trust, as part of our improvement programme, has engaged junior doctors by continuing the roles of the clinical innovation and improvement fellows introduced in 2016/17.

These unique roles allow the fellows to bring their clinical knowledge into the managerial arena, implementing quality improvement methodology to deliver improvements in care for patients. In addition to supporting quality priority improvement projects, the fellows are working on a range of other improvement projects:

### Emergency and Integrated Care

- **Medical Emergency Team at WMUH:** Six-month trial of a senior decision-making team available 24/7 to urgently respond to all adult patients with a new early warning score (NEWS)  $\geq 7$ . The project aims to provide a clear pathway for the deteriorating patient and reduce HDU/ICU admissions and, ultimately, numbers of cardiac arrests.
- **Care of the older patient:** Pulls together the golden threads of caring well for our older patients. The work aims to align a number of existing strategies and pathways and puts them under the same leadership, with the introduction of a new clinical nurse specialist. The focus of this team will be to improve dementia care through screening, training, development, better provision of equipment and investment into our ward environments. It will also take responsibility for the agenda to reduce falls and the frailty pathway in terms of care and design.
- **The alcohol education strategy:** Involves working with the Trust's public health consultant to create a comprehensive, cross-site alcohol screening and referral pathway to improve awareness, education and intervention for patients who are at risk of developing alcohol dependencies.

### Planned Care

- **Reducing outpatient DNA rates:** Three-month trial of behavioural interventions targeted at reducing outpatient 'did not attend' (DNA) rates. Our aim is to standardise the method by which appointment information is communicated to patients, while providing easily-accessible options for patients to cancel or rearrange their appointments. The changes will initially be trialled in five outpatient departments, with the goal of extending further if successful.
- **Cross-site implementation of the rapid access prostate imaging and diagnosis (RAPID) pathway:** Supporting the implementation of a cross-site RAPID pathway for the timely investigation, diagnosis and treatment of patients referred for suspected prostate cancer, through the streamlining of diagnostics into a one- or two-stop service.
- **Improving quality of inpatient care and reducing length of stay after unicompartmental knee arthroplasty (UKA):** A clinician-led, multidisciplinary team project aiming to ensure that all patients undergoing elective UKAs receive high-quality care through the standardisation of all stages of the pathway. The ambitious aim is to achieve same day discharge for more than 50% of patients.

## Women and Children

- **Prematurity bundle:** A project to improve the care provided to premature babies born at C&W, involving 3 workstreams around antenatal steroids, magnesium and newborn temperature management, aimed at reducing rates of cerebral palsy and respiratory distress. The work is being showcased nationally.
- **Maternity smoking cessation:** A cross-site project to increase the number of smoke-free pregnancies. This work aims to improve screening and quit rates of women and partners to benefit the health of the whole family.
- **Paediatric hospital at home:** A new service co-designed with staff and families to provide a responsive, innovative model of care delivery to reduce re-attendances to the emergency department and admissions to the wards, by providing a nurse-led model of care delivery in the home.

# Annex 1: Council of Governors statement

## Governors' comments on the Quality Report

The governors have read the Trust Quality Report 2018/19 with great interest. We remain impressed by the continued commitment of the Trust's staff in working towards the progressive improvement to the quality of care across the Trust.

The governors have endorsed falls which will remain a quality priority for the Trust in 2019/20. It was noted that the Trustwide launch of a new falls risk assessment and care plan and the revision of the falls strategy and its monitoring through the falls steering group have seen a decrease in externally reported falls, but there is much work to be done to reduce those of moderate harm and we welcome the maintenance of this quality priority in 2019/20. Meetings are currently underway to ensure the falls steering group is being ambitious in its work with clear performance metrics in place. The key focus being on education around the Safer Steps care plan as this has been highlighted in several of the recent serious incidents. The Trust's falls strategy aims to reduce falls by 30% to be consistent with national best practice, though we are discussing how realistic this might be since no one has managed this nationally.

The governors fully approved the choice of the Friends and Family Test (FFT) as a priority, since there is still scope for improvement in the number of patients completing these, with inpatients being the only area where the response rate has achieved the 30% target. The FFT is a key measurement of patient satisfaction with the quality of care provided, so the fact that we are continually just under the response rate target continues to disappoint. Although, it is noted that achievement in all areas is around or above the 90% recommendation score, and that there are improvements in the Trust's recommendation rates. Governors will be keen to see if the review of the FFT, which is underway, alongside the significant work with volunteers, will improve response rates.

The governors are pleased to see the ongoing steady recruitment of volunteers to participate in many helpful roles—their involvement is looking very promising.

The care quality programme (CQP) introduced to establish a structure for continuous quality improvement and to ensure the Trust is prepared for the Care Quality Commission (CQC) inspection has stood the Trust in good stead. The ward accreditation scheme introduced in the summer of 2016 also proved a very successful preparation for the CQC inspection. The governors were delighted to learn that this system will continue and will be extended to cover up to 70 different areas of Trust business and will be assisted by suitably trained governors.

The governors commend all the hard work carried out across the Trust under the care quality programme, which has resulted in the overall rating provided at the end of the CQC inspections moving up from 'Requires improvement' to 'Good', and we welcome the NHS Improvement rating of 'Outstanding' for 'use of resources'.

The governors would also like to thank the Friends charity for their support in the butterfly rooms. Their commitment to a further three rooms across both sites of the Trust is much anticipated and hopefully on schedule before the end of the year.

The governors continue to provide quality awards for innovations which improve the patient experience, or which improve the working procedures or environment of the hospital staff, particularly where an idea which saves money can be rolled out cross-site.

We are continually impressed by the standard of the applications we receive, and these are highlighted in the Quality Report. This year we awarded Thewodros Leka (Lead Pharmacist for Surgery, WMUH) and Vanessa Marvin (Deputy Chief Pharmacist, C&W). Both had innovative initiatives which we hope can be transferred to other departments, improving both the quality and care we deliver as a Trust.

The new administration programme has successfully rolled out a text message service across the Trust, enabling improved communications with patients. Complaints have been an ongoing issue and the new programme shows clear signs of tackling the issues to hand. The governors are continuing to keep an eye on the number of complaints and look forward to the promised improvements this coming year.

The governors would like to thank the staff of both C&W and WMUH for the hard work and dedication that goes into making us one of the top trusts. We governors are aware that it is only through your continual efforts that we achieve high ratings in many areas. We want staff throughout the Trust to know how appreciated you are.

Thank you all.

**Laura-Jane Wareing**

Chair of the Council of Governors Quality Subcommittee

16 April 2019

## **Annex 2: CWHHE Clinical Commissioning Group (CCG) statement**

### **Commissioners' statement on the Chelsea and Westminster Hospital NHS Foundation Trust Quality Report 2018/19**

NHS West London Clinical Commissioning Group (WLCCG) is the Lead Commissioner for Chelsea and Westminster Hospital NHS Foundation Trust (CWFT). This function is jointly delivered with NHS Hounslow CCG on behalf of a number of Clinical Commissioning Groups (CCGs) across London. Both CCGs monitor the quality and performance of services across the Trust's two hospital sites (Chelsea and Westminster Hospital and West Middlesex University Hospital) and the other sites from which the Trust delivers its services.

The Quality Report has been shared with other North West London CCGs and Wandsworth and Richmond CCGs from south London who are also key commissioners of the Trust services. We have triangulated the accuracy of the information presented in this Quality Report against data and information which is available to us as part of existing monthly quality, contract and performance monitoring meetings, visits to services and continuous dialogue with the Trust. This narrative is a collective response based on the feedback which the lead CCGs received and informed from the range of dialogue and engagement with other stakeholders including patients and general practitioners. We take their feedback into consideration in the development of the Commissioners' statement—some have been positive and others less than ideal.

As clinical commissioners we are pleased that since the Trust was awarded 'Good' across all domains in the Care Quality Commission's 'well-led' inspection and 'Outstanding' by the NHS Improvement inspection for 'use of resources' it has continued to strive to improve the quality of the services which it delivers. It continues to be in the top tier of trusts in London despite some of the challenges it has faced, including the increase in patient activity in its emergency and urgent care services.

We are pleased that in 2018/19 the Trust became compliant with regard to National Safety Standards for Invasive Procedures (NatSSIPs) and met all 10 maternity safety standards.

Commissioners welcome and support the Trust's commitment to continue work on:

- Reduction in inpatient falls
- Reduction in hospital-acquired *E.coli* blood stream infections
- The continued focus on maternity services (improving continuity of care)
- Its focus on improving sepsis care

Some feedback of note includes:

- There has been a significant reduction in the occurrences of never events (from six in 2017/18 to three in 2018/19).

- Response times to complaints, though improved, has been highlighted as an area of continued concern by stakeholders. The commissioners have received assurance from the Trust that though this is no longer identified as a priority area in the Quality Report, the Trust will continue work on improvement.
- The amount of elective Caesarean sections carried out by the Trust and the level of postpartum haemorrhage also has been highlighted as a concern by stakeholders. Commissioners will continue to work with the Trust in the wider North West London system to address these.
- We were pleased that ongoing work will continue on improving patient experience to be reflected in improvements in the Friends and Family Test.

Overall, we welcome the vision described within the Quality Report, agree the priority areas and shall continue to work collaboratively with the Trust to realise its stated vision and values. We shall also continue to support the Trust in the areas identified as priorities as well as those areas that have been and continue to be a challenge. We remain committed to working with the Trust to learn lessons and continually improve the quality of services provided to patients.

**Dr Andrew Steeden**  
Chair  
NHS West London CCG

16 May 2019

**Diane Jones**  
Chief Nurse and Director of Quality  
NHS North West London Collaboration of CCGS

16 May 2019

## **Annex 3: Healthwatch statements**

### **Healthwatch Hounslow**

Healthwatch Hounslow is pleased to be able to respond to the Chelsea and Westminster Hospital NHS Foundation Trust Quality Report for 2018/19.

#### **Feedback from patients and carers about the Trust's services**

During 2018/19, Healthwatch Hounslow collected feedback from local people about 1,008 experiences of services provided by Chelsea and Westminster Hospital NHS Foundation Trust, largely services provided at West Middlesex University Hospital. It is encouraging to see that the reviews we received were largely positive (5 or 4 stars). The areas most highly rated by patients were the treatment and care they received and the attitude and approach of the Trust's staff, and the areas most poorly rated were waiting times and administration—time taken for an appointment, rescheduling appointments etc.

We think it would be helpful if the Quality Account included more information about how the Trust collects and uses the feedback that it receives from patients and carers and how that influences service delivery. It would also be interesting to see how patients and carers are involved in the work on the quality priority areas and whether their input has contributed to progress made against the targets set.

#### **Our comments on progress with quality priorities for 2018/19**

We were pleased to see the progress that has been made to improve quality in the priority areas for 2018/19. It is noted that the target for falls prevention has not been achieved but that the Trust acknowledges this and has continued its commitment to falls prevention for 2019/20. The Trust's commitment to reducing *E.coli* is an ongoing and pertinent quality priority that the Trust acknowledges.

We are pleased to see that the national maternity 10-point plan has been successfully implemented and that all areas have been met by the Trust.

We are particularly interested in progress that has been made with improving the complaints process and welcome the improvements that have been made during the year. The target for responses within 25 working days has fallen just shy of 90% at 87% but this is a considerable improvement up from 38% the previous year. We are also pleased to see that the target to acknowledge complaints within 2 working days has been met at 100%.

#### **Our comments on the quality priorities for 2019/20**

We are pleased to see the volunteer programme expanding and new initiatives being introduced. Looking forward it is positive to note that the Trust's continuing commitment to sepsis care and a reduction in *E.coli* and falls is identified as an ongoing concern to continue to be tackled and addressed. It is positive to see an ongoing commitment to maternity services with a pledge to improving continuity of care.

Patient experience is identified as one of the key areas crucial to the delivery of high-quality services. It would therefore be helpful if there were better communication in place between Chelsea and Westminster Hospital NHS Foundation Trust and Healthwatch Hounslow and we welcome the introduction of the quarterly quality engagement meetings that have been planned for the year.

## **Healthwatch Richmond**

### **Commentary on Chelsea and Westminster Hospital NHS Foundation Trust's 2018/19 Quality Report**

Healthwatch Richmond covers an area from which many patients access care from West Middlesex University Hospital which is run by the Trust. We have undertaken substantial work this year to review care at West Middlesex University Hospital and will continue this in the coming year. We have reflected on our work and also on the report itself in preparing our commentary.

Below we comment on the performance against targets set for 2018/19 and on the priorities set for 2019/20. Targets set for 2019/20 have clear reasons for the priorities being chosen and have clear measurable outcomes to assess progress. We asked the Trust to report the current baseline and the target of the priority's success measures and we are pleased to see that these have been included in the final report. This should make it easier to monitor progress in next year's Quality Report.

#### **Priority 1: Reduction in falls**

The Trust clearly states that it did not achieve the priority of reducing harm from falls by 30%. The data in the report that we were given did not measure the priority and does not demonstrate performance against the priority. The data shown was for total number of falls and not the number of falls causing harm. It is, therefore, not possible for the readers to see how the hospital performed in relation to this priority.

