PROUD TO CARE

ANNUAL REPORT AND ACCOUNTS

2022/23

NHS
Chelsea and Westminster Hospital
NHS Foundation Trust


Senior Midwife
MIDWIFE IN CHARGE
SENIOR MIDWIFE


Dräger
Movita


EMERGENCY DEPARTMENT

Chelsea and Westminster Hospital NHS Foundation Trust

Annual Report and Accounts 2022/23

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

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Foreword from the Chair

When I took up my new role last April, I knew it would be an interesting mix of challenge and opportunity. It has already surpassed my expectations—on both counts.

As with the rest of the NHS, many of our challenges are deep rooted—financial pressures, difficulties in recruitment, an aging estate. But there are more recent ones too. Though the pandemic is now officially over, its impact remains. We see it in our waiting lists, the increasing complexity of need among our patients and wide inequalities in health and access to healthcare within our communities.

Allied to the growing needs of our population is the mental and physical exhaustion of our workforce. The expertise and commitment to patients is still very much there but there is also a tiredness that comes from the equivalent a three-year major incident and, as indicated by the recent waves of industrial action, a growing dissatisfaction with pay and conditions.

The answers to many of these challenges have also been taking form during the pandemic. Greater collaboration, an openness to new ways of working and a firm commitment to evidence-based improvement helped us tackle COVID-19 and it is helping us now as we recover from the impact of the pandemic.

My appointment last April was to a new role—the first chair in common for all four acute NHS trusts in north west London. In the year that has followed, we have become a formal collaborative with a board in common and increasingly close working across our executive and clinical teams. We know there is more to do to get the right balance of collaborative and local oversight and to empower our staff on the frontline while also driving strategic change. But I have already been hugely impressed by how well the four trusts have responded to thinking at scale while remaining firmly anchored in their own communities.

In the past year, the collaborative has played a key role in ensuring north west London is one of the highest performing sectors in the NHS in terms of returning to—and in some cases exceeding—pre-pandemic levels of planned care activity. In partnership with our stakeholders, we have led on sector-wide changes to inpatient orthopaedic surgery that will make better use of our collective resources so that we can provide better care, for more people, more quickly. And by aligning performance management, we are now routinely identifying important, new areas for improvement and spreading best practice more rapidly. The roll-out of a common electronic patient record system this summer will support a further step change in integrated working across all 12 of the collaborative's hospitals.

For staff, too, the collaborative is bringing benefits, from greater and more varied career and development opportunities to increased potential for helping to shape and implement new models of care and new roles. And, drawing on lessons from the pandemic again, we are committed to using our collective resources and collaborative approach to do more to support staff health and wellbeing, to be fairer, more inclusive employers and to show how much we value our people.

The past year has demonstrated how much we can achieve by bringing together our amazing staff to work with, and for, our local communities towards common goals. I feel even more sure than I did this time last year that we can create one of the best health systems in the world. Thank you to all our staff, our leadership team and board and our many partners, volunteers and, of course, patients.

Matthew Swindells
Chair

SECTION 1

PERFORMANCE REPORT

OVERVIEW OF PERFORMANCE

Statement from the Chief Executive

I am delighted to introduce the 2022/23 Annual Report for Chelsea and Westminster Hospital NHS Foundation Trust (the Trust), which encompasses our two main hospital sites, Chelsea and Westminster Hospital and West Middlesex University Hospital, and all our community-based services.

The last 12 months represents a period of major service transformation and advancement for the Trust. Our expansion in robotic surgery has led to European breakthroughs, while also leading on national clinical research to tackle and treat endometriosis, supporting our ambition to be recognised as a progressive leader in women's health.

HIV and sexual health services continue to be at the forefront of innovation, now the largest and busiest in Europe, delivering world-class care and outcomes for 200,000 patients each year. We are also leading on specialist trans clinics in the capital and now offer the first NHS-commissioned masculinising surgery service.

We continue to realise the benefits of implementing our digital programme and have successfully commenced a digital 'end-to-end' pathway solution which has been endorsed and supported by the national NHS team, and this has now been implemented in a range of other acute trusts across the country. This means our hospitals share one digital platform and access to patient records is seamless, allowing clinical staff to have access to relevant patient information securely and quickly. This has not only improved coordination of patient care but has also contributed to better and more efficient care for all patients as we adapted pathways in response to the pandemic.

There is no denying it has been an incredibly challenging year for everyone working in the NHS right now. Thanks to the continued extraordinary efforts of our staff—preparing for and managing periods of industrial action, winter planning and wider operational pressures—we remain one of the top performing health providers in the country.

It has never been more evident that, to provide excellent care to our patients, we must also provide excellent support to the people who work within the Trust to deliver our aspirations for excellence. During the year we have continued to develop our comprehensive staff wellbeing and support service to ensure our staff receive the help they need to continue to support our patients.

I would like to take this opportunity to thank all our staff, volunteers and partners who have shown incredible commitment to the care of our patients and colleagues. I am confident we 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.

Our values

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

They are:

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

Our priorities

Our Board-agreed strategic priorities have remained the same as the previous year:

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

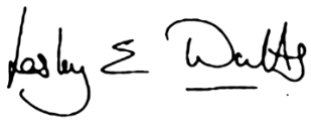
Patients, their friends, family and carers will be treated with unfailing kindness and respect by every member of staff in every department, and their experience and quality of care will be second to none.

Strategic priority 2: Be the employer of choice

We will provide every member of staff with the support, information, facilities and environment they need to develop in their roles and careers. We will recruit and retain the people we need to deliver high-quality services to our patients.

Strategic priority 3: Delivering better care at lower cost

We will look to continuously improve the quality of care and patient experience through the most efficient use of available resources (financial and human, including staff, partners, stakeholders, volunteers and friends).



Lesley Watts
Chief Executive Officer

The year in photos

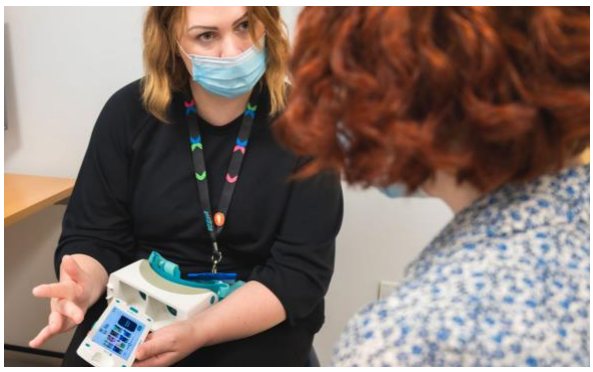
April 2022

Our consultant midwives received a silver Chief Midwifery Officer award for excellent services to maternity care during the pandemic

Our new da Vinci X surgical robot enables more patients to receive minimally invasive procedures with quicker recovery times

May 2022

Piano performance by former hand surgery patient Naiole Missi to celebrate her extraordinary recovery



We launched Eirene virtual reality headsets to support women who have experience pregnancy loss

June 2022

Secretary of State for Health and Social Care opens our new Paediatric Ambulatory Care Clinic (PACC)

Celebrating the Windrush generation's significant contributions to our Trust and the wider NHS

July 2022

We celebrate the NHS's 74th birthday with special tea parties at Chelsea and West Middlesex

Members of the All-Party Parliamentary Group on HIV and AIDS learned how we provide convenient and efficient sexual health care at our clinics

August 2022

The Mayor of Hounslow opens a new Heritage Exhibition at West Mid to celebrate its remarkable 100+ year history

Our new outpatient pharmacy CW Medicines opens at our Chelsea and 56 Dean Street sites

September 2022

We held our first Staff Awards ceremony since before the pandemic to recognise and commend staff from across our Trust

Our Venus Homebirth team at West Mid celebrated two years of supporting women and birthing people who chose to birth at home

October 2022

The Queen Consort met our pioneering Domestic Abuse team and staff working in the field in our maternity services

We hosted the first hospital screening of a game-changing endometriosis film followed by an expert panel Q&A session

November 2022

We welcomed colleagues from the Danish AIDS Foundation to our sexual health clinics and A&E

Our Trust was named as Best in UK for delivering Radiology Services at the Radiology Awards 2023

December 2022

We marked World AIDS Day with events and outreach work including an HIV testing event at G-A-Y Bar in Soho

Chief Executive Lesley Watts was awarded CBE in His Majesty the King's New Year Honours

January 2023

Staff in our Obstetrics and Gynaecology team were recognised at the Imperial College Faculty of Medicine Awards

Planning permission was granted for a new, state-of-the-art diagnostic centre at West Middlesex University Hospital

February 2023

Consultant Cardiologist Dr Fu Siong Ng shed light on heart health to raise awareness of heart attack symptoms as part of the #HelpUsHelpYou campaign

Our A&E team at Chelsea piloted new NHS England schemes to improve patient care and experience

March 2023

Three little miracles reunite 17 years after the triplets were born prematurely in 2006 at just 29 weeks

We celebrated Trans Day of Visibility with a panel discussion to recognise and celebrate the contribution of our trans and non-binary staff

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 operates these two hospitals in addition to a range of community services.

Chelsea and Westminster Hospital (CW) 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 in the United Kingdom:

- **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 workhouse, and 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 (WM) 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 heart of their local communities, providing accessible, state-of-the-art facilities.

Purpose and activities of the Trust

The Trust delivers specialist and general hospital care at Chelsea and Westminster Hospital and West Middlesex University Hospital. Both hospitals have major A&E departments, and the Trust provides the one of the largest maternity services 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 north west London integrated care system (ICS), which brings together all parts of the NHS and local authorities to focus on improving the health of the local population. We have exercised our functions in accordance with the plans of the integrated care board (ICB) that governs the ICS, including those of our Clinical Commissioning Groups, and have worked in partnership in developing any joint capital resource plans in accordance with NHS England's guidance on good governance and collaboration. Within the ICS we are part of the North West London Acute Provider Collaborative along with Imperial College Healthcare NHS Trust, The Hillingdon Hospitals NHS Foundation Trust and London North West University Healthcare NHS Trust. Our collaborative is focused on reducing health inequalities to patients accessing acute care across north west London by developing joint clinical pathways and providing mutual aid.

The Trust serves a catchment area in excess of one million people in the following areas:

- Brent
- Central London
- Ealing
- Hammersmith and Fulham
- Harrow
- Hillingdon
- Hounslow
- Kensington and Chelsea
- Richmond
- Wandsworth
- West London
- NHS England for specialised services commissioning

We also have a series of contractual, systems management and other partnership arrangements with 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).

Equality of service delivery

Chelsea and Westminster Hospital NHS Foundation Trust is committed to equality of opportunity and equity of opportunity in the provision of services. In line with our strategic priorities and values, we aim to create the best possible quality of care by delivering the highest quality service to all sections of the community that we serve without discrimination.

The Trust provides many important health services that have been developed over the years to meet a variety of needs. We seek to ensure that in delivering these services they are provided in a fair and equitable manner. We want our services to be accessible and useful to everyone, regardless of age, disability, gender, race, national origin, sexuality or any other factors which may cause disadvantage or inequity. We will not tolerate any practices that result in the provision of a lower standard of service to any group or individual because of unfair or unlawful discrimination. During 2022/23, we have formalised our position as part of the North West London Acute Provider Collaborative which carries a key aim of reducing health inequalities. During the year we have

developed a range of collaborative pathways with other acute providers across north west London, as well as offering mutual aid to start to reduce health inequalities across acute health providers in north west London.

Principal risks for 2022/23

The Trust is committed to consistently delivering the highest quality of care and outcomes for our patients. Our ambition is to strengthen our position as a major health provider in north west London and beyond, to enhance our position as a major university teaching hospital, driving internationally-recognised research and development, and to establish ourselves as one of the NHS's primary centres for innovation. The Trust's strategic objectives are:

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

Patients, their friends, family and carers will be treated with unfailing kindness and respect by every member of staff in every department and their experience and quality of care will be second to none.

Strategic priority 2: Be the employer of choice

We will provide every member of staff with the support information, facilities and environment they need to develop in their roles and careers. We will recruit and retain the people we need to deliver high-quality services to our patients.

Strategic priority 3: Delivering better care at lower cost

We will look to continuously improve the quality of care and patient experience through the most efficient use of available resources (financial and human, including staff, partners, stakeholders, volunteers and friends).

The principal risks that could substantially impact on the achievement of the Trust's strategic objectives, as recorded in the Board assurance framework, are outlined in greater detail within the *Annual Governance Statement* from page 106 and are summarised below:

- Failure to ensure the application of clinical and operational processes within an increasingly complex environment could compromise the delivery of outstanding, high quality, safe and patient-centred care

- Failure to innovate and coproduce quality improvements with our staff, patients, carers and stakeholders/partners could drive health inequalities in outcomes and patient experience

- Failure to fully realise the Trust's academic and Research and Development (R&D) potential may adversely affect its reputation and lead to loss of opportunity

- Risk that the population's continuously changing need for services exceeds the Trust's capability and capacity to respond in a timely way—where there are instances of demand outstripping supply, there is a risk that quality and safety of care will be compromised, the needs of service users could be insufficiently met, and this will lead to poorer health outcomes and experiences

- Insufficient or ineffective planning for current and future workforce requirements (including number of staff, skill mix and training) may lead to impaired ability to deliver the quantity of healthcare services to the required standards of quality, and inability to achieve the business plan and strategic objectives

- Failure to look after our staff's physical and mental wellbeing could lead to reduced retention of staff, increased sickness levels, pressure on staff and decreased resilience, poor staff morale, over-reliance on agency staffing at high cost/premiums, potential impairment in service quality, and loss of the Trust's strategic ambition to be the employer of choice

- Failure to maintain a coherent and coordinated structure and approach to succession planning, organisational development and leadership development may jeopardise the development of robust clinical and non-clinical leadership to support service delivery and change, staff being supported in their career development and to maintain competencies and training attendance, staff retention, and the Trust being a 'well-led' organisation under the CQC domain

- A failure to develop and maintain our culture in line with the Trust values and the NHS People Promise, which includes being compassionate and inclusive, recognition and reward, having a voice that counts, health, safety and wellbeing of staff, working flexibly, supporting learning and development, promoting equality, diversity and inclusivity and fostering a team culture—the absence of this could result in harm to staff, an inability to recruit and retain staff, a workforce which does not reflect Trust and NHS values, and poorer service delivery

- Failure of the integrated care systems and provider collaboratives in which we work to deliver transformation, reduce health inequalities, integrated care, maintain financial equilibrium and share risk responsibly may impact adversely compromising service delivery and the quality of patient care

- Failure to deliver a fit for purpose digital and physical estate to deliver the Trust's clinical strategy and strategic objectives through ineffective business planning arrangements and/or inadequate mechanisms to track and control delivery of plans and programmes

- Failure to deliver the financial plan and maintain financial sustainability, including, but not limited to non-delivery of CIP savings, budget overspends, underfunding and constraints of block contracts in the context of increasing levels of activity and demand—this could lead to an inability to deliver core services and health outcomes, financial deficit, intervention by NHS England and Improvement, NWL ICS constraints, and insufficient cash to fund future capital programmes

- Failure to protect the integrity and security of our information could lead to cyberattacks which could compromise the Trust's infrastructure and ability to deliver services and patient care, data loss or theft affecting patients, staff or finances, reputational damage and/or personal data and information being processed unlawfully (with resultant legal or regulatory fines or sanctions)

- Failure to take reasonable steps to minimise the Trust's adverse impact on the environment, maintain and deliver a green plan, and maintain improvements in sustainability in line with national targets, the NHS Long Term Plan and 'For a Greener NHS' ambitions (30%, 50% and 80% reduction in emissions by 2023, 2025 and 2030, respectively, and net zero carbon by 2040), could lead to a failure to meet Trust and system objectives, reputational damage, loss of contracts, contribution to increased pollution within the wider community, and loss of cost saving opportunities

- Failure to maintain adequate business continuity and emergency planning arrangements to sustain core functions and deliver safe and effective services during a widespread and sustained emergency or incident, for example a pandemic, could result in harm to patients, pressure on and harm to staff, reputational damage and regulator intervention

All principal risks are reviewed through the governance structure on a quarterly basis including controls, assurances, gaps in control and actions. During 2022/23 we also included the 'three lines of assurance' approach to develop a more meaningful approach to risk management. Each principal risk is assigned to an executive lead and has a designated governance home within the Trust committee structure. Mitigating controls include:

- Clinical pathways
- Clinical and non-clinical policies and procedures
- Strong operational planning and performance management
- Strong financial planning, strategy and grip
- Staff health and wellbeing strategies and initiatives
- Mutual aid and shared learning across the acute provider collaborative
- Cybersecurity
- Implementation of the sustainability and net zero strategy
- Effective risk management systems

Going concern

The Trust has submitted a plan for 2023/24 to generate a breakeven position. As at 31 Mar 2023 the Trust holds £160.2m of cash reserves and has a forecast cash balance of £174.1m at 31 Mar 2024.

The directors are confident that there is a reasonable expectation that the Trust will continue to have adequate cash resources to service its operational activities in cash terms for the next 12 months and into 2024/25. The impact of changes in the funding and cash regime have been taken into account for the Trust's plans and projections, including cash flows, liquidity and income base.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's *Financial Reporting Manual*.

PERFORMANCE ANALYSIS

How the Trust measures performance

North West London Acute Provider Collaborative

The four acute trusts in north west London came together formally as an acute provider collaborative, with a chair and board in common, on 1 Sep 2022. This approach means each trust remains an independent organisation, working closely with our local authorities, patient groups, and other partners, while also being able to make more effective use of our collective resources to provide better care, for more people, more fairly.

The collaborative is strengthening and expanding achievements we had begun to make through closer partnership working during the COVID-19 pandemic. Over the past year, our collaborative approach has helped us to:

- Offer patients waiting for an operation in a Trust where capacity for a particular service is limited, the chance to have their operation sooner, in a hospital managed by one of the other partners where there is more capacity for that service. All four trusts virtually eliminated waits of more than two years last year, and are now focusing on eliminating waits of more than 18 months for the year ahead.

- Develop and progress plans to bring together much of the routine, inpatient orthopaedic surgery for north west London in a purpose-built centre of excellence at Central Middlesex Hospital. Establishing this new, 41-bed, elective orthopaedic centre will help us improve outcomes and reduce waiting times for all orthopaedic surgery. The plans drew on feedback from a 13-week public consultation and were approved by NHS North West London in Mar 2023. The new centre is set to open in autumn 2023.

- Set up a clinical peer review process to share best practice and innovation within specific services more systematically. The peer review of accident and emergency services involving senior clinicians from all seven A&E departments run by the collaborative took place from Oct–Dec 2022. Seven broad themes for collaborative improvement were identified plus a range of more immediate actions to help progress key goals, such as reducing delays.

- Develop and progress plans for three community diagnostic centres to provide additional capacity for north west London and to improve access, especially for communities living in areas with the highest deprivation who have traditionally been less well served. The new centres—in Willesden, Wembley and Ealing—are set to open in the coming year and provide a range of services, including X-ray, CT, ultrasound and MRI scans.

- Prepare to roll out the same electronic health record system that is already in place at Imperial College Healthcare and Chelsea and Westminster to The Hillingdon Hospitals and London North West University Healthcare. The implementation—due to take place this summer—will support a further step change in integrated working across all 12 of the collaborative's hospitals, with huge benefits for both staff and patients.

Our leadership teams are also now working together more systematically, focused on four areas—quality, people, finance and operational performance, and infrastructure. With each work area led by one of the trust chief executives, we are aligning our approach to measuring performance and impact and gathering user insights to help us identify and

prioritise shared and local challenges as well as solutions and best practice. Already this more integrated working has helped all four trusts to deliver our financial plans for 2022/23 and agree coordinated financial plans for the year ahead while also being one of the highest performing sectors in the NHS in terms of returning to—and in some cases exceeding—pre-pandemic levels of planned care activity.

Our collaborative priorities for next year include:

- **Quality:** Improving care for deteriorating patients and end of life care, standardising processes for clinical harm and mortality reviews, more effectively gathering and responding to the needs and preferences of our patients and local communities, building on our inpatient orthopaedic surgery programme, codesigning improved ways of working on other clinical pathways to increase quality and reduce unwarranted variation

- **Infrastructure:** Improving the quality and efficiency of core administration and other common IT systems through standardisation and integration wherever appropriate, exploring opportunities for better use of our collective estate, developing shared solutions to help us meet carbon emission targets

- **Finance and operational performance:** Exploring further consolidation of shared functions, including securing the anticipated benefits from a new, north west London procurement hub, improving discharge planning and ensuring patients are able to be discharged as soon as they are medically ready to go home or to community-based services

- **People:** Establishing a shared recruitment hub to help reduce hard-to-fill vacancies, developing a shared careers hub and staff transfer scheme, improving use of the apprenticeship levy, joint approaches to tackling violence, aggression, bullying and discrimination

Local Trust level

The work of the Trust Board of Chelsea and Westminster Hospital NHS Foundation Trust is underpinned by five key committees—namely the Quality Committee, People and Workforce Committee, Audit and Risk Committee, Finance and Performance Committee and the Nominations and Remuneration Committee.

Board-level

The Quality Committee and Finance and Performance Committee receive the integrated performance report comprising a number of key performance indicators (KPIs) with associated commentary to explain variances and detail the 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. Trend data is also provided for the last 12 months to enable the Trust Board to track progress over time.

The report also provides context in terms of the Trust's relative performance, and a national ranking was provided for the main access standards of A&E, Referral to Treatment (RTT) and cancer.

The Trust Board receives a quarterly integrated performance and quality report which enables triangulation of outcomes and performance across the domains of access, quality, people and finance. This report includes comparator information of performance across the other three trusts in the North West London Acute Provider Collaborative while also giving nationally benchmarked performance positions. These arrangements complement a rigorous regime of internal and external audit and accountability to the Trust Board, the North West London Acute Provider Collaborative, the North West London Integrated Care Board, NHS England and our regulatory bodies. The Board also receives a summary of the Trust's financial performance, with more detailed information provided to and scrutinised by the Finance and Performance Committee.

Divisional-level

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 celebrate good performance while also challenging underperformance. Divisional performance reviews are supported with the relevant division's performance information against the committee and Board-level KPIs, supplemented by additional performance information relevant to the priorities of the division concerned.

A comprehensive programme of specialty-based deep dives was introduced some five years ago and is now fully embedded across the organisation. These reviews are executive-led and held with the specialty multidisciplinary teams to review their quality, workforce and efficiency metrics.

Additionally, a weekly performance meeting led by the deputy chief executive/chief operating officer is in place to monitor the key performance metrics across both sites and to monitor data quality. Performance against the elective recovery plan is also shared on a frequent basis through the Executive Management Board and all-staff webinars.

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 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

Throughout 2022/23, the Trust continued to face significant challenges driven by increasing demand for services and the after-effects of the COVID-19 pandemic on elective care backlogs. Despite this, the Trust maintained high levels of quality and performance, treating patients in the best way that it has been able to.

Our urgent and emergency care services have been challenged by increasing demand throughout the year. For the first time since the COVID-19 pandemic, A&E activity exceeded levels from pre-pandemic years and was roughly 2.4% higher than in 2019/20. Despite pressures, the Trust has continued to perform well and would, if reporting, rank in the top decile nationally. The Trust has consistently delivered one of the best levels of performance across the capital as well as one of the best nationally although there is more than needs to be done to return to pre-pandemic levels of performance and flow.

Referral to treatment time (RTT) performance has not been delivered since October 2019 when the Cerner electronic patient record system was deployed at the Chelsea site. The subsequent impact of ceasing elective activity in March 2020 during the first wave of COVID-19 meant the recovery phase was not concluded. Throughout 2022/23 the NHS remained focus on tackling COVID-19 elective backlogs including eradicating waits over 104 weeks and making significant reductions in waits over 78 weeks. The Trust achieved both these ambitions with 0 patients waiting over 104 weeks and reducing 78-week waits to 27 pathways in March 2023.

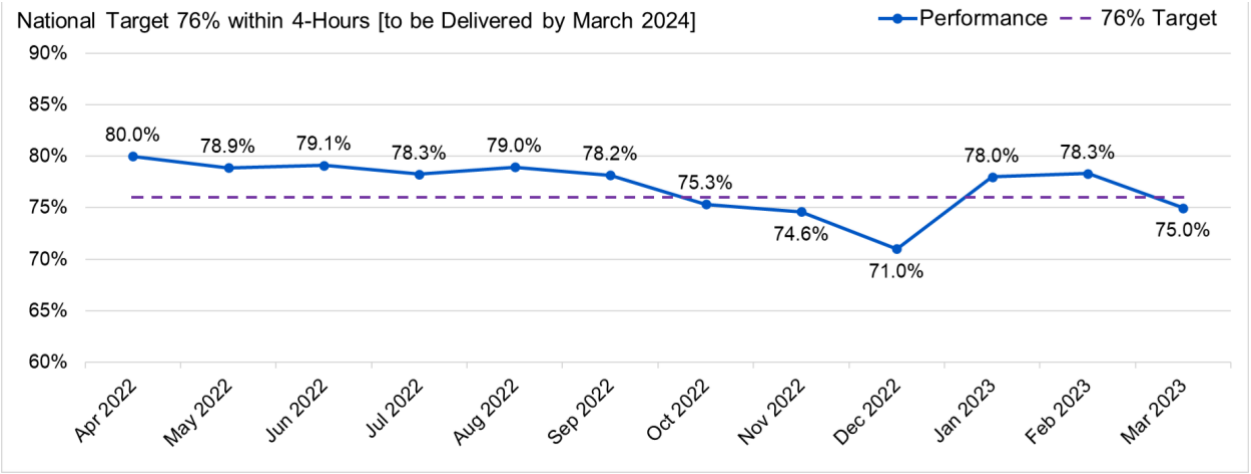
During 2022/23, the Trust provided mutual aid to London providers for long-waiting patients across a number of specialities to support collaboration and to reduce health inequalities across the broader patient population of North West London. Given increasing elective and non-elective demand, 52-week waits saw an increase over the same period from 581 to 1,128. Next year, the Trust will remain focused on tacking elective backlogs including eradication of 65-week and 78-week waits and reductions in 52-week waits.

The Trust's 62-Day cancer GP referral to first treatment performance has remained a consistent priority through the year. This standard has been impacted by increasing demand, including urgent cancer referrals. Performance has been below the national standard for 11 out of the 12 months—however, the Trust has delivered a consistent and sustained reduction to the backlog of patients waiting over 62 days throughout the year.

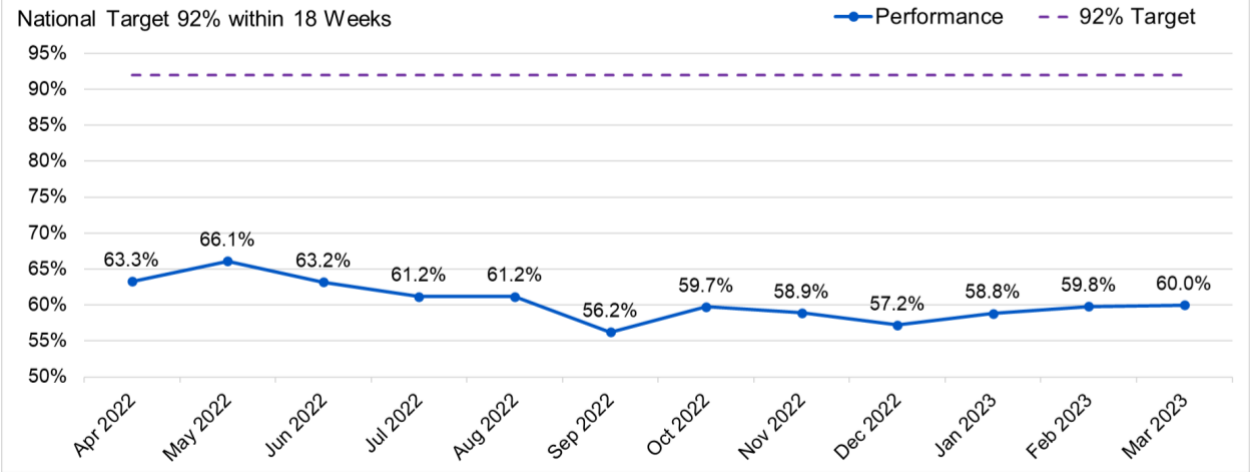
Our compliance with the 2-week wait cancer standard has been excellent despite the challenges and has delivered the standard for 11 months out of 12 across the year. The 28-day faster diagnostic standard (FDS) was introduced in October 2021 for patients who are referred for suspected cancer to have a timely diagnosis. The aim is for 75% of patients to be diagnosed or have cancer ruled out within 28 days of being urgently referred by their GP for suspected cancer. The Trust has delivered against this standard for 2 out of 12 months in 2022/23. The Trust continued to retain its position in the top decile of all providers delivering the national 95% diagnostics standard for every month of 2022/23.

The following graphs illustrate the Trust's performance against each of the key national standards of A&E 4-hour performance, RTT times, cancer 2-week waits, 62-day cancer waits, 28-day FDS and diagnostics as noted above.

