Annual Report and Accounts

2016/17

NHS
Chelsea and Westminster Hospital
NHS Foundation Trust

Chelsea and Westminster Hospital NHS Foundation Trust

Annual Report and Accounts 2016/17

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of the National Health Service Act 2006

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OVERVIEW OF PERFORMANCE

Statement from the Chief Executive

I am delighted to introduce the Chelsea and Westminster Hospital NHS Foundation Trust Annual Report for 2016/17, my second as Chief Executive Officer (CEO) of the Trust.

This last year has been really significant having now completed our first full year as an enlarged organisation following the merger with West Middlesex Hospital. All of our teams have continued to work exceptionally hard, in a very difficult operating environment, and the care we continue to provide our patients remains some of the best that the NHS has to offer.

Our values

The Trust has launched a new set of values, which demonstrate the standard of care and experience our patients and members of the public should expect from any of our services.

These values, which bring together the former values of both Chelsea and Westminster and West Middlesex hospitals, form the mnemonic **PROUD**:

- **P**utting patients first
- **R**esponsive to, and supportive of, patients and staff
- **O**pen, welcoming and honest
- **U**nfailingly kind, treating everyone with respect, compassion and dignity
- **D**etermined to develop our skills and continuously improve the quality of care

Every day I have seen staff working hard to bring to life our values in their clinical and corporate areas in order to demonstrate to their colleagues, patients and visitors their commitment to upholding these values for the benefit of those they care for and their pride in working at our Trust.

I look forward to seeing our values demonstrated across each area of our organisation as we continue to roll out these values in 2017.

Deliver high-quality, patient-centred care

The quality of care and experience that patients receive continues to be our most important priority. I am really pleased to report that we have seen a significant and sustained reduction in the number of hospital acquired grade 3/4 pressure ulcers. We opened a new Cardiac Catheter Laboratory on the West Middlesex Site in September 2016. This provides a vital new local service to residents of Hounslow and the surrounding area, facilitating quicker access to diagnostic tests which leads to improved outcomes and a better patient experience.

1st April 2017 was the official ‘go-live’ date for North West London Pathology which is a collaboration between our Trust, Imperial College Healthcare NHS Trust and Hillingdon Hospital NHS Foundation Trust. This is a major milestone in the development of pathology services in North West London, bringing together the skills and expertise of pathology staff from the three Trusts to build a modern, integrated service that will drive innovation and enhance the quality of services for clinicians and patients across North West London and beyond. A huge amount of work has recently been undertaken in transferring staff to the new venture and putting in place a senior management team and Board, including the

recent appointment of a new Chair. The next 12 months will be incredibly busy as we look to embed the new structures and implement a single pathology IT platform as part of the new venture

The drive for continuous improvement in all areas of the organisation has been a key theme this year. To support this programme we have invested in the recruitment of five junior doctors as Clinical Innovation and Improvement Fellows working closely with clinical and managerial teams on a range of improvement projects. They have made a really significant impact and we will look to develop the fellowship over the coming year.

Be the employer of choice

Last year we employed just under 6,000 staff, clinical and non-clinical, all of whom have contributed to providing high quality patient care in our hospitals and across the local community. 2016/17 has continued to be a significant time of change and challenge for all staff. We have now completed the restructuring of our corporate and support services following the merger and I am very grateful for the continued hard work and dedication shown by our staff during this time.

We have successfully launched our new leadership development strategy which has seen staff from across our organisation going through various development programmes. There has been a continued focus on recruiting and retaining great staff. We have seen the launch of a number of innovative projects such as Flexi Staff which is an online community and portal for the retention and booking of doctors for bank shifts ensuring consistency in staffing.

Our staff work incredibly hard to give patients a safe, positive experience and quick, easy access to our services. We must recruit and retain great staff in the right numbers to ensure we continue to provide high quality services. For this reason, staff experience and our attractiveness as an employer are key priorities. We recognise that we need to reduce both our turnover and vacancy rates and we are currently implementing a range of plans to help us to increase our employment rate and achieve greater workforce stability.