The data shows falls reported at Chelsea and Westminster Hospital being lower than the falls reported at West Middlesex University Hospital. The National Audit of Falls Commissioners' Report 2015 suggests that if the recorded falls are substantially below the national average of 6.63 falls per 1,000 bed days, as appears to be the case at Chelsea and Westminster Hospital, this represents under-reporting of non-injurious falls. Conversely, our own visits to West Middlesex University Hospital in 2018 identified fall risk factors which may correlate with the higher number of falls at this hospital (eg patients with apparent delirium wandering or attempting to climb over bed rails and patients with incorrect mobility aids). It is gratifying to see this work recognised as contributing to the Trust's decision to set this two-year quality priority.

While the performance and presentation of measures are disappointing, it is creditable of the Trust to promote and increase the reporting of patient falls, and assess patients for fall risk. We are also pleased to see the employment of the NHSI falls under-reporting tool planned for this priority in 2019/20, and that clear measures of performance success have been set.

It would be useful to evaluate and present the performance of undertaking fall risk assessments after admission in 2019/20. It would also be informative to know if, as part of the falls prevention strategy, there is incorporation of the key measures for preventing falls identified in the National Audit of Falls 2017.

### **Priority 2: Implementation of NatSSIPS and LocSIPPS to ensure theatre safety standards are met**

The reduction in theatre-related 'never' events reported in 2018/19 suggests successful implementation of LocSSIPs and also demonstrates their effectiveness at improving theatre safety standards. It would be useful if the report elaborated on what these changes are and provided more detail on their significance. We have insufficient details to comment further.

### **Priority 3: Achieving the maternity 10-point plan**

We recognise that the Trust has met the NHS Resolution's 10 National Maternity Standards. The report that we received would be greatly improved by talking about the impact of implementing these standards and whether this has positively impacted patient experience.

During the year we reviewed maternity care at West Middlesex University Hospital. While most people rated the hospital positively overall, ratings were lower than the average (78% vs average of 86%) and fewer people rated the hospital as 'Very good' (28% vs average of 44%). In addition, about half of patients made negative statements about the care they received from staff. These people spoke about feeling ignored and finding staff unhelpful, insensitive or uncaring.

A number of people also raised concerns about administration at West Middlesex University Hospital. Several people said that their records were not updated despite having made repeated requests. Less than half of women said that they had enough contact with a midwife (45%) and less than a third said it was easy to get in contact with the hospital (27%).

The report has been shared with the Trust who have provided a detailed action plan to address these concerns. It is welcome that the strong findings from our work have helped highlight to the Trust the need for improvement, and we therefore welcome the priority for 2019/20 of improving continuity of care within maternity services.

### **Priority 4: Reduction in *E.coli* infections**

The Trust has set out to reduce hospital-acquired *E.coli* infections in accordance with the national quality improvement goal of reducing the number of patients with *E.coli* infection by 10% at the end of 2020. The data provided in this section is difficult to follow. As the total number of *E.coli* infections is below 100 per annum, it would have been much clearer to set a goal based on the actual number of cases (as is provided in the chart) rather than percentages. Although this was not done in 2018/19 this has been clearly reported for this ongoing two-year priority in 2019/20.

The root cause analysis will likely prove to be a worthwhile undertaking as it has led to specific evidence-based priorities being set for the coming year (2019/20). We look forward to seeing how these contribute to the success of this priority in next year's Quality Report.

## **Priority 5: Complaints management**

This is an important and valuable priority, and it is heartening to see that from August 2018 the Trust consistently acknowledged complaints within two working days. Substantial and rapid improvements were made in increasing the response rate within 25 working days, despite the 90% standard not being met. In 2019/20 we hope that this standard will be met and efforts continue to consistently meet the 90% target. We recognised this priority as a concern and are aware that poor or slow responses to complaints have a significant negative impact on patients. This makes the improvements made in 2018/19 all the more important.

### **Priority for 2019/20: Improving sepsis care**

We welcome the inclusion of sepsis care as a priority for 2019/20. The targets of an improvement in the number of appropriate patients being screened from 84% to 90% and treatment for sepsis within one hour from 80% to 90% seem achievable and appropriate.

We congratulate Chelsea and Westminster Hospital NHS Foundation Trust on this report.

## **Healthwatch Central West London**

### **Statement on the Chelsea and Westminster Hospital NHS Foundation Trust's Quality Report 2018/19**

Healthwatch Central West London (Healthwatch CWL) welcomes the opportunity to comment on the Chelsea and Westminster Hospital NHS Foundation Trust (the Trust) Quality Report (QR) 2018/19.

We will be commenting on the information in relation to the Chelsea and Westminster site as this is where our members mainly receive care.

### **General comments**

#### **Layout**

The initial introduction and summary of quality objectives from the Chief Executive is very clear and readable. However, our members suggested reordering the main body of the report to highlight key areas for improvement from internal audits and to give more prominence to the Trust's response to the CQC recommendations. This is a public facing document, and these are areas that patients tell us that they are interested in.

In addition, our members noted that there is quite a lot of repetition, for example around palliative care. It might be more helpful for some of the detailed tables to be appended.

Our members also requested a jargon buster as many acronyms are given without explanation. Many people reading this document will not understand acronyms so a glossary and a digitally embedded definition in the text would be helpful.

#### **Quality**

The report describes how the Trust is embedding quality throughout with a system of ward and department reviews. Our members were impressed by this and would like to see this given more prominence.

## **Priorities**

Some of the priorities from last year have improved, while others are to be taken forward with clear actions. Our members commented that the maternity priority is about patient experience, while the others relate to safety and wanted more information on how.

## **Use of volunteers**

Our members thought that the increase in the use of volunteers was impressive. It might be helpful to have more description of this and how it contributes to improved patient experience.

## **A&E and discharge**

Our members noted the improvements in A&E that enable a speedy discharge and would like to see data on patient and carer experience of this included.

## **Palliative care**

We were pleased to see the interesting work happening on palliative care and our members wondered how far this has been linked to the current review of palliative care. It would be useful to include information on how these are related to each other.

## **Gaps and further comments**

### **Outpatients at Chelsea and Westminster Hospital**

On the CQC report the only area needing improvement at Chelsea and Westminster Hospital is outpatient management. This is also, however, one of the largest areas of activity overall. Our members would like to see information on what the problems are here and what is being done to address them.

### **Inpatients at West Middlesex University Hospital**

Similarly, in West Middlesex University Hospital our members would like information on what is being done to improve inpatient care.

## **Priorities**

Our members noted that some of the areas that were priorities in past years seem to have slipped back this year, for example Venous Thromboembolism risk assessments, *C.diff* and pressure ulcers. Information on how these are to be dealt with going forward would be useful.

## **Increased demand in A&E and Urgent Care**

The RBKC Overview and Scrutiny Committee was told that the February non-elective demand was up 10% on last year—the target is for a decrease. Our members would like to know what more can be done in cooperation with other stakeholders to improve on this.

## **Delayed discharge**

There are no figures in the report on delayed discharges. Our members would like the Trust to clarify and explain how far this contributes to patient deterioration as well as pressure on beds.

## **Complaints**

It is good to see this as a priority, but the targets relate to speed in responding to complaints rather than on the outcomes of complaints or the learning from them. This is a point that we have raised several times in the past and our members would like to see the Trust take this on board.

## **Final remarks**

Healthwatch CWL have been pleased to develop better connections with Chelsea and Westminster Hospital over the last year. We have been able to engage with senior colleagues, with quarterly meetings now in place with the Chief Executive. There are improving links to the patient participation groups and we look forward to working more closely on the quality report over the coming year as local Healthwatch members get involved.

Healthwatch have also appreciated the support given to encouraging participation in the NHS Long Term Plan consultation.

**Healthwatch Central West London**  
[info@healthwatchcentralwestlondon.org](mailto:info@healthwatchcentralwestlondon.org)

## **Annex 4: London Borough of Hounslow Health and Adults Care Scrutiny Panel**

### **Health and Adults Care Scrutiny Panel response to the Chelsea and Westminster Hospital NHS Foundation Trust Quality Report**

The London Borough of Hounslow Health and Adults Care Scrutiny Panel ('Scrutiny Panel') welcomes the opportunity to provide a response to the Chelsea and Westminster Hospital NHS Foundation Trust ('the Trust') Quality Report 2018/19 which seeks to provide a draft report on progress made and identifies the future priorities.

Generally, the Trust should be commended on regularly meeting its national targets and being one of the top ten best performing Trusts in the country.

#### **CQC rating: 'Good'**

The Trust should be commended on the result of the Care Quality Commission (CQC) inspection in December 2018, following which it was rated 'Good' across both hospitals and all five CQC domains for a second consecutive year.

It is encouraging to see that the 'Requires improvement' rating for end-of-life care has now been rated 'Good'. Additionally, the 'Outstanding' rating from NHS Improvement for the use of resources is to be noted.

Additionally, it is good news to see the number of departments that have improved their accreditation gradings from bronze to silver, and silver to gold. This shows how standards are improving and it is pleasing to see that no departments are now graded 'white'.

However, there are some areas relating to West Middlesex University Hospital that were rated 'Requires improvement'. This is a concern for the panel as West Middlesex University Hospital is the primary hospital serving our residents. Although it was rated 'Good' overall, it was rated as 'Requires improvement' in:

- 'Safe' under the categories of medical care (including older people's care), surgery and maternity
- 'Effective' under the category of urgent and emergency service
- 'Well-led' under the category of outpatients

The panel would have liked to see more detail around these categories in the report and are keen to learn what action is being taken to address these issues.

#### **Performance on 2018/19 priorities**

The positive progress towards all five priorities for 2018/19 is commended.

#### **Reduction in falls**

Although the panel notes that the Trust continues to focus on reducing falls, it is disappointing to see that the goal of a 30% reduction in falls has not yet been reached. It is hoped that the launch of Safer Steps, the introduction of standard risk assessment documentation, and training will assist the Trust in achieving this target.

### **Achieving the maternity 10-point plan**

The panel would like to commend the Trust meeting all 10 safety standards in line with the NHS Resolution 10-point safety plan for maternity.

### **Reduction in *E.coli* Infections**

The panel notes that the target for reduction of *E.coli* Infection has not yet been met, and hopes to see that this target is met before the end of 2020.

### **Complaints management**

The Trust has done well to review its process and monitoring of complaints management, which resulted in achieving the '2-day acknowledgment' standard and improving the 'response within 25 working days' standard from 38% to 87%.

As you will recall, this topic was the key focus of the councillors in the meeting, and the panel was grateful for your responses. The panel is pleased to note that the Trust will continue to closely monitor the standard and continues to strive to reach the 90% compliance. It is encouraging to see that the Trust has implemented learnings from these themes and trends to inform the quality improvement agenda, and it is important to ensure that this continues.

### **Staff Survey**

The Scrutiny Panel was pleased to see that the 2018 NHS National Staff Survey results showed that the Trust was in the top 20% for staff 'feeling able to contribute to improvements', 'engagement' and for 'recommending it as a place to work and receive treatment'. It is impressive to see that, in 2018, the Trust has seen further improvements in these scores. 72% of staff recommend the organisation as a place to work and 81% of staff recommend the organisation as a place to be treated. This is 10 percentage points above the national average for acute Trusts.

### **Venous thromboembolism assessment**

The panel notes that the percentage of admitted patients risk assessed for VTE reduced from 86% in the year 2017/18 to 76% in 2018/19. However, the national target is  $\geq 95\%$  and this was not achieved by the Trust for 2018/19 which is disappointing.

However, it is encouraging to see the monitoring of VTE risk assessment completion rates and circulation of performance reports to divisions to address and target areas to improve performance and other actions to improve performance and quality. It is hoped that this will assist in reaching the target in the new year.

### ***C.difficile* infection (CDI) occurrence**

The panel would like to congratulate the Trust on the fact that the numbers of cases of CDI and the rate per 100,000 bed days has fallen year-on-year between 2007/08 and 2017/18.

### **Referral to Treatment (RTT)**

The panel were very pleased to see that RTT performance has been increasing. We note that during 2017/18, there were no reportable patients waiting over 52 weeks to be treated on either site and this is expected to continue into 2018/19.

Additionally, the panel was delighted to see that the Trust's performance in relation to the '62-day cancer GP referrals to first treatment' standard has been excellent during the year. For two months the Trust was the best performing Trust in the UK. Compliance with the two-week wait standard has also been excellent. Your organisation has responded well to deliver timely care for your patients despite both of your sites experiencing significant growth in demand with increased referrals compared to 2016/17.

### **Maternity survey**

The panel noted that in the maternity survey only 62% of BAME respondents felt that they saw their midwife as much as they wanted, whereas 71% of non-BAME respondents felt this way. It would be interesting to see if there is a difference between the number of appointments between these two groups of patients, or, if there is a need for managing different expectations between the groups.

### **Priorities 2019/20**

Overall, the Scrutiny Panel welcomes and supports the priorities for 2019/20 as these accord with the London Borough of Hounslow Corporate Plan 2019–24. Our corporate plan aims towards ensuring 'residents that are healthy, active and socially connected'. This means people enjoy good health, have a sense of belonging, and play a role in their local community.