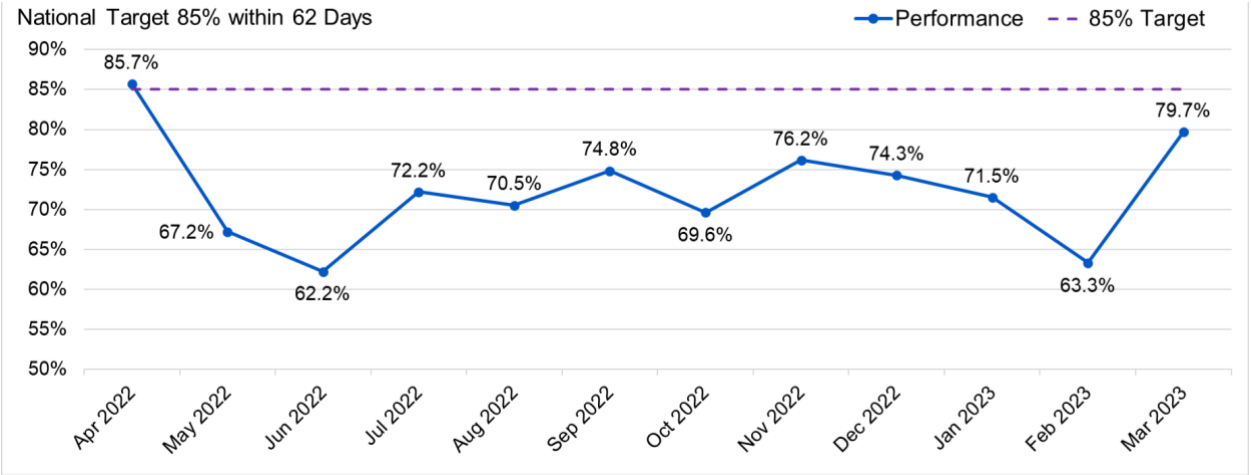
A&E 4-hour performance—types 1 and 3



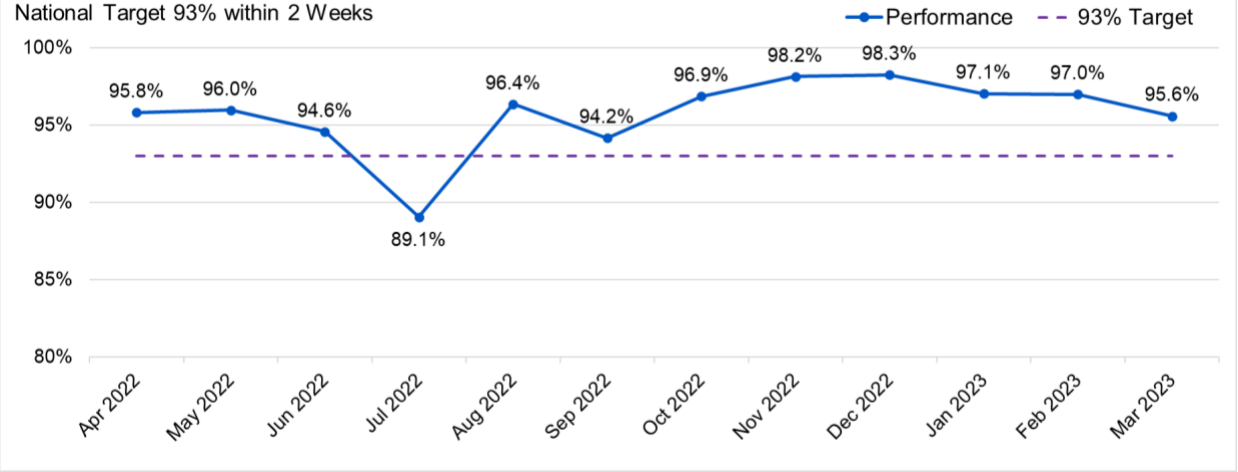
18-week referral to treatment (RTT) performance



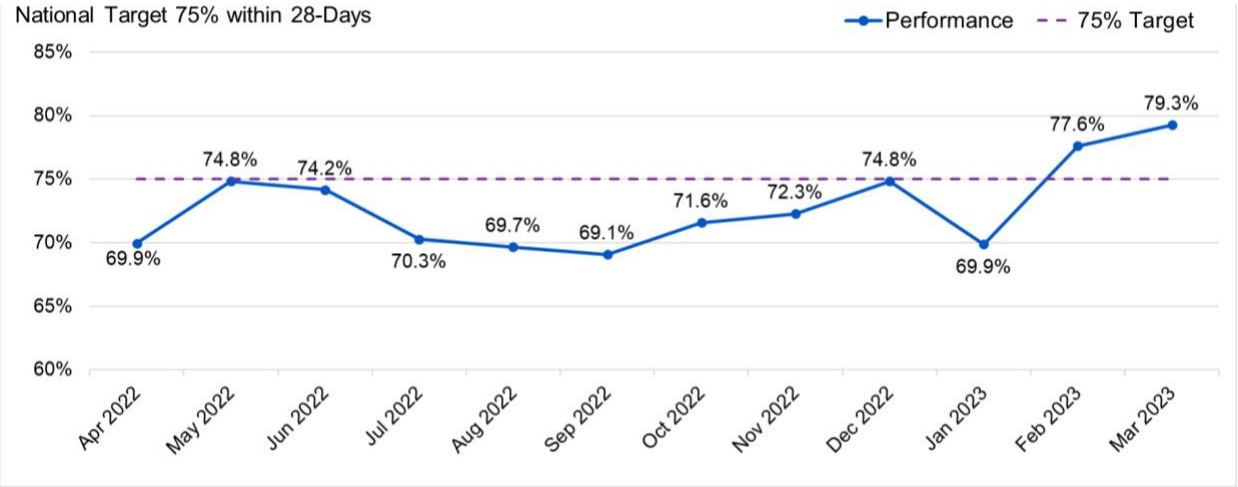
Cancer urgent 62-day GP referral to first treatment performance



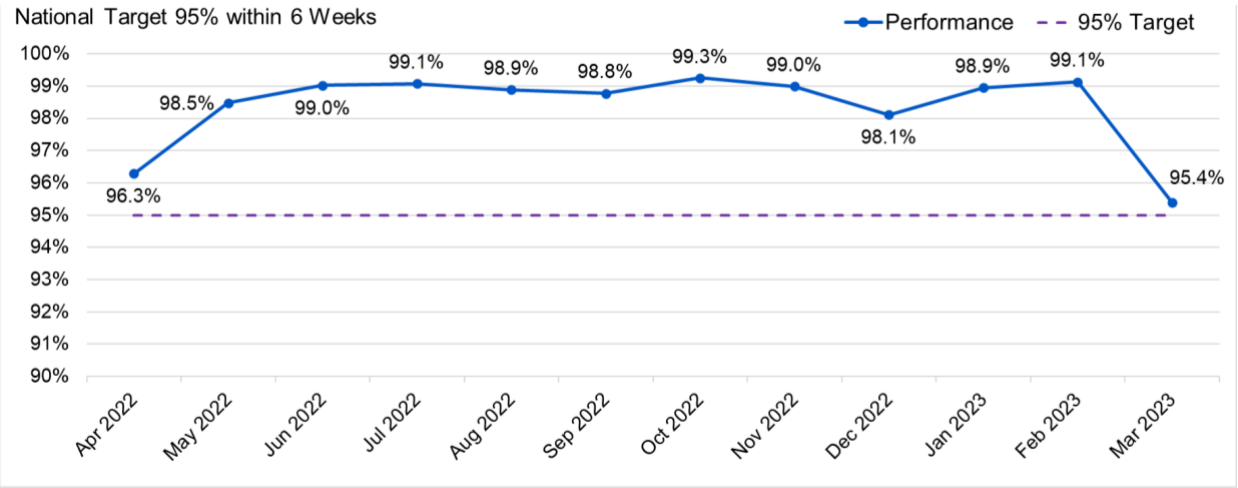
Cancer 2-week wait performance



28-day faster diagnostic standard performance



Diagnostic waiting times performance



Quality priorities

During 2022/23 we set a range of quality priorities aimed at improving the safety, effectiveness and experience of care received by our patients. These related to:

- **Priority 1:** Falls
- **Priority 2:** Clinical Handover
- **Priority 3:** End of Life Care
- **Priority 4:** Communication with patients and primary care

Priority 1: Reducing the risk of inpatient falls with harm

Patient falls within a hospital setting can result in reduced confidence, increased length of stay and direct patient harm. With appropriate assessment and intervention, the falls risk can be minimised or prevented.

Key achievements:

- **Monitoring:** A falls dashboard has been developed that provides an overview of falls risk assessment completion within the electronic clinical record.

- **Education:** A comprehensive education programme relating to falls risk assessment and prevention has been developed for nursing staff. Additionally, the Trust is participating in the development of a North West London falls training package.

- **Equipment:** A review of the equipment available to support falls risk reduction has been undertaken leading to the procurement of low beds for every ward.

This programme of work has contributed to a significant increase in the number of falls risks assessments for patient over 65, which is recorded within the electronic clinical record, and a 44% to a 44% reduction in the number of falls with that resulted in severe harm.

Metric	Baseline	Target	Achieved
Number of falls leading to severe harm/death	16	8	9
Percentage of patients over 65 to have falls risk assessment	2.9% (CW) 34.3% (WM)	90%	87.6%

Priority 2: Improving clinical handover

Effective handover between clinical teams is an essential element in the delivery of safe and effective care. Since this quality priority was established in 2020/21, the Trust has sought to enhance opportunities for effective handover by engaging clinical teams and supporting delivery.

Key achievements:

- **Decision making:** Implementation of SBAR (situation, background, assessment, recommendation) form within the electronic clinical record to support decision making and enhance documentation.

- **Process:** The Clinical Handover Policy has been introduced across the organisation together with the nursing and midwifery handover framework. These internal processes are supported by the Transfer Policy supported by the Acute Provider Collaborative.

- **Education:** A comprehensive education programme has been developed to support clinical engagement in handover practices. This includes a handover focus at induction for all medical staff, an e-learning module and the delivery of simulation training.

The initial focus for this quality priority was medical handover—this has led to increased engagement and attendance the Trust's handover meetings with 95% attendance achieved (daytime handover). Attendance at the essential meeting is being supported by the introduction of a digital solution (Alertive)—this acts as a reminder and supports participation.

Metric	Baseline	Target	Achieved
Utilisation of CernerEPR tool to support patient handover	-	-	Successful implemented
Increase number of staff trained in principles of safe and effective handover	0%	50%	35%
Medical downstream—increase the number of staff who attend hospital at night and medical downstream wards by each specialty	Nil	95%	87%
Handover at night—increase the number of staff who attend hospital at night and medical downstream wards by each specialty	Nil	95%	63%

Within the clinical handover quality priority, the following metrics were not met at the end of Mar 2023—below outlines what has been done since:

- **Clinical handover training:** Clinical handover training within the first year of the quality priority focused on junior doctors and training was embedded within the junior doctor training programme at the Chelsea site. However, due to differences in approach at the West Middlesex site there was a wider piece of work focused on bringing West Middlesex in line and embedding a constant approach which effected the training numbers in totality. Towards the later end of 2022/23, clinical handover training was expanded to include all clinical staff. To support the volume of staff and principles that needed to be covered, an e-learning module was determined to be the best way forward to ensure sustainability on training across the Trust. In May 2023, the Trust signed off e-learning for clinical handover to be mandatory and monitored in line with current core mandatory modules.

- **Attendance at medical downstream and at hospital at night meetings:** Continuous feedback was obtained from staff following low attendance numbers across both sites, with regular adjustments made to make the meeting more useful for all specialities. In Mar 2023 it was signed off within Trust policy that digital solutions would be utilised with Alertive3 reminders sent to all speciality teams—for example, general surgery SHOs and orthopaedic SHOs at both sites. If unable to attend, they are required to contact the clinical site managers via Alertive3 if there are no patients to discuss. If no response is received from the speciality team, the site manager makes contact via Alertive3 for confirmation. Feedback from staff has been positive and there has been an increase in attendance and quality of conversation within the meetings.

Priority 3: End of life care

End of life care was established as a two-year quality priority in 2022/23—the programme of work is, therefore, still in its infancy and additional time is required to effectively implement the London urgent care plan (UCP) system. The UCP is an essential element of this quality priority as it supports the sharing of patients' care preferences including the decisions around goals of care and treatment escalation. Implementation of this system will help to identify patients presenting to the Trust who already have an urgent care plan, ensuring that the care offered is appropriate and in line with expressed preferences, including decisions about admission and clinical management integrated within our Trust's timely care hub.

Metric	Target	Achieved
Fast-track transfers to be delivered in less than 4 days with centralised support for the management of fast-track discharges	>75%	Implementation ongoing
Patients with an urgent care plan attending A&E are identified	100%	Implementation ongoing

Priority 4: Communication with patients, carers and GPs

The quality and timeliness of information sharing and engagement with patients, GPs and family members greatly influences the experience of the care. It is fully recognised that poor communication and engagement can lead to gaps in care planning. For this reason, a programme of work has been introduced to enhance the effectiveness of these communication channels.

Key achievements:

- **Monitoring:** Digital solutions developed to ensure outstanding discharge summaries are identified and rectified. This monitoring system is integrated into the organisation's governance structure.

This quality priority has led to an improvement in patient experience—however, work will continue to be delivered to ensure the Trust meets its overall targets and continues to consistently communicate and support our patients, carers and their GPs.

Metric	Target	Achieved
Formal complaints (appointment-related cumulative)	12	10
Informal complaints (cumulative)	358	142
Patient experience (local survey—very good and good	96%	92.8%
Discharge summaries (DSUMs)	100%	98.7%
Outpatient letters	95%	85%

Financial performance

The Trust reported an adjusted surplus of £0.05m against the control total of a breakeven plan. The overall reported position is a surplus of £9.5m for the year (before adding back all reversals of impairments relating principally to land and buildings of £7.3m and other adjustments of £2.1m). The Trust delivered £22.9m of cost improvement programmes during the year. The following table shows the 2022/23 financial outturn against the 2021/22 position under NHS England's reporting definitions.

	2022/23 outturn (£m)	2021/22 outturn (£m)
Operating revenue	£867.2	£802.1
Employee expenses	(£500.8)	(£454.1)
Other operating expenses	(£344.5)	(£300.6)
Non-operating income/expenses	(£12.6)	(£15.9)
Other gains/(losses) including disposal of assets	(£0.3)	(£0.9)
Net reversal of impairments and other non-current asset gains/(losses)	(£6.8)	(£31.0)
Corporation tax expense	(£0.02)	0
Removal of donated assets/PPE consumables	(£2.1)	£1.7
Adjusted surplus/(deficit)	**£0.05**	**£1.3**
Net surplus/(deficit) %	0.01%	0.2%

Total operating revenue for EBITDA	£864.1	£801.1
Total operating expenses for EBITDA	(£822.9)	(£761.1)
EBITDA	**£41.2**	**£40.0**
EBITDA margin %	4.8%	5.0%

Year-end cash	**£160.2**	**£152.8**

During the year, the balance of cash and cash equivalents increased from £152.8m (31 Mar 2022) to £160.2m (31 Mar 2023).

In 2022/23 the Trust invested £35.9m on capital, which included £16.5m on estates works and maintenance across both sites, £6.9m on medical equipment and £10.5m on IT goods and services.

Environmental and sustainability performance

Overall strategy for sustainability

Chelsea and Westminster Hospital NHS Foundation Trust, along with its partners, is actively working towards the decarbonisation of our activities and a transformation to a low-carbon, sustainable healthcare system. In Nov 2021, the Trust implemented its green plan, setting out our targets to be carbon neutral for our ‘core’ footprint by 2040, and for our ‘plus’ footprint (including our supply chain) by 2045. We have already begun making decisive steps towards these goals, preparing our Trust for the journey ahead.

In Nov 2022, we supplemented our green plan with the first of our sustainability strategic reviews, a complex review of the governance, targets and enabling strategies required to meet our ambitious goals. The Trust has since reformed our sustainability programme to these recommendations, creating 12 workstreams of our sustainability board to tackle different areas of sustainable operation, and developing plans to review and update our key operational policies to incorporate sustainability at the heart of everything we do.

We recognise that delivering sustainable healthcare involves a cross-cutting approach, working at all levels with staff, patients, and partner organisations to implement our ambitions. Throughout the past year, we have been working to develop this collaborative approach through a wide number of mechanisms, including engagement with our partner organisations, staff engagement events (including our first ever sustainability week in Oct 2022), and collaborative works across the wider north west London healthcare sector. We will continue to develop this in years to come, leveraging our position as an anchor institution to leave a positive impact on the natural world around us as well as the communities and patients we serve.

Projects

Significant progress has been achieved by the Trust on individual sustainability projects throughout the past year. Our clinical sustainable transformation is progressing well, with our desflurane usage now at 1.02% (the lowest in north west London) and 80,090kg CO2e emissions avoided during the financial year 2022/23. Trials are now being developed for anaesthetic gas capture and reuse at West Middlesex, which has the potential for further reductions of our remaining 105,657kg CO2e of flurane gases. Work has also begun to develop carbon education for metered-dose inhaler reduction at Chelsea and Westminster, which we will continue to support and expand.

Planning for our estate decarbonisation has continued through a number of avenues. At West Middlesex, we are currently undertaking a feasibility study to explore solar PVs across the site. We are also collaborating with our partners across north west London to explore appointing a contractor to develop full estate decarbonisation plans, which will significantly aid us in the continued development of our estate. Owing to the nature of our energy infrastructure, we will continue to be a large gas consumer in the medium term, so we will look to ensure our capital programme over the next 10 years is built for full estate decarbonisation, including replacement of a significant amount of our infrastructure. We are also embedding sustainability into the heart of our new projects, including the ongoing development of our Ambulatory Diagnostic Centre at West Middlesex (which is targeting a BREEAM Excellent standard) and the drafting of our first ever sustainable construction policy.

Biodiversity at the Trust has become a key component of our sustainability programme over the past year, with several projects underway to explore our sites' connections to nature. These include collaborations with our contractor Bouygues, funding applications for a nature trail and new parks at our West Middlesex site, and the inclusion of the clean air hospital framework and biodiversity metric into our sustainability strategies. We will continue to explore new options to 'green' our sites in the coming years.

Innovation in sustainability has continued to develop over the past year, supported in part by our 'green funding call' in summer 2022 in partnership with our charity CW+. We have begun embedding the SusQI principles, developed by the Centre for Sustainable Healthcare, as part of our improvement programme to support sustainability-focused projects.

Engagement

The Trust recognises that delivering sustainable healthcare involves working at all levels of healthcare with staff, patients and partner organisations to implement our ambition to deliver a health system that supports social and environmental ambitions which are

financially efficient, to put our organisation on a path to a cleaner, greener and healthier future.

Through the past year, we have been working to significantly improve staff and patient engagement with sustainability. In Oct 2022, the Trust held our first-ever sustainability week, a series of events across both our hospitals to promote sustainable lifestyle options and changes which can be made in the workplace. These events were incredibly successful and the Trust will look to replicate sustainability week in the future.

We have also experimented with a number of engagement activities, including a 'green funding call' for sustainable improvement projects, changes to our Green Committee, and newsletter and email communications. We will continue to experiment with engagement of staff and patients in the future to ensure we are able to truly maximise our impact.

Direct GHG emissions

The Trust continues to measure its carbon footprint. Carbon emissions from utilities are tracked and reported monthly. This is measured and reported under scopes 1–3:

- **Scope 1:** Natural gas and natural gas WTT
- **Scope 2:** Grid electricity supply
- **Scope 3:** Grid electricity T&D, WTT, T&D, potable water supply and water treatment

The table below illustrates the total GHG emissions for the Trust.

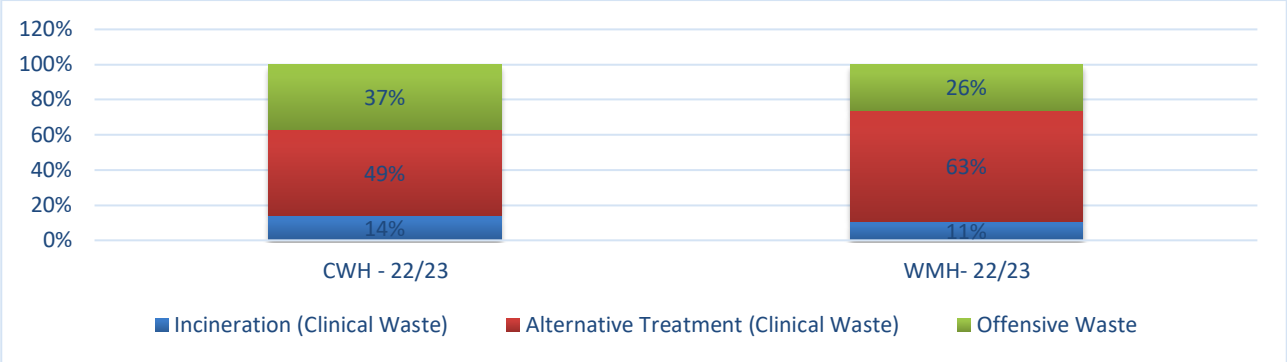
Summary	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
Tonnes of CO2e - Scope 1	1,598.33	1,627.96	1,116.51	1,117.57	836.42	634.87	645.19	869.14	967.56	1,247.70	1,279.76	1,355.99	**13,296.99**
Tonnes of CO2e - Scope 2	221.27	187.43	310.52	353.18	471.58	443.35	487.25	426.63	511.26	398.96	338.27	331.93	**4,481.64**
Tonnes of CO2e - Scope 3	182.62	188.96	195.89	217.50	230.91	188.86	185.59	180.76	194.46	173.37	165.85	182.74	**2,287.52**
Total 22/23	**2002.23**	**2004.35**	**1622.92**	**1688.25**	**1538.91**	**1267.08**	**1318.03**	**1476.53**	**1673.27**	**1820.03**	**1783.87**	**1870.67**	**20,066.15**
Total 21/22	**1934.80**	**1425.32**	**1846.59**	**1676.10**	**1868.40**	**1454.12**	**1546.43**	**1929.02**	**1892.43**	**2359.05**	**2240.35**	**1892.90**	**22,065.50**

The Trust continues to consider future proofing and incorporate changes into the awareness workshops across department leads, including at Board level. This is to ensure that there is an efficient use of resources and that sustainability responsibilities are firmly embedded in day-to-day operations.

Waste minimisation and management

The Trust works closely with its staff, contractors, infection prevention and control leads and wider community to improve the segregation and reduction of waste. We have a Trustwide multidisciplinary waste group which supports our overall sustainability waste workstream. The Trust will continue to monitor our activity against the revisions in the HTM and overall NHS clinical waste strategy updated in Mar 2023. We'll work towards the 2025 targets of 20% incineration, 20% infectious, and 60% offensive waste (20:20:60) with developed contracts management. We will ensure data accuracy and work with NHSE to normalise reporting data.

Chelsea and Westminster Hospital NHS Foundation Trust waste streams



We continue to support innovation to reduce our impact of waste disposal from activity. In conjunction with ISS, we plan to complete the installation of a bio processor food waste compactor which will provide an 80% reduction in approximately 80 tonnes of food waste and Vegware type compostable food packaging in 2023/24.

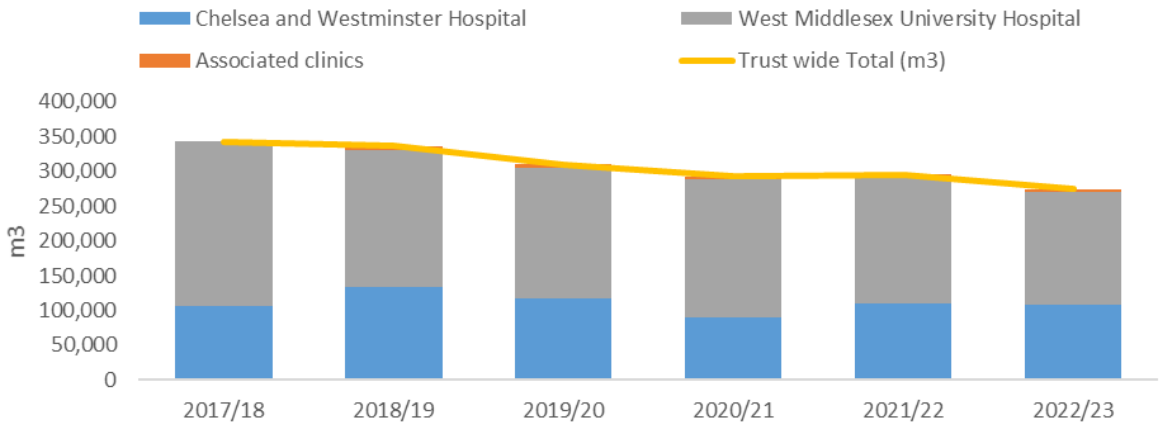
An e-learning waste segregation training module is being rolled out for all staff which will require biannual revalidation to include legislative changes. This will augment our staff and contractor engagement programmes and sustainability waste workstreams, and will be supported by three awareness days to provide an education programme for all staff on the correct segregation of waste.

Recognising that the ultimate goal of 20:20:60 will be challenging, we are also working with our clinical teams to reduce clinical and alternative waste streams. Our paper hand towels and toilet tissue dispensers have been replaced with new dispensers which will have a positive impact on reducing over-use and waste as well as reducing replenishment costs and increasing recycling.

Finite resource consumption

Water consumption

The Trust remains committed to developing maintaining programmes which will reduce the use and waste of water. The increased efficiency will cut costs and make a positive contribution towards enhancing the environment. and have achieved a 20% reduction on our 2018 baseline consumption as illustrated in the table below. We continue to support innovative water saving initiatives such as the utilisation of robotic floor cleaning which will save 90% of the water used for conventional cleaning.



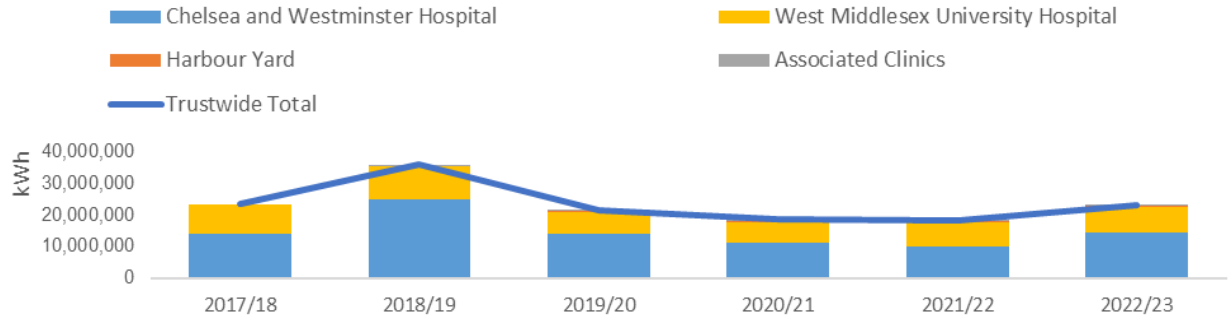
Our capital and refurbishment programmes have embedded water efficient plumbing and water systems. Our Board approved sustainability work stream will continue to educate staff and work with suppliers to support our water reduction and net zero ambitions.

Water consumption (m^3)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Chelsea and Westminster Hospital	107,014	134,257	117,156	89,015	110,110	108,040
Associated Clinics	0	4910	6,121	4,194	3,473	3,622
West Middlesex University Hospital	235,344	196,808	186,674	198,877	181,693	162,713
Trustwide total (m^3)	**342,358**	**335,975**	**309,951**	**292,086**	**295,276**	**274,375**
Year-on-year reduction (m^3)	-18,502	-6,383	-26,024	-17,865	3,190	-20,901
Year-on-year reduction (%)	-5%	-2%	-7%	-5%	1%	-6%

Energy consumption

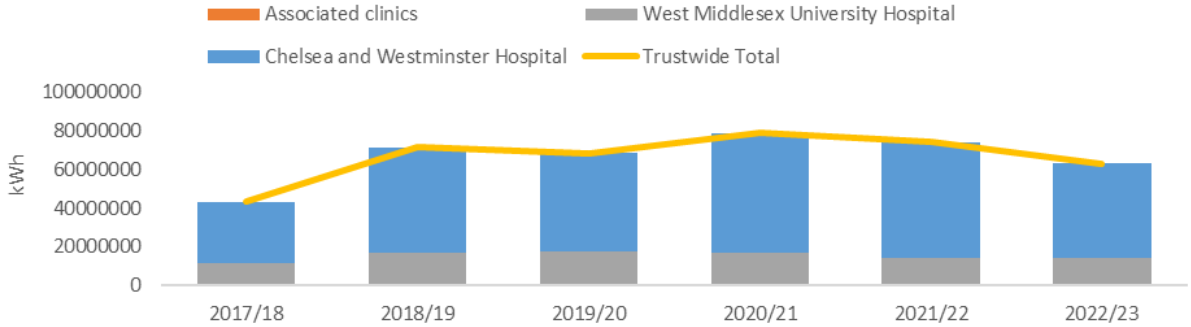
The Trust operates from a large estate which requires careful management of natural gas and electricity consumption. The volatility in supply costs has made it even more imperative that we use these resources efficiently. Our procurement of energy will continue to focus on supplies from renewable sources. Our capital and refurbishment projects are focused on our net zero goals and the efficient management and monitoring of our consumption will help towards lowering our carbon emissions, reduce costs and improve staff and patient experience. There has been a 26% increase in the Trust's consumption of grid electricity and an overall 15% reduction in the consumption of grid natural gas.

Electricity consumption



Electricity consumption (kWh)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Chelsea and Westminster Hospital	14,013,135	24,791,028	14,010,604	11,067,245	9,909,354	14,543,289
Harbour Yard	0	0	374,895	248,113	215,757	212,799
Associated Clinics	0	419,461	499,014	470,364	435,518	424,420
West Middlesex University Hospital	9,256,195	10,697,851	6,688,655	6,677,914	7,727,451	7,898,310
Trustwide total	**23,269,330**	**35,908,340**	**21,573,168**	**18,463,636**	**18,288,080**	**23,078,818**

Natural gas consumption



Gas consumption (kWh)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Chelsea and Westminster Hospital	31,394,129	54,708,819	50,444,761	61,624,791	59,569,601	48,493,846
Associated Clinics	0	580,667	589,773	198,772	167,951	625,698
West Middlesex University Hospital	11,967,602	16,271,385	17,311,190	16,832,953	14,259,314	13,862,990
Trustwide total	**43,361,731**	**71,560,871**	**68,345,724**	**78,656,516**	**73,996,866**	**62,982,534**

Carbon footprint 'plus'

As with all NHS organisations, our carbon footprint is divided into two clear categories—'core', which covers our scope 1 and 2 emissions (including anaesthetic gases) and some scope 3 emissions (metered dose inhalers, water, waste, energy WTT and business travel), and 'plus', which includes 'core' as well as the impact of our wider supply chain, staff commuting, ICT and patient and visitor travel. Our target is to achieve net-zero emissions for our 'core' emissions by 2040, and for our 'plus' emissions by 2045.

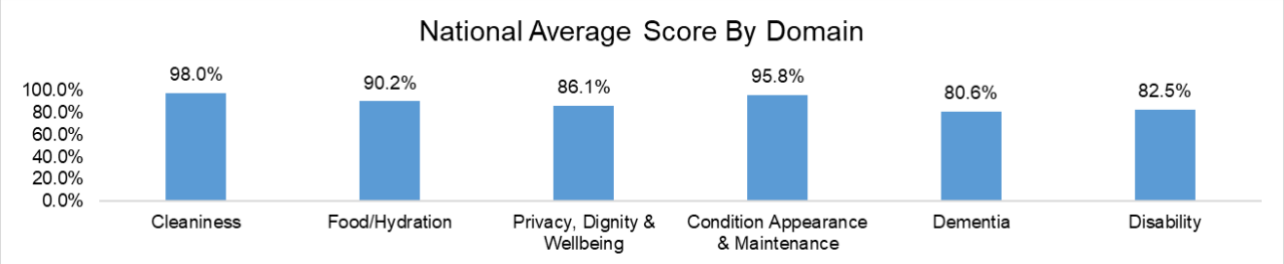
The Trust's carbon footprint 'plus' has been calculated for the first time by NHS England, based on 2019/20 data. A breakdown of this is provided below.

Category		Carbon emissions (t CO2e)
Core footprint	Anaesthetic gases	2,819.2
	Building energy	21,027.9
	Business travel and fleet	3,628.4
	Metered dose Inhalers	155.4
	Waste	578.1
	Water	282.2
Supply chain	Medical equipment	21,326.3
	Medicines and chemicals	43,089.3
	Non-medical equipment	19,960.5
	Other supply chain	38,354.7
Travel	Patient and visitor travel	3,979.4
	Staff commuting	4,484.2
Commissioned health services outside NHS		689.8
Total		**160,375.4**

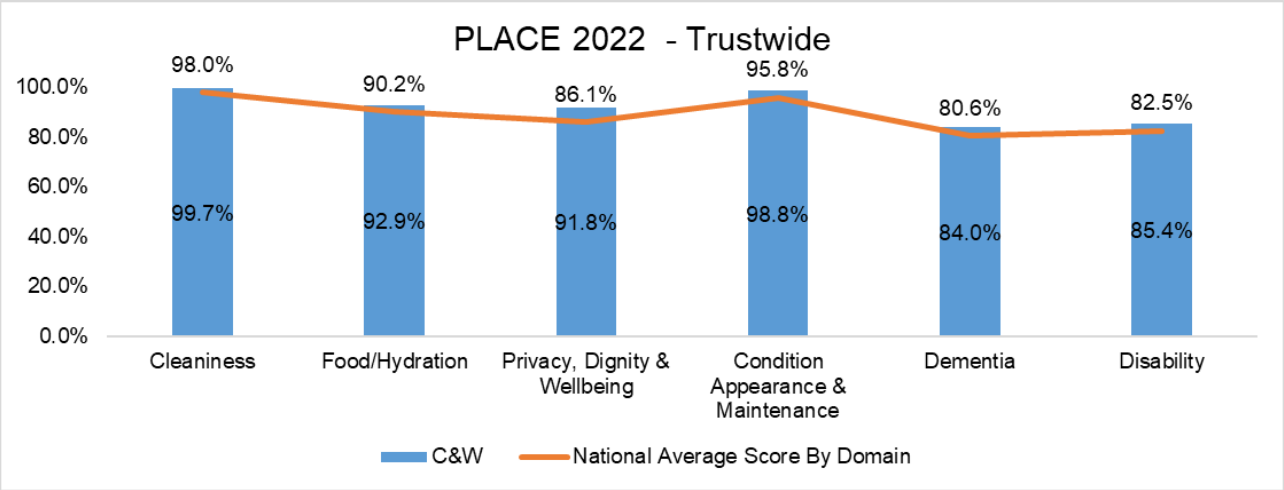
Patient-led assessments of the care environment (PLACE)

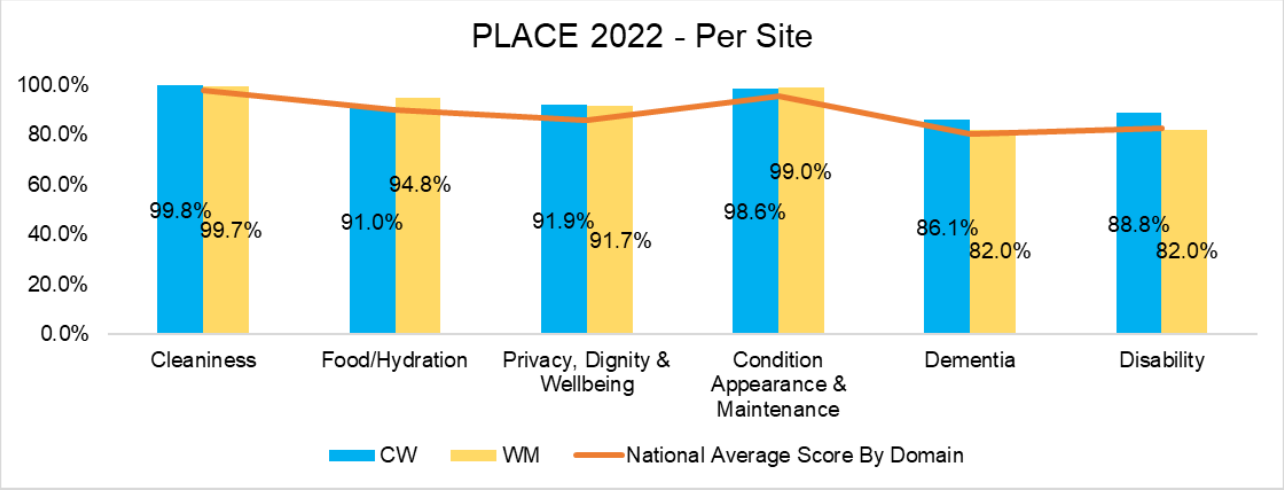
After a pause of two years due to the pandemic, PLACE relaunched in 2022. The guidance was refined following feedback gathered from the review of the 2019 collection, and additional material was added to cover considerations around COVID-19. The main assessment was conducted in October with clinical and patient representation.