Delivering better care at lower cost

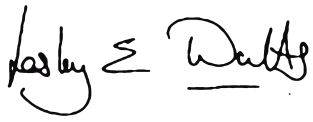
Our aspiration is to provide locally based and accessible services enhanced by world class clinical expertise. Our excellent financial and operational performance is a source of great pride to us, is nationally recognised, and sees us simultaneously achieving our financial plan, and continuing to be one of the best performers against the national access standards for A&E, Referral to Treatment (RTT) and Cancer.

However, we are not complacent and do not underestimate the extent of the financial challenges that lie ahead. The Trust's 2017/18 plan is predicated on the delivery of a £25.9m cost improvement plan (CIP). There is a continued need to focus our efforts on sustaining operational efficiency and ensuring we continue to provide safe care and great experiences for our patients.

We have continued to develop our already first class clinical environment for patients with the opening of a new cardiac catheter lab and extended our A&E facilities at West Middlesex. In turn we have finished the full redevelopment of our A&E department at the Chelsea site, making this one of the best facilities of its kind in the country. Thanks to the

hard work of our staff and charity (CW+) we are able to continue implementing our estates strategy including planning new NICU and ITU facilities.

I take great pleasure in spending much of my working week visiting departments and talking to staff across our entire organisation. I continue to be greatly impressed with the positive culture and clinical leadership demonstrated by our frontline and support staff. This is vital if we are to deliver the ambitious plans that we have set ourselves and overcome the challenges that we face over the years ahead. We are committed to ensuring that support for staff, aligned with progressive and developmental career opportunities, will allow us to remain a first class employer as we look to deliver our clinical strategy.



Lesley Watts
Chief Executive Officer

26 May 2017

Purpose and activities of the Trust

Chelsea and Westminster Hospital NHS Foundation Trust delivers specialist and general hospital care at Chelsea and Westminster and West Middlesex University hospitals to over one million people. Both hospitals have major A&E departments and the Trust provides the second largest maternity service in London.

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 manage a range of community based services, including our award winning sexual health clinics extending to outer London areas.

We are active partners in the development of Sustainability and Transformation Plans in North West and South West London in order to drive improvements to care, and we are working innovatively with our partners to deliver accountable care in Hammersmith and Fulham.

History and statutory background of the Trust

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

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

The Foundation Trust serves a catchment area in excess of 1 million people. The Hospital's main health commissioning and social care partnerships cover two Sustainable & Transformation Plan (STP) footprints and the following areas:

- West London CCG (our statutory host)
- Hounslow CCG
- Hammersmith & Fulham CCG
- Central London CCG
- Ealing CCG
- Richmond CCG
- Wandsworth CCG
- NHS England for Specialised Services Commissioning

We also have a series of contractual, system management and other partnership arrangements with the respective Local Authorities. This includes membership and reporting arrangements to Health & Wellbeing Boards, and Overview & 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).

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

- **Westminster Hospital:** Founded in 1719 as a voluntary hospital in a small house in Petty France, Pimlico, with just 10 beds

- **Westminster Children's Hospital:** Built in 1907 as The Infant's Hospital—originally in Vincent Square SW1, the hospital pioneered the treatment of malnutrition in infants

- **West London Hospital:** Opened in 1860, the hospital was known from the early 1970s for its women-centred maternity service

- **St Mary Abbots Hospital:** An infirmary occupied the site of what had been the Kensington work house—the hospital was founded in the late 19th century

- **St Stephen's Hospital:** A map of 1664 indicates on this site "The hospital in Little Chelsea"—later there was a workhouse then an infirmary before St Stephen's was founded in the late 1800s