### **NHS Long Term Plan and integrated care**

The report is largely silent on the anticipated impacts of the changes suggested by the NHS Long Term Plan regarding integrated care and the possible changes to the CCG arrangements across North West London. The Scrutiny Panel recommends some clear articulation of approaches the Trust intends to use in addressing challenges and opportunities arising from the plan.

### **Accessibility of the report**

The detail of the report is helpful, however, a shorter summary of performance progress in an executive summary would make it more accessible to the public and might enable greater feedback. Democratically-elected councils represent their communities. We have much to contribute when it comes to the success of the local health economy—something we all want to see. We encourage a simplified version alongside the detailed report allowing councillors and members of the public to engage more actively with giving feedback on this report.

It would also be easier for residents, councillors and others engaging with the report, if the data were broken down to hospital level throughout.

On behalf of the Scrutiny Panel, I thank the Trust for sharing the Quality Report for comment and for attending our meeting to discuss this report. We hope to continue this positive engagement going forward.

Yours sincerely

**Councillor John Chatt**

## **Annex 5: Richmond upon Thames Health Services Scrutiny Committee**

### **London Borough of Richmond upon Thames response to the Chelsea and Westminster Hospital NHS Foundation Trust draft Quality Report**

Following on from the meeting held on Wed 8 May 2019 to discuss the Chelsea and Westminster Hospital NHS Foundation Trust draft Quality Report (hereinafter 'QR'), we welcome the opportunity to provide additional input, as the London Borough of Richmond upon Thames (hereinafter 'LBRuT') is determined to champion the interests of its residents by playing a full and positive role in ensuring that the people living and working in the LBRuT have access to the best possible healthcare and enjoy the best possible health.

While we appreciate that the version provided is a draft and the final version is yet to be approved, we have a number of points we wish to raise and a number of suggestions we wish to proffer. We would like to take this opportunity to proffer the following comments on the report:

There are many areas in the report that have been identified for improvement and this is not reflected in the introduction to the draft Quality Report.

While the committee was reassured to hear that the Trust was meeting its nationally prescribed targets, we feel that the Trust should be more aspirational and looking to achieve 100% in all assessed areas. Analysis of where higher targets are not met can be used to help identify areas of performance improvement:

- The committee noted that the Trust's 2019/20 priorities regarding sepsis care, bloodstream infections, inpatient falls and continuity of care in maternity services
- The inclusion of some explanatory commentary on national clinical audit areas where the Trust was eligible but did not participate would be a useful addition
- The font size of some of the data in the report was too small and difficult to read and comment upon
- Some explanation in the draft Quality Report as to why performance had fallen in some 'Referral to Treatment' areas
- We would welcome receiving a copy of the action plans which the Trust will put in place to address identified areas of concern for 2019/20

### **Conclusion**

Our aim is to ensure that your Quality Report reflects the local priorities and concerns voiced by our constituents as our overall concern is for the best outcomes for our residents. Overall, we are happy with the QR and feel that it meets the objectives of a QR—to review performance over the previous year, identify areas for improvement and publish that information, along with a commitment about how those improvements will be made and monitored over the next year.

We hope that our views and the suggestions offered are taken on board and acted upon. We wish to be kept informed of your progress throughout and thereafter.

**London Borough of Richmond upon Thames Health Quality Account Subcommittee**

## Annex 6: Statement of Directors' responsibilities for the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

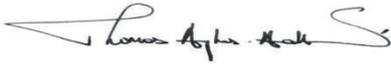
In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual 2018/19* and supporting guidance
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period Apr 2018–May 2019
  - Papers relating to quality reported to the Board over the period Apr 2018–May 2019
  - Feedback from commissioners dated 20 May 2019
  - Feedback from governors dated 11 May 2019
  - Feedback from local Healthwatch organisations dated 12 May 2019
  - Feedback from the Overview and Scrutiny Committee dated 20 May 2019
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2019
  - The latest national patient survey dated Aug 2018
  - The latest national staff survey for the year ended 31 Mar 2019
  - The Head of Internal Audit's annual opinion of the Trust's control environment dated 23 May 2019
  - CQC inspection reports dated Apr 2018
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered
- The performance information reported in the Quality Report is reliable and accurate
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review

- The Quality Report has been prepared in accordance with NHS Improvement's *Annual Reporting Manual and Supporting Guidance* (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

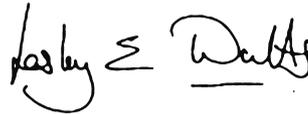
The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the board:



**Sir Thomas Hughes-Hallett**  
Chairman

24 May 2019



**Lesley Watts**  
Chief Executive Officer

24 May 2019

## **Annex 7: Independent Auditor’s Report to the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust on the Quality Report**

We have been engaged by the council of governors of Chelsea and Westminster Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Chelsea and Westminster Hospital NHS Foundation Trust’s quality report for the year ended 31 March 2019 (the ‘quality report’) and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Chelsea and Westminster Hospital NHS Foundation Trust as a body, to assist the council of governors in reporting Chelsea and Westminster Hospital NHS Foundation Trust’s quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the council of governors as a body and Chelsea and Westminster Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Scope and subject matter**

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- “maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, reported in accordance with official performance statistics based on 50:50 breach allocation rules”
- percentage of patients with total time in Accident and Emergency (A&E) of four hours or less from arrival to admission, transfer or discharge

We refer to these national priority indicators collectively as the ‘indicators’.

### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance

- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement *Detailed Guidance for External Assurance on Quality Reports 2018/19*
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports*.

We read the quality report and consider whether it addresses the content requirements of the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- board minutes for the period April 2018 to May 2019
- papers relating to quality reported to the board over the period April 2018 to May 2019
- feedback from commissioners, dated May 2019
- feedback from governors, dated May 2019
- feedback from local Healthwatch organisations, dated May 2019
- feedback from overview and scrutiny committee, dated May 2019
- the trust's complaints report published under regulation 18 of the *Local Authority Social Services and NHS Complaints Regulations 2009*, dated May 2019
- the latest national patient survey
- the latest national staff survey
- the Care Quality Commission inspection report, dated April 2018
- the head of internal audit's annual opinion over the Trust's control environment, dated May 2019

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

## Assurance work performed

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- testing key management controls
- reviewing the process flow of the indicator with management
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation
- comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the quality report
- reading the documents

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

## Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Chelsea and Westminster Hospital NHS Foundation Trust.

## Basis for qualified conclusion

### Percentage of patients with total time in Accident and Emergency (A&E) of four hours or less from arrival to admission, transfer or discharge

The annualised A&E four-hour wait indicator is calculated as a percentage of the total number of unplanned attendances at A&E for which patients total time in A&E from arrival is four hours or less until discharge, transfer, or admission as an inpatient. Our procedures included testing a risk-based sample and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

As was the case in prior year, our testing identified that the Trust does not retain an audit trail for adjustments made following validation of apparent breaches. Documentation is not available to evidence the rationale for amending individual A&E attendance durations.

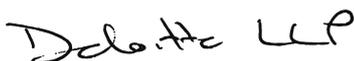
As a result there is a limitation in the scope of our procedures which means we are unable to complete our testing and are unable to determine whether the indicator has been prepared in accordance with the criteria for reporting A&E 4 hour waiting times for the year ended 31 March 2019.

The 'Data Quality' section on page 131 of the NHS Foundation Trust's Quality Report details the actions that the NHS Foundation Trust is taking to resolve the issues identified in its processes.

## Qualified conclusion

Based on the results of our procedures, except for the possible matters set out in the basis for qualified conclusion section of our report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the quality report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the NHS Improvement Detailed requirements for external assurance for quality reports 2018/18
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.



**Deloitte LLP**  
St Albans

27 May 2019

# Epilogue

## About the Trust website

The maintenance and integrity of the Trust's website is the responsibility of the directors. The work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

## Your comments are welcome

We hope that you have found our Quality Report interesting and easy to read. We would like to hear what you thought of it, so please let us have your comments by using the contact details below. Please also let us know if you would like to get involved in helping us improve quality within our Hospital.

Would you like to stay in touch with the hospital by becoming a member and receiving our hospital newsletter, *Going Beyond?* If so, please contact us—your details will not be shared with anyone else.

Write to:

Company Secretary  
Chelsea and Westminster Hospital NHS Foundation Trust  
369 Fulham Road  
London  
SW10 9NH

E: [ftsecretary@chelwest.nhs.uk](mailto:ftsecretary@chelwest.nhs.uk)

**SECTION 4**

**AUDITOR'S  
REPORT**

# **Independent auditor's report to the board of governors and board of directors of Chelsea and Westminster Hospital NHS Foundation Trust**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Chelsea and Westminster Hospital NHS Foundation Trust (the 'foundation trust'):

- give a true and fair view of the state of the foundation trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement—Independent Regulator of NHS Foundation Trusts
- have been prepared in accordance with the requirements of the National Health Service Act 2006

We have audited the financial statements which comprise:

- the statement of comprehensive income
- the statement of financial position
- the statement of changes in equity
- the statement of cash flows
- the related notes 1 to 35

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> <li>• Revenue Recognition</li> <li>• Management Override of Controls</li> <li>• Valuation of Land and Buildings</li> </ul> <p>Within this report, any new key audit matters are identified with ⊗ and any key audit matters which are the same as the prior year identified with ⊕.</p>
<b>Materiality</b>	The materiality that we used for the current year was £10m which was determined on the basis of 1.4% of revenue.
<b>Scoping</b>	The foundation trust is a single entity with no subsidiaries. Audit work was performed at the foundation trust's operational sites at the Chelsea and Westminster Hospital and West Middlesex University Hospital, as well as at the foundation trust's finance function's offices, directly by the audit engagement team.
<b>Significant changes in our approach</b>	We did not identify a significant risk in respect of accounting for capital expenditure this year because it was not a matter of greatest audit significance in directing the efforts of the engagement team.

## Conclusions relating to going concern

<p>We are required by ISAs (UK) to report in respect of the following matters where:</p> <ul style="list-style-type: none"> <li>• the accounting officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate, or</li> <li>• the accounting officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue</li> </ul>	<p><b>We have nothing to report in respect of these matters.</b></p>
--	--

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

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

## NHS revenue and provisions

<p><b>Key audit matter description</b></p> 	<p>As described in note 1 Accounting Policies and note 1.18 Critical Accounting Judgements in Applying Accounting Policies, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> <li>• the complexity of the Payment by Results regime, in particular in determining the level of overperformance and Commissioning for Quality and Innovation revenue to recognise;</li> <li>• the judgemental nature of accounting for disputes, including in respect of outstanding overperformance income for quarters 3 and 4; and</li> <li>• the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and agreement of future year contracts.</li> </ul> <p>Details of the foundation trust's income, including £513.5m of Commissioner Requested Services, are shown in note 4.2 to the financial statements. NHS contract receivables are shown in note 18.1 to the financial statements and the contractual disputes provision in note 24.1.</p> <p>The foundation trust earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>We evaluated the design and implementation of controls over recognition of Payment by Results income, with IT specialists performing this work.</p> <p>We performed detailed substantive testing on a sample basis of the recoverability of over-performance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.</p> <p>We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners.</p>
<p><b>Key observations</b></p> 	<p>We are satisfied that the foundation trust's revenue is not materially misstated.</p>
<h2>Property valuation </h2>	
<p><b>Key audit matter description</b></p> 	<p>The foundation trust holds property assets within Property, Plant and Equipment at valuation of £373.4m. The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.</p> <p>As detailed in note 1.18, the foundation trust has reassessed a number of valuation assumptions in the current year, including which assets are included on an "alternative site" basis, reassessing assumed land and buildings areas on a Modern Equivalent Asset basis and reassessing the useful economic lives of assets. The valuation assumes that all properties at the Trust's two main sites are single operational entities and have adopted a Depreciated Replacement Cost method of valuation for these complexes as a whole. The net valuation movement on the foundation trust's estate shown in note 14 is an impairment of £16.9m.</p>

<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the foundation trust to the valuer.</p> <p>We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the foundation trust's properties, including in respect of Modern Equivalent Asset areas and alternative sites.</p> <p>We have reviewed the disclosures in notes 1.18 and 14 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.</p> <p>We considered the impact of uncertainties relating to the UK's exit from the EU upon property valuations in evaluating the property valuations and related disclosures.</p> <p>We assessed whether the valuation was compliant with the relevant accounting standards and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.</p>
<p><b>Key observations</b></p> 	<p>The Trust's valuation is based on a number of judgemental assumptions. We are satisfied that the Trust assumptions and valuation methodology are appropriate and are not indicative of management override or manipulation to achieve a preferred outcome.</p>
<p><b>Management override of controls</b> </p>	
<p><b>Key audit matter description</b></p> 	<p>We consider that in the current year there continues to be a heightened risk across the NHS that management may override controls to fraudulently manipulate the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations.</p> <p>The foundation trust was allocated £19.9m of the Provider Sustainability Fund, contingent on achieving financial and operational targets each year, equivalent to a "control total" for the year. During the year, the foundation trust agreed a £4.0m increase in its control total and was allocated an additional £8.0m of Provider Sustainability Funding. NHS Improvement has allocated funding for a "bonus" to organisations that exceed their control total, including offering foundation trusts £1 of additional funding for each £1 above the control total. This creates an incentive for reporting financial results that exceed the control total. The Trust exceeded its revised control total by £0.1m, meaning that it has recognised a total of £41.5m of Provider Sustainability Fund income including £3.8m incentive bonus.</p> <p>NHS Trusts and Foundation Trusts have previously been requested by NHS Improvement to consider a series of "technical" accounting areas and assess both whether their current accounting approach meets the requirements of International Financial Reporting Standards, and to remove "excess prudence" to support the overall NHS reported financial position. The areas of accounting estimate highlighted included accruals, deferred income, partially completed patient spells, bad debt provisions, property valuations, and useful economic lives of assets.</p> <p>Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.18 and 1.19.</p>