The overall national average score was 88.9%, the Trust has scored an average 92.1%, 3.2% above the overall national score. The highest national average score in 2022 was for cleanliness at 98.0%, the Trust scored an average of 99.7%, 1.7% above the national average score. The following graph shows the national average PLACE scores by domain:



The Trust has scored above the national average scores for all domains with the highest score being condition appearance and maintenance at 98.8%. The graphs below illustrate the Trust score Trust wide and by site.





Estates and Facilities continue to conduct routine inspections of the hospital buildings along with our service partners and hospital directors. This includes reviewing the environment and cleaning standards, which are monitored in line with the National Standards of Cleanliness and routine monthly food tasting sessions. The new National Standards for Cleanliness 2021 were rolled out fully at Chelsea at the start of the year, and will be in place at West Middlesex from 1st April 2023.

Patient environment

The capital investment and development programme continues to improve the hospital environment for patients, including:

- **Chelsea site gamma camera replacement:** Trust investment of ~£2.3m
- **Development of theatre rooms at Chelsea site:** Trust investment of ~£0.9m
- **New patient discharge lounge at West Middlesex site:** Trust investment of ~£0.9m
- **West Middlesex site ambulatory diagnostic centre:** Trust investment of ~£1.8m in 2022/23 (£2.9m project spend to date)
- **New bike sheds at both sites:** Trust investment of ~£0.2m in 2022/23
- **Ward refurbishments:** Trust investment of ~£0.3m in 2022/23

Social, community, anti-bribery and human rights issues

There have been no anti-bribery or human rights issues to escalate throughout the year. The Trust's human trafficking statement was signed off by the Audit and Risk Committee and demonstrates full compliance.

Community

The Trust continues to work closely with our NHS partners throughout the year to ensure effective care was provided to residents. The Trust has also run and supported many community engagement events during and post pandemic to provide public health messages and reassurance on the safety of the COVID vaccination and more recently with the Mpox programme. Through 2022/23 the Trust provided a COVID vaccination and Mpox program on a number of external sites and has continued to run a public vaccination hub on site at West Middlesex University Hospital.

Equality, diversity and inclusion

We know, as an organisation, that being truly inclusive involves commitment from all our leaders and managers and all individuals across the Trust. Although a lot progress has been achieved, as an organisation, we continue to face challenges in terms of our model employer goals, ensuring we have representation from our Black, Asian and minority ethnic colleagues at more senior levels within our organisation, and ensuring each individual member of staff, regardless of their protected characteristics, have a great experience at work. We also know from our staff survey results that we have more work to do in this area in order to become a truly inclusive organisation. The following are some of the key highlights involving our work and progress:

- Positive staff survey results for a compassionate culture—higher than average but continued focus for embedding the other key three areas of compassionate leadership diversity and equality and inclusion
- The relaunch of our Staff Networks and supporting staff within the People Promise—A Voice that Counts
- Supporting colleagues to work flexibly through our Timewise flexible working action plan
- Our work across the NWL sector including the Leadership Ladder programme where our Trust had 4 participants
- Innovative work through Virtual Bodyworks and our new approach to unconscious bias training
- Participation in the WRES experts programme and White Allies programme
- Successful review of our reciprocal mentoring programme with an article published in the British Journal of Healthcare Management
- First submission of our Workplace Equality Index results for 2022, and we have ranked 271 out of 403 participants, and 36 out of 56 participants for Healthcare Services
- Our Trust incorporated patient data into our work plans and is working closely with the Patient Experience Team, this will help us with our Equality Delivery System work (EDS2e)
- Refreshing our EDI action plan and programmes of work so that we prioritise areas with the biggest impact

Disabled employees

We continue to work to make measurable and sustainable progress against our Workforce Disability Equality Standard (WDES) indicator. The Trusts recruitment and selection policy sets out our commitment and as Disability Confident Employer, section 3.4 details the Trusts guaranteed interview scheme for disabled candidates meeting the essential criteria for a post. The following are some of the key highlights in this area.

- The Trust continues to have regular monthly meetings to engage with disabled staff via our disability staff network,
- Our WDES indicators show that we have progressed with a reduction in disabled staff entering the formal capability process
- Disabled staff have also reported better relationships with their manager when compared to the previous National Staff Survey results
- Our challenge is appointment from shortlisting and this has slightly increased by 0.2% when compared to previous year
- Staff Experience Indicators have a slight negative shift especially around career and progression so we will explore this to support our disabled staff

During the year we also:

- participated in the North West London Calibre Pilot Programme aimed at encouraging staff with disabilities into leadership roles
- Maintained Disability Confident status and continued working towards Disability Leader status
- Ensured that staff network members attended the NHS employers Disability Summit to look at best practice and share ideas and bring this learning back into the Trust
- Started a policy sub group reporting into our Partnership Forum to address any concerns in policies and practice to make sure our policies are equitable for all, including our disabled staff

Learning disabilities

The Trust has continued to provide learning disability services to its patients during the year. A lead nurse for learning disabilities heads this agenda ensuring, as a Trust, we are aware of all our patients with learning disabilities to ensure they have the correct care passports in place, and offering support to families. The Trust is fully compliant with the increasing learning disabilities mortality review initiative for all mortalities of a patient with a learning disability and/or autism to have a full mortality review.

The Trust is now in the fifth year of Project SEARCH, with interns who have autism and/or a learning disability placed within the Trust to gain work experience and progress to future employment within the organisation—a number of previous interns are now employed within the organisation.

The Trust has an active programme of learning disability staff training and a learning disabilities steering group involving staff, local authorities, third-sector organisations, patients and carers.

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 who report regularly through the governance structure to the Trust's Quality Committee. The Trust has a team of independent domestic violence advisors to support patients and staff who are affected by domestic abuse, an increasing issue over recent years.

The Trust also has a team of mental health nurse leads and RMNs to support the care of patients with mental health issues while they are in our hospitals. This team works alongside our partner providers and delivers extensive training programmes throughout the organisation to enable staff to provide care and support to those in need. The Trust offers a range of mandatory and additional training in all areas of safeguarding for both children and adults.

Anti-bribery

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

RSM has continued working with the Trust during 2022/23 to provide local counter-fraud specialist services in accordance with secretary of state directions. The Trust Board's Audit and Risk Committee formally approves the counter-fraud annual work plan and progress reports are provided to the committee at each meeting.

Volunteers

In 2022/23 volunteers contributed 33,004 hours, an increase of 300 hours over 2021/22. There were 471 volunteers active last year, compared to 461 in 2021/22.

The team has been working closely with volunteering partners such as CW+, the Friends, and the Medicinema to help with the recruitment and deployment of their volunteers. As a result, partner volunteering has increased significantly, contributing over 5500 hours last year. The team managed to maintain levels of volunteering despite considerable staffing challenges—with members leaving the team and with a manager off on long-term sickness absence.

The team has developed a number of new and successful projects. This includes an End-of-Life Care (Butterfly) volunteering service at West Middlesex which was funded by NHSE for 12 months. This supported over 149 patients last year, along with their families and loved ones. The project was widely praised by patients, families and clinicians alike and the team hopes to expand it to Chelsea in the coming year. The team is seeking additional funding for this as the original funding has ended. Using funding from the Burdett Trust, there was also a successful pilot of a "Volunteer to Career" offer, which helped transition 8 volunteers into paid work at the Trust. Again, that funding has ended and the team is now seeking further funding to develop the pilot into an ongoing offer, to help the Trust meet its workforce targets.

Charity matters—CW+

The Trust and its official charity CW+ are proud to work in partnership to provide our patients, families and staff with excellent care, experience and facilities. The Trust is committed to actively promoting and supporting CW+, and several directors of the Trust Board are CW+ Trustees. This shared governance arrangement is designed to ensure clear alignment between the strategic priorities of the Trust and the charity.

Throughout the past year, CW+ and its generous community continued to support our patients, families and staff, for which we are incredibly grateful.

Best For You

Best For You is a new approach to mental health care designed for—and in consultation with—young people and their families**.** It is run in partnership by Central and North West London NHS Foundation Trust, Chelsea and Westminster Hospital NHS Foundation Trust, West London NHS Trust, and CW+. It is being evaluated by academic experts at Imperial College.

Over the course of the year, Best For You reached 50,000 people through its website. It has recruited a network of more than 70 local and national delivery partners and secured £6.5m towards its £8m fundraising target.

CW+ has partnered with YouTube, which is supporting the creation of 20 videos (and 20 YouTube Shorts). Videos released so far cover topics including anxiety, depression and schizophrenia. Plans are also underway for a new day centre opening in 2023. Run by Central and North West London NHS Foundation Trust, it will treat some of the most acutely unwell young people in north-west London, reducing unnecessary inpatient admissions and supporting young people to recover in the community, supported by friends and family.

CW Innovation

Led jointly by CW+ and Chelsea and Westminster Hospital NHS Foundation Trust, CW Innovation paves the way for new ideas—and new ways of using existing ideas—that will improve patient care, patient experience and the way our hospitals and clinics are run.

This year, the CW Innovation programme has gone from strength to strength, and celebrated its third anniversary in September with a Three-Year Anniversary Expo at Chelsea and Westminster Hospital. Its growing portfolio of innovative solutions and models of care has generated national recognition for the Trust as an emerging leader in innovation and an early adopter and designer of transformative, next-generation services and care tools.

In early 2023, the charity hosted the first two CW Innovation ‘New Horizons’ events, one at each hospital site, to help Trust staff learn more about the CW Innovation programme and how it can provide the funding, business support and ‘test and scale’ environment to make their ideas a reality.

The first year of the Horizon Fellowship Programme, run by CW Innovation in partnership with DigitalHealth.London, came to a conclusion. A showcase event was held at Chelsea

and Westminster Hospital to celebrate the achievements and learnings of the first cohort of Fellows and discuss the importance of digital innovation in healthcare.

Other highlights included the successful pilot of a virtual reality (VR) technology to provide immersive learning experiences for staff in equality, diversity and inclusion training in partnership with leading VR company Kiin—and the launch of a brand-new version of the award-winning Hand Therapy app, which provides patients with treatment information and a therapist-tailored exercise programme to aid recovery from hand and wrist injuries.

Grants

The CW+ grants programme awards funding to Trust staff for a wide range of projects, ranging from ‘quick fixes’ that help to improve patient experience and care to large-scale service development and transformation projects.

Up to £100,000 is available for any single major project, which in 2022 included the expansion of the Burns Laser Service, and the creation of a new role for a Specialist Palliative Care and End of Life Care Clinical Fellow. This year also saw the return of RADICAL (Rapid Adoption Digital Innovation Call), the winner of which was ‘Hospital at Home’, which builds on the development of virtual wards to enable more people to be cared for at home. The winner of the annual Nurses, Midwives and Allied Health Professionals Call was a proposal to enhance the Haematology/Oncology Day Unit at West Middlesex University Hospital with digital screen intervention and artworks. The first-ever Green Funding Call, for projects that help deliver the Trust’s Sustainability Plan, will fund a pilot to allow operating rooms to capture 99% of anaesthetic gases, thereby reducing carbon footprint.

Alongside these large-scale projects, CW+ awarded more than £63,000 in small grants to staff across the Trust for applications including a baby food blender for a paediatric ward and a mobile ophthalmoscope and otoscope for use with neurological patients—and more than £19,000 in grants for staff training and wellbeing. Staff seeking support for postgraduate education or research projects can apply for a grant via the annual Joint Research Committee, which is jointly funded by CW+ and the Westminster Medical School.

As part of its grants programme, the charity also funds the Trust Volunteer Service, which provides invaluable support every day to our staff and patients. This year, the service launched a new end-of-life care volunteering scheme. Eight specialist Butterfly Volunteers have begun working alongside the ward teams and Palliative Care Team at West Middlesex University Hospital.

Arts in Health

The CW+ Arts in Health programme encompasses visual art, participatory workshops and performances, film screenings at the CW+ MediCinema, and a design and environment programme to enhance clinical and non-clinical spaces and more. The charity also continues to support several research projects exploring the impact of arts in health.

Activities that resumed in early 2022 as part of the CW+ Arts for All programme included lunchtime performances and Pets as Therapy volunteers at both hospital sites. Music and dance continued to feature prominently throughout the year, with visits from community partners including the Royal Academy of Music, Opera Holland Park and the English

National Ballet School. The bespoke, multifunctional CW+ Studio also ran a full timetable of activities for the benefit of patients, staff and community groups, including collaborations with our Arts for All artists, Age UK, Sing Out London and Macmillan.

Across all clinical and non-clinical spaces, CW+ strives to enhance our hospitals to provide an outstanding healing environment, reducing stress and anxiety for patients and staff to improve wellbeing and outcomes. Significant improvements to the design and environment across both hospitals have been made this year, including new artwork commissions and installations, enhancements at Chelsea and Westminster's Paediatric Ambulatory Care Clinic, and a new playroom in the Cheyne Child Development Service.

In April, the charity unveiled a new exhibition—NHS 70th Anniversary Print Portfolio—on the ground floor of Chelsea and Westminster Hospital. The display celebrated 70 years of the NHS and the vital role it plays in people's lives.

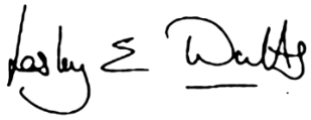
The Heritage Exhibition, which celebrates the 100th birthday of West Middlesex University Hospital, opened in July. Former and current hospital staff and local residents came to celebrate. In the same month, photographer Ejatu Shaw began her residency at the hospital. Her work, which captures the sense of family at West Mid, is now on display in the main atrium at West Mid as part of the wider heritage project. The charity has also secured funding to redevelop two garden spaces at West Middlesex, which will provide attractive and calming environments for staff and patients.

HIV and sexual health

CW+ continued to support the Trust's HIV and sexual health services and has successfully applied for various funding opportunities throughout the year as well as awarding grants to a variety of projects. The charity supported HIV PrEP Awareness Week, Desi POV, a project designed to remove barriers to healthcare, improve understanding of sexual risk and enhance sexual health and wellbeing among South Asian people in the UK, and Project BootCamp, a programme of health, wellbeing, and practical support for trans women living in London.

Thirty at Thirty

CW+ has recently launched its most ambitious fundraising campaign to date, to coincide with the 30th birthday of Chelsea and Westminster Hospital. Over the next three years, Thirty at Thirty aims to raise £30m to support the Trust in the ongoing delivery of outstanding care to the communities it serves. The funds raised will help both our hospital sites by creating world-class facilities, driving innovation and research, and enhancing patient and staff wellbeing.



Lesley Watts
Chief Executive Officer

SECTION 2

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

Names of Trust directors during 2022/23

Name	Title	Period	Unexpired term
Matthew Swindells	Chair in Common	1 Apr 2022-present	3 years
Stephen Gill	Vice Chair and Senior Independent Director	1 Nov 2017–present	7 months
Professor Andy Bush	Non-executive Director	1 Set 2022–present	5 months
Aman Dalvi	Non-executive Director	1 Dec 2019–present	2 years, 8 months
Nilkunj Dodhia	Non-executive Director	1 Jul 2014–present	3 months
Peter Goldsbrough	Non-executive Director	1 Sep 2022–present	5 months
Catherine Jervis	Non-executive Director	1 Sep 2022–present	2 years, 1 month
Neville Manuel	Non-executive Director	1 Sep 2022–present	1 year, 1 month
Ajay Mehta	Non-executive Director	1 Dec 2019–present	2 years, 8 months
Dr Syed Mohinuddin	Non-executive Director	1 Sep 2022–present	3 months
Nick Gash	Vice Chair and Non-executive Director	1 Nov 2015–October 2022	n/a
Eliza Hermann	Senior Independent Director and Non-executive Director	1 Jul 2014–30 June 2022	n/a
Lesley Watts	Chief Executive Officer	14 Sep 2015–present	open-ended
Robert Bleasdale	Chief Nursing Officer	4 Apr 2022–present	open-ended
Dr Roger Chinn	Chief Medical Officer	4 Apr 2020–present	open-ended
Robert Hodgkiss	Deputy Chief Executive and Chief Operating Officer	7 Apr 2016–present	open-ended
Virginia Massaro	Chief Financial Officer	1 Oct 2019–present	open-ended
Vanessa Sloane	Acting Chief Nursing Officer	14 Feb 2022–3 Apr 2022	

In addition to the above, we have one associate non-executive director Martin Lupton. Martin is not a voting member of the Board but does carry a vote on our People Committee and our Quality Committee.

Register of interests

Board members are required to declare their interests annually and as they change, in addition to 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 www.chelwest.nhs.uk/bod, by emailing chelwest.corporategovernance@nhs.net or by writing to:

Corporate Governance Department
Chelsea and Westminster Hospital NHS Foundation Trust
369 Fulham Road
London
SW10 9NH

Well-led framework

It is of paramount importance to ensure that the Trust is well-led so services are safe and patient-centred. In November 2019 we welcomed the Care Quality Commission (CQC) to inspect our services, which included a well-led inspection, and a use of resources inspection by NHS England. The Trust maintained the rating of 'good' overall, seeing an improvement in well-led rating from 'good' to 'outstanding', and maintaining a use of resources rating of 'outstanding'. The Chelsea site improved the overall rating from 'good' to 'outstanding', and the West Middlesex site maintained the overall rating of 'good'.

The organisation undertakes periodic self-assessments against the CQC and NHSE well-led framework. An overview of the arrangements in place to govern service quality are included in the annual governance statement and will be included in the Quality Report which will be published separately as per the *Health Act 2009* and the *National Health Service (Quality Accounts) Regulations 2010*. The arrangements include a clear 'ward to board' assurance framework, which includes quality, workforce, performance and finance. The Quality Committee seeks assurance on systems, processes and outcomes relating to quality (safety, clinical effectiveness and patient experience) on behalf of the Trust Board. External peers are also invited to participate in ward accreditations.

The Trust leadership team have regular meetings with our CQC relationship manager and are in frequent contact to respond to any queries. To the best of the directors' knowledge, there are no known material inconsistencies between:

- The annual governance statement
- The corporate governance statement and annual report
- CQC insight reports and any consequent action plans

During the year the Care Quality Commission undertook an inspection of Maternity Services as part of their national inspection programme. The inspection reviewed care delivery, safety, responsiveness, the caring nature and the leadership of maternity care at Chelsea and Westminster Hospital and West Middlesex Hospital. We are currently awaiting receipt of the final report.

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 2022/23.

The Better Payment Practice Code

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

Measure of compliance	2022/23 n°	2022/23 £000	2021/22 n°	2021/22 £000
Non-NHS payables				
Total non-NHS trade invoices paid in the year	92,096	278,980	82,050	257,104
Total non-NHS trade invoices paid within target	80,019	234,509	75,695	233,926
Percentage of non-NHS trade invoices paid within target	**86.9%**	**84.1%**	**92.3%**	**91.0%**
NHS payables				
Total NHS trade invoices paid in the year	3,171	57,111	3,075	51,573
Total NHS trade invoices paid within target	2,192	40,461	2,467	41,015
Percentage of NHS trade invoices paid within target	**69.1%**	**70.8%**	**80.2%**	**79.5%**
Totals				
Total trade invoices paid in the year	95,267	336,090	85,125	308,677
Total trade invoices paid within target	82,211	274,971	78,162	274,941
Percentage of total trade invoices paid within target	**86.3%**	**81.8%**	**91.8%**	**89.1%**

The cyber-attack on the Trust's software support company, which provides the Trust financial system, resulted in the system being shut down for an entire month. This caused delay in making payments to suppliers and registering invoices on the system. The backlog created in August 2022 continued to impact the BPPC performance for the remaining financial year.

In 2022/23 there were late payment charges of £3k (2021/22 £3k).

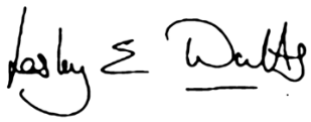
Disclosure of information to Trust auditors

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.



Lesley Watts
Chief Executive Officer

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 2022/23, the committee met on four occasions to consider a number of matters within its terms of reference, including making decisions on the remuneration and terms of service of the executive directors' and very senior managers' pay, 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 in line with national guidance. There were no substantial changes made to the salaries of executive directors during 2022/23.

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.

Matthew Swindells
Chair

29 Jun 2023

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 Trust 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 five senior managers whose pay exceeded £150,000 during 2022/23.

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' contracts 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 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 and 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 from page 55.

Diversity

The Trust recognises that it has a legal obligation to ensure that its practices through service provision and its employees do not discriminate. The Trust is committed to promoting equality of opportunity and equity of opportunity for all its employees. Individuals will be treated fairly in all aspects of their employment at the Trust.

The Trust has an equality and diversity policy which details the guiding principles to remove any barriers, bias or discrimination that prevent individuals or groups from realising their potential and contributing fully to the Trust's performance. This policy and associated documents, such as the gender pay gap plan, are implemented in accordance with statutory requirements. This policy supports the work of the Nominations and Remuneration Committee.

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

	Salary/fees	Taxable benefits	Annual performance-related bonus	Long term-related bonus	Pension-related benefits
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 section *Names of Trust Directors during 2022/23* from page 47. The Trust has assessed only Directors as Senior Managers for the purpose of this disclosure.

Policy on payments for 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 contract. Notice periods are subject to contract and between three and six months. The committee may consider non-contractual compensation payments in line with NHS England guidance and subject to NHSE and Treasury approvals. There were no payments for loss of office made in 2022/23.

Statement of consideration of employment conditions elsewhere in the foundation trust

When setting the remuneration policy for senior managers consideration is given to pay rates within NHS agenda for change conditions.

The Trust utilises information available via NHSI/E and peer benchmarking information from comparative local trusts within London, as recommended for use by NHSI/E to allow the Committee to assess where the Trusts senior pay benchmarks.

Nominations and Remuneration Committee

The executive Nominations and Remuneration Committee is chaired by the Trust Chairman, and membership comprises of 4 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 Director of Corporate Governance and Compliance and the Chief People Officer. Details of committee attendance in 2022/23 may be found in the section *NHS Foundation Trust Code of Governance Disclosures* from page 81.

Disclosures required by Health and Social Care Act

The Trust is governed by a Board of Directors. At 31 Mar 2023, the Board comprised ten non-executive directors (including the chairman) and five executive directors (including the chief executive).

There are 31 governor positions (25 were in post as at year end), comprising:

- **8 patient governors (elected):** Patients treated at the hospital in the last three years, or their carers
- **14 public governors (elected):** Two each from seven local boroughs, except for one borough having one representative. The Council of Governors approved the addition of a new public governor position in 2022/23 to the Rest of England
- **6 staff governors (elected):** One each from the six staff constituencies
- **3 stakeholder 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
2022/23			
Governors	25	0	0.00
Directors	19	5	161.18
2021/22			
Governors	25	2	0.50
Directors	12	4	32.44

Senior manager remuneration tables

Senior manager remuneration 2022/23[1]

Name and title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance related bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 Mar 2023 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 Mar 2023 (bands of £5,000)	Cash equivalent transfer value at 1 Apr 2022 (£000)	Real increase in cash equivalent transfer value (£000)	Cash equivalent transfer value at 31 Mar 2023 (£000)
Executive directors[2]												
Lesley Watts, Chief Executive[3]	290-295	0	15-20	N/A	305-310	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Roger Chinn, Chief Medical Officer[4]	190-195	0	0	337.5-340	530-535	15-17.50	35-37.5	90-95	225-230	1,661	375	2,114
Rob Hodgkiss, Deputy Chief Executive/ Chief Operating Officer[5]	195-200	0	0	765-767.5	965-970	35-40	55-60	35-40	55-60	0	603	621
Virginia Massaro, Chief Financial Officer	150-155	0	0	40-45	195-200	2.5-5	0-2.5	40-45	70-75	525	18	585
Robert Bleasdale, Chief Nursing Officer[6]	165-170	0	0	200-202.5	365-370	7.5-10	62-62.5	40-45	65-70	413	95	542
Vanessa Sloane, Acting Chief Nursing Officer[7]	0-5	0	0	47.5-50	45-50	0-2.5	0	50–55	120-125	972	0	1,056
Non-executive directors[2]												
Matthew Swindells, Chair in Common[8]	20-25	0	0	n/a	20-25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Steve Gill, Vice Chair[9]	15-20	0	0	n/a	15-20	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1 Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 Mar 2023. HM Treasury published updated guidance on 27 Apr 2023—this guidance will be used in the calculation of 2023/24 CETV figures. NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015 and that the benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

2 The accounting officer has reviewed which officers act as 'senior managers' for the purposes of the remuneration report, and considers that for 2022/23, this only includes the chair and executive and non-executive directors of the Trust

3 Figures for pension and CETV are not available as the individual is no longer part of the NHS pension scheme—salary excludes £20–25k for the selling of annual leave

4 The remuneration of the chief medical officer includes £140–145k in respect of their clinical role—salary excludes £10–15k for the selling of annual leave

5 Salary excludes £15–20k for the selling of annual leave

6 Appointed to the Trust Board in Apr 2022

7 Left the Trust Board in Apr 2022

8 From Apr 2022 Matthew Swindells has held the position of chair in common for all trusts within the acute collaborative—his total salary for all of the current year fell in the £85–90k salary banding, of which the banding of £20–25k is attributable to the Trust

9 From Apr 2022 to Aug 2022 Steve Gill held the position of vice chair of the Trust, and from Sep 2022 his directorship extended to cover Hillingdon Hospitals NHS Foundation Trust—his total salary for all of the current year for both directorships fell in the £20–25k salary banding, of which the banding of £15–20k is attributable to the Trust

Name and title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance related bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 Mar 2023 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 Mar 2023 (bands of £5,000)	Cash equivalent transfer value at 1 Apr 2022 (£000)	Real increase in cash equivalent transfer value (£000)	Cash equivalent transfer value at 31 Mar 2023 (£000)
Aman Dalvi, Non-Executive Director[10]	10-15	0	0	n/a	10-15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nilkunj Dodhia, Non-Executive Director[11]	10-15	0	0	n/a	10-15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ajay Mehta, Non-Executive Director[12]	10-15	0	0	n/a	10-15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Peter Goldsbrough, Non-Executive Director[13]	5-10	0	0	n/a	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Catherine Jervis, Non-Executive Director[14]	5-10	0	0	n/a	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Neville Manuel, Non-Executive Director[15]	5-10	0	0	n/a	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Syed Mohinuddin, Non-Executive Director[16]	5-10	0	0	n/a	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Prof Andy Bush, Non-Executive Director[17]	5-10	0	0	n/a	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nicholas Gash, Non-Executive Director[18]	5-10	0	0	n/a	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Eliza Hermann, Non-Executive Director[19]	0-5	0	0	n/a	0-5	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Martin Lupton, Associate Non-Executive Director[20]	0-5	0	0	n/a	0-5	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[10] From Apr 2022 to Aug 2022 Aman Dalvi held the position of non executive director of the Trust, and from Sep 2022 his directorship extended to cover Imperial College Healthcare Trust—his total salary for all of the current year for both directorships fell in the £15–20k salary banding, of which the banding of £10–15k is attributable to the Trust

[11] From Apr 2022 to Aug 2022 Nilkunj Dodhia held the position of non executive director of the Trust, and from Sep 2022 his directorship extended to cover Hillingdon Hospitals NHS Foundation Trust—his total salary for all of the current year for both directorships fell in the £15–20k salary banding, of which the banding of £10–15k is attributable to the Trust

[12] From Apr 2022 to Aug 2022 Ajay Mehta held the position of non executive director of the Trust, and from Sep 2022 his directorship extended to cover London Northwest University Healthcare NHS Trust—his total salary for all of the current year for both directorships fell in the £15–20k salary banding, of which the banding of £10–15k is attributable to the Trust

[13] From Sep 2022 Peter Goldsbrough directorship (hosted by Imperial College Healthcare Trust) extended to cover the Trust—his salary banding of £5–10k is attributable to the Trust

[14] From Sep 2022 Catherine Jervis directorship (hosted by Hillingdon Hospitals NHS Foundation Trust) extended to cover the Trust—her salary banding of £5–10k is attributable to the Trust

[15] From Sep 2022 Neville Manuel directorship (hosted by Hillingdon Hospitals NHS Foundation Trust) extended to cover the Trust—his salary banding of £5–10k is attributable to the Trust

[16] From Sep 2022 Syed Mohinuddin directorship (hosted by London Northwest University Healthcare NHS Trust) extended to cover the Trust—his salary banding of £5–10k is attributable to the Trust

[17] From Sep 2022 Prof Andy Bush directorship (hosted by Imperial College Healthcare Trust) extended to cover the Trust—his salary banding of £5–10k is attributable to the Trust

[18] Left the Trust Board in Aug 2022

[19] Left the Trust Board in Jun 2022

[20] From Sep 2022 Martin Lupton joined the Trust Board as an associate non executive director

Senior manager remuneration 2021/22

Name and title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance related bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 Mar 2022 (bands of £5,000)	Lump sum at pension age related to accrued pension at31 Mar 2022 (bands of £5,000)	Cash equivalent transfer value at 1 Apr 2021 (£000)	Real increase in cash equivalent transfer value (£000)	Cash equivalent transfer value at 31 Mar 2022 (£000)
Executive directors[21]												
Lesley Watts, Chief Executive[22]	290–295	0	15–20	n/a	310–315	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roger Chinn, Chief Medical Officer[23]	185–190	0	0	137.5–140	325–330	7.5–10	12.5–15	70–75	185–190	1,464	163	1,661
Rob Hodgkiss, Deputy Chief Executive/ Chief Operating Officer[24]	200–205	0	15–20	n/a	215–220	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Virginia Massaro, Chief Financial Officer	150–155	0	0	47.5–50	200–205	2.5–5	0–2.5	35–40	65–70	471	27	525
Pippa Nightingale, Chief Nursing Officer[25]	145–150	0	15–20	42.5–45	205–210	2.5–5	0–2.5	55–60	110–115	861	29	921
Vanessa Sloane, Acting Chief Nursing Officer[26]	15–20	0	0	77.5–80	90–95	0–2.5	0–2.5	45–50	120–125	887	8	972
Non-executive directors[21]												
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/ Interim Chairman	55–60	0	0	n/a	55–60	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
Ajay Mehta, 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
Aman Dalvi, 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

[21] The Accounting Officer has reviewed which officers act as 'senior managers' for the purposes of the remuneration report, and considers that for 2021/22, this only includes the chair and executive and non-executive directors of the Trust
[22] Figures for pension and CETV are not available as the individual is no longer part of the NHS pension scheme
[23] The remuneration of the Chief Medical Officer includes £152k in respect of their clinical role
[24] Figures for pension and CETV are not available as the individual is no longer part of the NHS pension scheme
[25] Left the Trust Board in Feb 2022
[26] Appointed to the Trust Board in Feb 2022

Fair pay disclosures

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Percentage change in remuneration

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £292,500 (2021/22, £282,500). This is a change between years of 3% (2021/22 0%).

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.

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £17,500 to £292,500 (2021/22 £12,500 to £282,500). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 5% (2021/22 3%). This 5% is reflective of the annual pay award received by:

- Agenda for Change (AfC) staff, which was a minimum payment of £1,400, higher for specific bands, and the two accrued one-off non-consolidated pay awards of 2% and backlog bonus between £1,250 and £1,600, that were included in the Trust accounts at year end

- Medical and dental staff, which was 4.5% for consultants and 2% for doctors in training

One employee received remuneration in excess of the highest-paid director in 2022/23 (nil in 2021/22).

Performance pay and bonuses

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £17,500 (2021/22, £17,500). This is a change between years of 0% (2021/22 0%).

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £17,500 (2021/22 £17,500). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 0% (2021/22 0%). No employees received remuneration in excess of the highest paid director in 2022/23 (nil in 2021/22).

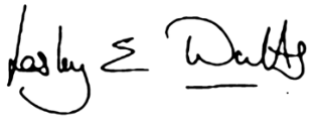
Pay ratio information

The remuneration of employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2022/23	25th percentile	Median	75th percentile
Salary component of pay	£34,703	£46,644	£59,796
Pay and benefits excluding pension: pay ratio for highest paid director	8.86:1	6.59:1	5.14:1

2021/22	25th percentile	Median	75th percentile
Salary component of pay	£33,552	£43,519	£55,111
Pay and benefits excluding pension: pay ratio for highest paid director	9.02:1	6.95:1	5.49:1

Changes in the ratios between the current and prior financial years are minimal, with a reduction in the ratio in 2022/23 from 2021/22 in the remuneration range of the organisation's workforce, compared to the highest paid director. The movement is attributable to a greater % increase in the remuneration of the trust's employees taken as a whole, compared to the highest paid director.