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

Key priorities, issues and risks for 2017/18

Delivery of the 2017–19 operating plan, embedding the acquisition of West Middlesex University Hospital NHS Trust and delivery of benefits, supporting the sustainability and transformation plan

The Trust's Operating Plan for 2017–19 was submitted to NHS Improvement in March 2017 in line with the national business planning timetable. As the underpinning planning and delivery support document it details the key issues and risks facing the Trust. Specifically, it identifies the key themes as:

- Quality Planning and Assurance: continuing to implement our existing Quality Strategy (2015) and including the further focus on the existing quality priority areas of:
    - Reduction in falls (Frailty)
    - Antibiotic administration in Sepsis (Sepsis)
    - National Early Warning Score (Sepsis)
    - National Safety Standards for Invasive Procedures (NatSSIPs) (Admitted Surgical Care)
    - Reduction in still births (Maternity)
    - Focus on complaints and demonstrate learning from complaints
    - Friends and Family Test improvements in recommend scores

- Activity Planning & Capacity Demand: including compliance with the key national performance standards for 4 hour A&E Access, 18 week elective access (Referral to Treatment Times) and Cancer Access Times.

- Workforce: acknowledging this as the means by which high quality services are delivered; the Trust's responsibility to support career (and wider organisational) development and the key relationship between workforce, productivity and efficiency. We have revised our systems for Appraisal, Objective setting and Performance Development Review to improve assurance.

- Financial Planning and Use of Resources: including risks to our forecasts for activity and supporting budgets, contracts, performance against key national efficiency programmes and the Trust's own Cost Improvement Programme

The Acquisition of West Middlesex University Hospital was completed and the new organisation created in September 2015. The Trust remains focussed on continuing its Integration Programme and delivering the benefits for our patients. Over the first 18 months we have worked to implement a single Operating Model and to embed an improvement methodology. Building on our initial achievements we plan to invest in more improvements to patient experience and new models of care listening to our staff and patients. A key priority is to take forward the development of a single electronic patient record system in partnership with our colleagues at Imperial College Healthcare NHS Trust.

In 2017/18 we will also make significant and essential investments in services for some of our most critically ill patients. Working with our charity CW+ we will expand and redevelop our adult and neonatal intensive care facilities at Chelsea and Westminster and we will redevelop facilities for children's services at the West Middlesex.

The Trust spans two Sustainability and Transformation Plan (STP) footprints as a constituent member of the North West London STP and a key stakeholder of the South West London plan. Our principal focus is the North West London STP which was originally submitted in October 2016, although both build on mature, existing governance and partnership groups. The approach has to seek to meet the national 'tests' on identifying and meeting gaps against Health & Wellbeing, Care & Quality and Finance & Efficiency through the development of Delivery Area (DA) Groups. These are grouped around the five key implementation themes:

- Radically upgrading prevention and wellbeing
- Eliminating unwarranted variation and improving Long Term Condition management
- Achieving better outcomes and experiences for older people
- Improving outcomes for children & adults with mental health needs
- Ensuring we have safe, high quality sustainable acute services

Principally the Trust is focussed on DA5 and we have sought to address risks on scale and implementation through alignment of key projects within our own Quality and Productivity plans. This is set out in more detail in our Operating Plan. To support governance and decision making the Trust is engaged in a series of Board and working groups including:

- Provider Board (CEO and Deputy CEO engagement)
- Chief Financial Officers working group
- Chief Operating Officers working group
- STP delivery sub groups (key clinician and managerial input and leadership)

The Trust recognises the relationship between STPs, policy development such as 5 Year Forward View Next Steps and impact on our Operating Plan and are focussed on the key risks and priorities set out by NHS England:

- Deliver financial balance across the NHS
- Improve A&E performance
- Strengthen access to GP & primary care services
- Improve cancer and mental health services