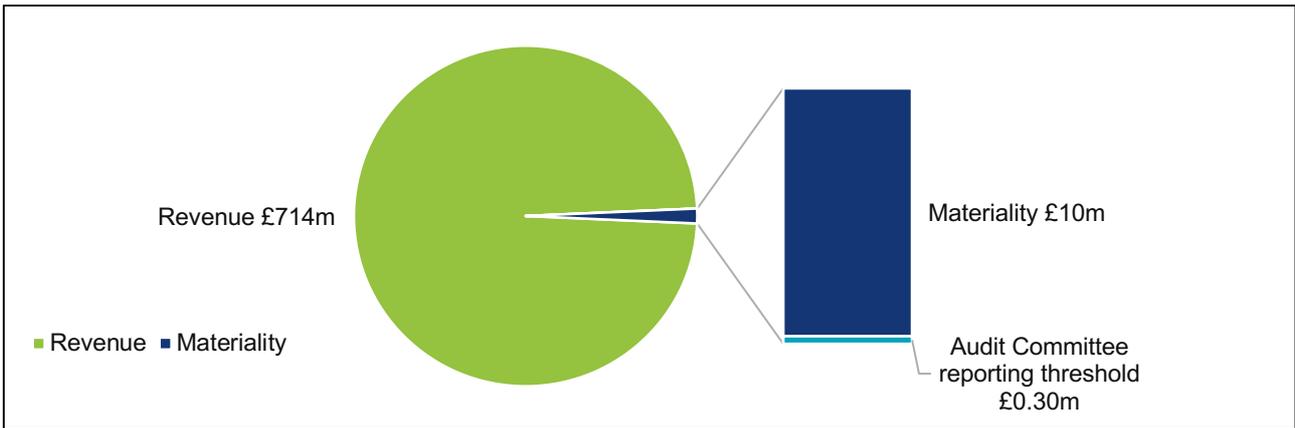
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p><b>Manipulation of accounting estimates</b>  Our work on accounting estimates included considering areas of judgement, in particular those areas identified by NHS improvement. In testing each of the relevant accounting estimates, we considered their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.</p> <p>We tested accounting estimates (including in respect of NHS revenue and provisions and property valuations discussed above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources.</p> <p>We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in accordance with accounting requirements and were appropriate in the circumstances of the foundation trust.</p> <p><b>Manipulation of journal entries</b>  We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting focusing in particular upon manual journals.</p> <p>We traced the journals to supporting documentation and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias.</p> <p>We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial statements.</p> <p><b>Accounting for significant or unusual transactions</b>  We considered whether any transactions identified in the year required specific consideration and designed additional procedures to address significant transactions on a case by case basis.</p>
<p><b>Key observations</b></p> 	<p>We have not identified any significant bias in the key judgements and estimates made by management.</p>

## Our application of materiality

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

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

<b>Materiality</b>	£10m (2018: £9m)
<b>Basis for determining materiality</b>	1.4% of revenue (2018: 1.4% of revenue)
<b>Rationale for the benchmark applied</b>	Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £300k (2018: £250k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work was performed at the Trust’s operational sites at the Chelsea and Westminster Hospital and West Middlesex University Hospital, as well as at the Trust’s finance function’s offices, directly by the audit engagement team, led by the audit partner.

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

Data analytic techniques were used as part of audit testing, to support identification of items of audit interest and in particular journal testing.

### Other information

<p>The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon.</p> <p>Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.</p>	<p><b>We have nothing to report in respect of these matters.</b></p>
--	--

## **Responsibilities of accounting officer**

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, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the foundation trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the foundation trust or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Report on other legal and regulatory requirements**

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

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

<p><b>Annual Governance Statement, use of resources, and compilation of financial statements</b></p> <p>Under the Code of Audit Practice, we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;</li> <li>the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or</li> <li>proper practices have not been observed in the compilation of the financial statements.</li> </ul> <p>We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.</p>	<p><b>We have nothing to report in respect of these matters.</b></p>
<p><b>Reports in the public interest or to the regulator</b></p> <p>Under the Code of Audit Practice, we are also required to report to you if:</p> <ul style="list-style-type: none"> <li>any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or</li> <li>any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.</li> </ul>	<p><b>We have nothing to report in respect of these matters.</b></p>

## Certificate

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

## Use of our report

This report is made solely to the Board 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 foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



**Craig Wisdom ACA** (Senior statutory auditor)  
 For and on behalf of Deloitte LLP  
 Statutory Auditor  
 St Albans, United Kingdom

27 May 2018



**SECTION 5**

**FINANCE**

# **ANNUAL ACCOUNTS 2018/19**

Chelsea and Westminster Hospital NHS Foundation Trust  
Annual accounts for the year ended 31 Mar 2019

**Foreword to the accounts**

**Chelsea and Westminster Hospital NHS Foundation Trust**

These accounts, for the year ended 31 March 2019, have been prepared by Chelsea and Westminster Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

**Signed**  .....

**Name** Lesley Watts  
**Job title** Chief Executive  
**Date** 24 May 2019

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Statement of Comprehensive Income**

		2018/19	2017/18
	Note	£000	£000
Operating income from patient care activities	2	577,332	549,309
Other operating income	3	136,602	108,608
Operating expenses	5, 7	(688,859)	(604,895)
<b>Operating surplus from continuing operations</b>		<b>25,075</b>	<b>53,022</b>
Finance income	10	605	251
Finance expenses	11	(5,466)	(5,371)
PDC dividends payable		(10,772)	(9,716)
<b>Net finance costs</b>		<b>(15,633)</b>	<b>(14,836)</b>
Other gains / (losses)	12	13	13
Share of profit / (losses) of associates / joint arrangements	15	404	229
<b>Surplus for the year</b>		<b>9,859</b>	<b>38,428</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Revaluation Reserve increase	6	19,342	16,130
Fair value gains/(losses) on equity instruments designated at fair value through OCI		77	-
Other reserve movements		(472)	-
<b>Net other Comprehensive Income</b>		<b>18,947</b>	<b>16,130</b>
<b>Total comprehensive income / (expense) for the period</b>		<b>28,806</b>	<b>54,558</b>

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Statement of Financial Position**

	Note	31 March 2019 £000	31 March 2018 £000
<b>Non-current assets</b>			
Intangible assets	13	37,043	26,626
Property, plant and equipment	14	416,511	410,857
Investments in associates and joint ventures	15	1,276	872
Other investments / financial assets	28.5	4,599	-
<b>Total non-current assets</b>		<b>459,429</b>	<b>438,355</b>
<b>Current assets</b>			
Inventories	17	6,663	7,133
Receivables	18	95,866	87,801
Cash and cash equivalents	19	100,260	52,593
<b>Total current assets</b>		<b>202,789</b>	<b>147,527</b>
<b>Current liabilities</b>			
Trade and other payables	20	(99,717)	(74,769)
Borrowings	22	(6,764)	(4,846)
Provisions	24	(10,335)	(14,778)
Other liabilities	21	(14,285)	(11,688)
<b>Total current liabilities</b>		<b>(131,101)</b>	<b>(106,081)</b>
<b>Total assets less current liabilities</b>		<b>531,117</b>	<b>479,801</b>
<b>Non-current liabilities</b>			
Borrowings	22	(92,927)	(86,593)
Provisions	24	(3,108)	(2,169)
<b>Total non-current liabilities</b>		<b>(96,035)</b>	<b>(88,762)</b>
<b>Total assets employed</b>		<b>435,082</b>	<b>391,039</b>
<b>Financed by</b>			
Public dividend capital		259,845	244,608
Revaluation reserve		106,342	87,028
Financial assets reserve		77	-
Income and expenditure reserve		68,818	59,403
<b>Total taxpayers' equity</b>		<b>435,082</b>	<b>391,039</b>

The notes on pages 7 to 43 form part of these accounts.

Name	<b>Lesley Watts</b>
Position	<b>Chief Executive</b>
Date	<b>24 May 2019</b>

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Statement of Changes in Equity for the year ended 31 March 2019**

	Public dividend capital £000	Revaluation reserve £000	Financial assets reserve* £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2018 - brought forward</b>	244,608	87,028	-	59,403	391,039
Surplus for the year	-	-	-	9,859	9,859
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(28)	-	28	-
Revaluation Increase	-	19,342	-	-	19,342
Fair value gains on equity instruments designated at fair value through OCI	-	-	77	-	77
Public dividend capital received	15,237	-	-	-	15,237
Other reserve movements	-	-	-	(472)	(472)
<b>Taxpayers' equity at 31 March 2019</b>	<b>259,845</b>	<b>106,342</b>	<b>77</b>	<b>68,818</b>	<b>435,082</b>

\* Following the implementation of IFRS 9 from 1 April 2018, the 'Available for sale investment reserve' is now renamed as the 'Financial assets reserve'

**Statement of Changes in Equity for the year ended 31 March 2018**

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	226,066	71,181	-	20,692	317,939
Surplus for the year	-	-	-	38,428	38,428
Other transfers between reserves	-	(283)	-	283	-
Impairments	-	16,130	-	-	16,130
Public dividend capital received	18,542	-	-	-	18,542
<b>Taxpayers' equity at 31 March 2018</b>	<b>244,608</b>	<b>87,028</b>	<b>-</b>	<b>59,403</b>	<b>391,039</b>

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Information on reserves

#### Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

#### Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

#### Financial assets reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

#### Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Statement of Cash Flows**

	Note	2018/19 £000	2017/18 £000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit)		25,075	53,022
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	5.1	17,884	16,991
Net impairments	6	36,252	(12,833)
Income recognised in respect of capital donations	3	(6,067)	(137)
(Increase) in receivables and other assets		(8,312)	(6,927)
(Increase) / decrease in inventories		470	(670)
Increase / (decrease) in payables and other liabilities		28,020	(9,215)
(decrease) in provisions		(3,507)	(5,160)
Other movements in operating cash flows		(4,522)	-
<b>Net cash generated from / (used in) operating activities</b>		<b>85,293</b>	<b>35,071</b>
<b>Cash flows from investing activities</b>			
Interest received		979	237
Purchase of intangible assets		(17,422)	(13,774)
Purchase of property, plant, equipment		(34,133)	(20,503)
Sales of property, plant, equipment		13	643
Receipt of cash donations to purchase capital assets		5,855	137
<b>Net cash generated (used in) investing activities</b>		<b>(44,708)</b>	<b>(33,260)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		15,237	18,542
Movement on loans from the Department of Health and Social Care		(2,401)	(1,532)
Movement on other loans		10,884	(100)
Capital element of finance lease rental payments		(171)	(162)
Capital element of PFI payments		(1,063)	(726)
Interest on loans		(1,022)	(1,035)
Other interest		(4)	-
Interest paid on finance lease liabilities		(38)	(46)
Interest paid on PFI payments		(4,390)	(4,279)
PDC dividend (paid)		(9,950)	(9,333)
<b>Net cash generated from financing activities</b>		<b>7,082</b>	<b>1,329</b>
<b>Increase in cash and cash equivalents</b>		<b>47,667</b>	<b>3,140</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>52,593</b>	<b>49,453</b>
<b>Cash and cash equivalents at 31 March</b>	19.1	<b>100,260</b>	<b>52,593</b>

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Notes to the Accounts

#### Note 1 Accounting policies and other information

##### Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

##### Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and certain financial assets and financial liabilities.

##### Note 1.2 Going concern

The Trust has set a plan for 2019/20 to generate a surplus of £17.8m. As at the 31 March 2019 the Trust holds £100m of cash reserves and has a forecast cash balance of £88m at 31 March 2020.

The Directors are confident that the surplus is realistic and has sufficient cash for 2019/20. Following a review of the Trust's plans and projections, including cash flows, liquidity and income base, as well as considering regulatory commitments, the Directors have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

##### Note 1.3 Interests in other entities

###### Joint ventures

Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 1.4 Revenue

#### Note 1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

#### *Revenue from NHS contracts*

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where existing contract challenges from commissioners may be upheld, the Trust recognises a contractual dispute provision for any doubtful debt. The value of these debts are not material (£2.9m).

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

The Trust does not receive income where a patient is readmitted for an unavoidable reason within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of unavoidable readmissions is made at the year end and revenue is reduced by this value.

#### *Revenue from research contracts*

The Trust accounts for research contract income under 2 approaches:

1. Where the Trust has received income from a Government body and where the agreement does not meet the definition of a contract with a customer for provision of goods and services we treat this income under IAS 20. We recognise the income when we have met the conditions and received the Grant. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match the expenditure.
2. The Trust has immaterial contracts outside of those under IAS 20 which are defined as research contracts and fall under IFRS 15. Revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

#### *NHS injury cost recovery scheme*

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### **Note 1.4.2 Other contributions to expenditure**

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

### **Note 1.5 Expenditure on employee benefits**

#### **Short-term employee benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

#### **Pension costs**

##### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's 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 the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

### **Note 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.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 1.7 Property, plant and equipment

#### Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar 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.