Lesley Watts
Chief Executive Officer

29 Jun 2023

STAFF REPORT

Analysis of staff costs

	2022/23 £000	2021/22 £000
Salaries and wages	386,827	350,945
Social security costs	44,264	38,183
Apprenticeship levy	1,829	1,718
Employer's contributions to NHS pensions	56,005	52,470
Termination benefits	127	43
Temporary staff (including agency)	17,075	13,522
Total gross staff costs	**506,127**	**456,881**
Of which		
Costs capitalised as part of assets	5,346	2,799

Operating expenses (group)

	2022/23 £000	2021/22 £000
Staff and executive directors' costs	490,611	444,942
Difference	**15,516**	**11,939**
Rec		
Costs capitalised as part of assets	5,346	2,799
Research and development	4,518	3,795
Education and training	5,652	5,345
	15,516	**11,939**

Analysis of average staff numbers

Average numbers are spread over the year and include bank and agency staff.

Average number of employees (WTE basis)	Permanent n°	Other n°	2022/23 total n°	2021/22 total n°
Medical and dental	1,321	129	1,450	1,379
Ambulance staff	-	-	-	-
Administration and estates	1,298	174	1,472	1,522
Healthcare assistants and other support staff	818	255	1,073	1,023
Nursing, midwifery and health visiting staff	2,361	354	2,715	2,603
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	615	40	655	647
Healthcare science staff	-	-	-	-
Social care staff	-	-	-	-
Other	-	-	-	-
Total average numbers	**6,413**	**952**	**7,365**	**7,174**
Of which:				
N° of employees (WTE) engaged on capital projects	34	4	38	23

Breakdown of employees

The following chart provides information of the gender split between the different staff groups as at 31 Mar 2023. Numbers are for substantive staff only.

Payscale	Male	Female	% Male	% Female
Under Band 1	0	0	n/a	n/a
Band 1	0	0	n/a	n/a
Band 2	136	447	23%	77%
Band 3	146	424	26%	74%
Band 4	114	401	22%	78%
Band 5	224	1133	17%	83%
Band 6	206	972	17%	83%
Band 7	161	687	19%	81%
Band 8A	72	212	25%	75%
Band 8B	40	80	33%	37%
Band 8C	27	37	42%	58%
Band 8D	18	14	56%	44%
Band 9	7	10	41%	59%
VSM	13	13	50%	50%
Consultant	268	303	47%	53%
Career/staff grade	30	36	45%	55%
Trainee grade/Trust grade	317	438	42%	58%
Total	**1,779**	**5,207**	**25%**	**75%**
	6,986			

Sickness absence

The chart below details the Trust's sickness absence data for 2022/23.

Sickness absence	2021/22 n°	2022/23 n°
Total days lost	85,399	86,663
Total staff	6,584	6,886
Average working days lost per whole time equivalent	12.97	12.59

Staff health and wellbeing

We are delighted to be able to provide a delivery of our inclusive and wide-ranging staff health and wellbeing programme. To support this delivery, we now have a team in place who are supported by 88 wellbeing champions and 152 mental health first aiders across our Trust—promoting and embedding this programme of work within their teams and departments.

The Trust is very aware that without such a comprehensive offer in place for staff we could see higher turnover and increased long term sickness. Our staff health and wellbeing programme engages in all elements of life and all stages of life to ensure all staff can access our offers ranging from family planning to retirement. We are very proud to have established a health and wellbeing programme which meets the varying needs of our diverse workforce.

Our staff health and wellbeing programme is broken into four main elements:

- **Healthy Mind:** Enhanced psychological and mental wellbeing support for staff
- **Healthy Body:** Programme to support our staff to be physically well
- **Healthy Living:** Programme to support our staff to live well
- **Feeling Safe:** Ensuring our staff feel safe at home and in the workplace

Our Trust has a staff health and wellbeing programme in place and has achieved the following:

- Continued to grow of wellbeing champions—88 trained to date
- Trained 152 mental health first aiders—with plans to train a further 48 in 23/24
- Provided four offerings of psychological support services—accessed by more than 2,524 staff
- Delivered more than 74 wellbeing sessions, reaching over 4,300 staff
- Continued the innovative backup care service to help staff get to work when care breaks down at home— 901 bookings were made in 22/23
- Supported our cycle-to-work staff with quarterly bike doctor days—servicing bikes on site reaching 330 staff
- Introduced a monthly staff menopause support group reaching 71 staff during 22/23 and we wrote and signed off our staff menopause policy
- Supported our wellbeing champions and mental health first aiders with monthly forums
- Provided monthly reflective practice sessions for our wellbeing champions and mental health first aiders with the British Red Cross to ensure we are caring for staff going above and beyond
- In the 2022 national staff survey, 57% of staff felt the Trust took positive action on health and wellbeing
- Our programme had a total of 19,542 engagements during 22/23
- We hosted our first Wellfest week in Jan 2023 and we will now deliver these quarterly
- We installed two additional bike sheds and replaced a bike shed to support our cycling staff

We continue to work with our London and national colleagues to share and learn from others on our staff health and wellbeing programmes, as well as continuing to evaluate our programme so we can be confident we are meeting the varying needs of our workforce.

Here is what staff said about our programme:

- *“This is the best benefit for working parents with childcare demands. Unexpected demands are otherwise very stressful.” (On our Back Up Care programme which provides our staff with up to 10 days of free child or adult care a year)*

- *“Fantastic, really appreciate this benefit which takes a weight off my mind when extra time at work is required or for particular work events. Makes me feel very valued by my employer. Thank you” (On our Back Up Care programme). “Brilliant staff perk and one which I am so impressed to have and makes me feel very valued” (On our Back Up Care programme) “I needed school holiday cover to allow me work during the junior doctor industrial action. I was able to arrange this at extremely short notice (ie on the day of the camp) and the telephone advisor was incredibly helpful” (On our Back Up Care)*

- *“This service is amazing, it’s really helps balance my annual leave with my son’s half-terms saving me time and money” (On our Back Up Care)*

- *“Very helpful service. Very therapeutic for staff’s wellbeing. Very reassuring that help is available” (On our Staff Psychology Service).”As a Health and Wellbeing Champion at Chelsea and Westminster Hospital NHS Foundation Trust, I have been provided with all of the training needed to be able to support members of staff regarding their health and*

wellbeing. The regular supervision and updates that are provided by the Health and Wellbeing Leads have been vital in supporting staff in times of needs. I have, on several occasions, been supported by the Mental Health First Aiders, who have been available at short notice. This service has proven to be a lifeline when most needed. I am proud to be part of such a supported, proactive service" (One of our Wellbeing Champions)

- *"I look forward to the regular updates from our Wellbeing Champion. This is helpful as I see so many staff on a regular basis whose wellbeing is invariably compromised. Feedback from our newly registered nurses suggests that the services available on offer from our fantastic Wellbeing Team have been a source of comfort and support in the current challenging climate…Thank You" (On our Wellbeing Champions)*

Staff engagement

The Trust knows that an engaged workforce will provide improved quality of care. We were pleased to see that staff engagement scores, while lower than the previous year due to the extraordinary year staff have had, still remained above the national average. Our approach over the last year has focused on wide-ranging events and regular communication from the executive team to keep staff engaged. The executive team also hold weekly or fortnightly all-staff webinars to update staff on key issues and answer questions. Staff are also asked to complete a joiners' survey three months after they have joined so we can see what their experience has been and continue to support them in their roles. All staff are asked to complete a pulse survey on a quarterly basis to enable up-to-date feedback and develop actions for improvement.

Our approach to staff engagement is to listen to our people and learn from their feedback. We do this through our annual national NHS staff survey, our Pulse survey and a variety of ad hoc and bespoke surveys such as joiners and leavers surveys that inform our wider Trust work programmes. The mechanisms in place to monitor and learn from staff are embedded within our Trust governance and wider communications strategy, for example, the national survey results are presented at our Trust committees for discussion, consideration and formulation of action plans for the future. At our People and Workforce Committee, our Board members hear from our people who present their 'staff stories' or stories about their own lived experience of working within the Trust.

The Trust has a number of staff networks which enables staff to meet and consider their experiences and share feedback in a constructive manner. Each staff network has an Executive sponsor who champions the work of the group and takes feedback to the Trust board.

National NHS staff survey 2022

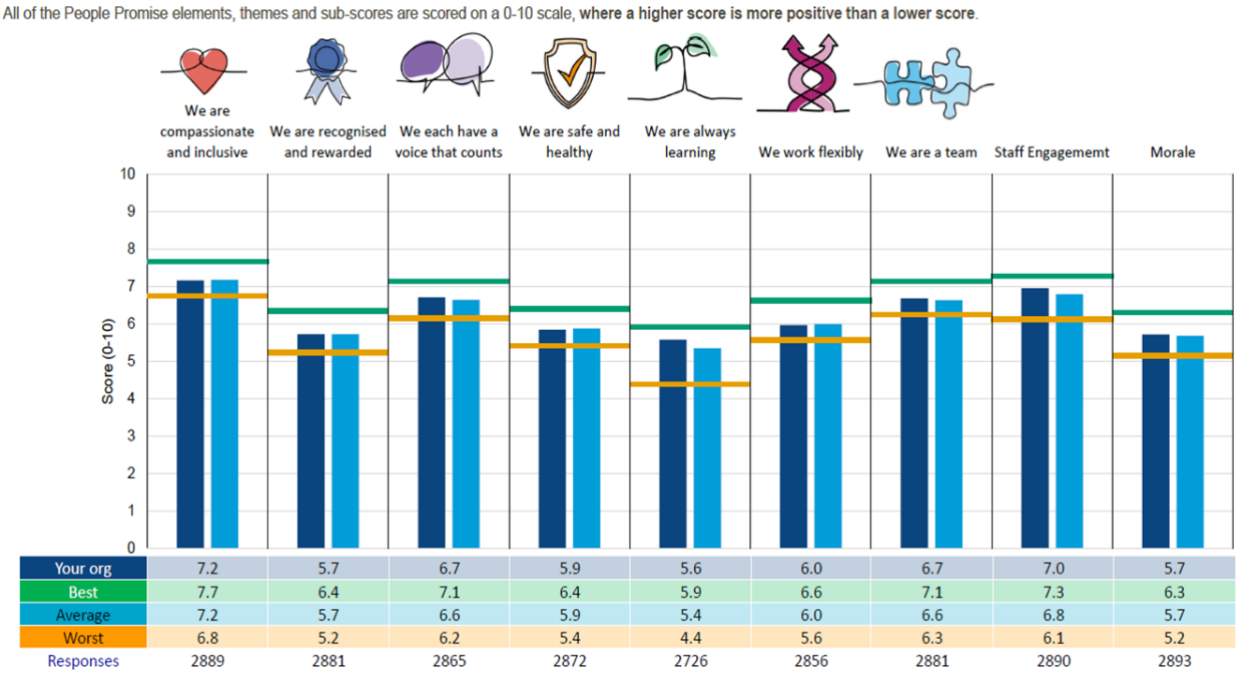
The NHS staff survey is conducted annually. In 2022, 45% of the workforce (2,901staff) took part in the survey, which is a reduction of 2% of the 2021 response rate (47%) but above the national median response rate of 44%. The survey was delivered completely online to all staff groups. The Trust also presented team awards to sixteen teams who had achieved over 70% response rate.

Headlines

The overall results of the 2022 staff survey are highlighted in the following table and indicate that,

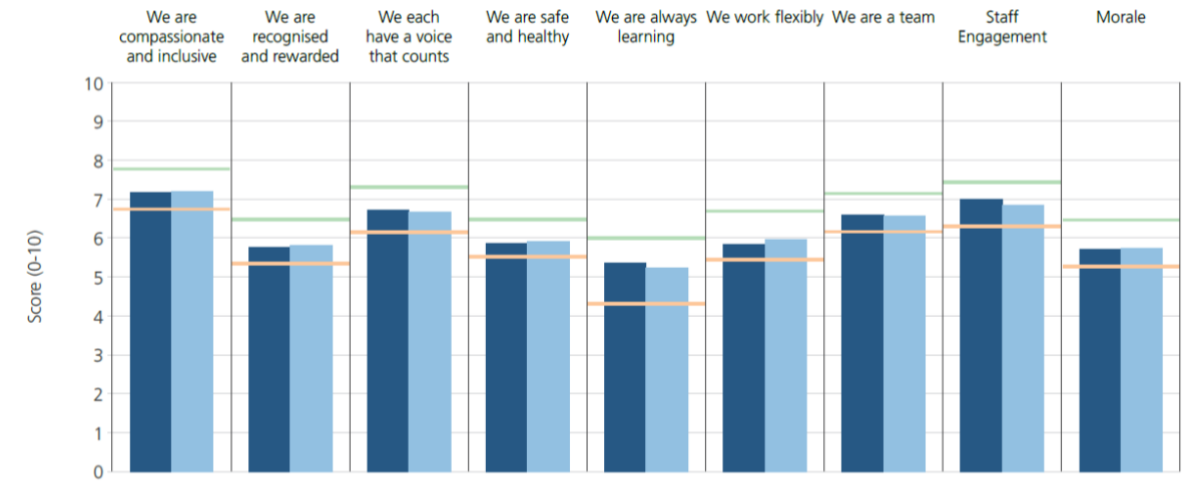
Overall, the majority of responses were consistent with the national average for most themes, while our Trust scored above average on staff engagement (similar to previous year) and ‘we are always learning’ theme, again, similar to 2021 results.

Generally speaking, the Trust score for 2022 remained largely similar to 2021 score. The 2022 scores are shown in the table directly below:



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagememt	Morale
Your org	7.2	5.7	6.7	5.9	5.6	6.0	6.7	7.0	5.7
Best	7.7	6.4	7.1	6.4	5.9	6.6	7.1	7.3	6.3
Average	7.2	5.7	6.6	5.9	5.4	6.0	6.6	6.8	5.7
Worst	6.8	5.2	6.2	5.4	4.4	5.6	6.3	6.1	5.2
Responses	2889	2881	2865	2872	2726	2856	2881	2890	2893

2021 staff survey scores



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Best	7.8	6.5	7.3	6.5	6.0	6.7	7.1	7.4	6.5
Your org	7.2	5.8	6.7	5.9	5.4	5.8	6.6	7.0	5.7
Average	7.2	5.8	6.7	5.9	5.2	5.9	6.6	6.8	5.7
Worst	6.7	5.3	6.1	5.5	4.3	5.4	6.2	6.3	5.3
Responses	2,901	2,974	2,855	2,888	2,731	2,953	2,923	2,977	2,965

2020 staff survey scores and those of the previous three years

Themes overview	2018	2019	2020	Best	Average	Worst
Equality, diversity and inclusion	8.7	8.6	8.5	9.5	9.1	8.1
Health and wellbeing	5.8	5.8	5.9	6.9	6.1	5.5
Immediate managers	6.9	6.9	6.9	7.3	6.8	6.2
Morale	6.1	6.0	6.0	6.9	6.2	5.6
Quality of care	7.7	7.8	7.7	8.1	7.5	7.0
Safe environment—bullying and harassment	7.7	7.7	7.6	8.7	8.1	7.2
Safe environment—violence	9.3	9.3	9.3	9.8	9.5	9.1
Safety culture	6.8	6.9	6.9	7.4	6.8	6.1
Staff engagement	7.3	7.3	7.1	7.6	7.0	6.4
Teamworking	6.7	6.9	6.5	7.1	6.5	6.0

In terms of the three staff engagement questions:

Question/score	2018	2019	2020	Best	Average	Worst
Q18a Care of patients/service users is my organisation's top priority	84%	83%	84%	91%	79%	62%
Q18c I would recommend my organisation as a place to work	72%	70%	71%	84%	67%	47%
Q18d If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	81%	79%	78%	92%	74%	50%

Areas of strength

The Trust response rates showed scores above the national average on 'staff engagement' and 'we are always learning' similar to our 2021 scores.

65%of staff would recommend the Trust as a place to work, 72%are happy with the standard of care delivered, 74%report that the organisation acts on concerns raised by patients and 79%believe that the care of patients is the organisation's top priority, all of which are higher than the national average. The Trust is ranked in the top three across acute trusts in London for those recommending their Trust as a place to work (based on 'strongly agree' staff survey responses).

The Trust continues to make progress on the learning experiences for our staff and 55% of staff feel that there are opportunities for them to develop their career in the Trust and 69% feel that they have opportunities to improve their knowledge and skills. The Trust is also above average for appraisals.

The Trust continues to focus on our people's health and wellbeing and as a result, 57%of staff report that the Trust takes positive action on health and wellbeing, higher than the national average.

Areas for improvement

Although an improvement when compared to 2021, the areas where less than 30% of respondents reported positive experience are around time to do the job, unrealistic time pressures, emotional exhaustion, burnout and frustration with one's work.

Our Trust focuses on health and wellbeing, however, our staff are feeling burnt-out and are having negative experiences, with 47% of staff reporting being worn-out at the end of a shift, and a number of our staff suffering from discrimination and violence and aggression from patients, relatives and members of the public. We need to continue to address these issues as part of our commitment to our safety culture, making sure our people feel valued, safe and supported at work through our extensive health and wellbeing programme, and the various work led by our staff safety group.

Although we have made improvements around our compassionate culture, we still have more to do across the Trust for general equality, diversity and inclusion. We know, as an organisation, that being truly inclusive involves commitment from all of our leaders and managers and all individuals across the Trust. We continue to face challenges in terms of our model employer goals, ensuring we have representation from our Black, Asian and minority ethnic colleagues at more senior levels within our organisation, and each individual member of staff, regardless of their protected characteristics, have a great experience at work. We know from our staff survey results we have more work to do to ensure this is a reality and have set out our plans to be a truly inclusive organisation in our three-year Equality, Diversity and Inclusion Strategy which will continue to embed our work in this area and enable inclusion to come alive across all of our divisions.

The full staff survey report is published at www.nhsstaffsurveyresults.com.

Gender pay

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees:

- 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

The Trust's gender pay gap report for 2022/23 is published at www.chelwest.nhs.uk/edi.

Workforce gender split

As at 31 Mar 2023, the total relevant paid workforce was 6,986[27] staff across all sites and staff groups.

Gender	N° of staff	% split of the workforce
Male	1,779	25% of the total workforce
Female	5,207	75% of the total workforce

[27] This figure is extracted after the standard annual report data sets and would include any late payments

Average and median hourly rates

Gender	Average hourly rate	Median hourly rate
Male	£28.03	£24.53
Female	£23.66	£21.17
Difference	£4.37	£3.36
Pay gap %	**16%**	**14%**

The gender pay gap, when expressed as a mean average, shows that female staff earn 16% less than male staff. This equates to a difference of £4.37 per hour.

The gender pay gap, when expressed as a median average, shows that female staff earn 14% less than male staff. This equates to a difference of £3.36 per hour.

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), discretionary points and distinction awards. As at 31 Mar 2021, there were 571 consultants at the Trust, of which 47% were male and 53% female.

Gender	Average pay	Median pay
Male	£6,072.06	£3,708.66
Female	£5,235.23	£3,708.66
Difference	£836.83	£0
Pay gap %	**14%**	**0%**

Proportion of males and females when divided into four groups ordered from lowest to highest pay

Quartile	Female	Male	Female %	Male %
1	1,315	438	75%	25%
2	1,432	380	79%	21%
3	1,417	365	80%	20%
4	1,089	694	61%	39%

We are committed to the continuing the following actions to help to close the gender pay gap and have reviewed the government equalities office advice for best practice action plans:

- Increasing influence of the Trust's women's network to drive solutions aimed at reducing the gender gap
- We have designed a new recruitment training programme that focusses on fair recruitment and equitable appointment practices
- We introduced new PDR conversation framework that enhances quality of the conversation and encourages both line manager and individual to take practical steps towards their career progression aspirations
- We achieved Timewise accreditation in recognition of our work towards being a flexible employer and we continue work to fully implement recommendations to increase flexible working opportunities

- Our wellbeing offer has expanded to include programmes that help alleviate some of the problems that traditionally present a barrier for career progression for women—for example, back-up care (which provides our staff with up to 10 days of free emergency child or adult care a year as well as cheaper holiday clubs), Peppy app (for support during menopause) and a range of financial wellbeing offers through VivUp

Further details of key actions are detailed in the Trust's Gender Pay Gap report for 2021/22 which can be accessed at www.chelwest.nhs.uk/genderpaygap.

Trade union facility time

The Trust acknowledges 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 the workforce.

It also enables joint ownership of problems and solutions to get the best outcome for the Trust, patients and our people to ensure delivery of high-quality patient care and a positive working environment for staff.

In line with the *Trade Union (Facility Time Publication Requirements)* regulations, which came into force on 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. To comply with the regulations the Trust is required to publish the data included in the following four tables. This data relates to facility time recorded between the period 1 Apr 2022–31 Mar 2023 .

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

	2022/23
Number of employees who were relevant union officials during the relevant period	19
Number of full-time equivalent employees as at 31 Mar 2023	6,986

Percentage of time spent on facility time for each relevant union official[28]

	2022/23
0%	17
1–50%	1
51–100%	1

Percentage of pay bill spent on facility time

	2022/23
Total cost of facility time	£68,000
Total pay bill	£456,881,000
% of total pay bill spent on facility time (total costs of facility time/total pay bill x100)	0.01%

[28] Where no information on facility time has been provided by a trade union representative this has been included in those recorded as 0% of time spent on facility

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

	2022/23
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) x100	0.00%

Workforce improvement activity

Recruitment and retention

The Trust has continued with a number of activities to reduce vacancy rates and streamline the recruitment process. This has included several initiatives to maximise collaborative working across the sector on opportunities such as local, national and international recruitment drives. We have implemented a retention programme on behalf of the ICS with the aim of retaining 25% of staff from the mass vaccination workforce into roles across the region. This programme has been hugely successful to date with 202 (21%) mass vaccination workers securing employment in a variety of roles including bank, substantive and apprenticeship positions.

We have continued our focus on hard-to-recruit roles, engaging in an ICS collaborative health care support worker mass recruitment event which saw more than 1,000 applicants attend for a one-stop-shop selection day. More than 600 offers of employment were made with Chelsea and Westminster receiving 147 candidates, demonstrating our position as an employer of choice. Innovative international recruitment campaigns continue for doctors and allied health care professionals alongside our nursing activity. In our role as a lead employer, we are leading the development and implementation of an NHS reservist workforce to provide an alternative workforce to meet surge demand across the ICS while offering opportunities for people to experience work in the NHS or return on a flexible basis.

Despite the ongoing challenges over the last 12 months due to elective recovery from COVID-19, the Trust has maintained a low vacancy rate which, at the end of the financial year, was 6.77%. The Trust continues to review its recruitment and retention practices, most recently improving the support available for Armed Forces candidates as part of our commitment to the Armed Forces Covenant.

Due to the pandemic and as a result of the impact of the VCOD regulations (subsequently withdrawn), recruitment time to hire has fluctuated across all non-medical staff groups on a monthly basis throughout the year but has reduced to 7.9 weeks as an overall average—which is within the current Trust target of 9 weeks. Further plans are being developed to improve the candidate recruitment journey through better engagement during the onboarding stage and also working with the relevant departments to streamline the new starter processes to ensure ‘day one readiness’ for all new staff.

Retention of our staff remains one of the key priorities for the Trust. This focuses on the following key themes:

- Improving training, career development and enhancing support from managers
- Creating advanced scope roles to provide attractive career pathways
- Improving how we gather feedback from our staff throughout their employment with us—joiners, regular pulse and leavers surveys so we can better understand and act
- Widening and communicating our health, wellbeing and benefits offering
- Increasing the opportunities for working flexibly

The mobility of staff post-pandemic and pressure on staff have contributed to higher rates of staff turnover within the Trust and the sector. As at the end of March 2023, the Trust saw an in-year decrease in overall turnover from 18.27% to 17.54% and voluntary turnover from 14.45% to 14.09%. While this is not as significant a decrease that the Trust targeted from last year, the rate is comparable with the sector position. There are specific areas where turnover is high and interventions have been developed, utilising staff survey data to develop locally owned people promises to address issues impacting retention. The Trust has launched a range of initiatives which have been well-received by staff, including the back-up care scheme which was nominated for a national award. The Trust has received Timewise accreditation in recognition of our work towards being a flexible employer.

This year we focussed on education offers to support staff post-pandemic. We have recommenced management fundamentals and emerging leaders programmes, and have commenced a two-day compassionate leadership programme to support leaders working with staff post COVID-19. Some team interventions have also been delivered to support staff and their teams. Staff continue on their MBAs and MScs as well as clinical development programmes. We have 200 apprentices in the Trust and offer apprenticeships to all staff at a variety of levels and qualifications.

Performance and development reviews (PDRs)

Staff have been having their Performance Development Reviews (PDRs) throughout the year in spite of operational issues including strikes and elective recovery that have delayed progress. The PDR process for non-medical staff has been streamlined to allow for improved quality of conversation.

Core training

Core training has returned to pre-pandemic levels and at the end of March 2023, the Trust's overall compliance was above Trust target at 91%. The next phase is to review the mandatory elements of staff training, in consultation with subject matter based on up to date training needs analysis. The LMS team continue to ensure the best possible learning management system for one stop access to complete core and mandatory training.

In Organisation Development, we plan to relaunch the managers induction sessions that where stopped due to COVID. The recruitment team have plans to develop an e-learning module for recruitment and selection training. With the expansion of the OD team, we launched further sessions on job search, application and interview skills and managing conflict. We continue providing bespoke one-to-one sessions or group sessions for managers, as well as insight and 360 feedback sessions.

Leadership development

Hult Ashridge Executive Education L7 Senior Leader Apprenticeships have continued. And we launched a healthcare focused L7 Senior Leader Apprenticeship with Imperial College and Corndel which 33 people have started.

The Emerging Leaders programme was redesigned as a virtual programme with multiple cohorts taking place across the year. Projects have included improving patient and family information pre-paediatric surgery, improving early assessment and diagnosis of cognitive impairment and delirium, and improving pre-appointment education and assessment for paediatric eczema.

Our revised Management Fundamentals programme offers a range of virtual masterclasses for leaders and managers including management vs leadership, time management and prioritisation, and influencing and collaboration, and this is now run across both our Trust and The Hillingdon Hospitals NHS Foundation Trust. Overall, there were 289 attendees across 28 workshops.

In collaboration with the NWL ICS, we have participated in pilots for an Inclusive and Compassionate Leadership programme and a Leadership Ladder programme. The Inclusive and Compassionate Leadership programme included four days of training around unconscious bias, self-compassion and creating inclusive and compassionate teams, as well as three action learning set meetings. This pilot is currently being reviewed with next steps yet to be determined. The Leadership Ladder provides two six-month placements for BAME staff in AfC bands 8a–8c at another organisation within the ICS, with the goal of supporting participants into more senior roles longer term. To date we have hosted two placements and have two members of staff participating. This programme has been underway for six months with a decision on the programme post-pilot yet to be made.

Medical education

Face to face Postgraduate and Undergraduate teaching and training has resumed post pandemic, with some sessions still being facilitated via Microsoft Teams due to room capacity restrictions still being in place. Funding secured from HEE (via successful bids submitted by the Trust) enabled Postgraduate trainees to undertake additional training to ensure that their career progression was not impacted as a result of reduced training and education via the pandemic. The funding provided backfill for consultant trainers to be released to undertake these sessions, new equipment and new training opportunities.

We continue to grow and develop our successful Clinical Attachment Training Programme (CATP) that was implemented in Jun 2022. We have now run three programmes with a further three scheduled in 2023. Over 80 candidates from 18 countries have attended to date and 10 candidates now have permanent employment within the NHS, 6 of these having joined our Trust. Our Undergraduate Team have also been working hard to offer the best experience to our Imperial Medical students as well as students on placement with us from the American University of the Caribbean.

A new teaching programme has been implemented in paediatrics and an on-call shadowing scheme is now in place to support final year students in their transition to becoming a foundation doctor.

Our Trust was also selected as a pilot site for the new online student timetable platform, MedLearn. We continued our virtual *Make me a Medic* programme in 2022, enabling students from many schools to learn about careers in the NHS.

Recognition schemes

The CW+ PROUD awards over the last 12 months have gone well, with 128 nominations received, from which 56 individuals and 13 teams were recognised.

All staff nominated last year have been awarded where they have won, and letters advising them of their nominations have been sent to other nominees. The Excellence Reporting received with 365 nominations. There are plans to reinforce these and encourage more participation.

Apprenticeships

Investment and growth in apprenticeships continues to be an integral part of the Trust's agenda with expansion of offers provided in partnership with reputable apprenticeship training providers to ensure opportunities are varied and delivery is of good quality . The level 2 Healthcare Support Worker apprenticeship provision delivered internally as a training provider was inspected by Ofsted in December 2022 and the utilisation of the apprenticeship levy continues to increase year on year.

We currently have 233 live apprentices on 40 apprenticeship programmes. 147 are on clinical apprenticeships and 86 on non-clinical apprenticeships, across 29 different training providers. 30 apprentices have been completed so far with 7 of these on non-clinical and 23 on clinical apprenticeships.

The 147 staff on the clinical apprenticeships are enrolled on 23 different programmes. There are currently 46 undertaking the Healthcare Support Worker apprenticeship, 13 enrolled on the Register Nursing Degree Apprenticeship (RNDA) and 8 on the Top Up programme of the same apprenticeship. There are 10 completing the Apprentice Nursing Associate (ANA) programme, 5 on the Advance Clinical Practitioner and the rest are, on the Pharmacy Technician, and Dental Nurse respective apprenticeships. In addition, the team have introduced the Senior Healthcare Support Worker apprenticeship which currently has 3 staff enrolled.

The 86 staff on non-clinical apprenticeships are spread across 17 apprenticeship standards from Level 3- Level 7. These include Business administration, Senior Leader, Operations manager, Team leader, Finance, It and Data Technician. We currently have 5 members of staff on the Academic Professional, 66 on the Senior Leadership programme, 8 on Data programmes and 10 on the Improvement Leader.

During National Apprenticeship Week, staff had the opportunity to attend a stand in the hospital or virtual sessions to find out more about the range of apprenticeships available for clinical and non-clinical pathways. The event was supported by various delivery partners such as New Buckinghamshire University, Brunel University, BPP University, University of West London, Intec, Just IT and Reflect Learning.

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 support both main hospital sites and satellite locations. Details and data relating to incidents, complaints, claims, risk registers and occupational health data are 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. There were 51 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) incidents reported to the Health and Safety Executive (HSE) during 2022/23, of which 36 related to CW and 13 to WM. A total of 2 incidents were RIDDOR reported for community nursing/clinics provided by the Trust. 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. A total of 193 body fluid exposures, including sharps and splash injuries relating to staff, were reported during the period.

In 2023/24, it is envisaged that the occupational health service will transfer, subject to formal consultation, to the NWL Occupational Health Shared Service, hosted by Central and North West London NHS Foundation Trust, following a successful pilot that started in April 2021.

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. RSM continues to be contracted by the Trust during 2022/23 to provide local counter-fraud specialist services in accordance with secretary of state directions. The Trust Board's Audit and Risk Committee formally approves the counter-fraud annual work plan and progress reports are provided to the committee at each meeting.

Expenditure on consultancy

In 2022/23, the Trust incurred £1.5m (£1.6m in 2021/22) of consultancy expenditure, including consultancy for the regional elective transformation work hosted by the Trust, which has been matched by equivalent income. There have been a number of other projects which contribute to the remaining spend, including specialist advice to support procurement saving opportunities, facilities management support to review business rates and other smaller projects.

Off-payroll arrangements

The Trust's policy is that off-payroll arrangements should only be used on rare occasions where recruitment to key/specialist roles has not been possible. The use of any off-payroll arrangements is regularly reviewed to ensure that they are used for the shortest period of time possible.