Clinical services strategy

The Trust's key strategic plan, the Clinical Services Strategy, was approved in October 2015. The key priorities were tested through a series of 'clinical summits' which brought together clinicians from across the organisation. This 'reflective approach' has been maintained in 2016/17 with further clinical, corporate and Governors Summits. At the heart of the strategy is our core aim 'to deliver the best possible experience and outcomes for our patients' and this is supported by four key priorities:

- **Local acute and integrated care services** where our priorities are integrated urgent and emergency care, efficient planned care, and support for ageing well and those with multiple and chronic conditions

- **Specialised services** where our priorities are specialised women's and children's services delivered across all of North West London and specialised sexual health and HIV services delivered across London and more widely

- **Innovation and research** where our priority is translating research 'from bench to bedside', bringing the best evidence to bear in respect of clinical care and patient experience

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

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

- **Estates:** Ensure that the sites and buildings solutions reflect the clinical vision

- **Clinical systems and IT:** Describes how the clinical and informatics systems and technology solutions enable the clinical services strategy to be delivered

- **People and organisational development:** Ensuring that the right people with the right skills, competences, values and behaviours are working within the right culture and structure

Risks

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

Going concern

The Trust has set a plan for 2017/18 to generate a surplus of £11.9m with an adjusted financial surplus of £7.1m against an agreed control total of £7.1m

The Directors are confident that the surplus is realistic with a strong focus on the achievement of the delivery of £25.9m of cost improvement plans. Following a review of the Trust's plans and projections, including cash flows, liquidity and income base, as well as considering regulatory commitments, the Directors have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

PERFORMANCE ANALYSIS

How the Trust measures performance

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

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

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

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

Operational performance

During 2016/17, the Trust has performed relatively well against the key regulatory and contractual performance metrics, including quality and workforce KPIs. Of particular note is the Trust's continued strong performance in delivering the Cancer 62 Day access standard where the Trust has consistently delivered compliant performance, despite high levels of demand.

RTT performance over the year has been difficult, in the context of both increased referrals and non-elective demand. December was a particularly difficult month for the NHS as a whole and trusts were asked to prioritise non-elective demand above elective demand, hence the standard in that month being only 90.7%. The Trust narrowly missed the overall 92% requirement for the year but has made significant inroads in dealing with its longest waiting patients.

Performance against the A&E 95% standard has been particularly challenging during the year, most notably during Q3 & Q4 across both sites. The non-elective demand facing the NHS has been the subject of much national media scrutiny and whilst the aggregate yearly performance for Chelsea and Westminster only met 92%, this is in no way reflective of the

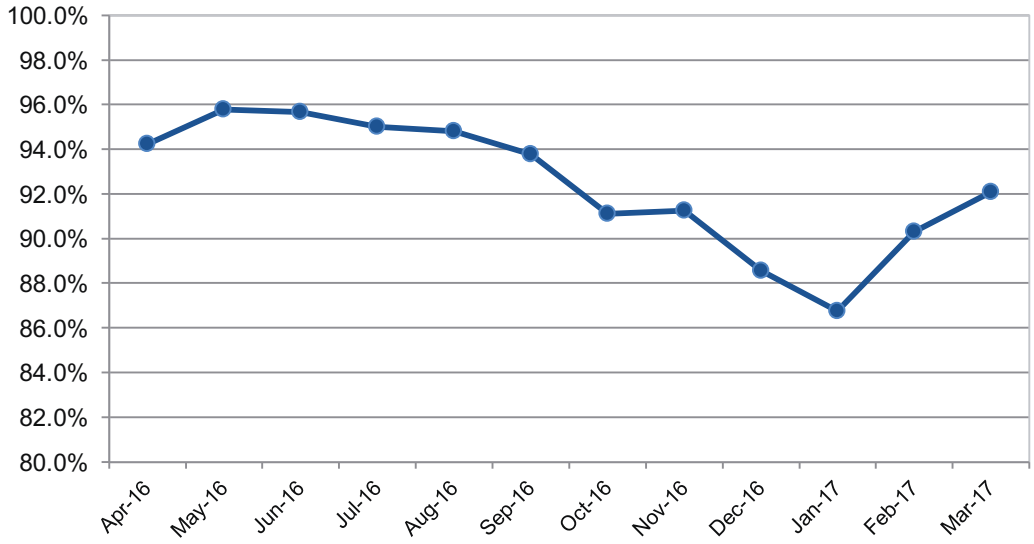
efforts of our staff. Demand has increased by c.10% compared to 2015/16 and Chelsea and Westminster remains in the upper quartile in terms of overall performance. Whilst our aggregate position for length of stay (LoS) in in the National Upper decile, the launch of the 'Red & Green Day' programme across both sites during Q4 will hopefully improve our LoS position further.