#### Note 1.7.2 Measurement

##### Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value.

All assets are measured subsequently at fair value as follows:

- (a) Land and non-specialised buildings – existing use value
- (b) Specialised buildings – depreciated replacement cost
- (c) Non-property assets - depreciated historic cost
- (d) Residential Accommodation – Existing Use value for social housing.

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be fully recoverable.

All land and buildings are restated to fair value in accordance with IAS 16 and NHSI guidance, using professional valuations at least every five years to ensure that fair values are not materially different from the carrying amounts. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards and the national standards and guidance as set out in the RICS Valuation – Professional Standards UK based on fair value, with specialised assets measured using the DRC method applying the alternative site approach where appropriate. The last valuation was carried out by Gerald Eve (Independent Chartered Surveyors, Registration number 5020866) as at 31 December 2018.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5 by management.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

#### **Subsequent expenditure**

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### **Depreciation**

Items of property, plant and equipment are depreciated over their remaining useful 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. All assets are depreciated using the straight line methodology.

Property, plant and equipment which has 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.

### **Revaluation gains and losses**

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### **Impairments**

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure 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.

### **Note 1.7.3 De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
  - management are committed to a plan to sell the asset
  - an active programme has begun to find a buyer and complete the sale
  - the asset is being actively marketed at a reasonable price
  - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned 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. 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 useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### **Note 1.7.4 Donated and grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 1.7.5 Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	4	60
Dwellings	40	50
Plant & machinery	5	15
Transport equipment	5	5
Information technology	3	10
Furniture & fittings	5	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

### Note 1.7.6 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

#### Private Finance Initiative (PFI) transactions

##### PFI liability

##### Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12 - Service Concession Arrangements. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received;
- Payment for the PFI asset, including finance costs; and
- Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

##### Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

##### PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16 - Property, Plant & Equipment.

##### PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17 - Leases.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

##### Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or

### Note 1.8 Intangible assets

#### Note 1.8.1 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.

##### Internally generated intangible assets

##### 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.

#### Note 1.8.2 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.

##### Amortisation

#### Note 1.8.3 Useful economic life of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. All assets are amortised using the straight line method. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
<b>Intangible assets - internally generated</b>		
Information technology	2	10
<b>Intangible assets - purchased</b>		
Software licences	3	10
Licences & trademarks	3	10

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 1.9 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.

### Note 1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

### Note 1.11 Financial assets 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.

#### Note 1.11.1 Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes 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 and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

#### Note 1.11.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure with the exception of Sensyne Shares.

Financial liabilities are classified as subsequently measured at amortised cost or fair value through income and expenditure.

#### *Financial assets and financial liabilities at amortised cost*

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense.

#### *Financial assets measured at fair value through other comprehensive income*

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

The Trust has irrevocably elected to measure the following equity instruments at fair value through other comprehensive income:

- Sensyne PLC shares

#### *Impairment of financial assets*

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

#### Note 1.12.1 The trust as lessee

##### **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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

##### **Operating leases**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

##### **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.

### Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

##### **Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 24.2 but is not recognised in the Trust's accounts.

##### **Non-clinical risk pooling**

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution 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.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 1.14 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 25, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

### Note 1.15 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 organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust and in accordance with the GAM, 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

- donated assets (including lottery funded assets),
- average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

### Note 1.16 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.

### Note 1.17 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 1.18 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### Property Valuations

Gerald Eve were instructed to carry out a revaluation of all land and buildings at the Chelsea and West Middlesex sites as at 31 December 2018. The valuation was prepared under the requirements of the Annual Reporting Manual and Royal Institute of Chartered Surveyors valuation guidance. Specialised assets such as hospitals for which no market exists are valued at depreciated replacement cost (DRC) for a Modern Equivalent Asset. Other assets are valued at Existing Use Value (EUV) or Existing Value (EV).

A majority of the buildings owned by the Trust are specialised assets which have been valued on a Modern Equivalent Asset basis. This requires assumptions to be made about the design of a modern asset with equivalent service potential to the existing asset:

- reviewing the Useful Economic Life of the asset and the residual value at the end of that life;
- revising the areas excluded from the valuation of the Chelsea site (as used by Imperial College rather than the Trust) to reflect current usage, and reassessing the overall layout and height of an equivalent modern asset
- excluding recoverable VAT when revaluing PFI buildings on the West Middlesex site reflecting the cost at which the service potential would be replaced by the PFI operator; and
- adopting an "alternative site" basis of valuation for the West Middlesex site.

Non-specialised assets and land have been valued on an Existing Use Value basis with the Trust's residential staff accommodation assessed in line with the principle of Existing Use Value for Social Housing.

#### Sensyne shares

On 17 August 2018 the Trust received 3,445,050 of ordinary shares in Sensyne Plc. as part of a strategic relationship it entered into with Drayson Health and 2 other NHS Trusts. The agreement allows for the Trusts to provide anonymised datasets, compliant to Information Commissioner Officer's standards, and to undertake jointly funded research across all parties.

The share price at the Initial Price Offering (IPO) was 175p per share giving the Trust an investment value of £6,028,837 however the Trust, alongside all partners, is locked into holding the shares for up to 3 years and as such has applied a discount rate to the valuation of the initial investment to reflect the lack of liquidity.

The Trust has made the decision to recognise the investment as Fair Value through other comprehensive income (FVOCI) given the equities are not held for trading and as part of a long term strategic relationship. The Trust has recognised the initial investment, under IFRS 15, fully as revenue in 2018/19 as the Trust has received the shares and satisfied all explicit performance obligations contained within the Strategic Relationship Agreement and continue to work in partnership with Sensyne Plc. The Trust will treat any subsequent gains or losses through the Financial Assets reserve.

### Note 1.19 Sources of estimation uncertainty

#### Disputes with Commissioners

As set out in note 24, Management considers the extent to which contractual revenue can be collected. Where the Trust considers there is a risk of non-payment of monies owed Management has made an assessment of the potential recoverability and where it believes there is a risk of dispute it records a provision for contractual dispute. Provisions for the disputes are £2.9m at 31st March 2019 (31st March 2018 £6.2m). Disputes relate to challenges on pricing of activity and drugs, activity recording or charging that it has not been possible to settle by reference to the contract, under which the Trust has been entitled to the income. The Trust has recognised the income in relation to the disputes in its Statement of Comprehensive Income. The Trust has determined the level of provision on a basis that reflects settlement of the issue for the financial year in which the issue was raised and any subsequent years. Given the Trust has a contract in place the Trust is legally owed the money the Trust has chosen to provide a contractual dispute provision.

#### Recoverability of NHS and Local Authority Debt

The Trust has £64.9m of debt with NHS bodies at 31 March 2019 (2018 £63.3m) and £10.8m of debt with Local Authorities (2018 £5.7m). Management has considered the recoverability of this debt as at 31 March 2019 and has established a level of bad debt provision which is felt adequate to cover the risk of non-recovery.

The Trust has signed contracts with Local Authorities within London which it accounts for under IFRS 15. For contracts with Local Authorities outside of London the Trust also recognises income in accordance with IFRS 15 as it has an implied contract albeit not a signed explicit one.

### Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

### Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

As required by IAS 8, trusts should disclose any standards, amendments and interpretations that have been issued but are not yet effective or adopted for the public sector and an assessment subsequent application will have on the financial statements.

HM Treasury FReM does not require the following standards and interpretation to be applied in 2018-19:

- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

HM Treasury produced a consultation on the expected impact and implication of IFRS 16 in the public sector (IFRS 16 Leases: Exposure Draft 18(01)) but has yet to produce final guidance. The Trust expects the majority of its operating leases, under the proposed guidance, to be recognised as Finance leases and, therefore, be recognised on the balance sheet. The accounting treatment and prior year recognition has yet to be finalised and so the Trust is unable to calculate the impact.

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 1.22 IFRS 9 and 15 First Time adoptions**

IFRS 15 and IFRS 9 were adopted by the Financial Reporting Manual (FRM) and DHSC Group Accounting Manual (GAM) for all NHS bodies from 1 April 2018. The table below shows the impact on current year opening balances. Any impact of the opening adjustments on income /expenditure recognised in previous years goes directly to reserves.

Prior year comparatives are not adjusted for IFRS 15 and IFRS 9 and therefore comparatives in these Financial statements have not been amended (unless otherwise stated). The tables on this tab should be completed before attempting to complete the rest of the TACs as these will drive opening balances.

	SoFP 31 March 2018 pre- implementation £000	IFRS 15 adjustment £000	IFRS 9 adjustment £000	SoFP 1 April 2018 post implementation £000
<b>Statement of financial position:</b>				
<b>Assets:</b>				
Receivables (gross)	103,860	-	-	103,860
Receivables - allowance for doubtful debts (credit losses)	(16,059)	-	-	(16,059)
All other assets (unlocked on request)	498,081	-	-	498,081
<b>Total assets</b>	<b>585,882</b>	<b>-</b>	<b>-</b>	<b>585,882</b>
<b>Liabilities:</b>				
Other liabilities (includes deferred income / contract liabilities)	(11,688)	-	-	(11,688)
Trade and other payables (for reclassification of interest accrual only)	(74,769)	-	111	(74,658)
Borrowings	(91,439)	-	(111)	(91,550)
All other liabilities	(16,947)	-	-	(16,947)
Total liabilities	(194,843)	-	-	(194,843)
<b>Net assets</b>	<b>391,039</b>	<b>-</b>	<b>-</b>	<b>391,039</b>
<b>Equity and reserves:</b>				
Income and expenditure reserve	59,403	-	-	59,403
All other reserves	331,636	-	-	331,636

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 2 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.1

<b>Note 2.1 Income from patient care activities (by nature)</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000 *</b>
Elective income	71,786	70,972
Non elective income	171,114	153,641
First outpatient income	32,798	31,422
Follow up outpatient income	71,229	69,065
A & E income	29,794	27,542
High cost drugs income from commissioners (excluding pass-through costs)	71,999	75,582
Other NHS clinical income	69,142	69,668
<b>Community services</b>		
Community services income from CCGs and NHS England	2,616	2,748
<b>All services</b>		
Private patient income	18,442	16,856
Agenda for Change pay award central funding	4,047	-
Other clinical income	34,365	31,813
<b>Total income from activities</b>	<b>577,332</b>	<b>549,309</b>

\* 2017/18 numbers have been restated to provide comparatives to new categories.

### Note 2.2 Income from patient care activities (by source)

<b>Income from patient care activities received from:</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
NHS England	137,627	141,567
Clinical commissioning groups	375,827	352,964
Department of Health and Social Care	4,047	10
Other NHS providers	3,832	3,203
NHS other	498	259
Local authorities	31,340	27,921
Non-NHS: private patients	18,444	16,856
Non-NHS: overseas patients (chargeable to patient)	3,276	2,712
Injury cost recovery scheme	1,129	1,536
Non NHS: other	1,312	2,281
<b>Total income from activities</b>	<b>577,332</b>	<b>549,309</b>
<b>Of which:</b>		
Related to continuing operations	577,332	549,309

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 2.3 Overseas visitors (relating to patients charged directly by the provider)

	2018/19	2017/18
	£000	£000
Income recognised this year	3,276	2,712
Cash payments received in-year	1,771	1,091
Amounts added to provision for impairment of receivables	1,729	688
Amounts written off in-year	141	134

### Note 3 Other operating income

	2018/19	2017/18
	£000	£000
<b>Other operating income from contracts with customers:</b>		
Research and development (contract)	3,145	1,979
Education and training (excluding notional apprenticeship levy income)	26,708	28,255
Non-patient care services to other bodies	11,381	2,648
Provider sustainability / sustainability and transformation fund income (PSF / STF)	41,462	27,695
Income in respect of employee benefits accounted on a gross basis	7,738	8,124
Other contract income	19,741	20,163
<b>Other non-contract operating income</b>		
Receipt of capital grants and donations	6,067	137
Charitable and other contributions to expenditure	202	203
Support from the Department of Health and Social Care for mergers	16,544	16,366
Research and development (IAS 20)	2,920	2,401
Rental revenue from operating leases	694	637
<b>Total other operating income</b>	<b>136,602</b>	<b>108,608</b>
<b>Of which:</b>		
Related to continuing operations	136,602	108,608

Other income of £19.7m (2017/18 £20.2m) includes ED funding £3.2m (2017/18 £3.2m), maternity lease funding £2.9m (2017/18 £3m), staff accommodation rental £3.6m (2017/18 £1.8m), car parking income £2.3m (2017/18 £1.8m), Receipt of Sensyne PLC shares £4.5m, Clinical Excellence Award £0.9m (2017/18 £1.1m) and other various departmental schemes.