Highly paid off-payroll worker engagements as at 31 Mar 2023 earning £245 per day or greater

	Total
Number of existing engagements as of 31 Mar 2023	6
Of which:	
Number that have existed for less than one year at time of reporting.	4
Number that have existed for between one and two years at time of reporting.	2
Number that have existed for between two and three years at time of reporting.	0
Number that have existed for between three and four years at time of reporting.	0
Number that have existed for four or more years at time of reporting.	0

All highly paid off-payroll workers engaged at any point during the year ended 31 Mar 2023 earning £245 per day or greater

	Total
Number of off-payroll workers engaged during the year ended 31 Mar 2023	26
Of which:	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	15
Subject to off-payroll legislation and determined as out-of-scope of IR35	11
Number of engagements reassessed for compliance/assurance purposes during the year	0
Of which number of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

	Total
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	0

Exit packages

Reporting of compensation schemes—exit packages 2022/23

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	-	8	8
£10,001–25,000	-	2	2
£25,001–50,000	-	-	-
£50,001–100,000	-	-	-
£100,001–150,000	-	1	1
£150,001–200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	**0**	**11**	**11**
Total resource cost (£)	£0	£162,418	£162,418

Reporting of compensation schemes—exit packages 2021/22

Exit package cost band (including any special payment element)	N° of compulsory redundancies	N° of other departures agreed	Total n° of exit packages
≤£10,000	-	1	1
£10,001–25,000	-	3	3
£25,001–50,000	-	-	-
£50,001–100,000	-	-	-
£100,001–150,000	-	-	-
£150,001–200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	**0**	**4**	**4**
Total resource cost (£)	£0	£53,850	£53,850

Exit packages—other (non-compulsory) departure payments

	2022/23		2021/22	
Exit package cost band (including any special payment element)	**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	106	1	20
Exit payments following employment tribunals or court orders	10	56	3	34
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**11**	**162**	**4**	**54**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

Awards and achievements

Internal recognition

CW+ PROUD Awards

The CW+ PROUD Awards recognise the outstanding achievements of members of staff or teams. Each month, winners are recognised with a certificate, a special gold PROUD to Care pin badge and a voucher, while other nominees receive a letter advising them of their nomination. 128 nominations were received from Apr 2022–Mar 2023—the winners follow.

April 2022
- Henrietta Nheta
- Juliet Durugo
- Katey Hewitt
- Lucy Presley
- Maria Camara
- Maria Gamino
- Siobhan Longdon-Hughes
- Terence Ang

May 2022
- Joanne Pyatt
- Marina Fathalla
- Olivia Page
- Paramjeet Deol
- Rilwan Salman
- Stephen Cole

June 2022
- Facilities Team
- Jadine Forrester
- Robert Rabadon
- Ruby O'Shea
- Seedat Zainab
- Virginia Malicdem

July 2022
- Ese Omasoro
- Jaime Carungcong
- James Gareth
- Melody Mabika
- Nisham Imamaully/ISS Team
- Nour Elhadi
- Rana Bhujel
- Zoran Popovac

August 2022
- Clodagh Finlay
- Miranda Brose
- Shameema Ali
- Sharon Singh
- Wendy Allen

September 2022
- Adelina Puci
- Elliot Elwood
- Francisca Nartey
- Jeffrey Ahmed
- Rachel Perfect
- Valerio Celentano

October 2022
- Brooke Wilson
- Darren Maher
- James McKean
- Marc El Khoury
- Syeda Sultana

November 2022
- Almira Dazo-Machulik
- Bincy Jobin
- Habte Sophia
- Marilyn Joseph-Apple
- Nikka Javier
- Rean Corpuz
- Rosyane Linton

December 2022
- Arvin Vinas
- Elizabeth Cunningham
- Kadry Miriam
- Mortuary Team
- Richard Flint

January 2023
- Abby Foley
- Claire Woodward
- CW Phlebotomy Team
- Eva Celaya

February 2023
- Beaven Mawoza
- CW Endoscopy Booking Team
- Rhian Bull
- Sagar Shah
- Shaz Mathurin
- Tiernan Sheenan

March 2023
- Christopher Thomas
- George Vasilopoulos
- Magdalena Kutela
- Moses Camara
- Pharmacy Distribution Team
- Presley Da Costa

Reporting Excellence

Reporting Excellence is a chance to recognise staff who have demonstrated excellence in any aspect of their work. It allows us to capture these observations so they can be shared and gives staff the chance to receive positive feedback on their behaviour. It could be communication at a difficult time, dealing with an incident, supporting their colleagues, or anything at all. There were 365 excellence reporting nominations received in the period Apr 2022–Mar 2023.

12 Days of Christmas—Dec 2022

The 12 days of Christmas celebrated the successes of teams across the Trust in what has been a challenging year for all of our staff. Teams were nominated by colleagues in recognition of their achievements.

- **First day of Christmas:** Volunteers
- **Second day of Christmas:** Canteen teams
- **Third day of Christmas:** Decontamination team
- **Fourth day of Christmas:** Project Search team
- **Fifth day of Christmas:** Nightingale Ward
- **Sixth day of Christmas:** Legal Services team
- **Seventh day of Christmas:** Healthcare Assistants
- **Eighth day of Christmas:** Pharmacy teams
- **Ninth day of Christmas:** Crane Ward
- **Tenth day of Christmas:** Phlebotomy teams
- **Eleventh day of Christmas:** Mortuary teams
- **Twelfth day of Christmas:** A&E teams

Best Decorated Ward or Department—Dec 2022

- **Chelsea winner:** Clinical Trials Office
- **Chelsea runner up:** Paediatric Physiotherapy
- **West Mid winner:** Theatres, Day Surgery
- **West Mid runner up:** Adult ICU

External recognition

- Lesley Watts, Chief Executive Officer, awarded CBE
- Maternity service became first London Trust to sign up Caring for You Charter
- Radiology Services award—Best NHS trust for delivering radiology services
- European Awards in Medicine for Clinical Cardiology—Dr Francesco Lo Monaco
- Macmillan Professionals Excellence Award finalists
- Neonatal Units Best Friendly Initiative Assessment—UNICEF Baby Friendly Initiative Stage
- Victoria Cochrane, Director of Midwifery, awarded MBE
- RCN Rising Star Award Sexual Health Charge Nurse Dwayne-Wilson Hunt
- Ministry of Defence Silver Award—Employee Recognition Scheme for supporting the armed forces community
- Dr Zul Mirza, Consultant A&E at West Middlesex—Best Presentation Award at the European Emergency Medicine Congress

- Darren Brown, Lead Physiotherapist, awarded Elisse Zack Award for Excellence in HIV Rehabilitation and World Physiotherapy international service award
- Sexual Health London: HealthInvestor award
- Darren Brown, Lead Physiotherapist, World Physiotherapy—International service award
- Royal College of Radiologists 1st prize award for quality improvement project
- National Preceptorship Quality Mark
- Maternity team is the first in London to be awarded the Capital Midwife Anti-racism Framework Bronze award
- Lived Experience Charter Bronze award for supporting people who have lived experience of the care system into employment
- NHS Pastoral Care Quality Award—International nurses and midwives
- BASHH Outstanding Achievement Award 2023—Dr Alan McOwan, 56 Dean Street
- Magnet4Europe award for mental health and wellbeing
- HSJ awards finalists for wellbeing and service redesign initiatives
- RCM shortlist for excellence in maternity care during covid
- Building better healthcare award for design of ICU

NHS FOUNDATION TRUST CODE OF GOVERNANCE DISCLOSURES

Code of Governance compliance statement

Chelsea and Westminster Hospital NHS Foundation Trust NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The purpose of the Code of Governance is to assist Trusts in improving governance practices by bringing together the best practice of public and private sector corporate governance.

During the year, we have completed a comply or explain self-assessment exercise in relation to the 2014 Code of Governance alongside a prospective assessment of the April 2023 NHS Code of Governance in order to ensure that we are in a good position of compliance with the Code. Our assessment has not identified any material issues of non-compliance.

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.

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 NHSE, 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 of Directors, collectively and individually, have a legal duty to promote the success of the Trust to maximise the benefits for the populations 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 communities, patients, public and staff, 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 2022/23 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 2023, the Board had five executive directors (including the chief executive) and 10 non-executive directors (including the Chair in Common). The Board comprises 20% female and 80% male directors. The skills, expertise and experience of each Trust Board director as at the end of Mar 2023 are detailed below and is appropriate to meet the requirements of an NHS foundation trust.

Executive directors

Lesley Watts, Chief Executive Officer

Lesley is chief executive of the Trust and was also chief executive of the North West London Integrated Care System (ICS) until November 2021. A nurse and midwife by training, Lesley has extensive executive managerial experience, having led the Trust since 2015, and was previously chief executive for East and North Hertfordshire Clinical Commissioning Group. In 2020, under her leadership, the Trust was awarded a CQC rating of 'outstanding' for well-led and use of resources. During 2021/22 she was awarded a position in the Top 50 NHS Chief Executives in the Country. During 2022/23 she was awarded a CBE.

Rob Hodgkiss, Deputy Chief Executive and Chief Operating Officer

Rob was appointed as chief operating officer in March 2016. He joined the Trust in April 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. Rob is also the interim chief operating officer lead for the North West London Integrated Care System.

Robert Bleasdale, Chief Nursing Officer

Robert has joined the Trust in April 2022. He was previously Chief Nurse and Director of Infection Prevention and Control at St George's University Hospital, and has held a number of senior nursing leadership roles in the NHS. He has been instrumental to the Covid-19 response, leading on the vaccination programme to establish one of the first vaccination clinics in the country. He has led on a number of quality improvement programmes, including the development of accreditation systems, which helped raise standards of care and was involved in St George's exiting CQC special measures. He has proactively promoted partnership working and is passionate on the role of staff and patient involvement in key service decisions.

Robert became Deputy Chief Nurse at St George's in 2017, having previously held a number of other senior nursing roles at St George's since 2014. He started his nursing career in acute medicine, before moving into emergency care. He is an advanced trauma nursing course instructor, and completed his nursing degree at Oxford Brookes University. He also has a Masters in Senior Healthcare Leadership from Birmingham University

Roger Chinn, Chief Medical Officer

Roger Chinn was appointed as chief medical officer in December 2020. He is a clinical radiologist who has been a consultant with the Trust since 1996. Previously, he has held senior leadership roles as deputy medical director and chief clinical information officer in the Trust and was the medical director at West Middlesex University Hospital for the year prior to its acquisition by the Trust.

Virginia Massaro, Chief Financial Officer

Virginia joined the Trust in 2010 as head of financial planning before progressing to assistant director of finance and deputy director of finance, having previously worked in finance teams across other NHS organisations in North West London. She has been chief financial officer since October 2019 and is a qualified chartered management accountant.

Non-executive directors

Matthew Swindells—Chair

Matthew joined the Trust in April 2022. He has over 30 years' experience in healthcare. He is the former Deputy Chief Executive and Chief Operating Officer for the NHS in England. He also runs his own consultancy, through which he provides strategic advice on digital transformation and global healthcare to a small number of innovative companies.

Matthew's NHS career started as an NHS supplies management trainee and includes a series of operational management roles in the NHS up to Chief Executive at the Royal Surrey County Hospital and as the NHS's first Chief Information Officer. He then worked in government, firstly as head of the health team in the Prime Minister's Office of Public Service Reform and then as special policy adviser to the Secretary of State for Health. Matthew is President of the Health Care Supply Association and holds a Visiting Professorship at Imperial College Institute of Global Health Innovation.

Matthew is joint chair, responsible for 12 hospitals across four NHS trusts in north west London: Chelsea and Westminster Hospital NHS Foundation Trust, The Hillingdon Hospitals NHS Foundation Trust, Imperial College Healthcare NHS Trust and London North West University Healthcare NHS Trust.

Steve Gill—Vice Chair and Senior Independent Director

Steve was appointed as a non-executive director (NED) on 1 November 2017. He was Chair of the People and Organisational Development Committee from February 2018 to March 2021. In August 2020 Steve was appointed as Vice Chair and Senior Independent Director (SID).

Steve served as Interim Trust Chair from March 2021 to March 2022; in April 2022 he resumed his role as Vice Chair and SID.

In March 2021 Steve was appointed as the Board NED Maternity Safety Champion.

Steve is currently Chair of the Quality Committee, and of the Nominations & Remunerations Committee.

With the implementation of the North West London Acute Provider (NWL APC) governance structure in September 2022 Steve was appointed as Chair of the NWL APC Quality Committee in Common (CiC), he was also appointed to the Board of The Hillingdon Hospitals NHS Foundation Trust (THHT) as a NED, and is a member of the Finance & Performance Committee at THHT.

Steve has had an international executive career in the IT industry, including chief financial officer roles in UK, and in Europe Middle East & Africa (EMEA); chief operating officer roles in EMEA; Global Sales roles for Asia Pacific; and chief executive roles in the UK, in South Korea, and in China.

He has held various NED roles including 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 has been the Chair of Trustees of Age Concern Windsor (ACW) since January 2018.

Professor Andy Bush

Professor Andrew Bush is professor of paediatrics and paediatric respirology, National Heart and Lung Institute, Imperial College, and consultant paediatric chest physician, Royal Brompton & Harefield hospitals. He is a non-executive director at Imperial College Healthcare NHS Trust, and with the implementation of the North West London Acute Provider Collaborative was appointed to the board of Chelsea and Westminster Hospital, in September, 2022. His research interests are in the field of paediatric respiratory medicine, especially invasive and non-invasive assessment of airway inflammation in asthma and cystic fibrosis and clinical respiratory physiology.

He was the chief investigator leading the recently awarded £4.64 million Wellcome Trust Strategic Award ("Breathing Together"). He has supervised 50 MD and PhD degrees, authored nearly 750 papers in peer review journals, and has written more than 130 chapters in books and monographs. He was head of the Paediatric Assembly of the European Respiratory Society and He was the joint editor-in-chief of Thorax, then the second-ranked chest journal in the world, and top-ranked outside North America, the first paediatrician to hold this post. He has served as chair of the Publications Committee of the European Respiratory Society and is currently guidelines director of the same society. He is currently serving a second term as deputy editor of the American Journal of Respiratory and Critical Care Medicine.

Aman Dalvi

Aman Dalvi has worked at very senior levels for many years and has been a chief executive of three organisations where he has led multidisciplinary teams. Aman has extensive experience in planning and regeneration and, in his career, he was executive director of development and renewal in a major local authority. Aman was also a ministerial appointee on the boards of English Partnerships and the Olympic Park Legacy Company.

Aman has also served as a chair of a number of organisations which include the Anchor Trust and PA Housing. In addition, Aman Dalvi has been a statutory appointment on a number of large and diverse organisations. He is currently working as a consultant for two major developers and is chair of a development company.

At Chelsea and Westminster Hospital, Aman is the chair for the Audit and Risk Committee, the board Non-Executive Director (NED) for the Freedom to Speak Up Champion and the lead NED for Estates and Facilities. In September, 2022, he was appointed to the board of Imperial College Healthcare NHS Trust as part of his wider duties within the North West London Acute Provider Collaborative.

Nilkunj Dodhia

Nilkunj, a non-voting Trust Board member since 1 Jul 2014, was appointed as a non-executive director on 27 Nov 2015. He has diverse experience as an executive and non-executive director 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 currently chair of the Finance and Performance Committee and was appointed to the board of The Hillingdon Hospitals NHS Foundation Trust as a NED in September,

2022, as part of the wider duties within the North West London Acute Provider Collaborative.

Peter Goldsbrough

Peter is a senior leader experienced in the private and public sectors. He was a managing director at the Boston Consulting Group and is now a senior advisor to the firm. He is also a visiting professor at the Institute of Global Health Innovation, Imperial College. He has previously served as a non-executive director with NHS London. He has many years' experience working with healthcare, pharmaceutical and academic organisations as well as substantial financial management expertise. Peter advises senior leaders of major organisations in a variety of industrial and service sectors on strategic direction and operational performance. He has specialised in the leadership of large-scale operational and organisational change. His geographic experience covers the UK, Europe, the US, Asia and Australasia. He was educated at Cambridge University and the Harvard Business School.

Catherine Jervis

Catherine has held a range of Board level positions, she has worked in the public, not for profit and private sectors and has a broad skills base with recognised strategic insight and financial and governance expertise. She is currently Deputy Chair and Non-Executive Director at Hillingdon Hospitals Foundation Trust. In September, 2022, with the implementation of the North West London Acute Provider Collaborative (NWL APC) she was appointed to the board of Chelsea and Westminster Hospital and is the Chair for the NWL APC Finance and Performance Committee. She is also the Non-Executive Director and SID with Barnet Enfield and Haringey Mental Health NHS Trust and NED at IOPC (the Independent Office for Police Conduct).

Prior to this Catherine was an executive director and Strategic Advisor to a national education charity established to maximise educational outcomes for children and young people with SEND and Director at PricewaterhouseCoopers LLP leading the Children's Services Team working across education, health and social care. Catherine is a qualified accountant.

Neville Manuel

Neville is an accomplished senior executive with more than 30 years' extensive experience operating at board level in the private, public, and third sectors, in both executive and non-executive roles. He is a skilled commercial leader with a proven track record in transformational change, developing and executing strategy, setting up joint ventures, launching new businesses and operational, and P&L management in the telecoms, media and technology sectors.

In his corporate career his roles included Vice President of BT's internet business, director of its TV business, and group general manager of strategy. Now focussed on non-executive roles, he currently sits on the boards of the West London NHS Trust, the Hillingdon Hospitals NHS Foundation Trust and the National Institute of Economic and Social Research (NIESR). In September, 2022, with the implementation of the North West London Acute Provider Collaborative he was appointed to the board of Chelsea and Westminster Hospital NHS Foundation Trust.

He is also a founder director of a small independent film production company.

Ajay Mehta

Ajay is an organisational development specialist supporting the growth and sustainability of civil society organisations globally to increase their social impact. With significant contributions in the social impact and public sectors, he brings a breadth of experience in the areas of strategic planning, resource mobilisation and sustainability, community engagement, leadership and governance. Ajay's portfolio of work has ranged from large international institutions to smaller community based organisations, supporting them to review and re-engineer their strategic interventions and maximise impact.

Ajay has particular interests in human and environmental rights, a focus of his company em4, which engages with institutional funders to build the capacities of their grantees and invests in social entrepreneurs internationally to increase their regional impact. He has held board-level positions with national and international charities. He was previously a non-executive director of Hounslow and Richmond Community Healthcare NHS Trust. Ajay is currently chair of the People and Workforce Committee. He also holds the position of Wellbeing Guardian on the Trust Board. Ajay is in his second term of office at Chelsea and Westminster Hospital and was appointed to the board of London North West University Healthcare NHS Trust as a NED in September, 2022, as part of his duties within the North West London Acute Provider Collaborative.

Dr Syed Mohinuddin

Dr Syed Mohinuddin has worked in the NHS for over 25 years. He is a Consultant Neonatologist and leads the pan-London Neonatal Transfer Service. He graduated from the Armed Forces Medical College, India and was awarded the Colonel Malhotra Memorial Gold Medal in medicine. He subsequently moved to the UK and completed his core and higher specialist training in paediatrics and neonatology. He is a fellow of the Royal College of Paediatrics and Child Health. He has a Master's in Medical Leadership from the Bayes Business School and is a Faculty of Medical Leadership and Management group member.

Syed is an experienced educator who has held various training and development positions. He has extensive experience in team training, simulation and human factors. He is a digital and innovation enabler and the clinical lead for the NeoMate App that won the NHS Innovation Acorn Award 2015. He is a member of the Harrow Muslim Community and the Seacole Group. He is passionate about improving the quality and safety of NHS care and reducing healthcare inequalities.

Syed also chairs the Quality and Safety Committee and is a Non-Executive Director on the London Northwest University Healthcare NHS Trust board.

Directors and others in regular attendance at Board meetings 2021/22

- Peter Jenkinson, Interim Director of Corporate Governance and Compliance
- Lindsey Stafford-Scott, Interim Chief People Officer
- Emer Delaney, Director of Communications
- Alexia Pipe, Chief of Staff to the Chair in Common

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 its non-executive directors to be independent in character and judgement.

During 2022/23 there were a number of changes to the Non-executive Director composition on the Board of Directors to enable the implementation of the governance structure of the North West London Acute Provider Collaborative. This included:

- The appointment of Matthew Swindells as the Chair in Common
- The appointment of Professor Andy Bush, Catherine Jervis, Neville Manuel, Peter Goldsbrough and Dr Syed Mohinuddin as Non-executive Directors on the Board
- Approval to a second term of office for Ajay Mehta and Aman Dalvi as Non-executive Directors on the Board
- Approval to the appointment of Steve Gill (former interim Chair) as Vice Chair and Senior Independent Director on the Board

We expressed our sincere thanks to two Non-executive Directors who reached the end of their term of office during the course of the year. Eliza Hermann and Nick Gash were both committed and longstanding Non-executive Directors on the Board carrying the positions of Senior Independent Director and Vice Chair respectively.

The Chair meets frequently with the Vice Chairs without having the executive team present.

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, external partners and governors were sought and contributed to the process. The performance of non-executive directors is evaluated annually by the Vice Chair, who also seeks the views of executive colleagues and governors. Executive directors have an annual appraisal with the chief executive. All Trust Board committees reviewed their effectiveness during 2022/23 and provided assurance reports to the Committees on their reported effectiveness and associated improvement actions.

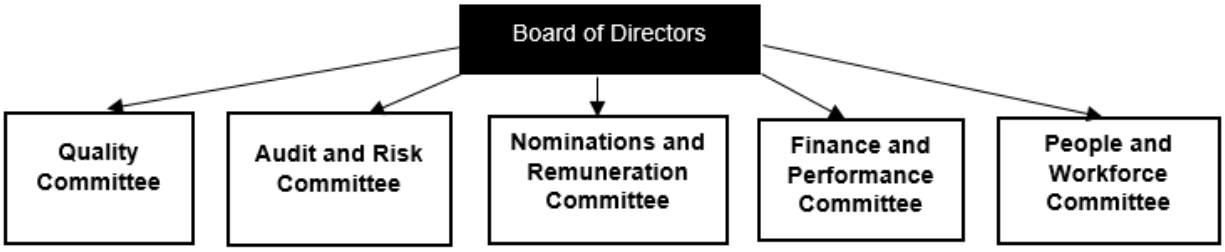
Board meetings

The Trust Board meets in public no less than four times per year. Special meetings are organised as and when required. There were four public meetings held in 2022/23. Two of these were stand-alone Board meetings of the Chelsea and Westminster Hospital NHS Foundation Trust Board of Directors and two of these were meetings of the Board in Common with the other North West London Acute Collaborative Provider Trusts. Director attendance is detailed below.

	Public Board meeting attendance	
	Required to attend	Attended
Executive directors		
Lesley Watts	4	4
Robert Bleasdale	4	3
Roger Chinn	4	4
Rob Hodgkiss	4	4
Virginia Massaro	4	4
Vanessa Sloane[29]	0	0
Non-executive directors		
Matthew Swindells	4	4
Stephen Gill	4	4
Aman Dalvi	4	3
Nilkunj Dodhia	4	3
Nick Gash	2	2
Eliza Hermann	1	1
Ajay Mehta	4	2
Catherine Jervis	2	2
Professor Andy Bush	2	1
Peter Goldsbrough	2	2
Neville Manuel	2	2
Syed Mohinuddin	2	2

Committees of the Board of Directors

The Trust Board committee structure is set out below. Terms of reference detail 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.



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

[29] Up to 3 Apr 2022

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 four other non-executive directors. The committee met on four occasions during the year and at these meetings they:

- Approved executive director pay and very senior management pay
- Approved some additional responsibility payment awards for executive directors where additional responsibilities had been assumed during the course of the year
- Approved the terms of reference of the committee
- Approved the annual business cycle of the committee
- Approved the extension of the appointment of the interim Chief People Officer (non-voting)
- Approved the appointment of the interim director of corporate governance and compliance (non-voting)

Nominations and remuneration committee attendees	Attendance	
	Required to attend	Attended
Matthew Swindells	4	4
Stephen Gill	4	4
Aman Dalvi	4	4
Nilkunj Dodhia	4	1
Nick Gash	1	1
Ajay Mehta	4	1
In attendance		
Lesley Watts, Chief Executive Officer	4	3
Sue Smith, Interim Director of Human Resources and Organisational Development	2	1
Lindsey Stafford-Scott, Interim Chief People Officer	2	2
Peter Jenkinson, Interim Director of Corporate Governance	4	0

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, Vice-Chair and Non-executive Directors. This is a committee of the Council of Governors and its membership comprises the chairman, the lead governor and five public- and patient-elected governors.

Appointments and reappointments

During 2022/23, on recommendation by the committee and agreement of the Council of Governors, it was agreed to increase the composition of Non-executive Directors on the Board to enable the implementation of agreed North West London Acute Provider Collaborative governance arrangements. As such, the following recommendations in relation to appointments, reappointments and remuneration were agreed:

- Appoint Steve Gill as Vice Chair and Senior Independent Director of the Board

- Approve a second term of office for Ajay Mehta and Aman Dalvi as Non-executive Directors until 30 November 2025

- Appoint Catherine Jervis, Dr Syed Mohinuddin, Professor Andy Bush, Neville Manuel and Peter Goldsbrough as Non-executive Directors of the Board

- The Trust did not use an external search consultancy, nor open advertising for the above Non-executive Director appointments as appointments were restricted to Non-executive Directors already holding a Non-executive Board position within one Trust in the Collaborative.

- Increase the remuneration of non-executive directors to reflect the additional responsibilities placed upon them as part of the North West London Acute Provider Collaborative, whereby they would be operating as part of two Boards of Directors within the Collaborative

- Increase the remuneration of the Vice Chair to reflect the additional responsibilities placed upon this post as part of the North West London Acute Provider Collaborative

Council of Governor Nominations and Remuneration Committee attendees	Attendance	
	Required to attend	Attended
Matthew Swindells, Chair	4	3
Steve Gill, Vice-Chair	3	3
Richard Ballerand, Public Governor	4	4
Simon Dyer, Lead and Patient Governor	4	3
Minna Korjonen, Patient Governor	4	2
Anthony Levy, Public Governor	3	3
David Phillips, Patient Governor	4	3
Laura-Jane Wareing, Public Governor	4	3
Eliza Hermann, Senior Independent Director[30]	1	1
In attendance		
Lesley Watts, Chief Executive Officer	4	3
Sue Smith, Interim Director of Human Resources and Organisational Development	3	2
Dawn Clift, Interim Director of Corporate Governance and Compliance[31]	3	3
Lindsey Stafford-Scott, Interim Chief People Officer	1	1
Peter Jenkinson, Interim Director of Corporate Governance[32]	2	1

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 the safety and effectiveness of care which we deliver to our patients. This includes monitoring regulatory compliance with the standards set out by the Care Quality Commission.

People and Workforce Committee

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

[30] Up to end Jun 2022
[31] Up to end May 2022
[32] From Jun 2022

Finance and Performance Committee

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

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 and Risk Committee primarily utilises the work of internal audit (provided by BDO in 2022/23), external audit (provided by Deloitte in 2022/23) 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 RMS in 2022/23).

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 Audit and Risk Committee until the end of October 2022 when he reached the end of his term of office. Aman Dalvi was then appointed Chair of the Audit and Risk Committee which includes two other non-executive directors. The Committee met four times in 2022/23.

Audit and Risk Committee attendees	Attendance	
	Required to attend	Attended
Nick Gash (Chair)	2	2
Aman Dalvi	2	2
Eliza Hermann	1	1
Aman Dalvi (Chair)	2	2
Dr Syed Mohinuddin	2	2
Catherine Jervis	2	1

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

During the year, the Audit and Risk Committee received several reports from the internal auditors BDO. These covered several areas including key financial systems, patient experience, safeguarding adults, MCA and consent, environmental maturity staff health and wellbeing, HFMA Financial Sustainability, serious incidents, business continuity planning, apprenticeship levy, data quality and data security and protection toolkit. For the period 1 Apr 2022–31 Mar 2023, 6 high-risk recommendations were identified by our internal auditors which was largely assigned to the need to strengthen HR systems and controls.

Following the year end, the Committee considered the draft annual report and accounts 2022/23 and received the ISA 260 report from the Trust's external auditors.

During 2022/23, 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, including cyber security, risk management, Board assurance framework and information governance.

The Committee has engaged regularly with the external auditors over the financial year. 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 and any recommendations on control and accounting matters proposed by the auditor. The Council of Governors were involved in extending the appointment of external auditors during the course of the year.

The Committee assesses the external auditor's quality and value of work and the timeliness and reporting and fees on an annual basis. This assessment includes the review and monitoring of the external auditor's independence and objectivity and effectiveness of the audit process in light of relevant professional and regulatory standards. The Committee will discuss and agree with the external auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan, including a consideration of their local evaluation of audit risks. The Committee reviews all external audit reports, including the report to those charged with governance, agreement of the annual audit letter and the appropriateness of management responses and progress on implementation of recommendations received by the Trust's external auditor.

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. It was agreed by the Audit and Risk Committee during 2019/20 to extend the contract for two years. Following an unsuccessful procurement process in 2022/23, it was agreed by the Audit and Risk Committee to extend the contract with Deloitte LLP for a further two years. As part of the initial procurement process, the independence of applicants was assessed. The external auditor has not provided non-audit services in the year.

Internal audit

From June 2021, following a competitive tender, the Trust has awarded the contract to provide internal audit to BDO on a three-year contract with an option to extend for a further two years. 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 and has a right of direct access to committee members. The internal audit function is managed by the chief financial officer.

Council of Governors

The role, powers and composition of the Council of Governors was 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 2022/23. 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 31 Mar 2023 are provided within the table below:

Last name	First name	Constituency	Organisation	Date elected or appointed	Term	Attendance at council meetings 2022/23
Addison	Lisa	Patient	-	Nov 2021	1	5/5
Ballerand	Richard	Public	Royal Borough of Kensington and Chelsea	Nov 2020	2	5/5
Booth	Jeremy	Patient	-	Nov 2020	1	5/0
Boulliat Moulle	Caroline	Patient	-	Feb 2023	1	0/0
Carter	Julie	Public	London Borough of Ealing	Nov 2021	1	5/1
Cass-Horne	Cass J.	Public	City of Westminster	Feb 2023	2	5/3
Clarke	Nigel	Public	Hammersmith and Fulham	Feb 2023	1	0/0
Daubeney	Nara	Public	Wandsworth	Feb 2023	1	0/0
Digby-Bell	Christopher	Patient	-	Nov 2020	3	5/5
Dyer	Simon	Patient/Lead Governor	-	Nov 2021	3	5/5
Fleming	Stuart	Public	Wandsworth	Nov 2021	1	5/4
Singh Garcha	Parvinder	Public	Hounslow	Nov 2021	1	5/4
Korjonen	Minna	Patient		Nov 2018	2	5/5
Levy	Rose	Public	Hammersmith and Fulham	Nov 2020	1	5/4
Littler	Nina	Public	Royal Borough of Kensington and Chelsea	Feb 2023	1	0/0
Macaskill	Stella	Patient	-	Nov 2021	1	5/4
Martin	Ras. I	Public	Rest of England	Feb 2023	1	0/0
Nelson	Mark	Staff	Medical and Dental	Nov 2020	2	5/5
Pascal	Will	Local Authority	Kensington and Chelsea	May 2022	1	5/3
Phillips	David	Patient	-	Nov 2021	3	5/5
Sands	Catherine	Staff	Management	Nov 2020	1	5/2
Scott	Jacquei	Staff	Nursing and Midwifery	Nov 2021	2	5/5
Walsh	Dr Desmond	University	Imperial College	Oct 2018	1	4/4
Wareing	Laura-Jane	Public	Hounslow	Nov 2021	3	5/5
Winterbottom	Jo	Public	City of Westminster	Feb 2023	1	0/0
Vacant		Appointed	-			
Vacant		Public	Richmond upon Thames			
Vacant		Public	Richmond upon Thames			
Vacant		Staff	Support, Administrative and Clerical			
Vacant		Staff	Allied Health Professionals, Scientific and Technical			
Vacant		Staff	Contracted			

There were no disputes between the Council of Governors and the Board of Directors during the year. Should any such dispute or disagreement arise, Governors are able to contact the Lead Governor or Senior Independent Director.

Council of Governors elections held during 2022/23

An election was held in November 2022 to fill vacant seats in the patient and public and constituencies. The results follow.

Patient constituency

- **Caroline Boulliat Moulle** (elected unopposed)

Public constituency

- **London Borough of Hammersmith and Fulham**
  Nigel Clarke (elected)
- **London Borough of Wandsworth**
  Nara Daubeney (elected)
- **Rest of England**
  Ras I Martin (elected unopposed)
- **Royal Borough of Kensington and Chelsea**
  Nina Littler (elected)
- **City of Westminster**
  Cass J Cass-Horne (elected)
  Jo Winterbottom (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 or by emailing chelwest.corporategovernance@nhs.net, or by calling 020 3315 6716/6725.

You can also request a hard copy by writing to:

Corporate Governance Department
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. Please see www.chelwest.nhs.uk/cog for governors' details and biographies. If you would like to contact any of the governors, email chelwest.corporategovernance@nhs.net or call 020 3315 6716/6725.

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 can attend the Trust's public Board meetings and at least five governors usually take this opportunity. Non-executive Directors attend the public Council of Governors meetings. Governors and Non-executive

Directors 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 enable governors to hold the Non-executive directors to account. In addition, we hold regular governor briefing sessions on topics of strategic or operational interest to governors to enable them to develop their knowledge around the range of information presented to them for assurance purposes and to seek their views on how we can improve on aspects of our business.