While our performance in relation to the 62-day cancer GP referrals to first treatment standard has been excellent during the year, our compliance with the 2 week wait standard has been particularly challenging with a number of months where the required 93% has been missed. Both of our sites have experienced significant growth in demand with increased referrals compared to 2015/16. Colorectal services on the Chelsea site have been the single biggest challenged speciality during the year.

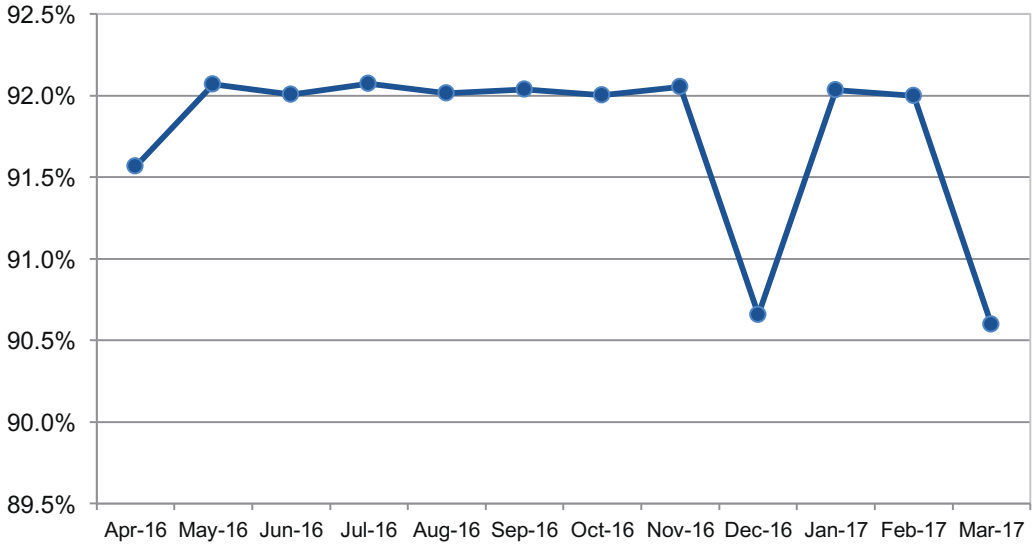
The Diagnostic standard was not delivered in the early part of the year due to issues on the West Middlesex site regarding diagnostic sleep studies. These have since been resolved and the Trust now continues to deliver compliance with a year-end position of 99.01% against the 99% standard.

The following graphs illustrate the Trust's performance against each of the key national standards of Accident & Emergency waits, Referral to Treatment waits and 62 day cancer waits as noted above.