## Chelsea and Westminster Hospital NHS Foundation Trust

### Annual Financial Statements 2018/19

<b>Note 4.1 Additional information on revenue from contracts with customers recognised in the period</b>	<b>2018/19</b>
	<b>£000</b>
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	9,919
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	2,647

#### **Note 4.2 Income from activities arising from commissioner requested services**

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Income from services designated as commissioner requested services	513,454	494,531
Income from services not designated as commissioner requested services	63,878	54,778
<b>Total</b>	<b><u>577,332</u></b>	<b><u>549,309</u></b>

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 5.1 Operating expenses

	2018/19	2017/18
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,432	3,116
Purchase of healthcare from non-NHS and non-DHSC bodies	8,037	7,693
Staff and executive directors costs	362,516	345,766
Remuneration of non-executive directors	142	150
Supplies and services - clinical (excluding drugs costs)	72,788	63,593
Supplies and services - general	39,316	25,967
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	83,672	86,297
Inventories written down	194	224
Consultancy costs	994	1,275
Establishment	3,050	2,826
Premises	13,545	13,945
Transport (including patient travel)	3,040	2,800
Depreciation on property, plant and equipment	14,306	14,504
Amortisation on intangible assets	3,578	2,487
Net impairments	36,252	(12,833)
Movement in credit loss allowance: contract receivables / contract assets	(3,016)	
Movement in credit loss allowance: all other receivables and investments	2,066	7,431
Increase/(decrease) in other provisions	262	1,012
Change in provisions discount rate(s)	-	21
Audit fees payable to the external auditor		
audit services- statutory audit	135	172
other auditor remuneration (external auditor only)	15	18
Internal audit costs	164	190
Clinical negligence	21,130	16,684
Legal fees	440	256
Insurance	218	95
Research and development	2,509	1,632
Education and training	1,439	1,366
Rentals under operating leases	5,368	4,644
Redundancy	-	63
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (PFI)	11,551	11,652
Car parking & security	889	966
Hospitality	54	85
Losses, ex gratia & special payments	83	263
Other services, eg external payroll	452	379
Other	238	156
<b>Total</b>	<b>688,859</b>	<b>604,895</b>
<b>Of which:</b>		
Related to continuing operations	688,859	604,895

## Annual Financial Statements 2018/19

### Note 5.2 Other auditor remuneration

	2018/19	2017/18
	£000	£000
<b>Other auditor remuneration paid to the external auditor:</b>		
Audit-related assurance services	15	18
<b>Total</b>	<u>15</u>	<u>18</u>

### Note 5.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2018/19 or 2017/18.

### Note 6 Impairment of assets

	2018/19	2017/18
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Changes in market price	36,252	(12,833)
<b>Total net impairments charged to operating surplus / deficit</b>	<u>36,252</u>	<u>(12,833)</u>
Impairments charged to the revaluation reserve	(19,342)	(16,130)
<b>Total net impairments</b>	<u>16,910</u>	<u>(28,963)</u>

The Trust instructed Gerald Eve to carry out a revaluation of its property portfolio as at 31st December 2018. The revaluation was predominantly based on modern equivalent asset values using the alternative site approach where appropriate. This exercise resulted in a decrease in the value of the relative assets by £16.9m which has been accounted for initially against the Income and Expenditure Account as net impairments of £36.3m and thereafter as a net increase in revaluation reserve of £19.3m in accordance with the Trust's accounting policies and NHS Improvement guidance.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 7 Employee benefits

	2018/19	2017/18
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	287,815	270,696
Social security costs	30,946	28,969
Apprenticeship levy	1,389	1,290
Employer's contributions to NHS pensions	31,252	29,044
Pension cost - other	24	11
Temporary staff (including agency)	20,593	23,388
<b>Total staff costs</b>	<b>372,019</b>	<b>353,398</b>
<b>Of which</b>		
Costs capitalised as part of assets	6,994	6,000

### Note 7.1 Retirements due to ill-health

During 2018/19 there was 1 early retirement from the trust (2 in the year ended 31 March 2018). The estimated additional pension liability of these ill-health retirements is £126k (£180k in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

In 2018/19 Directors' remuneration (including Non-Executive Directors) was £1,437k (2017/18 £1,563k) of which £0k (2017/18 £0k) is included for redundancy. Remuneration includes employer contributions to the pension scheme of £68k (2017/18 £109k).

Further details of directors' remuneration can be found in the remuneration report.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

#### c) National Employment Savings Scheme (NEST) pension

NEST is the workplace pension set up by the Government. The Trust offers employees the NEST pension scheme alongside the two NHS Pension Schemes. NEST is a defined contribution workplace pension scheme backed by the UK Government. In 2018/19 the Trust paid £39,083 into NEST. Staff are automatically enrolled into the NHS pension scheme or the NEST scheme unless staff opt out.

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 9 Operating leases**

**Note 9.1 Chelsea and Westminster Hospital NHS Foundation Trust as a lessor**

This note discloses income generated in operating lease agreements where Chelsea and Westminster Hospital NHS Foundation Trust is the lessor.

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
<b>Operating lease revenue</b>		
Minimum lease receipts	694	637
<b>Total</b>	<b>694</b>	<b>637</b>
	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Future minimum lease receipts due:</b>		
- not later than one year;	694	637
- later than one year and not later than five years;	-	-
- later than five years.	-	-
<b>Total</b>	<b>694</b>	<b>637</b>

The Trust has three lessor agreements on Trust buildings and land. Imperial College lease the Renal Unit and charges are made with regard to actual costs associated with the premises. Alliance Medical lease land for their MRI unit and a contract has been agreed in respect of lease charges that takes into consideration charges from the company to the Trust for MRI scans. Hounslow and Richmond Community Healthcare NHS Trust lease land and building for the Urgent Care Centre (UCC).

**Note 9.2 Chelsea and Westminster Hospital NHS Foundation Trust as a lessee**

This note discloses costs and commitments incurred in operating lease arrangements where Chelsea and Westminster Hospital NHS Foundation Trust is the lessee.

	<b>Buildings</b>	<b>Other</b>	<b>Buildings</b>	<b>Other</b>
	<b>2018/19</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Operating lease expense</b>				
Minimum lease payments	5,240	511	4,403	631
Less sublease payments received	(383)	-	(390)	-
<b>Total</b>	<b>4,857</b>	<b>511</b>	<b>4,013</b>	<b>631</b>
	<b>Buildings</b>	<b>Other</b>	<b>Buildings</b>	<b>Other</b>
	<b>31 March 2019</b>	<b>31 March 2019</b>	<b>31 March</b>	<b>31 March</b>
	<b>£000</b>	<b>£000</b>	<b>2018</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Future minimum lease payments due:</b>				
- not later than one year;	2,705	641	4,549	635
- later than one year and not later than five years;	2,642	373	5,228	682
- later than five years.	2,744	-	3,151	-
<b>Total</b>	<b>8,091</b>	<b>1,014</b>	<b>12,928</b>	<b>1,317</b>

The site has a number of property operating leases to run its operations. These include leased properties predominantly from private companies but also from NHS Property Services. The rent reviews are either at a five year or other agreed intervals.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 10 Finance income

Finance income represents interest received on assets and investments in the period.

	2018/19	2017/18
	£000	£000
Interest on bank accounts	463	148
Other finance income	142	103
<b>Total finance income</b>	<b>605</b>	<b>251</b>

### Note 11.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2018/19	2017/18
	£000	£000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	1,024	1,030
Other loans	7	-
Finance leases	38	47
Interest on late payment of commercial debt	4	8
Main finance costs on PFI and LIFT schemes obligations	2,545	2,631
Contingent finance costs on PFI and LIFT scheme obligations	1,845	1,648
<b>Total interest expense</b>	<b>5,463</b>	<b>5,364</b>
Unwinding of discount on provisions	3	7
<b>Total finance costs</b>	<b>5,466</b>	<b>5,371</b>

### Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2018/19	2017/18
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	417	350
Amounts included within interest payable arising from claims under this legislation	4	8
Compensation paid to cover debt recovery costs under this legislation	-	8

### Note 12 Other gains / (losses)

	2018/19	2017/18
	£000	£000
Gains on disposal of assets	13	13
<b>Total gains / (losses) on disposal of assets</b>	<b>13</b>	<b>13</b>

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 13.1 Intangible assets - 2018/19

	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2018 - brought forward</b>	<b>4,591</b>	<b>19,256</b>	<b>18,873</b>	<b>42,720</b>
Additions	-	-	13,995	13,995
Reclassifications	595	15,318	(15,913)	-
Disposals / derecognition	-	(91)	-	(91)
<b>Valuation / gross cost at 31 March 2019</b>	<b>5,186</b>	<b>34,483</b>	<b>16,955</b>	<b>56,624</b>
<b>Amortisation at 1 April 2018 - brought forward</b>	<b>2,531</b>	<b>13,563</b>	<b>-</b>	<b>16,094</b>
Provided during the year	473	3,105	-	3,578
Disposals / derecognition	-	(91)	-	(91)
<b>Amortisation at 31 March 2019</b>	<b>3,004</b>	<b>16,577</b>	<b>-</b>	<b>19,581</b>
<b>Net book value at 31 March 2019</b>	<b>2,182</b>	<b>17,906</b>	<b>16,955</b>	<b>37,043</b>
<b>Net book value at 1 April 2018</b>	<b>2,060</b>	<b>5,693</b>	<b>18,873</b>	<b>26,626</b>

### Note 13.2 Intangible assets - 2017/18

	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2017 - brought forward</b>	<b>4,563</b>	<b>18,604</b>	<b>2,556</b>	<b>25,723</b>
Additions	-	-	17,339	17,339
Reclassifications	28	994	(1,022)	-
Disposals / derecognition	-	(342)	-	(342)
<b>Valuation / gross cost at 31 March 2018</b>	<b>4,591</b>	<b>19,256</b>	<b>18,873</b>	<b>42,720</b>
<b>Amortisation at 1 April 2017 - brought forward</b>	<b>2,010</b>	<b>11,939</b>	<b>-</b>	<b>13,949</b>
Provided during the year	521	1,966	-	2,487
Disposals / derecognition	-	(342)	-	(342)
<b>Amortisation at 31 March 2018</b>	<b>2,531</b>	<b>13,563</b>	<b>-</b>	<b>16,094</b>
<b>Net book value at 31 March 2018</b>	<b>2,060</b>	<b>5,693</b>	<b>18,873</b>	<b>26,626</b>
<b>Net book value at 1 April 2017</b>	<b>2,553</b>	<b>6,665</b>	<b>2,556</b>	<b>11,774</b>

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 14.1 Property, plant and equipment - 2018/19**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2018 - brought forward</b>	<b>82,498</b>	<b>288,034</b>	<b>13,472</b>	<b>11,883</b>	<b>71,434</b>	<b>121</b>	<b>14,559</b>	<b>3,672</b>	<b>485,673</b>
Additions	-	10,884	-	25,986	-	-	-	-	36,870
Impairments	(1,214)	(42,975)	-	-	-	-	-	-	(44,189)
Reversals of impairments	11,018	16,203	58	-	-	-	-	-	27,279
Revaluations	-	(8,442)	(386)	-	-	-	-	-	(8,828)
Reclassifications	-	9,800	175	(14,415)	4,370	-	84	(14)	-
Disposals / derecognition	-	-	-	-	(3,423)	-	(237)	(79)	(3,739)
<b>Valuation/gross cost at 31 March 2019</b>	<b>92,302</b>	<b>273,504</b>	<b>13,319</b>	<b>23,454</b>	<b>72,381</b>	<b>121</b>	<b>14,406</b>	<b>3,579</b>	<b>493,066</b>
<b>Accumulated depreciation at 1 April 2018 - brought forward</b>	<b>-</b>	<b>5,061</b>	<b>409</b>	<b>-</b>	<b>53,497</b>	<b>121</b>	<b>12,947</b>	<b>2,781</b>	<b>74,816</b>
Provided during the year	-	8,736	363	-	4,417	-	583	207	14,306
Revaluations	-	(8,442)	(386)	-	-	-	-	-	(8,828)
Disposals / derecognition	-	-	-	-	(3,423)	-	(237)	(79)	(3,739)
<b>Accumulated depreciation at 31 March 2019</b>	<b>-</b>	<b>5,355</b>	<b>386</b>	<b>-</b>	<b>54,491</b>	<b>121</b>	<b>13,293</b>	<b>2,909</b>	<b>76,555</b>
<b>Net book value at 31 March 2019</b>	<b>92,302</b>	<b>268,149</b>	<b>12,933</b>	<b>23,454</b>	<b>17,890</b>	<b>-</b>	<b>1,113</b>	<b>670</b>	<b>416,511</b>
<b>Net book value at 1 April 2018</b>	<b>82,498</b>	<b>282,973</b>	<b>13,063</b>	<b>11,883</b>	<b>17,937</b>	<b>-</b>	<b>1,612</b>	<b>891</b>	<b>410,857</b>