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 16 or older. 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:

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

During 2022/23 we consulted with the governors on the benefits of including an additional public constituency to represent the 'rest of England' and this was approved. This is particularly helpful given the range of specialist services that the Trust provides, including the world-renowned HIV, sexual health and gender services.

Staff membership

All staff automatically become members unless they choose to opt out of membership—individuals employed by the Trust under a contract of employment with the Trust are divided into six constituencies:

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

Membership engagement strategy

The Trust's membership engagement strategy focuses on recruitment, communication and engagement with members. In 2022/23, the Trust commenced a refresh of its Membership Engagement Strategy to ensure that it diversified its approach to facilitate engagement with a more representative group of members. A membership survey was also undertaken to seek the views of members on the effectiveness of current arrangements and their thoughts on improvement opportunities.

Governors participated in public and member engagement events organised by the Trust throughout the year.

Our overall membership as at 31 Mar 2023 is 19,366 members. Whilst the majority of our members are aged over 40 years, we have seen a 100% increase in the 22–29 age category, encouraging greater representation of the under 40s age range. We have a very successful youth volunteering platform that is being explored to encourage and share the benefits of membership, and we are developing targeted work with colleges, universities and workplaces. We will refresh our approach to the use of alternative media to reach these populations as well as provide in-person interaction.

Ensuring that our membership is representative of the population we serve is important.. Socioeconomically, we know that the majority of our membership sits within categories B, D and E—these are those of 'executive wealth', 'city sophisticates' and 'career climbers'. The next highest proportion of our membership sits within category P which is defined as those residing in 'struggling estates'. The following table shows our membership profile as at 31 Mar 2023.

	Public	Patient	Staff	Total
Age	**6,967**	**5,446**	**6,953**	**19,366**
0–16	2	0	0	2
17–21	82	12	23	117
22+	6,232	3,722	6,930	16,884
Not stated	651	1,712	0	2,363
Age 22+	**6,232**	**3,722**	**6,930**	**16,884**
22–29	333	39	1,441	1,813
30–39	596	284	2,378	3,258
40–49	994	762	1,451	3,207
50–59	1,353	962	1,149	3,464
60–74	1,512	966	503	2,981
75+	1,444	709	8	2,161
Gender	**6,967**	**5,446**	**6,953**	**19,366**
Unspecified	122	51	0	173
Male	2,443	2,005	1,771	6,219
Pangender	0	1	0	1
Polygender	0	0	0	0
Neutrois	0	0	0	0
Agender	0	0	0	0
Female	4,401	3,388	5,182	12,971
Transgender	0	0	0	0
Trans man	0	0	0	0
Trans woman	1	1	0	2
Bi-gender	0	0	0	0
Genderfluid	0	0	0	0
Androgyne	0	0	0	0
Non-binary	0	0	0	0

	Public	Patient	Staff	Total
Ethnicity	**6,967**	**5,446**	**6,953**	**19,366**
White—English, Welsh, Scottish, Northern Irish, British	3,299	2,078	1,995	7,372
White—Irish	181	112	163	456
White—Gypsy or Irish Traveller	0	0	0	0
White—Other	904	522	753	2,179
Mixed—White and Black Caribbean	97	55	57	209
Mixed—White and Black African	25	11	51	87
Mixed—White and Asian	59	25	68	152
Mixed—other mixed	F94	70	113	277
Asian or Asian British—Indian	332	128	655	1,115
Asian or Asian British—Pakistani	136	50	129	315
Asian or Asian British—Bangladeshi	51	38	53	142
Asian or Asian British—Chinese	43	36	81	160
Asian or Asian British—other Asian	228	141	973	1,342
Black or Black British—African	319	227	672	1,218
Black or Black British—Caribbean	121	83	252	456
Black or Black British—other Black	67	36	67	170
Other ethnic group—Arab	14	3	0	17
Other ethnic group—any other ethnic group	79	51	368	498
Not stated	905	1,752	503	3,160
Acorn socio-economic group	**6,967**	**5,446**	**6,953**	**19,366**
Lavish lifestyles (A)	456	321	165	942
Executive wealth (B)	290	377	578	1,245
Mature money (C)	59	106	164	329
City sophisticates (D)	2,879	2,041	1,829	6,749
Career climbers (E)	408	395	853	1,656
Countryside communities (F)	11	46	16	73
Successful suburbs (G)	296	186	424	906
Steady neighbourhoods (H)	173	184	437	794
Comfortable seniors (I)	4	18	20	42
Starting out (J)	58	65	207	330
Student life (K)	156	122	405	683
Modest means (L)	66	60	118	244
Striving families (M)	53	78	167	298
Poorer pensioners (N)	81	64	24	169
Young hardship (O)	25	43	68	136
Struggling estates (P)	1,705	1,158	1,179	4,042
Difficult circumstances (Q)	117	106	209	432
Not private households (R)	115	53	55	223
Not available (NA)	15	23	35	73
Total membership	**6,967**	**5,446**	**6,953**	**19,366**

Directors' responsibilities for preparing the accounts

The directors have undertaken their responsibility for preparing the accounts under directions issued by NHS England, and as detailed in the *Statement of Accounting Officer's Responsibilities* from page 106.

The Trust has ensured that the annual accounts of the organisation have met the accounting requirements of the NHS Foundation Trust Annual Reporting Manual and the Department of Health and Social Care Group Accounting Manual.

The directors consider 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.

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

NHS OVERSIGHT FRAMEWORK

NHS system oversight framework

NHS England's NHS oversight framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are quality of care, access and outcomes, people, preventing ill-health and reducing inequalities, leadership and capability, finance and use of resources, local strategic priorities)

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

The Trust has been placed into segment 1.

This segmentation information is the Trust's position as at 31 Mar 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Statement of the chief executive's responsibilities as the accounting officer of Chelsea and Westminster Hospital NHS Foundation Trust

The *NHS Act 2006* states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of 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 England.

NHS England, 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 NHS England, 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

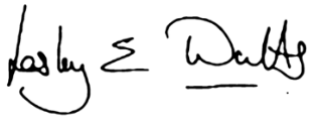
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy

- 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.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

29 Jun 2023

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 Trust's policies, aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised. This enables us 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 2023 and up to the date of approval of the annual report and accounts. During 2021/22 our auditors BDO completed a review of our Risk Maturity Framework which concluded a good culture of risk ownership in the Trust, with BDO confirming that the Trust scores above average for risk maturity when benchmarked with other NHS organisations.

As part of our system of internal control, it is of paramount importance to ensure that the Trust is well-led in accordance with NHS England and NHS England's Well-Led Framework, so that the services are safe and patient-centred. In November 2019 we welcomed the Care Quality Commission (CQC) to inspect our services, which included a well-led inspection and a use of resources inspection by NHS England. The Trust maintained the rating of 'good' overall, seeing an improvement in well-led rating from 'good' to 'outstanding', and maintaining the use of resources rating of 'outstanding'. The Chelsea site improved the overall rating from 'good' to 'outstanding', and the West Middlesex site maintained the overall rating of 'good'. Within our system of internal control, we have a range of approaches and methodologies to continually assessing our performance against the well-led framework. This includes the use and analysis of data (quality, effectiveness, financial and access times), board to floor visibility, our ward accreditation scheme and our governance arrangements from Board to local service. The Trust remains fully compliant with the registration requirements of the Care Quality Commission.

Capacity to handle risk

Governance arrangements in the Northwest London Acute Provider Collaborative

The North West London Acute Provider Collaborative (the 'collaborative') came into being from September 2022, following approval of the trust boards of the four acute trusts—Chelsea and Westminster Hospital NHS Foundation Trust, The Hillingdon Hospitals NHS

Foundation Trust, Imperial College Healthcare NHS Trust and London North West University Hospitals NHS Trust, also from Chelsea and Westminster Hospital NHS Foundation Trust and The Hillingdon Hospitals NHS Foundation Trust Council of Governors, London Region and National NHS England. The four acute trusts remain as statutory bodies who also continue to work with other partners in the NW London ICS to deliver health to the population of NW London.

The governance arrangements have been developed based on core principles of corporate governance in a collaborative system, including adhering to the principle of subsidiarity while ensuring collaborative decision-making and holding each other to account and ensuring the continuation of public accountability and stakeholder involvement and engagement at trust level as well as at the level of the collaborative. The four Boards meet in common every quarter with a common agenda.

Collaborative governance arrangements were established, including key elements:

- Trust level committees providing local oversight across quality, workforce and finance and performance as well as the statutory committees, audit and risk committee, and nominations and remuneration committee

- Collaborative committees, covering the domains of quality, workforce, finance and performance, and digital and infrastructure

- Bringing the four trust boards together to form a Board in Common—four trust boards meeting together at the same time and same place with a common agenda

- A model of shared non-executive directors across trusts

- Lead Chief Executives for strategic priorities across the Collaborative

The board in common meets in public and is responsible for setting the strategy for the collaborative. It is comprised of all voting members of the four trust boards and normally meet four times per year. To ensure agility in decision making and to maintain oversight, the board in common delegates some specific responsibilities to a board in common cabinet, comprising the chair, vice chairs and chief executives, meeting in the months when the board in common is not meeting. The meetings of the board in common cabinet are reported to the board in common.

Each statutory entity has a responsibility to maintain its own system of internal control, including a robust risk management framework. The audit and risk committees remain independent in each Trust, and retain responsibility for ensuring that a system of internal control is maintained across the trust, to ensure that risks are being identified and managed, and appropriate assurance mechanisms are in place. The audit and risk committees provide a summary of committee matters directly to the Board in Common. However, we anticipate developing governance arrangements further around risk and assurance in the next financial year, to enable the Collaborative to identify common risk areas where collaborative action can most effectively add value in the management of risks being ‘owned’ by trusts.

Each trust has retained its board committee structure, and committees review the key risks aligned with their functional domain and receive assurance regarding the management of risk for those risks, via regular reports or risk and assurance deep dives where appropriate. Trust committee Chair's report the outcome of their committees, including matters for escalation, including risks, to the respective collaborative committee.

Collaborative Committees have oversight over each trust's management of trust level risks and the chairs of the collaborative committees receive summary reports from each chair of the trusts' associated board committees (except the independent Audit and Risk committees) in which they will identify key risks (including any emerging risks or concerns), and any risks being escalated for consideration at collaborative level. The collaborative committees report the outcomes of their committees to the Board in Common.

Board in Common (BiC) receives summary reports from the collaborative committees and trust audit and risk committees, as well as more detailed reports where required—from which, each Board take assurance that there are effective systems in place to ensure risks are being identified and managed at the appropriate level.

The Trust is committed to a comprehensive, integrated, Trust-wide approach to the management of risk based upon the support and leadership offered by the Board of Directors and the committees of the Board.

The Trust's risk management process is designed to provide a systematic method of identifying risks and determining the most effective means to minimise or remove them following risk analysis and evaluation. Practice is supported through the maintenance of an organisation wide risk register—the register is a management tool that promotes visibility, escalation, and provides a repository from which assurance can be offered that risks are being identified and appropriately managed.

The Risk Management Strategy describes the roles and responsibilities of all staff in relation to the identification, management and control of risk, and encourages the use of risk management processes as a mechanism to highlight areas they believe require improvement.

The Executive Directors have responsibilities for the management and coordination of strategic and operational risk within their areas of control. These responsibilities include the maintenance of risk registers, the promotion of risk management activity, the development of strategic and business plans required to address risk, and the escalation of principle risks and associated assurance to Trust Board.

Responsibility for the implementation of risk management activity has been delegated to the Executive Directors as follows:

- The Chief Nursing officer has responsibility for the professional standards and revalidation of the nursing workforce and allied health professionals, clinical governance, patient safety, staff safety, regulatory compliance and associated risks.

- The Chief Medical Officer has responsibility for the professional standards and revalidation of the medical workforce, research and development, service development, clinical effectiveness, public health and associated risks.

- The Chief Finance Officer has responsibility for financial governance, physical estate and associated risks.

- The Chief People Officer has responsibility for learning and development, equality, diversity and inclusion, workforce management, staff well-being, and associated risks.

- The Deputy Chief Executive Officer has responsibility for site development, business development, digital innovation and associated risks.

- The Chief Information Officer is responsible for information management, information technology, information security and associated risks.

Executive and Non-Executive Directors receive training as part of a scheduled risk and board assurance development session. All staff receive risk management training on various aspects of risk as part of the Trust's induction programme. This training forms part of the mandatory courses provided by the Trust, which all staff undertake on a regular basis. The organisation's Quality and Clinical Governance directorate also provide one-to-one and group risk management training.

The risk assurance framework is scrutinised by the following committees of the Board:

- Audit and Risk Committee (ARC)
- Quality Committee (QC)
- People and Workforce Committee (PODC)
- Finance and Performance Committee (FPC)

The committees and their sub-groups ensure risks and the associated mitigation actions are recognised and good practice is supported across all areas. The scrutiny given by these Committees also assures learning from excellence.

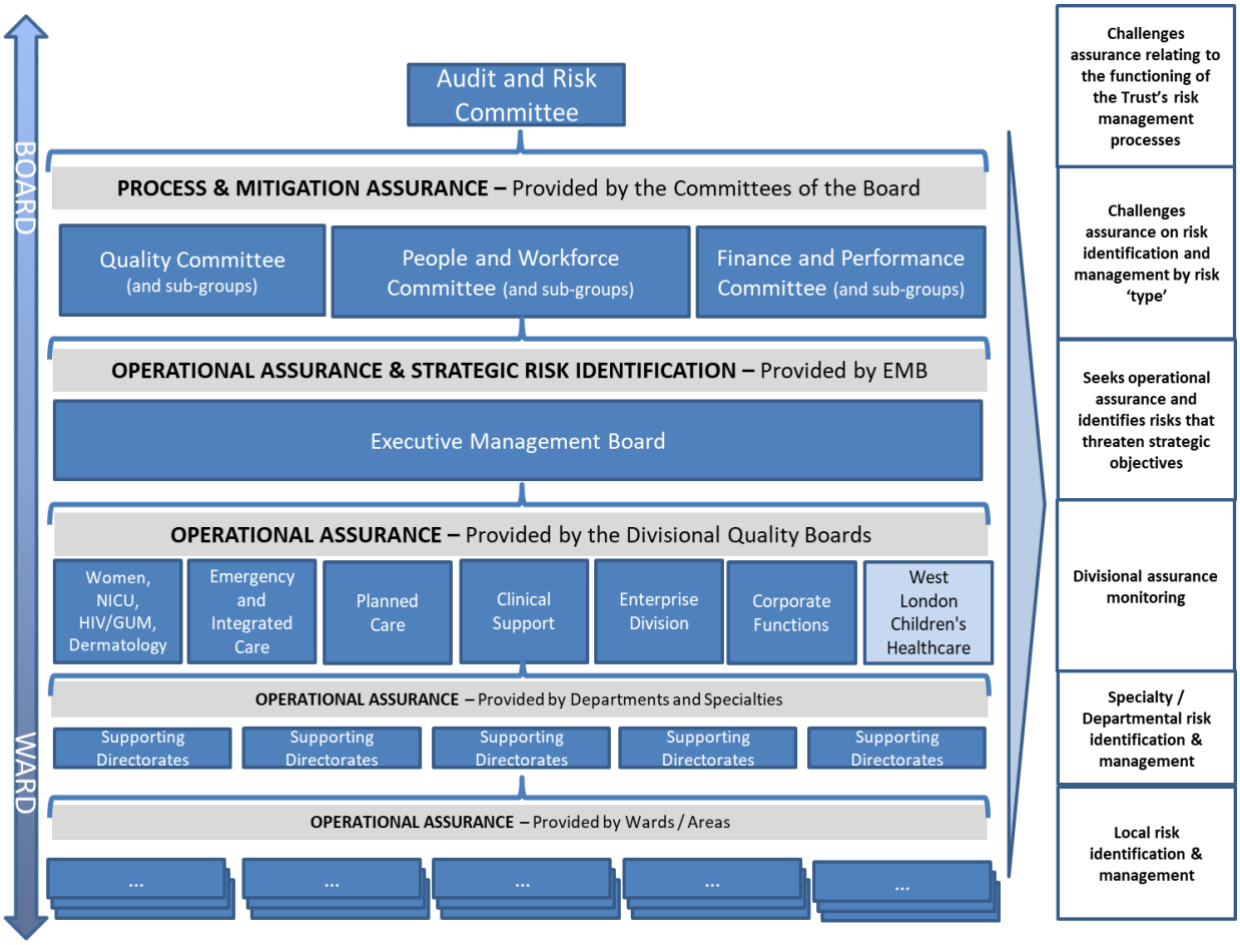
The Trust risk management policy is accessible to all staff via the intranet and aims to provide guidance on the process of risk identification, assessment and the escalation, as appropriate, in accordance with each staff member's level of authority and duties.

Risk and control framework

The Trust's risk management process is designed to provide a systematic method of identifying risks and determining the most effective means to minimise or remove. Practice is supported through the maintenance of an organisation wide risk register.

Operational risk assurance is provided via the Divisional Quality Boards within the clinical Divisions—these groups ensure the risk register process is embedded and mitigation actions are undertaken within appropriate timescales. Within the Corporate Functions / Non-Clinical Division individual management teams undertake this responsibility with Executive oversight.

Management and mitigation assurance is provided via the committees of the board. All items recorded within the risk register are categorised according to the risk 'subject'—each categorisation is aligned to an Executive Director and a Committee or sub-group who are responsible for measuring risk assurance and supporting mitigation action where required.



While the Trust Board retains overall responsibility, detailed scrutiny of specific areas of the Trust's work, including relevant risks, is provided by Board sub-committees:

- **Quality Committee** assures the Board that quality and safety within the organisation is being delivered to the highest possible standards, and that there are appropriate policies, processes and governance in place to continuously learn and improve care.

- **People and Workforce Committee** assures the Board on matters related to staff, considering the following work areas: people and organisational development strategy and planning, leadership development and talent management, education, skills and capability (clinical and non-clinical, statutory and mandatory), performance, reward and recognition, culture, inclusion equality and diversity, values and engagement, and health and well-being. The committee ensures that there are robust processes in place to identify risks and issues and manage them accordingly. The committee oversees the development and governance of short, medium and long-term workforce strategies to ensure that staffing systems are in place to assure the Board that staffing processes are safe, sustainable and effective and oversees compliance with Developing Workforce Safeguard Standards. The Committee receives regular reports on workforce and people related Key Performance Indicators and Metrics alongside other hard and soft intelligence.

- **Finance and Performance Committee** assures the Board on: financial and investment policy, capital, information management and technology, estates management, and commercial development issues, ensuring the Trust operates in an economic and efficient manner against agreed income and expenditure positions.

- **Audit and Risk Committee** assures the Board that probity and professional judgement is exercised by providing independent and objective review of: financial and corporate governance, assurance processes, risk management across the Trust's clinical and non-clinical activities, and fraud and corruption. The committee is also responsible for measuring assurance in the process for the identification and response to potential conflicts of interest relating to commercial partnership working. In addition, the committee scrutinises the output of all audits undertaken by the Trust internal and external auditors, reporting any risks identified to the Board accordingly, and has an explicit role to assure the Board on the appropriateness and effectiveness of the Trust's Risk Assurance Framework.

- **Nominations and Remuneration Committee** oversees all aspects of the appointment process for executive directors and very senior managers, including: the approval of arrangements for the termination of directorships, determining the remuneration, allowances, pensions, gratuities, and other major contractual terms, and evaluating the performance of individual executive directors.

The Trust control framework ensures the transmission of risk information from ward to board—this process is supported by:

- **Risk appetite statement:** Describes the amount of risk the Board is prepared to take in the pursuit of its objectives and is detailed in our Board Assurance Framework. The Trust's risk appetite varies between objectives and risk type. Our work as a key partner of the North West London Acute Provider Collaborative will lend itself to a review of risk appetite during 2023/24 to ensure it reflects changes in strategy, appetite, and tolerance to risk.

- **Risk management strategy:** Describes the systems of internal controls in place to oversee, monitor and manage risk within the Trust.

- **Risk register:** Documents risks at each level of the Trust, alongside actions to control, mitigate or resolve each risk.

- **Board Assurance Framework (BAF):** Records the principal risks that could substantially impact on the achievement of the Trust's strategic objectives.

The risk management framework informs objective setting, business planning, service delivery, and the routine functioning of the organisation and ensures risk management is an integral part of routine management.

The last internal audit of the organisations risk management framework took place in January 2020. The Head of Internal Audit opinion was that: significant assurance with minor improvements required can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Auditors completed a risk maturity report in 2021 which demonstrated a positive level of risk maturity.

Identification of risk

There are four principal methods of risk identification used by the Trust:

- 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:

- Recommendations from incident investigations and themes/trends arising from cumulative analysis of incident data
- 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
- Clinical risk assessments
- Non-clinical risk assessments (security, health and safety, health and wellbeing etc.)
- 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 (ICB, NWL Acute Provider Collaborative, local authorities, CCGs). Where this is the case, the Trust adopts a collaborative approach to its risk mitigation plans, ensuring a transparent and 'joined-up' approach to managing risk, recognising that in some cases the Trust will be limited in the degree of risk mitigation it can achieve as an individual organisation.

Risk assessment

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

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

Likelihood	Consequence				
	Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
1 Rare	1 (Low)	2 (Low)	3 (Low)	4 (Medium)	5 (Medium)
2 Unlikely	2 (Low)	4 (Medium)	6 (Medium)	8 (High)	10 (High)
3 Possible	3 (Low)	6 (Medium)	9 (High)	12 (High)	15 (Extreme)
4 Likely	4 (Medium)	8 (High)	12 (High)	16 (Extreme)	20 (Extreme)
5 Almost certain	5 (Medium)	10 (High)	15 (Extreme)	20 (Extreme)	25 (Extreme)

In addition, the risk register 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	Insignificant	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 <7 days off work if staff	Short disruption to services affecting patient care or intermittent breach of key target	Loss of between £10,000 and £100,000	Local media coverage
3	Moderate	Moderate injury requiring professional intervention RIDDOR reportable incident	Sustained period of disruption to services/ sustained breach of key target	Loss of between £100,001 and £500,000	Local media coverage with reduction in public confidence
4	Major	Major injury leading to long-term incapacity requiring significant increased length of stay	Intermittent failures in a critical service Significant under-performance of a range of key targets	Loss of between £500,001 and £5m	National media coverage and increased level of political/public scrutiny, total loss of public confidence
5	Catastrophic	Incident leading to death Serious incident involving a large number of patients	Permanent closure/ loss of a service	Loss of >£5m	Long term or repeated adverse national publicity Removal of chair/ CEO or executive team

Likelihood level	Descriptor	Range
5	Almost certain	>50%
4	Likely	10–50%
3	Possible	1–10%
2	Unlikely	0.1–1%
1	Rare	<0.1%

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 risk domains.

The risk register record is structured in a way that requires the recording of a 'current risk rating' and a 'target 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 target risk rating —i.e. once the mitigating actions have been implemented successfully and the risk has reduced to the target, the Trust accepts this 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

The Board Assurance Framework (BAF) records the principal risks that could substantially impact compliance with NHS Foundation Trust licence and achievement of the Trust's strategic objectives. It provides a framework for reporting key information to the Board by identifying primary controls in place to manage strategic objectives, assurance about effectiveness of controls, and any gaps in the controls or assurances.

The Executive Management team prepare and approve the Board Assurance Framework as a means of communicating principal risk. The Committees of the Board receive the Board Assurance Framework at least twice a year to support understanding of principal risks, controls, assurance evidence and assess outcomes of management activity.

Compliance with the NHS provider licence is routinely monitored through the NHS Oversight Framework but, on an annual basis, the licence requires the Trust to self-certify as to whether the organisation has effective systems, governance arrangement, and the resources required to ensure compliance. The 2022/23 self-certification processes concluded that the organisation had taken the necessary precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution. Principal risks were considered as part of this review and informed by the Board Assurance Framework—no principal risks to compliance were identified.

At January 2023, the following principal risks that could act as barriers to the organisations strategic objectives were reported to the Audit and Risk Committee:

- Failure to ensure the application of clinical and operational processes within an increasingly complex environment could compromise the delivery of outstanding, high quality, safe and patient-centred care.

- Failure to innovate and coproduce quality improvements with our staff, patients, carers and stakeholders/partners could drive health inequalities in outcomes and patient experience.

- Failure to fully realise the Trust's academic and Research and Development (R&D) potential may adversely affect its reputation and lead to loss of opportunity.

- Risk that the population's continuously changing need for services exceeds the Trust's capability and capacity to respond in a timely way. Where there are instances of demand outstripping supply, there is a risk that quality and safety of care will be compromised, the needs of service users could be insufficiently met, and this will lead to poorer health outcomes and experiences.

- Insufficient or ineffective planning for current and future workforce requirements (including number of staff, skill-mix and training) may lead to impaired ability to deliver the quantity of healthcare services to the required standards of quality, and inability to achieve the business plan and strategic objectives.

- A failure to look after our staff's physical and mental wellbeing could lead to reduced retention of staff, increased sickness levels, pressure on staff and decreased resilience, poor staff morale, over-reliance on agency staffing at high cost/premiums, potential impairment in service quality, and loss of the Trust's strategic ambition to be the employer of choice.

- Failure to maintain a coherent and coordinated structure and approach to succession planning, organisational development and leadership development may jeopardise the development of robust clinical and non-clinical leadership to support service delivery and change, staff being supported in their career development and to maintain competencies and training attendance, staff retention, and the Trust being a 'well-led' organisation under the CQC domain.

- A failure to develop and maintain our culture in line with the Trust values and the NHS people promise, which includes being compassionate and inclusive, recognition and reward, having a voice that counts, health, safety and wellbeing of staff, working flexibly, supporting learning and development, promoting equality, diversity and inclusivity and fostering a team culture. The absence of this could result in harm to staff, an inability to recruit and retain staff, a workforce which does not reflect Trust and NHS values, and poorer service delivery.

- Failure of the Integrated Care Systems and Provider Collaboratives in which we work to deliver transformation, reduce health inequalities, integrated care, maintain financial equilibrium and share risk responsibly may impact adversely compromising service delivery and the quality of patient care.

- Failure to deliver financial plan and maintain financial sustainability, including, but not limited to non-delivery of CIP savings, budget overspends, underfunding and constraints of block contracts in the context of increasing levels of activity and demand. This could lead to an inability to deliver core services and health outcomes, financial deficit, intervention by NHS England and Improvement, NWL ICS constraints, and insufficient cash to fund future capital programmes.

- Failure to deliver a fit for purpose digital and physical estate to deliver the Trust's clinical strategy and strategic objectives through ineffective business planning arrangements and/or inadequate mechanisms to track and control delivery of plans and programmes.

- Failure to protect the integrity and security of our information could lead to cyberattacks which could compromise the Trust's infrastructure and ability to deliver services and patient care, data loss or theft affecting patients, staff or finances, reputational damage and/or personal data and information being processed unlawfully (with resultant legal or regulatory fines or sanctions).

- A failure to take reasonable steps to minimise the Trust's adverse impact on the environment, maintain and deliver a Green Plan, and maintain improvements in sustainability in line with national targets, the NHS Long Term Plan and 'For a Greener NHS' ambitions (30%, 50% and 80% reduction in emissions by 2023, 2025 and 2030, respectively, and net zero carbon by 2040), could lead to a failure to meet Trust and system objectives, reputational damage, loss of contracts, contribution to increased pollution within the wider community, and loss of cost saving opportunities.

- Failure to maintain adequate business continuity and emergency planning arrangements in order to sustain core functions and deliver safe and effective services during a widespread and sustained emergency or incident, for example a pandemic, could result in harm to patients, pressure on and harm to staff, reputational damage, regulator intervention.

Data security and protection toolkit (DSPT) 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 with particular emphasis on managing personal data within the data protection legislation.

The DSPT 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. It aims to demonstrate how we are implementing the 10 data security standards recommended by the late Dame Fiona Caldicott, the National Data Guardian for health and adult social care. Approximately 70% of the DSPT is related to IT related cyber security.

The attainment level assessed within the DSPT provides an overall measure of the quality of data systems, standards and processes.

The DSPT sets out specific criteria that enable performance to be assessed based on submitted evidence and assertions, resulting in four possible outcomes—standards exceeded, standards met, standards not fully met (plan agreed), and standards not met. For more information about the DSPT please visit www.dsptoolkit.nhs.uk.

- **Assessment outcome:** For 2021/22 the Trust achieved 'standards met' and we believe we will again achieve this standard for 2022/23.

IG incidents reported to the DSPT

Information governance incidents of a certain severity need to be reported to the UK data protection regulator, the Information Commissioner's Office (ICO), within 72 hours of discovery. The mechanism for doing this is usually through the incident reporting section of the Data Security and Protection Toolkit (DSPT), where you can also report sub-ICO level serious incidents.

A total of two incidents met the DSPT reporting threshold, with one being escalated to the ICO. The ICO incident was a breach where sensitive information was left on a landline belonging to the parents of the data subject, due to a breakdown in process at the referring organisation and a break with protocol by the Trust. The ICO accepted that the breach occurred as a result of human error and was satisfied that the Trust has appropriate compliance mechanisms in place to protect personal data and that remedial action was quickly taken with little ongoing risk to the data subject. They closed their investigation with no further action being taken.

Freedom of information (FOI)

In the financial year 2022-2023 we received 849 FOI requests up more than 11% on the previous year (762). The act says we must respond to FOI requests within 20 working days and the Trust achieved this in 89.16% of cases, against the ICO minimum acceptable requirement of 90%, down on last year's figure of 91%.

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 DSPT and various other workstreams.

Quality governance and performance

Ensuring safe staffing

The annual safe staffing report was submitted to the Trust Board in September. Safe staffing metrics are reported monthly within the Integrated Performance Report to Executive Management Board, Trust subcommittees and Trust Board, and the National Safe Staffing team. It is noted that compliance with theatres and ICU safe staffing guidance has been added to the report for this year. The Trust is compliant with national requirements and regulations for reporting as laid down by the National Quality Board and the NHSI Developing Workforce Safeguards.

Following a review of safe staffing levels within the Trust for Nursing and Midwifery, Therapies, Pharmacy and Medicine the Chief Nurse and Chief Medical Officer conclude the following:

"As Chief Nurse and Chief Medical Officer for the Trust we confirm that we are satisfied that we currently meet safe staffing standards and compliance with the National Workforce Safeguards Standards 2018. We recognise we currently have partial compliance with elements of the medical and therapy standards.

The Trust's focus in 2023 will be:

- Improving compliance in relation to Maternity ratios and staffing recommendations for Neonatal Nursing Staffing Standards
- Focus on staff retention, particularly in therapies, pharmacy and amongst the HCA workforce
- Address the deficit in nursing establishment across the Medical Wards, in business planning or by reviewing the use of the specialling budget
- Review the usage of Mental Health Nurses and Support Workers on the wards and recruit to a central pool of staff to care for a number of these patients
- Continue to develop workforce streams into the various Health Care Support Workers roles within the Trust
- Review the staffing requirements in each division for medical tier 3 cover with an establishment review and job planning
- Work within the NWL Medical Staffing Improvement Programme to develop a collaborative approach to recruitment and retention of medical workforce, use of novel roles and to address temporary staffing issues

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 Trust 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 has a set of training modules available to support staff and is currently undertaking an assessment to further improve staff adoption.

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 analyses, 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 in data quality improvement via the electronic patient record (EPR) system. The Trust has had several external bodies auditing our data quality performance which has outlined that we are in line with our peers. A Trustwide data quality group is in place, which provides oversight of data quality policies, strategies and reviews. The data quality group reports into the executive management Board to enable prompt escalation of emerging issues to the Trust 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 47. It is a fundamental part of our Trust's governance structure that all material risks and issues are scrutinised and monitored by the executive management board, in addition to being reported to Board committees. This includes the key areas of quality, workforce, performance and finance, giving further assurance that the Trust is fully compliant with the Care Quality Commission registration requirements.

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.

There are control measures in place to ensure that the organisation complies with obligations under equality, diversity and human rights legislation. The Trust has implemented a number of equity and diversity programmes to support openness, honesty and transparency. The policy and procedure is maintained by the human resources team and compliance is monitored by the People and Organisational Development Committee.

Conflicts of interest

The Trust has an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months as required by 'managing conflicts of interest' in the NHS guidance. This can be viewed at www.chelwest.nhs.uk/corporate-publications.

Climate change and Greener NHS programme

The Trust, with its partners, will continue to pursue its ambition to reduce the impact of our activities on the environment while providing leading sustainable healthcare. This means that the way the Trust operates today must meet the needs of the present, while collaboratively building on a cleaner healthier environment for future generations.