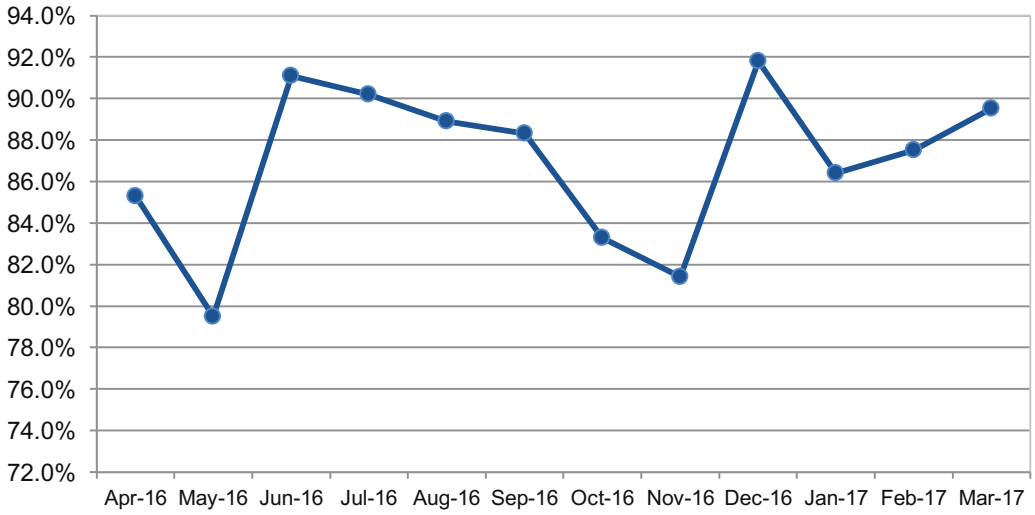
A&E 4 Hour Waiting Time - Type 1 and 3 (Target: 95%)
April 2016 - March 2017



18 Week Referral to Treatment: Incompletes (Target: 92%)
April 2016 - March 2017



Cancer Urgent GP Referral to Treatment Waiting Times
Target: 85%)
April 2016 - March 2017



Analysis and explanation of the development and performance of the Trust throughout 2016/17

Financial performance

The Trust achieved a surplus of £15.3m for the year after revaluations relating principally to land and buildings of £5.1m.This resulted in an underlying surplus of £10.2m. The Trust received Sustainability and Transformation Funding of £18.5m, this was £3.7m higher than

expected and consisted of £2.2m incentive and £1.5m bonus funding. The Trust delivered £20.8m of cost improvement programmes in the year.

The table below shows the 2016/17 financial outturn against the plan for 2016/17 under NHS Improvement's reporting definitions:

	2016/17 outturn (£m)	2016/17 plan (£m)
Operating revenue	625.0	604.7
Employee expenses	(332.7)	(320.9)
Other operating expenses	(268.3)	(264.8)
Non-operating income /expenses	(14.3)	(15.0)
Net Reversal of Impairments	5.6	0.0
Surplus/(deficit)	**15.3**	**4.0**
Net surplus/(deficit) %	2.4%	0.7%

Total operating revenue for EBITDA	624.2	604.6
Total operating expenses for EBITDA	(581.8)	(565.8)
EBITDA	**42.4**	**38.8**
EBITDA margin %	6.8%	6.4%

Year-end cash	**49.5**	**44.6**

Capital Service Rating	2	2
Liquidity Rating	1	1
I&E Margin Rating	1	2
I&E Variance from Plan Rating	1	n/a
Agency Rating	4	1
Overall Use of Resources Rating	3	Not included in plan

The Trust is planning a surplus for 2017/18 of £11.9m after the receipt of £14.1m Sustainability and Transformation funding, and delivery of a £25.9m cost improvement programme

Achieving financial efficiency through cost improvement programmes is increasingly challenging given the increasing demand for our services and the required investment in improving the quality of service delivery. There will remain a strong focus in 2017/18 on delivering our planned savings. Key themes relate to driving up productivity and clinical effectiveness.

During the year, the balance of cash and cash equivalents increased from £41.9m (March 2016) to £49.5m (March 2017). There were delays during the year in implementation of capital projects and a continued focus on improved debt collections.