**Note 14.2 Property, plant and equipment - 2017/18**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2017 - brought forward</b>	<b>80,377</b>	<b>260,102</b>	<b>12,488</b>	<b>5,254</b>	<b>67,991</b>	<b>121</b>	<b>20,225</b>	<b>3,603</b>	<b>450,161</b>
Additions	-	15	-	20,374	122	-	-	-	20,511
Impairments	-	(684)	-	-	-	-	-	-	(684)
Reversals of impairments	2,121	26,543	983	-	-	-	-	-	29,647
Revaluations	-	(7,582)	-	-	-	-	-	-	(7,582)
Reclassifications	-	9,640	1	(13,745)	3,880	-	155	69	-
Disposals / derecognition	-	-	-	-	(559)	-	(5,821)	-	(6,380)
<b>Valuation/gross cost at 31 March 2018</b>	<b>82,498</b>	<b>288,034</b>	<b>13,472</b>	<b>11,883</b>	<b>71,434</b>	<b>121</b>	<b>14,559</b>	<b>3,672</b>	<b>485,673</b>
<b>Accumulated depreciation at 1 April 2017 - brought forward</b>	<b>-</b>	<b>4,587</b>	<b>78</b>	<b>-</b>	<b>49,221</b>	<b>121</b>	<b>17,098</b>	<b>2,539</b>	<b>73,644</b>
Provided during the year	-	8,056	331	-	4,835	-	1,040	242	14,504
Revaluations	-	(7,582)	-	-	-	-	-	-	(7,582)
Disposals / derecognition	-	-	-	-	(559)	-	(5,191)	-	(5,750)
<b>Accumulated depreciation at 31 March 2018</b>	<b>-</b>	<b>5,061</b>	<b>409</b>	<b>-</b>	<b>53,497</b>	<b>121</b>	<b>12,947</b>	<b>2,781</b>	<b>74,816</b>
<b>Net book value at 31 March 2018</b>	<b>82,498</b>	<b>282,973</b>	<b>13,063</b>	<b>11,883</b>	<b>17,937</b>	<b>-</b>	<b>1,612</b>	<b>891</b>	<b>410,857</b>
<b>Net book value at 1 April 2017</b>	<b>80,377</b>	<b>255,515</b>	<b>12,410</b>	<b>5,254</b>	<b>18,770</b>	<b>-</b>	<b>3,127</b>	<b>1,064</b>	<b>376,517</b>

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 14.3 Property, plant and equipment financing - 2018/19**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2019</b>								
Owned - purchased	92,302	208,118	12,933	17,416	17,218	1,113	670	<b>349,770</b>
Finance leased	-	2,354	-	-	-	-	-	<b>2,354</b>
On-SoFP PFI contracts and other service concession arrangements	-	52,054	-	-	-	-	-	<b>52,054</b>
Owned - government granted	-	997	-	-	21	-	-	<b>1,018</b>
Owned - donated	-	4,626	-	6,038	651	-	-	<b>11,315</b>
<b>NBV total at 31 March 2019</b>	<b>92,302</b>	<b>268,149</b>	<b>12,933</b>	<b>23,454</b>	<b>17,890</b>	<b>1,113</b>	<b>670</b>	<b>416,511</b>

**Note 14.4 Property, plant and equipment financing - 2017/18**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2018</b>								
Owned - purchased	82,498	225,716	13,063	11,883	17,097	1,612	891	<b>352,760</b>
Finance leased	-	2,795	-	-	-	-	-	<b>2,795</b>
On-SoFP PFI contracts and other service concession arrangements	-	47,291	-	-	-	-	-	<b>47,291</b>
Owned - government granted	-	1,369	-	-	27	-	-	<b>1,396</b>
Owned - donated	-	5,802	-	-	813	-	-	<b>6,615</b>
<b>NBV total at 31 March 2018</b>	<b>82,498</b>	<b>282,973</b>	<b>13,063</b>	<b>11,883</b>	<b>17,937</b>	<b>1,612</b>	<b>891</b>	<b>410,857</b>

**Note 14.5 Revaluations of property, plant and equipment**

The Trust instructed Gerald Eve to carry out a revaluation of its property portfolio as at 31st December 2018. The revaluation was predominantly based on modern equivalent asset values using the alternative site approach where appropriate. This exercise resulted in a decrease in the value of the relative assets by £16.9m which has been accounted for initially against the Income and Expenditure Account as net impairments of £36.3m and thereafter as a net increase in revaluation reserve of £19.3m in accordance with the Trust's accounting policies and NHS Improvement guidance.

## Chelsea and Westminster Hospital NHS Foundation Trust

### Annual Financial Statements 2018/19

#### Note 15 Investments in joint ventures

	2018/19	2017/18
	£000	£000
Carrying value at 1 April - brought forward	872	643
Share of profit	404	229
<b>Carrying value at 31 March</b>	<b>1,276</b>	<b>872</b>

#### Note 16 Disclosure of interests in other entities

The Trust holds a 50% share in Systems Powering Healthcare Limited ("Sphere"), an IT shared services company set up as a joint venture with the Royal Marsden Hospital Foundation Trust and receives a 58% share of profit or loss. Sphere is a United Kingdom company which commenced operations in April 2015. The Trust accounts for its share of Sphere's gains and losses using the equity method.

#### Note 17 Inventories

	31 March 2019	31 March 2018
	£000	£000
Drugs	3,057	3,167
Consumables	3,365	3,738
Energy	188	175
Other	53	53
<b>Total inventories</b>	<b>6,663</b>	<b>7,133</b>

Inventories recognised in expenses for the year were £78,079k (2017/18: £81,032k). Write-down of inventories recognised as expenses for the year were £194k (2017/18: £239k).

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 18.1 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Contract receivables*	91,319	-
Trade receivables*	-	56,039
Accrued income*	-	29,651
Allowance for impaired contract receivables / assets*	(13,618)	-
Allowance for other impaired receivables	(589)	(16,059)
Prepayments (non-PFI)	12,483	12,725
Interest receivable	60	23
PDC dividend receivable	-	284
VAT receivable	1,739	1,889
Other receivables	4,472	3,249
<b>Total current trade and other receivables</b>	<b>95,866</b>	<b>87,801</b>

#### Of which receivables from NHS and DHSC group bodies:

Current	64,883	63,336
---------	--------	--------

\*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15. The primary changes in contract receivables relates to additional PSF funding received in 2018/19.

### Note 18.2 Allowances for credit losses - 2018/19

	Contract receivables and contract assets £000	All other receivables £000
<b>Allowances as at 1 Apr 2018 - brought forward</b>		<b>16,059</b>
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	15,666	(15,666)
New allowances arising	4,552	290
Reversals of allowances	(5,698)	(94)
Utilisation of allowances (write offs)	(902)	-
<b>Allowances as at 31 Mar 2019</b>	<b>13,618</b>	<b>589</b>

The Contract credit losses includes £3,415k NHS credit losses, £2,111k for Private Patient, £2,081k for Local Authorities, £1,729k for Overseas patients, £1,524k for Others and £1,174k Road Traffic Accident (RTA). Each year the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the income, for 2018/19 this figure is 21.89%. Non Contract credit losses is for salary overpayment of £589k.

### Note 18.3 Allowances for credit losses - 2017/18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	All receivables £000
<b>Allowances as at 1 Apr 2017 - brought forward</b>	<b>10,059</b>
Increase in provision	8,696
Amounts utilised	(1,431)
Unused amounts reversed	(1,265)
<b>Allowances as at 31 Mar 2018</b>	<b>16,059</b>

## Chelsea and Westminster Hospital NHS Foundation Trust

### Annual Financial Statements 2018/19

#### Note 19.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2018/19	2017/18
	£000	£000
<b>At 1 April</b>	<b>52,593</b>	<b>49,453</b>
Net change in year	47,667	3,140
<b>At 31 March</b>	<b>100,260</b>	<b>52,593</b>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	307	67
Cash with the Government Banking Service	99,953	52,526
<b>Total cash and cash equivalents as in SoFP</b>	<b>100,260</b>	<b>52,593</b>

#### Note 19.2 Third party assets held by the trust

The trust held cash and cash equivalents in 2017/18 which related to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2019	31 March 2018
	£000	£000
Bank balances	-	21
Monies on deposit	-	-
<b>Total third party assets</b>	<b>-</b>	<b>21</b>

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 20 Trade and other payables

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Trade payables	15,758	10,054
Capital payables	11,709	12,611
Accruals	58,125	50,307
Social security costs	4,445	125
Other taxes payable	4,054	254
PDC dividend payable	538	-
Accrued interest on loans*	-	111
Other payables	5,088	1,307
<b>Total current trade and other payables</b>	<b>99,717</b>	<b>74,769</b>

#### Of which payables from NHS and DHSC group bodies:

Current	23,586	10,993
---------	--------	--------

Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 22. IFRS 9 is applied without restatement therefore comparatives have not been restated. There have been no significant changes in contract liabilities in 2018/19.

### Note 21 Other liabilities

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Deferred income: contract liabilities	14,285	11,688
<b>Total other current liabilities</b>	<b>14,285</b>	<b>11,688</b>

### Note 22 Borrowings

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Loans from the Department of Health and Social Care		
Care	3,787	3,618
Other loans	1,254	-
Obligations under finance leases	180	172
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,543	1,056
<b>Total current borrowings</b>	<b>6,764</b>	<b>4,846</b>
<b>Non-current</b>		
Loans from the Department of Health and Social Care		
Care	51,850	54,307
Other loans	9,637	-
Obligations under finance leases	276	455
Obligations under PFI, LIFT or other service concession contracts	31,164	31,831
<b>Total non-current borrowings</b>	<b>92,927</b>	<b>86,593</b>

The Trust has four loans outstanding at the end of the financial year. Three loans are from the Department of Health and Social Care and comprise of one working capital loan and two separate capital investment loans. The working capital loan balance at the end of the year is £36.2m with an interest rate of 1.8%. The capital investment loans have balances of £10.3m, with an interest rate of 1.46%, and £9.1m, with an interest rate of 2.2%.

In 2018/19 the Trust took out a further loan with Natwest Plc for £10.9m, with an interest rate of 2.44% to purchase the Maternity Modular building on the West Middlesex Site.

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 22.1 Reconciliation of liabilities arising from financing activities**

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2018</b>	57,925	-	627	32,887	91,439
<b>Cash movements:</b>					
Financing cash flows - payments and receipts of principal	(2,401)	10,884	(171)	(1,063)	7,249
Financing cash flows - payments of interest	(1,022)	-	(38)	(2,559)	(3,619)
<b>Non-cash movements:</b>					
Impact of implementing IFRS 9 on 1 April 2018	111	-	-	425	536
Application of effective interest rate	1,024	7	38	2,545	3,614
Other changes	-	-	-	472	472
<b>Carrying value at 31 March 2019</b>	<b>55,637</b>	<b>10,891</b>	<b>456</b>	<b>32,707</b>	<b>99,691</b>

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 23 Finance leases**

**Note 23.1 Chelsea and Westminster Hospital NHS Foundation Trust as a lessee**

Obligations under finance leases where Chelsea and Westminster Hospital NHS Foundation Trust is the lessee.

31 March 2019	Buildings			Other			Total		
	<i>Minimum Lease</i>			<i>Minimum Lease</i>			<i>Minimum Lease</i>		
	<i>Payments</i>	<i>Interest</i>	<i>Present Value</i>	<i>Payments</i>	<i>Interest</i>	<i>Present Value</i>	<i>Payments</i>	<i>Interest</i>	<i>Present Value</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Not later than one year	45	18	27	162	9	153	207	27	180
Later than one year and not later than five years	180	56	124	-	-	-	180	56	124
Later than five years	175	23	152	-	-	-	175	23	152
	<b>400</b>	<b>97</b>	<b>303</b>	<b>162</b>	<b>9</b>	<b>153</b>	<b>562</b>	<b>106</b>	<b>456</b>
Current Liabilities			27			153			180
Non Current Liabilities			276			-			276

31 March 2018	Buildings			Other			Total		
	<i>Minimum Lease</i>			<i>Minimum Lease</i>			<i>Minimum Lease</i>		
	<i>Payments</i>	<i>Interest</i>	<i>Present Value</i>	<i>Payments</i>	<i>Interest</i>	<i>Present Value</i>	<i>Payments</i>	<i>Interest</i>	<i>Present Value</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Not later than one year	45	20	25	164	18	146	209	38	172
Later than one year and not later than five years	180	63	117	162	9	153	342	72	270
Later than five years	221	35	186	-	-	-	221	35	185
	<b>446</b>	<b>118</b>	<b>328</b>	<b>326</b>	<b>27</b>	<b>299</b>	<b>772</b>	<b>145</b>	<b>627</b>
Current Liabilities			25			146			172
Non Current Liabilities			303			153			455

The Trust had two finance lease arrangements during 2018/19:

1. MRI building. The outstanding period for this lease is 9 years.
2. MRI scanner (classified as "other"). The outstanding period for the lease is 1 year.