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust's Green Plan was approved by the Trust Board in November 2021 and confirms commitment to the NHS *Delivering a Net-Zero Health Service* report and Greener NHS programme, which outlines the NHS's ambition to become the world's first carbon net-zero

national health service by 2045. During 2022/23 we supplemented our Green Plan with the first of our Sustainability Strategic Reviews, a complex review of the governance, targets and enabling strategies required to meet our ambitious goals.

As a result of the Strategic Review, our Sustainability Board was reformed with 12 new supporting workstreams:

- Governance and Administration
- Energy and Estates
- Biodiversity and Air Quality
- Procurement and Supply Chain
- Travel and Transport
- Water
- Waste
- Medicines
- Food and Catering
- Behaviour and Engagement
- Innovation
- Adaptation and Resilience

The Board meets every month, and submits reports to Improvement Board, Finance and Performance Committee, and the Trust Board.

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

The Trust Board keeps a regular review of the Trust's use of resources through the integrated quality and performance report in addition to the finance report, which is reviewed at both the Trust Board and both the Trust and Collaborative Finance and Performance Committee. This allows the Trust Board to maintain a 'grip' on financial performance, cost-effectiveness and allows the triangulation of quality, performance, workforce and financial data.

During 2022/23, the Trust has continued to use various benchmarking sources and the improvement board to identify efficiency and productivity opportunities. Where the Trust Board identifies key risks and issues in relation to the Trust's use of resources, it will instruct the Trust and Collaborative Finance and Performance Committees 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 Performance 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 boards for divisional quality, financial and operational performance to be reviewed, and monthly reviews with the executive and divisional triumvirate teams allow for regular oversight of the performance within the respective clinical services they provide. The cost improvement programme is monitored through the improvement board, and this is further supplemented by productivity work programmes (such as bed

productivity, theatre productivity and outpatient pathway optimisation) and specialty deep dives, which is in addition to the internal audit work undertaken throughout 2022/23.

The detail of the key actions of the internal audit programme can be found in the *Review of effectiveness* section below.

Review of effectiveness

As Accountable 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 performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and 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.

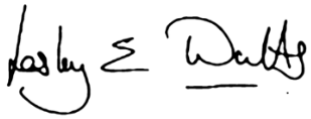
The role of the Board, Audit and Risk Committee, Quality Committee, Finance and Performance Committee and People and Organisational Development Committee in maintaining and reviewing the Trust's systems of internal control is described above. The internal audit programme provides a further mechanism for doing this. BDO, 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 reviewed frequently by the executive team.

In 2022/23 there were six high-risk recommendations identified by our internal auditors.

The overall head of internal audit opinion for the period 1 Apr 2022–31 Mar 2023 is: Moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently.

Conclusion

In conclusion, to the best of my knowledge, no significant internal control issues have been identified within 2022/23.



Lesley Watts
Chief Executive Officer

29 Jun 2023

SECTION 3

AUDITOR'S REPORT

Independent auditor’s report to the Council 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’) and its subsidiaries (the ‘group’):

- give a true and fair view of the state of the group’s and the foundation trust’s affairs as at 31 March 2023 and of the group’s and foundation trust’s income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the consolidated Statement of Comprehensive Income;
- the group and foundation trust Statements of Financial Position;
- the consolidated Statement of Changes in Equity;
- the foundation trust Statement of Changes in Equity;
- the group and foundation trust Statement of Cash Flows; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General 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 group and 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the foundation trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the group and the foundation trust is adopted in consideration of the requirements set out in the Department of Health and Social Care Group Accounting Manual which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, 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 group's and 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 they have been informed by the relevant national body of the intention

to dissolve the foundation trust without the transfer of the foundation trust's services to another public sector entity.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the group and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and local counter fraud about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- The continuing high level of expenditure in the current year, and the annual cut-off of capital budgets and requirements of PDC funding increase the risk of amounts being incorrectly capitalised, or of incorrect recognition in the current period. This has been identified as a significant risk due to fraud in light of these factors.

- We tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature; we agreed a sample of yearend capital accruals to supporting documentation and assessed whether the capitalised expenditure is recognised in the correcting accounting period. We have tested the transfers out of assets under construction on a sample basis to ensure depreciation is charged from the correct date. We have reviewed the projects ledger and the status of individual projects to evaluate whether they have been depreciated from the appropriate point. We tested a sample of vesting certificates to assess whether they were appropriately accounted for.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;

- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and

- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006 in all material respects; 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

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work in respect of the foundation trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the foundation trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the Auditor Guidance Notes issued by the Comptroller & Auditor General, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or

- proper practices have not been observed in the compilation of the financial statements.

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

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the 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.

We have nothing to report in respect of these matters.

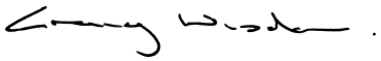
Delay in certification of completion of the audit

In cases where we have not completed our work to issue a statement on consolidation schedules and, if applicable, our work on VfM at the time of issue of our audit report on the financial statements:

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report). We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Wisdom
Key Audit Partner

For and on behalf of Deloitte LLP
Appointed Auditor
Cambridge, UK

3 July 2023

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2023 issued on 3 July 2023 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2023 and of the group's and foundation trust's income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS England; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources
As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

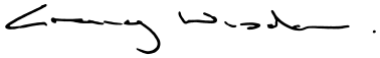
As at the date of issue of our audit report for the year ended 31 March 2023 on 3 July 2023, we had not completed our work on the foundation trust's arrangements, and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit
In our audit report for the year ended 31 March 2023 issued on 3 July 2023, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed our work in this area.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave our opinion.

We have nothing to report in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of Chelsea and Westminster Hospital NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the Comptroller & Auditor General.



Craig Wisdom (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
St Albans, United Kingdom

13 July 2023

SECTION 4

FINANCE

ANNUAL ACCOUNTS 2022/23

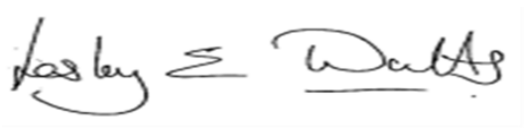
Chelsea and Westminster Hospital NHS Foundation Trust

Annual accounts for the year ended 31 Mar 2023

Foreword to the accounts

Chelsea and Westminster Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2023, 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 Exective Officer**
Date **30 June 2023**

Consolidated Statement of Comprehensive Income

		Group	
		2022/23	2021/22
	Note	£000	£000
Operating income from patient care activities	2	770,634	703,160
Other operating income	3	96,538	98,931
Operating expenses	6, 8	(845,317)	(754,633)
Operating surplus/(deficit) from continuing operations		**21,855**	**47,458**
Finance income	10	3,961	144
Finance expenses	11	(5,098)	(5,177)
PDC dividends payable		(11,487)	(10,908)
Net finance costs		**(12,624)**	**(15,941)**
Other gains / (losses)	12	(334)	(934)
Corporation tax expense		(21)	-
Surplus / (deficit) for the year		**8,876**	**30,583**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairment reversal	7	17,230	3,884
Fair value gains / (losses) on equity instruments designated at fair value through OCI	20	(375)	(5,386)
Total comprehensive income / (expense) for the period		**25,731**	**29,081**
Surplus for the period attributable to:			
Chelsea and Westminster Hospital NHS Foundation Trust		8,876	30,583
TOTAL		**8,876**	**30,583**
Total comprehensive income/ (expense) for the period attributable to:			
Chelsea and Westminster Hospital NHS Foundation Trust		25,731	29,081
TOTAL		**25,731**	**29,081**

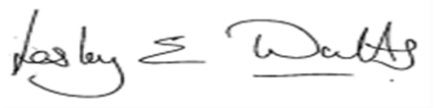
The figures below outline the adjusted financial performance on a control total basis as reported to NHSE. This is part of NHSE's control purposes, rather than set by the Trust.

Adjusted financial performance (control total basis):		
Surplus / (deficit) for the period	*8,876*	*30,583*
Remove net impairments not scoring to the Departmental expenditure limit	*(6,754)*	*(30,992)*
Remove I&E impact of capital grants and donations	*(2,110)*	*42*
Remove net impact of inventories received from DHSC group bodies for COVID response	*34*	*652*
Remove loss recognised on return of donated COVID assets to DHSC		*1,049*
Adjusted financial performance surplus / (deficit)	***46***	***1,334***

Statements of Financial Position

	Note	Group 31 March 2023 £000	Group 31 March 2022 £000	Trust 31 March 2023 £000	Trust 31 March 2022 £000
Non-current assets					
Intangible assets	13	36,834	38,484	36,834	38,484
Property, plant and equipment	15	527,562	492,794	527,562	492,794
Right of use assets	19	14,057	-	14,057	-
Other investments / financial assets	20	12	387	3,212	3,587
Receivables	22	1,244	1,322	1,244	1,322
Total non-current assets		**579,709**	**532,987**	**582,909**	**536,187**
Current assets					
Inventories	21	11,363	8,762	9,448	8,762
Receivables	22	53,229	39,664	52,674	39,664
Cash and cash equivalents	23	160,205	152,817	159,881	149,617
Total current assets		**224,797**	**201,243**	**222,003**	**198,043**
Current liabilities					
Trade and other payables	24	(129,174)	(104,649)	(129,669)	(104,649)
Borrowings	26	(9,253)	(6,634)	(9,253)	(6,634)
Provisions	27	(15,559)	(12,624)	(15,559)	(12,624)
Other liabilities	25	(26,091)	(20,203)	(26,091)	(20,203)
Total current liabilities		**(180,077)**	**(144,110)**	**(180,572)**	**(144,110)**
Total assets less current liabilities		**624,429**	**590,120**	**624,340**	**590,120**
Non-current liabilities					
Borrowings	26	(78,865)	(73,945)	(78,865)	(73,945)
Provisions	27	(8,279)	(8,711)	(8,279)	(8,711)
Total non-current liabilities		**(87,144)**	**(82,656)**	**(87,144)**	**(82,656)**
Total assets employed		**537,285**	**507,464**	**537,196**	**507,464**
Financed by					
Public dividend capital		283,689	279,599	283,689	279,599
Revaluation reserve		139,985	122,812	139,985	122,812
Financial assets reserve		(4,510)	(4,135)	(4,510)	(4,135)
Income and expenditure reserve		118,120	109,188	118,031	109,188
Total taxpayers' equity		**537,285**	**507,464**	**537,196**	**507,464**

The notes on pages 10 to 71 form part of these accounts.



Name **Lesley Watts**
Position **Chief Executive Officer**
Date **30 June 2023**

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

Group	Note	Public dividend capital £000	Revaluation reserve £000	Financial assets reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward		**279,599**	**122,812**	**(4,135)**	**109,188**	**507,464**
Surplus/(deficit) for the year		-	-	-	8,876	**8,876**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits		-	(57)	-	57	**-**
Impairment reversal	7	-	17,230	-	-	**17,230**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	20	-	-	(375)	-	**(375)**
Public dividend capital received		4,090	-	-	-	**4,090**
Taxpayers' and others' equity at 31 March 2023		**283,689**	**139,985**	**(4,510)**	**118,120**	**537,285**

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

Group	Public dividend capital £000	Revaluation reserve £000	Financial assets reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**277,017**	**118,962**	**1,252**	**78,570**	**475,801**
Prior period adjustment	**-**	**-**	**-**	**-**	**-**
Taxpayers' and others' equity at 1 April 2021 - restated	**277,017**	**118,962**	**1,252**	**78,570**	**475,801**
Surplus/(deficit) for the year	-	-	-	30,583	**30,583**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(34)	-	34	**-**
Impairments	-	3,884	-	-	**3,884**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	(5,386)	-	**(5,386)**
Public dividend capital received	2,582	-	-	-	**2,582**
Taxpayers' and others' equity at 31 March 2022	**279,599**	**122,812**	**(4,135)**	**109,188**	**507,464**

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

Trust	Note	Public dividend capital	Revaluation reserve	Financial assets reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward		**279,599**	**122,812**	**(4,135)**	**109,188**	**507,464**
Surplus/(deficit) for the year		-	-	-	8,787	**8,787**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits		-	(57)	-	57	**-**
Impairment reversal	7	-	17,230	-	-	**17,230**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	20	-	-	(375)	-	**(375)**
Public dividend capital repaid		4,090	-	-	-	**4,090**
Taxpayers' and others' equity at 31 March 2023		**283,689**	**139,985**	**(4,510)**	**118,031**	**537,196**

Statement of Changes in Equity for the year ended 31 March 2022

Trust	Public dividend capital	Revaluation reserve	Financial assets reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**277,017**	**118,962**	**1,252**	**78,570**	**475,801**
Prior period adjustment	-	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2021 - restated	**277,017**	**118,962**	**1,252**	**78,570**	**475,801**
Surplus/(deficit) for the year	-	-	-	30,583	**30,583**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(34)	-	34	**-**
Impairments	-	3,884	-	-	**3,884**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	(5,386)	-	**(5,386)**
Public dividend capital repaid	2,582	-	-	-	**2,582**
Taxpayers' and others' equity at 31 March 2022	**279,599**	**122,812**	**(4,135)**	**109,188**	**507,464**

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.

Statements of Cash Flows

		Group		Trust	
		2022/23	2021/22	2022/23	2021/22
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus		21,294	46,911	21,762	46,364
Non-cash income and expense:					-
Depreciation and amortisation	6.1	29,198	24,575	29,198	24,575
Reversal of impairment	7	(6,754)	(30,992)	(6,754)	(30,992)
Income recognised in respect of capital donations	3	(3,109)	(1,006)	(3,109)	(1,006)
(Increase) / decrease in receivables and other assets		(14,090)	7,154	(13,535)	7,154
(Increase) / decrease in inventories		(2,601)	4,198	(686)	4,198
Add back inventory written off in the year		561	547	561	547
Increase in payables and other liabilities		24,333	1,300	24,849	1,300
Increase in provisions		2,503	8,533	2,503	8,533
Net cash used in operating activities		**51,335**	**61,220**	**54,789**	**60,673**
Cash flows from investing activities					
Interest received		3,408	68	3,408	68
Purchase of intangible assets		(2,640)	(5,872)	(2,640)	(5,872)
Purchase of PPE		(27,411)	(24,250)	(27,411)	(24,250)
Sales of PPE		56	251	56	251
Receipt of cash donations to purchase assets		3,000	564	3,000	564
Cash from acquisitions of subsidiaries		-	-	-	(3,200)
Net cash flows from / (used in) investing activities		**(23,587)**	**(29,239)**	**(23,587)**	**(32,439)**
Cash flows from financing activities					
Public dividend capital received		4,090	2,582	4,090	2,582
Movement on loans from DHSC		(3,673)	(3,673)	(3,673)	(3,673)
Movement on other loans		(1,342)	(1,310)	(1,342)	(1,310)
Capital element of lease liability repayments		(3,011)	(30)	(3,011)	(30)
Capital element of PFI, LIFT and other service concession payments		(1,318)	(1,372)	(1,318)	(1,372)
Interest on loans		(962)	(1,051)	(962)	(1,051)
Other interest		(3)	(3)	(3)	(3)
Interest paid on lease liability repayments		(116)	(15)	(116)	(15)
Interest paid on PFI, LIFT and other service concession obligations		(4,040)	(4,144)	(4,040)	(4,144)
PDC dividend (paid) / refunded		(9,985)	(11,795)	(9,985)	(11,795)
Net cash flows from / (used in) financing activities		**(20,360)**	**(20,811)**	**(20,360)**	**(20,811)**
Increase / (decrease) in cash and cash equivalents		**7,388**	**11,170**	**10,842**	**7,423**
Cash and cash equivalents at 1 April - brought forward		**152,817**	**141,646**	**149,070**	**141,646**
Cash and cash equivalents at 31 March	23.1	**160,205**	**152,817**	**159,912**	**149,070**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England 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 2022/23 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

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.2 Going concern

The Trust has submitted a plan for 2023/24 to generate a breakeven position. As at 31 Mar 2023 the Trust holds £160.2m of cash reserves and has a forecast cash balance of £174.1m at 31 Mar 2024.
The directors are confident that there is a reasonable expectation that the Trust will continue to have adequate cash resources to service its operational activities in cash terms for the next 12 months and into 2024/25. The impact of changes in the funding and cash regime have been taken into account for the Trust's plans and projections, including cash flows, liquidity and income base.
After making enquiries, the directors have a reasonable expectation that the services provided by the NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Note 1.3 Consolidation

Other subsidiaries
Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

These consolidated financial statements incorporate the financial statements of the Trust and its wholly owned subsidiary, CW Medicine Ltd. Whilst CW Medicines Ltd began trading in April 2022, in March 2022 the Trust purchased £3.2m equity shares in the wholly owned subsidary. Its primary activity is dispensing medicines to outpatients of the Trust.

All intragroup assets and liabilities, reserves, income, expenses and cash flows relating to transactions between members of the group are eliminated on consolidation.
Profit or loss and each component of other comprehensive income are attributed to the Trust in full.

Note 1.4 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).

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. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity. NHS block contract payment are typically paid on 15th of each month.

In 2022/23 fixed payments are set at 2019/20 activity levels with a variable element for elective activity targets. These are termed 'aligned payment and incentive' contracts. Where variable element of API contract was replaced by the Elective Recovery Fund (ERF) nationally: These payments are accompanied by a variable element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differs from the agreed level set in the fixed payments, the variable element either increases or reduces the income earned by the Trust at a rate of 75% of the tariff price. All activity outside the scope of ERF is paid on block without variance for over or under performance against the block value.

Elective recovery funding provides additional funding (incentive) for the delivery of elective services. In 2022/23 income earned by the system based on achievement of elective recovery targets (104%) was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Revenue from research contracts

Where research contracts 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. Some research income alternatively falls within the provisions of IAS 20 for government grants.

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 performance obligations are satisfied. In practical terms this means that treatment has been given, 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.

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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 from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 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 two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care 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: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The 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 1.7 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.

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

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.

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.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an existing site basis at a reduced space to match the requirement of MEA facilities.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust’s Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

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.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives on a straight line basis in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as ‘held for sale’ 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 expenditure.

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.

De-recognition

Assets intended for disposal are reclassified as ‘held for sale’ once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their ‘fair value less costs to sell’. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘held for sale’ and instead is retained as an operational asset and the asset’s useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

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.

This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as a finance cost as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16 - Property, Plant & Equipment.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17 - Leases.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

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	2	49
Dwellings	33	33
Plant & machinery	5	15
Transport equipment	5	5
Information technology	3	10
Furniture & fittings	5	10

Note 1.9 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are held at cost less depreciation. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are amortised over their expected useful lives on a straight line basis in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

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
Information technology	2	10
Software licences	3	10

Note 1.10 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.

The Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.11 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 1.12 Financial assets and financial liabilities

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.

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 or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure with the exception of Sensyne Health PLC Shares, now called Arcturis Health.

Financial liabilities 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. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

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 Health PLC Shares, now called Arcturis Health.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Credit losses is recognised in line with IFRS 15. Injury costs recovery (ICR) credit losses are recognised as advised by the Compensation Recovery Unit (CRU) at 24.86% for 2022-23. The credit losses for receivables is recognised in line with IFRS 9 of the simplified approach, based on the age and type of each debt. The percentages applied reflect an assessment of the recoverability of each class of debt provisions are charged to operating expenditure. In some cases a specific credit losses applied consider the relevant credit quality of relevant financial assets. Write off of debt will be undertaken only where the Trust has exhausted all means of recovery, this includes on the reocmmendation of a debt collection agency.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

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.

Note 1.13 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

Note 1.14 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 HM Treasury's discount rates effective from 31 March 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
	Exceeding 40 years	3.00%	0.66%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2022:

	Inflation rate	Prior year rate
Year 1	7.40%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

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 27.3 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.

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity’s control) are not recognised as assets, but are disclosed in note 28 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 28, 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 1.16 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.

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, 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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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 calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.17 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 1.18 Corporation tax

The trust has determined that it has a corporation tax liability based on the nature of the Trust's business through its Wholly Owned Subsidiary CW Medicines.

Note 1.19 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.20 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.21 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.

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.

Note 1.22 Gifts

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.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to [a price index representing the rate of inflation]. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

Note 1.25 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:

Independent Montagu Evans were instructed to carry out a desk top valuation of all land and buildings at the Chelsea and West Middlesex sites as at 31 December 2022, as part of the second year of their three year contract with the Trust. The valuation was prepared under the requirements of the DHSC Group Accounting Manual and the RICS Valuation – Global Standard 2021 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). Specialised assets such as hospitals for which no market exists are valued at Depreciated Replacement Cost (DRC) valuation method to arrive at the Modern Equivalent Asset. Other assets are valued at Existing Use Value (EUV) in Current Use.

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 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 Chelsea site, and at West Middlesex reducing the area of the site required for the modern equivalent asset on the basis that it would be more efficiently arranged as part of a single holistic design.

Non-specialised assets and land such as the Trust's residential staff accommodation have been valued on an Existing Use Value basis with assessed in line with the Group Accounting Manual.

Note 1.26 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Disputes with Commissioners

As set out in note 27.1, 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 £4.9m at 31 March 2023 (31 March 2022 £3.6m). Disputes relate to challenges on activity reported and 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 £12.2m of debt with NHS bodies at 31 March 2023 (2022 £7.9m) and £4.7m of debt with Local Authorities (2022 £6.9m). Management has considered the recoverability of this debt as at 31 March 2023 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 contact albeit not a signed explicit one.

Note 2 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 2.1 Income from patient care activities (by nature)	2022/23 £000	2021/22 £000
Acute services		
Income from commissioners under API contracts*	624,416	587,012
High cost drugs income from commissioners (excluding pass-through costs)	44,805	41,184
Other NHS clinical income	991	1,347
Community services		
Income from commissioners under API contracts*	1,735	2,210
All services		
Private patient income	20,097	16,343
Elective recovery fund	19,947	8,904
Agenda for change pay award central funding***	11,485	
Additional pension contribution central funding**	17,005	16,050
Other clinical income	30,153	30,110
Total income from activities	**770,634**	**703,160**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation.

https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

***'In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023

Note 2.2 Income from patient care activities (by source)

Income from patient care activities received from:	2022/23 £000	2021/22 £000
NHS England	196,685	153,889
Clinical commissioning groups	123,212	501,471
Integrated care boards	399,496	-
Other NHS providers	991	1,347
NHS other	-	1
Local authorities	27,247	27,549
Non-NHS: private patients	20,097	16,343
Non-NHS: overseas patients (chargeable to patient)	2,324	1,271
Injury cost recovery scheme	371	1,036
Non NHS: other	211	253
Total income from activities	**770,634**	**703,160**
Of which:		
Related to continuing operations	770,634	703,160

Note 2.3 Overseas visitors (relating to patients charged directly by the provider)

	2022/23	2021/22
	£000	£000
Income recognised this year	2,324	1,271
Cash payments received in-year	1,945	1,207
Amounts added to provision for impairment of receivables	401	796
Amounts written off in-year	1,534	1,617

Note 3 Other operating income (Group)

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	5,167	1,745	**6,912**	4,049	3,124	**7,173**
Education and training	28,257	1,210	**29,467**	29,124	846	**29,970**
Non-patient care services to other bodies	13,211		**13,211**	12,420		**12,420**
Reimbursement and top up funding	3,129		**3,129**	18,241		**18,241**
Income in respect of employee benefits accounted on a gross basis	11,937		**11,937**	9,248		**9,248**
Receipt of capital grants and donations and peppercorn leases		3,109	**3,109**		1,006	**1,006**
Charitable and other contributions to expenditure		2,424	**2,424**		2,320	**2,320**
Revenue from operating leases		125	**125**		693	**693**
Other income	26,224	-	**26,224**	17,860	-	**17,860**
Total other operating income	**87,925**	**8,613**	**96,538**	**90,942**	**7,989**	**98,931**
Of which:						
Related to continuing operations			96,538			98,931

Other income of £26.2m (2021/22 £17.9m), car parking income £2.7m (2021/22 £2.0m), staff accommodation rental £2.0m (2021/22 £1.7m), Sexual Health E-Services £2.0m (2021/22 £1.8m), RM Partners £1.2m to improve cancer pathways, Clinical Excellence awards £0.4m (2021/22 £0.9m). Items that are specific to 2022/23 and account for the increase from 2021/22 include, Facilities recharge £1.1m, Pathology facilities £2.8m, Monkeypox income loss support £1.0m, ED opt out test £0.6m, Winter pressure £1.8m, ICU beds £1.7m and various departmental schemes.

Note 4 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 licence 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:

	2022/23	2021/22
	£000	£000
Income from services designated as commissioner requested services	719,393	655,360
Income from services not designated as commissioner requested services	51,241	47,800
Total	**770,634**	**703,160**

Note 5 Operating leases - Chelsea and Westminster Hospital NHS Foundation Trust as lessor

This note discloses income generated in operating lease agreements where No trust selected is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

The Trust has two lessor agreements on Trust buildings and land. 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 5.1 Operating leases income (Group)

	2022/23	2021/22
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	125	693
Total in-year operating lease income	**125**	**693**

Note 5.2 Future lease receipts (Group)

	31 March 2023 £000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year	125
- later than one year and not later than two years	88
- later than two years and not later than three years	88
- later than three years and not later than four years	88
- later than four years and not later than five years	67
Total	**456**

	31 March 2022 £000
Future minimum lease receipts due at 31 March 2022:	
- not later than one year;	693
Total	**693**

Note 6.1 Operating expenses (Group)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	2,572	3,943
Purchase of healthcare from non-NHS and non-DHSC bodies	9,444	9,818
Staff and executive directors costs	490,611	444,942
Remuneration of non-executive directors	211	142
Supplies and services - clinical (excluding drugs costs)	83,910	82,366
Supplies and services - general	48,293	44,619
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	80,128	69,886
Inventories written down	560	548
Consultancy costs	1,526	1,594
Establishment	3,740	3,186
Premises	21,129	15,339
Transport (including patient travel)	4,612	3,189
Depreciation on property, plant and equipment and right of use assets	22,636	18,221
Amortisation on intangible assets	6,562	6,354
Reversal of impairment	(6,754)	(30,992)
Movement in credit loss allowance: contract receivables / contract assets	293	1,736
Movement in credit loss allowance: all other receivables and investments	35	(143)
Increase/(decrease) in other provisions	3,031	10,841
Fees payable to the external auditor		
audit services- statutory audit	325	155
Internal audit costs	195	246
Clinical negligence	36,221	36,270
Legal fees	263	273
Insurance	213	325
Research and development	4,518	3,795
Education and training	9,292	8,427
Operating leases expenditure (comparative only)		2,618
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	18,213	14,036
Car parking & security	1,549	1,100
Hospitality	73	22
Losses, ex gratia & special payments	942	961
Other services, eg external payroll	609	671
Other	365	145
Total	**845,317**	**754,633**
Of which:		
Related to continuing operations	845,317	754,633
Related to discontinued operations	-	-

Note 6.2 Limitation on auditor's liability (Group)

There is no limitation on auditor's liability for external audit work carried out for the financial years 2022/23 or 2021/22.

Note 7 Impairment of assets (Group)

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(6,754)	(30,992)
Total net impairments charged to operating surplus / deficit	**(6,754)**	**(30,992)**
Impairments charged to the revaluation reserve	(17,230)	(3,884)
Total net impairments	**(23,984)**	**(34,876)**

The position includes impairement of £0.60m and reversal of Impairments of £7.34m arising from the annual valuation exercise of the Trust's estate (based on industry standard indices). This has improved the Trust financial performance, but the gain does not impact the control total, which the Trust is measured against.

Note 8 Employee benefits (Group)

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	386,827	350,945
Social security costs	44,264	38,183
Apprenticeship levy	1,829	1,718
Employer's contributions to NHS pensions	56,005	52,470
Pension cost - other	127	43
Temporary staff (including agency)	17,075	13,522
Total staff costs	**506,127**	**456,881**
Of which		
Costs capitalised as part of assets	5,346	2,799

Note 8.1 Retirements due to ill-health (Group)

During 2022/23 there were 3 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £188k (£133k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 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. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

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 2022/23 the Trust paid £60k into NEST. Staff are automatically enrolled into the NHS pension scheme or the NEST scheme unless staff opt out.

Note 10 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2022/23	2021/22
	£000	£000
Interest on bank accounts	3,961	144
Total finance income	**3,961**	**144**

Note 11.1 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	791	853
Interest on other loans	161	191
Interest on lease obligations	118	15
Interest on late payment of commercial debt	3	3
Main finance costs on PFI and LIFT schemes obligations	1,860	2,034
Contingent finance costs on PFI and LIFT scheme obligations	2,165	2,081
Total interest expense	**5,098**	**5,177**
Unwinding of discount on provisions	-	-
Other finance costs	-	-
Total finance costs	**5,098**	**5,177**

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2022/23	2021/22
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	876	436
Amounts included within interest payable arising from claims made under this legislation	3	3

Note 12 Other gains / (losses) (Group)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	56	148
Losses on disposal of assets	(390)	(1,082)
Total other gains / (losses)	**(334)**	**(934)**

The disposal of assets includes intangibles assets of £43k and medical equipment of £347k. The £390k disposal all relates to the transfer of DHSC Covid equipment to other NHS organisations (£136k to Croydon Hospital, £17k to Royal Berkshire and £237k to Frimley Park).

Note 13.1 Intangible assets - 2022/23

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**7,911**	**64,535**	**1,505**	**73,951**
Additions	-	-	4,955	**4,955**
Reclassifications	1,794	1,896	(3,690)	**-**
Disposals / derecognition	(59)	-	-	**(59)**
Valuation / gross cost at 31 March 2023	**9,646**	**66,431**	**2,770**	**78,847**
Amortisation at 1 April 2022 - brought forward	**5,248**	**30,219**	**-**	**35,467**
Provided during the year	911	5,651	-	**6,562**
Disposals / derecognition	(16)	-	-	**(16)**
Amortisation at 31 March 2023	**6,143**	**35,870**	**-**	**42,013**
Net book value at 31 March 2023	**3,503**	**30,561**	**2,770**	**36,834**
Net book value at 1 April 2022	**2,663**	**34,316**	**1,505**	**38,484**

Note 13.2 Intangible assets - 2021/22

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**6,951**	**61,013**	**481**	**68,445**
Valuation / gross cost at 1 April 2021 - restated	**6,951**	**61,013**	**481**	**68,445**
Additions	-	-	5,506	**5,506**
Reclassifications	960	3,522	(4,482)	**-**
Valuation / gross cost at 31 March 2022	**7,911**	**64,535**	**1,505**	**73,951**
Amortisation at 1 April 2021 - as previously stated	**4,372**	**24,741**	**-**	**29,113**
Provided during the year	876	5,478	-	**6,354**
Amortisation at 31 March 2022	**5,248**	**30,219**	**-**	**35,467**
Net book value at 31 March 2022	**2,663**	**34,316**	**1,505**	**38,484**
Net book value at 1 April 2021	**2,579**	**36,272**	**481**	**39,332**

Note 14.1 Intangible assets - 2022/23

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**7,911**	**64,535**	**1,505**	**73,951**
Valuation / gross cost at start of period for new FTs	**7,911**	**64,535**	**1,505**	**73,951**
Additions	-	-	4,955	**4,955**
Reclassifications	1,794	1,896	(3,690)	**-**
Disposals / derecognition	(59)	-	-	**(59)**
Valuation / gross cost at 31 March 2023	**9,646**	**66,431**	**2,770**	**78,847**
Amortisation at 1 April 2022 - brought forward	**5,248**	**30,219**	**-**	**35,467**
Provided during the year	911	5,651	-	**6,562**
Disposals / derecognition	(16)	-	-	**(16)**
Amortisation at 31 March 2023	**6,143**	**35,870**	**-**	**42,013**
Net book value at 31 March 2023	**3,503**	**30,561**	**2,770**	**36,834**
Net book value at 1 April 2022	**2,663**	**34,316**	**1,505**	**38,484**

Note 14.2 Intangible assets - 2021/22

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**6,951**	**61,013**	**481**	**68,445**
Valuation / gross cost at 1 April 2021 - restated	**6,951**	**61,013**	**481**	**68,445**
Additions	-	-	5,506	**5,506**
Reclassifications	960	3,522	(4,482)	**-**
Valuation / gross cost at 31 March 2022	**7,911**	**64,535**	**1,505**	**73,951**
Amortisation at 1 April 2021 - as previously stated	**4,372**	**24,741**	**-**	**29,113**
Provided during the year	876	5,478	-	**6,354**
Amortisation at 31 March 2022	**5,248**	**30,219**	**-**	**35,467**
Net book value at 31 March 2022	**2,663**	**34,316**	**1,505**	**38,484**
Net book value at 1 April 2021	**2,579**	**36,272**	**481**	**39,332**

Note 15.1 Property, plant and equipment - 2022/23

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	**94,836**	**343,250**	**14,777**	**14,727**	**87,896**	**121**	**22,545**	**3,665**	**581,817**
Additions	-	-	-	29,358	-	-	1,560	-	**30,918**
Impairments	-	(596)	-	-	-	-	-	-	**(596)**
Reversals of impairments	2,559	18,178	3,843	-	-	-	-	-	**24,580**
Revaluations	-	(11,051)	(437)	-	-	-	-	-	**(11,488)**
Reclassifications	-	9,781	125	(24,935)	10,458	-	4,562	9	**-**
Disposals / derecognition	-	-	-	-	(2,952)	-	(87)	-	**(3,039)**
Valuation/gross cost at 31 March 2023	**97,395**	**359,562**	**18,308**	**19,150**	**95,402**	**121**	**28,580**	**3,674**	**622,192**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**5,257**	**109**	**-**	**63,456**	**121**	**16,653**	**3,427**	**89,023**
Provided during the year	-	11,773	467	-	4,709	-	2,773	65	**19,787**
Revaluations	-	(11,051)	(437)	-	-	-	-	-	**(11,488)**
Disposals / derecognition	-	-	-	-	(2,605)	-	(87)	-	**(2,692)**
Accumulated depreciation at 31 March 2023	**-**	**5,979**	**139**	**-**	**65,560**	**121**	**19,339**	**3,492**	**94,630**
Net book value at 31 March 2023	**97,395**	**353,583**	**18,169**	**19,150**	**29,842**	**-**	**9,241**	**182**	**527,562**
Net book value at 1 April 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**-**	**5,892**	**238**	**492,794**

Note 15.2 Property, plant and equipment - 2021/22

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**104,033**	**291,384**	**13,137**	**18,525**	**84,196**	**121**	**21,940**	**3,670**	**537,006**
Valuation / gross cost at 1 April 2021 - restated	**104,033**	**291,384**	**13,137**	**18,525**	**84,196**	**121**	**21,940**	**3,670**	**537,006**
Additions	-	-	-	23,024	102	-	-	-	**23,126**
Impairments	(10,413)	(10,608)	-	-	-	-	-	-	**(21,021)**
Reversals of impairments	1,216	52,737	1,944	-	-	-	-	-	**55,897**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Reclassifications	-	18,711	-	(26,822)	7,511	-	605	(5)	**-**
Disposals / derecognition	-	-	-	-	(3,913)	-	-	-	**(3,913)**
Valuation/gross cost at 31 March 2022	**94,836**	**343,250**	**14,777**	**14,727**	**87,896**	**121**	**22,545**	**3,665**	**581,817**
Accumulated depreciation at 1 April 2021 - as previously stated	**-**	**4,186**	**76**	**-**	**61,142**	**121**	**14,006**	**3,277**	**82,808**
Accumulated depreciation at 1 April 2021 - restated	**-**	**4,186**	**76**	**-**	**61,142**	**121**	**14,006**	**3,277**	**82,808**
Provided during the year	-	10,045	337	-	5,042	-	2,647	150	**18,221**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Disposals / derecognition	-	-	-	-	(2,728)	-	-	-	**(2,728)**
Accumulated depreciation at 31 March 2022	**-**	**5,257**	**109**	**-**	**63,456**	**121**	**16,653**	**3,427**	**89,023**
Net book value at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**-**	**5,892**	**238**	**492,794**
Net book value at 1 April 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**-**	**7,934**	**393**	**454,198**

In 2022/23 the Trust invested £35.9m on capital which included £16.5m on estates works and maintenance across both sites, £6.9m on medical equipment and £10.5m on IT goods and services

Note 15.3 Property, plant and equipment financing - 31 March 2023

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	97,395	282,552	18,169	19,055	26,773	9,241	182	**453,367**
On-SoFP PFI contracts and other service concession arrangements	-	56,694	-	-	-	-	-	**56,694**
Owned - donated/granted	-	14,337	-	95	3,069	-	-	**17,501**
NBV total at 31 March 2023	**97,395**	**353,583**	**18,169**	**19,150**	**29,842**	**9,241**	**182**	**527,562**

Note 15.4 Property, plant and equipment financing - 31 March 2022

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	94,836	271,032	14,668	14,618	22,952	5,892	238	**424,236**
Finance leased	-	241	-	-	-	-	-	**241**
On-SoFP PFI contracts and other service concession arrangements	-	52,764	-	-	-	-	-	**52,764**
Owned - donated/granted	-	13,956	-	109	1,488	-	-	**15,553**
NBV total at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**5,892**	**238**	**492,794**

Note 15.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	-	3,483	-	-	-	-	-	**3,483**
Not subject to an operating lease	97,395	350,100	18,169	19,150	29,842	9,241	182	**524,079**
NBV total at 31 March 2023	**97,395**	**353,583**	**18,169**	**19,150**	**29,842**	**9,241**	**182**	**527,562**

Note 16.1 Property, plant and equipment - 2022/23

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	**94,836**	**343,250**	**14,777**	**14,727**	**87,896**	**121**	**22,545**	**3,665**	**581,817**
Additions	-	-	-	29,358	-	-	1,560	-	**30,918**
Impairments	-	(596)	-	-	-	-	-	-	**(596)**
Reversals of impairments	2,559	18,178	3,843	-	-	-	-	-	**24,580**
Revaluations	-	(11,051)	(437)	-	-	-	-	-	**(11,488)**
Reclassifications	-	9,781	125	(24,935)	10,458	-	4,562	9	**-**
Disposals / derecognition	-	-	-	-	(2,952)	-	(87)	-	**(3,039)**
Valuation/gross cost at 31 March 2023	**97,395**	**359,562**	**18,308**	**19,150**	**95,402**	**121**	**28,580**	**3,674**	**622,192**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**5,257**	**109**	**-**	**63,456**	**121**	**16,653**	**3,427**	**89,023**
Provided during the year	-	11,773	467	-	4,709	-	2,773	65	**19,787**
Revaluations	-	(11,051)	(437)	-	-	-	-	-	**(11,488)**
Disposals / derecognition	-	-	-	-	(2,605)	-	(87)	-	**(2,692)**
Accumulated depreciation at 31 March 2023	**-**	**5,979**	**139**	**-**	**65,560**	**121**	**19,339**	**3,492**	**94,630**
Net book value at 31 March 2023	**97,395**	**353,583**	**18,169**	**19,150**	**29,842**	**-**	**9,241**	**182**	**527,562**
Net book value at 1 April 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**-**	**5,892**	**238**	**492,794**

Note 16.2 Property, plant and equipment - 2021/22

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**104,033**	**291,384**	**13,137**	**18,525**	**84,196**	**121**	**21,940**	**3,670**	**537,006**
Additions	-	-	-	23,024	102	-	-	-	**23,126**
Impairments	(10,413)	(10,608)	-	-	-	-	-	-	**(21,021)**
Reversals of impairments	1,216	52,737	1,944	-	-	-	-	-	**55,897**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Reclassifications	-	18,711	-	(26,822)	7,511	-	605	(5)	**-**
Disposals / derecognition	-	-	-	-	(3,913)	-	-	-	**(3,913)**
Valuation/gross cost at 31 March 2022	**94,836**	**343,250**	**14,777**	**14,727**	**87,896**	**121**	**22,545**	**3,665**	**581,817**
Accumulated depreciation at 1 April 2021 - as previously stated	**-**	**4,186**	**76**	**-**	**61,142**	**121**	**14,006**	**3,277**	**82,808**
Provided during the year	-	10,045	337	-	5,042	-	2,647	150	**18,221**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Disposals / derecognition	-	-	-	-	(2,728)	-	-	-	**(2,728)**
Accumulated depreciation at 31 March 2022	**-**	**5,257**	**109**	**-**	**63,456**	**121**	**16,653**	**3,427**	**89,023**
Net book value at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**-**	**5,892**	**238**	**492,794**
Net book value at 1 April 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**-**	**7,934**	**393**	**454,198**

Note 16.3 Property, plant and equipment financing - 31 March 2023

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	97,395	282,552	18,169	19,055	26,773	9,241	182	**453,367**
On-SoFP PFI contracts and other service concession arrangements	-	56,694	-	-	-	-	-	**56,694**
Owned - donated / granted	-	14,337	-	95	3,069	-	-	**17,501**
Total net book value at 31 March 2023	**97,395**	**353,583**	**18,169**	**19,150**	**29,842**	**9,241**	**182**	**527,562**

Note 16.4 Property, plant and equipment financing - 31 March 2022

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	94,836	271,032	14,668	14,618	22,952	5,892	238	**424,236**
Finance leased	-	241	-	-	-	-	-	**241**
On-SoFP PFI contracts and other service concession arrangements	-	52,764	-	-	-	-	-	**52,764**
Owned - donated / granted	-	13,956	-	109	1,488	-	-	**15,553**
Total net book value at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**5,892**	**238**	**492,794**

Note 16.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	-	3,483	-	-	-	-	-	**3,483**
Not subject to an operating lease	97,395	350,100	18,169	19,150	29,842	9,241	182	**524,079**
Total net book value at 31 March 2023	**97,395**	**353,583**	**18,169**	**19,150**	**29,842**	**9,241**	**182**	**527,562**

Note 17 Donations of property, plant and equipment

The Trust has received donation and grant income of £3,109k in the year.
- £109k donation of (physical) medical equipment from CW+.
- £987k cash grant from NHS North West London ICB for the development of Elective Care Transformation Programme.
- £1,893k cash grant from NHS England for the purchase of medical equipment to support the Gender Affirmation Services (GAS).
- £119k donation of cash, to fund £26k for development of intangibles (from Sensyne Health PLC, now called Arcturis Health) and £93k of plant and equipment (from CW+).

Note 18 Revaluations of property, plant and equipment

The Trust instructed Montagu Evans to carry out a revaluation of its property portfolio as at 31 December 2022. The revaluation was predominantly based on modern equivalent asset values using the existing site approach where appropriate. This exercise resulted in an increase in the value of the relative assets of £25.33m, this represents £7.33m reversal of impairment charged to the I&E and £18.00m increase in revaluation reserves in accordance with the Trust's accounting policies and NHS Improvement guidance.

Note 19 Leases - Chelsea and Westminster Hospital NHS Foundation Trust as a lessee

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 19.1 Right of use assets - 2022/23

Group	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - adjustments for existing operating leases / subleases	10,960	4,001	**14,961**	1,060
Remeasurements of the lease liability	1,945	-	**1,945**	-
Valuation/gross cost at 31 March 2023	**12,905**	**4,001**	**16,906**	**1,060**
Provided during the year	2,192	657	**2,849**	354
Accumulated depreciation at 31 March 2023	**2,192**	**657**	**2,849**	**354**
Net book value at 31 March 2023	**10,713**	**3,344**	**14,057**	**706**

Net book value of right of use assets leased from other NHS providers	141
Net book value of right of use assets leased from other DHSC group bodies	565

Note 19.2 Right of use assets - 2022/23

Trust	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - adjustments for existing operating leases / subleases	10,960	4,001	**14,961**	1,060
Remeasurements of the lease liability	1,945	-	**1,945**	-
Valuation/gross cost at 31 March 2023	**12,905**	**4,001**	**16,906**	**1,060**
Provided during the year	2,192	657	**2,849**	354
Accumulated depreciation at 31 March 2023	**2,192**	**657**	**2,849**	**354**
Net book value at 31 March 2023	**10,713**	**3,344**	**14,057**	**706**
Net book value of right of use assets leased from other NHS providers				141
Net book value of right of use assets leased from other DHSC group bodies				565

Note 19.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note .

	Group 2022/23 £000	Trust 2022/23 £000
Carrying value at 31 March 2022	**218**	**218**
IFRS 16 implementation - adjustments for existing operating leases	14,961	14,961
Lease liability remeasurements	1,945	1,945
Interest charge arising in year	118	118
Lease payments (cash outflows)	(3,127)	(3,127)
Carrying value at 31 March 2023	**14,115**	**14,115**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

Note 19.4 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
	Total	Of which leased from DHSC group bodies:	**Total**	Of which leased from DHSC group bodies:
	31 March 2023 £000	**31 March 2023 £000**	**31 March 2023 £000**	**31 March 2023 £000**
Undiscounted future lease payments payable in:				
- not later than one year;	2,763	358	2,763	358
- later than one year and not later than five years;	8,283	358	8,283	358
- later than five years.	3,532	-	3,532	-
Total gross future lease payments	**14,578**	**716**	**14,578**	**716**
Finance charges allocated to future periods	(463)	(6)	(463)	(6)
Net lease liabilities at 31 March 2023	**14,115**	**710**	**14,115**	**710**
Of which:				
- Current	2,763	358	2,763	358
- Non-Current	11,352	352	11,352	352

Note 19.7 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 13.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Group 1 April 2022 £000	Trust 1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**11,165**	**11,165**
Impact of discounting at the incremental borrowing rate		
IAS 17 operating lease commitment discounted at incremental borrowing rate	**10,492**	**10,492**
Less:		
Irrecoverable VAT previously included in IAS 17 commitment	(1,717)	(1,717)
Services included in IAS 17 commitment not included in the IFRS 16 liability	(261)	(261)
Other adjustments:		
Differences in the assessment of the lease term	3,979	3,979
Public sector leases without full documentation previously excluded from operating lease commitments	212	212
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	(2,339)	(2,339)
Finance lease liabilities under IAS 17 as at 31 March 2022	218	218
Other adjustments	4,595	4,595
Total lease liabilities under IFRS 16 as at 1 April 2022	**15,179**	**15,179**

Note 20 Other investments / financial assets (non-current)

	Group		Trust	
	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**387**	**5,774**	**3,587**	**5,774**
Movement in fair value through OCI	(375)	(5,386)	(375)	(2,186)
Carrying value at 31 March	**12**	**387**	**3,212**	**3,587**

The Sensyne Health PLC, now called Arcturis Health, was delisted from the Alternative Investment Market (AIM) in June 2022, thus the Trust recognises Sensyne Health PLC, now called Arcturis Health, shares at the last avaliable share price through OCI. As at 31 March 2023 the Trust recognised the shares at the AIM listed valuation.

Note 21 Inventories

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Drugs	6,780	4,001	4,865	4,001
Consumables	4,313	4,594	4,313	4,594
Energy	206	88	206	88
Other	64	79	64	79
Total inventories	**11,363**	**8,762**	**9,448**	**8,762**

Inventories recognised in expenses for the year were £95,848k (2021/22: £71,844k). Write-down of inventories recognised as expenses for the year were £560k (2021/22: £548k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £1,858k of items purchased by DHSC (2021/22: £1,746k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 22.1 Receivables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Contract receivables	19,745	12,991	19,745	12,991
Contract assets	27,628	24,771	27,628	24,771
Allowance for impaired contract receivables / assets	(6,476)	(8,143)	(6,476)	(8,143)
Allowance for other impaired receivables	(345)	(310)	(345)	(310)
Prepayments (non-PFI)	5,192	3,791	5,192	3,791
Interest receivable	629	76	629	76
PDC dividend receivable	-	1,156	-	1,156
VAT receivable	3,130	1,524	2,575	1,524
Other receivables	3,726	3,808	3,726	3,808
Total current receivables	**53,229**	**39,664**	**52,674**	**39,664**
Non-current				
Other receivables	1,244	1,322	1,244	1,322
Total non-current receivables	**1,244**	**1,322**	**1,244**	**1,322**
Of which receivable from NHS and DHSC group bodies:				
Current	25,090	14,150	25,090	14,150
Non-current	1,244	1,322	1,244	1,322

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. The main change in the increase in contract receivables relates to an income accrual for the 2022/23 non-consolidated pay award of £11.48m.

Non-current receivables includes Clinician Pension tax of £1.2m (2021/22 £1.3m) provided by NHSE, using information provided by the Government Actuaries Department and NHS Business Services Authority. A separate provision is recognised in Payables.

Note 22.2 Allowances for credit losses - 2022/23

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2022 - brought forward	**8,143**	**310**	**8,143**	**310**
New allowances arising	1,562	38	1,562	38
Reversals of allowances	(1,269)	(3)	(1,269)	(3)
Utilisation of allowances (write offs)	(1,960)	-	(1,960)	-
Allowances as at 31 Mar 2023	**6,476**	**345**	**6,476**	**345**

The total balance for allowances contract credit losses includes £1,944k for Overseas patients credit losses (2021/22 £3,020k), £1,169k for NHS (2021/22 £1,609k), £798k for Local Authorities (2021/22 £1,374k), £566k for Private Patient (2021/22 £349k), £1,225k for Road Traffic Accident (RTA) (2021/22 £1,324k), and £774k for Others (2021/22 £468k). Each year the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the RTA income, for 2022/23 this figure is 24.86%. The total balance for allowances for non-contract credit losses is for salary overpayment of £345k.

Amounts written off in the year that are still subject to enforcement activity is zero.

Note 22.3 Allowances for credit losses - 2021/22

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2021 - as previously stated	**8,493**	**453**	**8,493**	**453**
New allowances arising	3,509	203	3,509	203
Reversals of allowances	(1,773)	(346)	(1,773)	(346)
Utilisation of allowances (write offs)	(2,086)	-	(2,086)	-
Allowances as at 31 Mar 2022	**8,143**	**310**	**8,143**	**310**

Note 23.1 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.

	Group		Trust	
	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000
At 1 April	**152,817**	**141,646**	**149,617**	**141,646**
Net change in year	7,388	11,171		7,971
At 31 March	**160,205**	**152,817**	**149,617**	**149,617**
Broken down into:				
Cash at commercial banks and in hand	370	3,240	47	3,240
Cash with the Government Banking Service	159,835	149,577	159,834	146,377
Total cash and cash equivalents as in SoFP	**160,205**	**152,817**	**159,881**	**149,617**
Total cash and cash equivalents as in SoCF	**160,205**	**152,817**	**159,881**	**149,617**

Note 24.1 Trade and other payables

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Trade payables	19,839	14,607	20,903	14,607
Capital payables	12,075	6,362	12,075	6,362
Accruals	76,487	63,621	75,954	63,621
Social security costs	5,800	5,441	5,794	5,441
Other taxes payable	6,211	5,466	6,204	5,466
PDC dividend payable	346	-	346	-
Pension contributions payable	5,696	5,300	5,694	5,300
Other payables	2,720	3,852	2,699	3,852
Total current trade and other payables	**129,174**	**104,649**	**129,669**	**104,649**
Of which payables from NHS and DHSC group bodies:				
Current	8,681	11,351	8,681	11,351

As of March 31,2023, Trust's only Trade payables include amount of £4,146k (2022-nil) owed to subsidiary undertaking relating to drugs dispensed to the Trust's outpatients.

Note 25 Other liabilities

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Deferred income: contract liabilities	26,091	20,203	26,091	20,203
Total other current liabilities	**26,091**	**20,203**	**26,091**	**20,203**

Note 26 Borrowings

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Loans from DHSC	3,753	3,764	3,753	3,764
Other loans	1,381	1,347	1,381	1,347
Lease liabilities*	2,763	32	2,763	32
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,356	1,491	1,356	1,491
Total current borrowings	**9,253**	**6,634**	**9,253**	**6,634**
Non-current				
Loans from DHSC	37,158	40,831	37,158	40,831
Other loans	4,332	5,707	4,332	5,707
Lease liabilities*	11,352	186	11,352	186
Obligations under PFI, LIFT or other service concession contracts	26,023	27,221	26,023	27,221
Total non-current borrowings	**78,865**	**73,945**	**78,865**	**73,945**

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 19.

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 £29.4m (2021/22 £31.1m) with an interest rate of 1.8%. The capital investment loans have balances of £4.0m (2021/22 £5.5m) , with an interest rate of 1.46%, and £7.5m (2021/22 £7.8m), 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. The outstanding loan at end of year is £5.7m (2021/22 £7.0m).

Note 26.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2022/23	Loans from DHSC	Other loans	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2022	**44,595**	**7,054**	**218**	**28,712**	**80,579**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,342)	(3,011)	(1,318)	**(9,344)**
Financing cash flows - payments of interest	(802)	(160)	(116)	(1,875)	**(2,953)**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	14,961	-	**14,961**
Lease liability remeasurements	-	-	1,945	-	**1,945**
Application of effective interest rate	791	161	118	1,860	**2,930**
Carrying value at 31 March 2023	**40,911**	**5,713**	**14,115**	**27,379**	**88,118**

Group - 2021/22	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2021	**48,275**	**8,364**	**248**	**30,113**	**87,000**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,310)	(30)	(1,372)	**(6,385)**
Financing cash flows - payments of interest	(860)	(191)	(15)	(2,063)	**(3,129)**
Non-cash movements:					
Application of effective interest rate	853	191	15	2,034	**3,093**
Carrying value at 31 March 2022	**44,595**	**7,054**	**218**	**28,712**	**80,579**

Note 26.2 Reconciliation of liabilities arising from financing activities

Trust - 2022/23	Loans from DHSC	Other loans	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2022	**44,595**	**7,054**	**218**	**28,712**	**80,579**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,342)	(3,011)	(1,318)	**(9,344)**
Financing cash flows - payments of interest	(802)	(160)	(116)	(1,875)	**(2,953)**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	14,961	-	**14,961**
Lease liability remeasurements	-	-	1,945	-	**1,945**
Application of effective interest rate	791	161	118	1,860	**2,930**
Carrying value at 31 March 2023	**40,911**	**5,713**	**14,115**	**27,379**	**88,118**

Trust - 2021/22	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2021	**48,275**	**8,364**	**248**	**30,113**	**87,000**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,310)	(30)	(1,372)	**(6,385)**
Financing cash flows - payments of interest	(860)	(191)	(15)	(2,063)	**(3,129)**
Non-cash movements:					
Application of effective interest rate	853	191	15	2,034	**3,093**
Carrying value at 31 March 2022	**44,595**	**7,054**	**218**	**28,712**	**80,579**

Note 27.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2022	**1,319**	**1,013**	**1,013**	**336**	**17,654**	**21,335**
Arising during the year	4	-	137	38	10,562	**10,741**
Utilised during the year	(166)	(68)	(217)	-	(3)	**(454)**
Reversed unused	(76)	(153)	(535)	-	(7,020)	**(7,784)**
At 31 March 2023	**1,081**	**792**	**398**	**374**	**21,193**	**23,838**
Expected timing of cash flows:						
- not later than one year;	166	68	398	374	14,553	**15,559**
- later than one year and not later than five years;	639	272	-	-	4,745	**5,656**
- later than five years.	276	452	-	-	1,895	**2,623**
Total	**1,081**	**792**	**398**	**374**	**21,193**	**23,838**

Pensions; early departure and Injury benefits. The Trust is responsible for meeting additional costs arising from early departure and injury benefits awards in respect of claims made by employees. The amount disclosed here is discounted to their present value.

Legal claims; this relates to employment tribunals. The amount provided will be subject to tribunal outcomes.

Redundancy; this relates to specific staff, the rate provided are at normal statutory rates.

Other provisions include Contractual disputes, this relate to challenges from Commissioners on pricing, charging and penalties of £4,945k (2021/22 £3,563k), NHS Resolution LTPS Claims of £227k (2021/22 £86k); Dilapidations £1,241k (2021/22 £1,468k); Contractual pay claims £362k (2021/22 £384k): Clinician pension tax £1,255k (2021/22 £1,340k); Liability for Sphere Joint Venture £2,080k (2021/22 £2,080k); Outsourced record management £4,153k (2021/22 £3,826k); Shares for Sensyne Health PLC, now called Arcturis Health, £4,522k and other Contractual claims £2,407k (2021/22 £2,407k).

Note 27.2 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2022	**1,319**	**1,013**	**1,013**	**336**	**17,654**	**21,335**
Arising during the year	4	-	137	38	10,562	**10,741**
Utilised during the year	(166)	(68)	(217)	-	(3)	**(454)**
Reversed unused	(76)	(153)	(535)	-	(7,020)	**(7,784)**
Unwinding of discount	-	-	-	-	-	**-**
At 31 March 2023	**1,081**	**792**	**398**	**374**	**21,193**	**23,838**
Expected timing of cash flows:						
- not later than one year;	166	68	398	374	14,553	**15,559**
- later than one year and not later than five years;	639	272	-	-	4,745	**5,656**
- later than five years.	276	452	-	-	1,895	**2,623**
Total	**1,081**	**792**	**398**	**374**	**21,193**	**23,838**

Other provisions include Contractual disputes, this relate to challenges from Commissioners on pricing, charging and penalties of £4,945k (2021/22 £3,563k), NHS Resolution LTPS Claims of £227k (2021/22 £86k); Dilapidations £1,241k (2021/22 £1,468k); Contractual pay claims £362k (2021/22 £384k): Clinician pension tax £1,255k (2021/22 £1,340k); Liability for Sphere Joint Venture £2,080k (2021/22 £2,080k); Outsourced record management £4,153k (2021/22 £3,826k); Shares for Sensyne Health PLC £4,522k and other Contractual claims £2,407k (2021/22 £2,407k).

Note 27.3 Clinical negligence liabilities

At 31 March 2023, £454,166k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Chelsea and Westminster Hospital NHS Foundation Trust (31 March 2022: £715,185k).

Note 28 Contingent assets and liabilities

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	(55)	(45)	(55)	(45)
Net value of contingent liabilities	**(55)**	**(45)**	**(55)**	**(45)**

Note 29 Contractual capital commitments

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Property, plant and equipment	6,493	6,159	6,493	6,159
Intangible assets	150	571	150	571
Total	**6,643**	**6,730**	**6,643**	**6,730**

Note 30 On-SoFP PFI, LIFT or other service concession arrangements

Note 30.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Gross PFI, LIFT or other service concession liabilities	**41,218**	**44,412**	**41,218**	**44,412**
Of which liabilities are due				
- not later than one year;	3,131	3,352	3,131	3,352
- later than one year and not later than five years;	12,708	12,385	12,708	12,385
- later than five years.	25,379	28,675	25,379	28,675
Finance charges allocated to future periods	(13,839)	(15,700)	(13,839)	(15,700)
Net PFI, LIFT or other service concession arrangement obligation	**27,379**	**28,712**	**27,379**	**28,712**
- not later than one year;	1,356	1,491	1,356	1,491
- later than one year and not later than five years;	6,518	5,802	6,518	5,802
- later than five years.	19,505	21,419	19,505	21,419

Note 30.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**223,130**	**236,709**	**223,130**	**236,709**
Of which payments are due:				
- not later than one year;	14,903	14,598	14,903	14,598
- later than one year and not later than five years;	64,004	61,932	64,004	61,932
- later than five years.	144,223	160,179	144,223	160,179

Note 30.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group		Trust	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Unitary payment payable to service concession operator	**25,264**	**20,902**	**25,264**	**20,902**
Consisting of:				
- Interest charge	1,860	2,034	1,860	2,034
- Repayment of balance sheet obligation	1,318	1,372	1,318	1,372
- Service element and other charges to operating expenditure	18,213	14,036	18,213	14,036
- Capital lifecycle maintenance	1,708	1,379	1,708	1,379
- Contingent rent	2,165	2,081	2,165	2,081
Total amount paid to service concession operator	**25,264**	**20,902**	**25,264**	**20,902**

The Trust paid £25.3m in the year which represents £10.67m in excess of the contractually committed amount. A significant amount of this excess relates to volume adjusters, that were not included in the contractual committement. The Trust expects to incur a comparable spend in addition to the contractual liability presented above for 2022/23 in the coming year. Beyond 2023/24, it is not possible to easily estimate any variances to the contracted amount which might be incurred.

Note 31 Financial instruments

Note 31.1 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.

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 2022 but has not drawn down against it.

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 ICB 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 majority of the Group's revenue comes from contracts with other public sector bodies, thus the Trust has low exposure to credit risk. The maximum exposure of the Trust to credit risk is equal to the total trade and other receivables within Note 22.

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.

Note 31.2 Carrying values of financial assets (Group)

IFRS 9 Financial Instruments is applied restrospectively from 1 April 2018. Comparative disclosure have been prepared under IAS 39 and the measurement categories is consistent to those in prior year.

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	44,896	-	**44,896**
Other investments / financial assets	-	12	**12**
Cash and cash equivalents	160,205	-	**160,205**
Total at 31 March 2023	**205,101**	**12**	**205,113**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	33,175	-	**33,175**
Other investments / financial assets	-	387	**387**
Cash and cash equivalents	152,817	-	**152,817**
Total at 31 March 2022	**185,992**	**387**	**186,379**

The Sensyne Health PLC was delisted from Alternative Investment Market (AIM) in June 2022, the Trust recognises Sensyne Health PLC, now called Arcturis Health, shares at the last avaliable share price through OCI. As at 31 March 2023 the Trust recognised the shares at the AIM listed valuation.

Note 31.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	44,896	-	**44,896**
Other investments / financial assets	-	12	**12**
Cash and cash equivalents	159,881	-	**159,881**
Total at 31 March 2023	**204,777**	**12**	**204,789**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	33,175	-	**33,175**
Other investments / financial assets	-	387	**387**
Cash and cash equivalents	149,617	-	**149,617**
Total at 31 March 2022	**182,792**	**387**	**183,179**

Note 31.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	40,911	**40,911**
Obligations under leases	14,115	**14,115**
Obligations under PFI, LIFT and other service concessions	27,379	**27,379**
Other borrowings	5,713	**5,713**
Trade and other payables excluding non financial liabilities	111,123	**111,123**
Provisions under contract	11,051	**11,051**
Total at 31 March 2023	**210,292**	**210,292**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	44,595	**44,595**
Obligations under finance leases	218	**218**
Obligations under PFI, LIFT and other service concessions	28,712	**28,712**
Other borrowings	7,054	**7,054**
Trade and other payables excluding non financial liabilities	88,442	**88,442**
Provisions under contract	5,701	**5,701**
Total at 31 March 2022	**174,722**	**174,722**

Note 31.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	40,911	**40,911**
Obligations under leases	14,115	**14,115**
Obligations under PFI, LIFT and other service concessions	27,379	**27,379**
Other borrowings	5,713	**5,713**
Trade and other payables excluding non financial liabilities	111,631	**111,631**
Provisions under contract	11,051	**11,051**
Total at 31 March 2023	**210,800**	**210,800**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	44,595	**44,595**
Obligations under finance leases	218	**218**
Obligations under PFI, LIFT and other service concessions	28,712	**28,712**
Other borrowings	7,054	**7,054**
Trade and other payables excluding non financial liabilities	88,442	**88,442**
Provisions under contract	5,701	**5,701**
Total at 31 March 2022	**174,722**	**174,722**

Note 31.6 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
In one year or less;	133,976	103,842	130,360	103,842
In more than one year but not more than five years and	38,628	33,487	38,628	33,487
In more than five years.	58,576	61,005	58,576	61,005
Total	**231,180**	**198,334**	**227,564**	**198,334**

Note 31.7 Fair values of financial assets and liabilities

The book value of financial liabilities represents 81% of fair value. The difference is due to future interest costs for loan arrangements. DH Loans book value £40,911k (fair value £47,203k), Commercial Loan book value £5,713k (fair value £6,008k), PFI book value £27,379k (fair value £41,219k) and lease book value £14,115k (fair value £14,578k)

Note 32 Losses and special payments

Group and trust	2022/23 Total number of cases Number	2022/23 Total value of cases £000	2021/22 Total number of cases Number	2021/22 Total value of cases £000
Losses				
Bad debts and claims abandoned	1,509	1,956	975	2,599
Stores losses and damage to property	27	561	27	547
Total losses	**1,536**	**2,517**	**1,002**	**3,146**
Special payments				
Ex-gratia payments	42	435	36	475
Total special payments	**42**	**435**	**36**	**475**
Total losses and special payments	**1,578**	**2,952**	**1,038**	**3,621**
Compensation payments received				

Losses and special payments are charged to the relevant headings on an accrual basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risk. *Note; the prior year values have been amended to include 'overtime corrective payments' not previously included.*

There was one individual case over £300k in the year for £362k; this was in relation to all staff receiving a £45 gift voucher as part of a Winter Wellbeing incentive (2021/22 one case for £362k, same gift initiative as 2022/23).

Note 33 Related parties

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 an entity (Travill Construction Ltd) related to a Trust Board member had transactions with the Trust to the value of £146k (£31k 2021/22); an entity (Cerner Limited) related to a Trust Board member had transactions with the Trust to the value of £851k (£893k 2021/22).

During the year the Trust has had a significant number of material transactions with the following Whole Government bodies:
– NHS England
– NHS Integrated Care Boards
– 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

In addition to the above the Trust has a number of transactions with CW+ (the official charity partner of the Trust) and Imperial College Health Partners {Academic Health Science Network for North West London} (ICHP).

	2022/23	2021/22
CW+	**£000s**	**£000s**
Receivables	195	72
Payables	157	1
Income	1,394	1,200
Expenditure	536	94
ICHP	**£000s**	**£000s**
Receivables	1,104	801
Payables	0	0
Income	5,493	3,159
Expenditure	97	97

Note 34 Events after the reporting date

None

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