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 24.1 Provisions for liabilities and charges analysis**

	Pensions: early departure costs £000	Pensions: injury benefits* £000	Legal claims £000	Contractual Disputes £000	Redundancy £000	Other £000	Total £000
<b>At 1 April 2018</b>	<b>1,526</b>	<b>881</b>	<b>123</b>	<b>6,282</b>	<b>575</b>	<b>7,560</b>	<b>16,947</b>
Arising during the year	343	97	264	2,535	655	1,588	5,482
Utilised during the year	(188)	(61)	(19)	(3,298)	(204)	(36)	(3,806)
Reversed unused	(53)	-	(81)	(2,608)	(390)	(2,051)	(5,183)
Unwinding of discount	2	1	-	-	-	-	3
<b>At 31 March 2019</b>	<b>1,630</b>	<b>918</b>	<b>287</b>	<b>2,911</b>	<b>636</b>	<b>7,061</b>	<b>13,443</b>
<b>Expected timing of cash flows:</b>							
- not later than one year;	185	60	287	2,911	636	6,256	10,335
- later than one year and not later than five years;	735	239	-	-	-	506	1,480
- later than five years.	710	619	-	-	-	299	1,628
<b>Total</b>	<b>1,630</b>	<b>918</b>	<b>287</b>	<b>2,911</b>	<b>636</b>	<b>7,061</b>	<b>13,443</b>

Contractual disputes relate to challenges from Commissioners on pricing, charging and penalties. Other provisions include NHS Resolution LTPS Claim of £89k (2017/18 £102k), dilapidations £805k (2017/18 £1,095k), contractual pay claims £3,088k (2017/18 £2,143k) and other contractual claims £3,078k(2017/18 £4,005k)

\* In 2018/19 the analysis of provisions has been revised to separately identify provisions for injury benefit liabilities. In previous periods, these provisions were included within other provisions

## Chelsea and Westminster Hospital NHS Foundation Trust

### Annual Financial Statements 2018/19

#### Note 24.2 Clinical negligence liabilities

At 31 March 2019, £344,168k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Chelsea and Westminster Hospital NHS Foundation Trust (31 March 2018: £303,080k).

#### Note 25 Contingent assets and liabilities

	31 March 2019	31 March 2018
	£000	£000
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(33)	(50)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
<b>Gross value of contingent liabilities</b>	<u>(33)</u>	<u>(50)</u>
Amounts recoverable against liabilities	-	-
<b>Net value of contingent liabilities</b>	<u>(33)</u>	<u>(50)</u>
<b>Net value of contingent assets</b>	-	-

#### Note 26 Contractual capital commitments

	31 March 2019	31 March 2018
	£000	£000
Property, plant and equipment	13,685	920
Intangible assets	4,429	8,757
<b>Total</b>	<u>18,114</u>	<u>9,677</u>

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 27 On-SoFP PFI arrangements

#### Note 27.1 Imputed finance lease obligations

Chelsea and Westminster Hospital NHS Foundation Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	31 March 2019	31 March 2018
	£000	£000
<b>Gross PFI liabilities</b>	<b>58,538</b>	<b>61,895</b>
<b>Of which liabilities are due</b>		
- not later than one year;	4,006	3,624
- later than one year and not later than five years;	13,781	14,348
- later than five years.	40,751	43,923
Finance charges allocated to future periods	(25,831)	(29,008)
<b>Net PFI obligation</b>	<b>32,707</b>	<b>32,887</b>
- not later than one year;	1,543	1,056
- later than one year and not later than five years;	4,869	4,957
- later than five years.	26,295	26,874

#### Note 27.2 Total on-SoFP PFI commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2019	31 March 2018
	£000	£000
<b>Total future payments committed in respect of the PFI arrangements</b>	<b>288,036</b>	<b>295,421</b>
<b>Of which liabilities are due:</b>		
- not later than one year;	14,298	17,379
- later than one year and not later than five years;	60,112	69,516
- later than five years.	213,626	208,526

The Trust paid £18.2m in the year which represents £3.9m in excess of the contractually committed amount. The Trust expects to incur a comparable spend in addition to the contractual liability presented above for 2019-20. Beyond this range, it is not possible to reliably estimate any variances to the contracted amount which might be incurred.

#### Note 27.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2018/19	2017/18
	£000	£000
<b>Unitary payment payable to service concession operator</b>	<b>18,200</b>	<b>17,485</b>
<b>Consisting of:</b>		
- Interest charge	2,545	2,631
- Repayment of finance lease liability	1,063	726
- Service element and other charges to operating expenditure	11,551	11,652
- Capital lifecycle maintenance	1,196	828
- Contingent rent	1,845	1,648
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-
<b>Total amount paid to service concession operator</b>	<b>18,200</b>	<b>17,485</b>

The Trust has a PFI scheme with Bywest Limited for a 33 year period which commenced in 2004. At the end of this period the Trust takes possession of the buildings and equipment funded and maintained by Bywest over the duration of the scheme. The Trust makes an annual unitary payment to cover liabilities management, lifecycle maintenance and finance costs. Unitary payments may vary in the future and are dependent on the Retail Price Index. Facilities management services are subject to market testing every five years. The market testing and formal tender of these services was last carried out in 2012/13. A new provider for soft facilities management services commenced in June 2013, including building cleaning and ground & site maintenance. The PFI scheme transferred to the Trust on 1 September 2015 following the merger with West Middlesex University Hospital NHS Trust.

Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has finance lease and payments comprise imputed finance lease charges and service charges.

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 28 Financial instruments

#### Note 28.1 Financial risk management

IAS 32 (Financial Instruments: Disclosure and Presentation), IAS 39 (Financial Instrument Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) require disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. The Trust does not have any complex financial instruments and does not hold or issue financial instruments for speculative trading purposes. Because of the continuing service provider relationship the Trust has with healthcare commissioners and the way those healthcare commissioners are financed, the Trust is not exposed to the degree of financial risk faced by non NHS business entities.

The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

#### Note 28.2 Liquidity Risk

The Trust's net operating costs are mainly incurred under legally binding contracts with commissioners, which are financed from resources voted annually by Parliament. This provides a reliable source of funding stream which significantly reduces the Trust's exposure to liquidity risk.

The Trust also manages liquidity risk by maintaining banking facilities and loan facilities to meet its short and long term capital requirements through continuous monitoring of forecast and actual cash flows.

In addition to internally generated resources the Trust finances its capital programme through agreed loan facilities with the Independent Trust Financing Facility. The Trust has a working capital facility as at 31 March 2019 but has not drawn down against it.

#### Note 28.3 Credit Risk

Credit risk exists where the Trust can suffer financial loss through default of contractual obligations by a customer of counterparty.

The policy reflects the position on the causes of debt, the implications of compliance and the need to identify trading counterparties correctly and the varied level of risk associated with them along with the requirement to maintain an adequate bad debt provision. The Trust maintains a bad debt provision rule set which is flexible and reflects the monthly movements on the sales ledger, however it also requires that a line by line review of items to be provided is carried out regularly.

Trade debtors consist of high value transaction with NHS England and CCG commissioners under contractual terms that require settlement of obligation within a time frame established generally by the Department of Health and local authorities under contractual terms although these are subject to individual negotiation. Other trade debtors include private and overseas patients, spread across diverse geographical areas.

Credit risk exposures of monetary financial assets are managed through the Trust's treasury policy which limits the value that can be placed with each approved counterparty to minimise the risk of loss. The counterparties are limited to the approved financial institutions with high credit ratings. Limits are reviewed regularly by senior management.

The maximum exposure of the Trust to credit risk is equal to the total trade and other receivables within Note 18.

#### Note 28.4 Interest rate risk

The Trust's borrowings comprise fixed rate loans or interest free loans; the Trust is not therefore exposed to interest rate risk.

**Chelsea and Westminster Hospital NHS Foundation Trust**  
**Annual Financial Statements 2018/19**

**Note 28.5 Carrying values of financial assets**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2019 under IFRS 9</b>			
Trade and other receivables excluding non financial assets	81,644	-	81,644
Other investments / financial assets	-	4,599	4,599
Cash and cash equivalents at bank and in hand	100,260	-	100,260
<b>Total at 31 March 2019</b>	<b>181,904</b>	<b>4,599</b>	<b>186,503</b>

The Trust recognises Sensyne Plc shares as Fair Value through OCI. As at 31 March 2019 the Trust recognised the shares at the AIM listed valuation reduced for a discount to reflect they are not completely liquid as the Trust is subject to an up to 3 year locked in period. Further details can be found in note 1.18.

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for- sale £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b>					
Trade and other receivables excluding non financial assets	70,885	-	-	-	70,885
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	52,593	-	-	-	52,593
<b>Total at 31 March 2018</b>	<b>123,478</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123,478</b>

**Note 28.6 Carrying value of financial liabilities**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost £000	Held at fair value through the I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2019 under IFRS 9</b>			
Loans from the Department of Health and Social Care	55,637	-	55,637
Obligations under finance leases	456	-	456
Obligations under PFI, LIFT and other service concession contracts	32,707	-	32,707
Other borrowings	10,891	-	10,891
Trade and other payables excluding non financial liabilities	86,182	-	86,182
Provisions under contract	5,116	-	5,116
<b>Total at 31 March 2019</b>	<b>190,989</b>	<b>-</b>	<b>190,989</b>

	Other financial liabilities £000	Held at fair value through the I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2018 under IAS 39</b>			
Loans from the Department of Health and Social Care	57,925	-	57,925
Obligations under finance leases	627	-	627
Obligations under PFI, LIFT and other service concession contracts	32,887	-	32,887
Trade and other payables excluding non financial liabilities	74,237	-	74,237
Provisions under contract	14,437	-	14,437
<b>Total at 31 March 2018</b>	<b>180,113</b>	<b>-</b>	<b>180,113</b>

**Note 28.7 Maturity of financial liabilities**

	31 March 2019 £000	31 March 2018 £000
In one year or less	97,257	93,520
In more than one year but not more than two years	6,339	4,921
In more than two years but not more than five years	19,353	14,777
In more than five years	68,040	66,895
<b>Total</b>	<b>190,989</b>	<b>180,113</b>

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### **Note 29.1 Initial application of IFRS 9**

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £111k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £3,119k.

### **Note 29.2 Initial application of IFRS 15**

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 30 Losses and special payments

	2018/19		2017/18	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
<b>Losses</b>				
Cash losses	1	11	90	58
Bad debts and claims abandoned	407	240	1,192	515
Stores losses and damage to property	22	194	12	208
<b>Total losses</b>	<b>430</b>	<b>445</b>	<b>1,294</b>	<b>781</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	-	-	4	31
Ex-gratia payments	37	75	63	152
Special severance payments	-	-	1	121
<b>Total special payments</b>	<b>37</b>	<b>75</b>	<b>68</b>	<b>304</b>
<b>Total losses and special payments</b>	<b>467</b>	<b>520</b>	<b>1,362</b>	<b>1,085</b>
Compensation payments received		19		132

The amounts reported as losses and special payments are on an accruals basis, excluding provision for future losses

There were no individual cases over £300,000 in the year (2017/18 None)

### Note 31 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.

### Note 32 Academic Health Partnership

The Trust has continued to be a partner in Imperial College Healthcare Partners Limited, a company limited by guarantee, in the year, with Imperial College and a number of other local trusts. The company provides central services for the Imperial Academic Health Science Partnership, in which the Trust participates. The Trust's initial investment was £1, and the Trust's contribution to the costs of the company for the year was £34k (2017/18 £65k).

### Note 33 North West London Pathology

In 2017/18 the Chelsea and Westminster Hospital NHS Foundation Trust (CW), Imperial College Healthcare NHS Trust (ICHT) and The Hillingdon Hospitals NHS Foundation Trust (THH) entered into an agreement to restructure their pathology services by establishing North West London Pathology (NWLP). NWLP is jointly governed by the 3 organisations ICHT (61.2%), CW (19.92%) and THH (18.88%).

NWLP, hosted by Imperial College Healthcare NHS Trust, is defined as a joint operation, per IFRS 11, and each Trust accounts for its share of the operating costs based on activity and hosting costs apportioned on the relative percentage of ownership. The Trust's initial contribution is reflected as a working capital loan and is included in other current receivables.

### Note 34 Events after the reporting period

There are no events after the reporting date requiring disclosure

# Chelsea and Westminster Hospital NHS Foundation Trust

## Annual Financial Statements 2018/19

### Note 35 Related parties

#### Note 35.1 Related Party Balances

The Trust is a public benefit corporation and has been authorised pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003. The Department of Health and Social Care is the parent department.

During the year none of the Board members or members of the senior management team or parties related to them has undertaken any material transactions with the Trust.

During the year the Trust has had a significant number of material transactions with the following organisations which fall within the Whole of Government Accounting Bodies and Local Authorities.

- NHS England
- NHS Clinical Commissioning Groups
- NHS Foundation Trusts
- NHS Trusts
- Department of Health and Social Care
- Health Education England
- NHS Pension Scheme
- NHS Property Services
- Local Authorities
- Ministry of Defence
- London School of Hygiene & Tropical Medicine

In addition to the above the Trust has a number of Transactions with Sphere and CW+, the official charity of the Trust:

<b>Sphere</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000s</b>	<b>£000s</b>
Receivables	1,414	1,630
Payables	-	1,591
Income	384	461
Expenditure	6,860	4,987

<b>CW+</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000s</b>	<b>£000s</b>
Receivables	19	32
Income	5,855	137





**Chelsea and Westminster Hospital**  
NHS Foundation Trust

369 Fulham Road  
London  
SW10 9NH

**Main Switchboard**  
+44 (0)20 3315 8000

**Website**  
[www.chelwest.nhs.uk](http://www.chelwest.nhs.uk)

 [fb.com/chelwest](https://www.facebook.com/chelwest)  
[fb.com/westmidhospital](https://www.facebook.com/westmidhospital)

 [@chelwestft](https://twitter.com/chelwestft)  
[@westmidhospital](https://twitter.com/westmidhospital)

 [@chelwestft](https://www.instagram.com/chelwestft)