Environmental matters

The estates and facilities department is committed to providing a well maintained and energy efficient environment. The Trust's engineering plant and equipment are controlled by Building Management Systems to support a sustainable environment which in turn enables our clinicians to deliver high quality care, and, through the efficient use of our natural resources, thus reducing the Trust's impact on the wider environment. We promote this activity throughout the Trust to ensure our staff and service partners give due consideration to the impact of individual and collaborative actions upon the delivery of sustainable healthcare services.

Sustainability

Both hospital sites are represented at the NHS sustainability forums held in London. This campaign of regional roadshows gives health workers across the country the chance to participate in networking, learning about best practice and innovative ideas. The NHS sustainability day on 23 March 2017 provided a focused day for organisations to participate in, initiate or continue progress on achieving better sustainability practice. It has now attracted senior level endorsement within the NHS and from the Prime Minister.

Energy

Chelsea and Westminster Hospital NHS Foundation Trust is a registered operator under European Union Emissions Trading scheme. This requires submission of carbon dioxide emissions to the Environment Agency (EA) prior to the end of the financial year. This was carried out successfully and on time in March 2016, the Trust submitted details of the energy performance of the Chelsea and Westminster Hospital site based on the collation of meter readings taken by the Trusts maintenance provider CBRE. These meter readings are taken each month, allowing the performance of the engineering plant and equipment to be monitored for efficiency on a regular basis.

Another scheme the Chelsea and Westminster Hospital reports to is the Combined Heat and Power Quality Assurance (CHPQA) scheme. Being a part of this scheme, the Trust received a Climate Change Levy tax reduction on its utility gas invoices. This is based on the performance of the Combined Heat and Power (CHP) engineering plant which provides a significant amount of the electricity (2.8MW), and also provides hot water and heating, via a flue gas heat recovery system from the heat generated by the engine.

Close management of energy performance has yielded in-year financial savings of £0.6m in the Trusts energy costs. This financial saving was achieved by a combination of a reduction in gas and electricity consumption and climate change levy (CCL) charges.

At the West Middlesex University Hospital site, the Trust has worked closely with our PFI Partner, Bouygues Energy Services. Through its energy performance contract (EPC), the Trust has reduced energy consumption by approximately 8m kWh, this represents in excess of 14% of energy costs against the 2012 baseline. The EPC is performing well against the targeted payback period with revenue savings now amounting to £0.6m. The second phase of the EPC is to achieve an additional 15% carbon emission reduction (against 2012 baseline). This will place the WMUH site in a favourable position to achieving a 29% saving and assist the Trust in achieving the NHS Sustainable Development Unit (SDU) 34% reduction target required by 2020.

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

- Final installation and commissioning of a combined heat and power unit (c1MW) on the West Middlesex Site will further reduce energy consumption.

- Further upgrading to LED lighting

The Trust will return its full Annual Sustainability Report to the Sustainable Delivery Unit as per the national requirements.

Patient-led assessments of the care environment (PLACE)

The annual PLACE assessments were completed in March 2017, an action plan has been developed in order to make ongoing improvements to the patient environment. The PLACE results from the 2017 assessments at both hospital sites were as follows.

Site	Cleanliness	Food & Hydration	Organisation food	Ward food	Privacy, Dignify & Wellbeing	Condition, Appearance & Maintenance	Dementia	Disability
C&W	99.81%	94.92%	87.62%	97.39%	89.76%	96.32%	87.81%	81.43%
WMUH	99.76%	90.94%	89.76%	91.21%	85.14%	97.53%	88.41%	87.67%

Wayfinding

The Trust continue to improve and update the current 'way-finding' and signage on both hospital sites. Particular attention is being paid to provide signage for those who have learning difficulties and dementia.

Capital works

The Trust invested a significant sum of money to improve its buildings and assets during the past financial year. The top 4 improvements for each site are listed below:

Chelsea and Westminster Hospital

- The completion of the Emergency Department refurbishment (c.£12.5m)
- Creation of 12 new gynaecology beds and Early Pregnancy Advisory Unit (EPAU) (c.£1.5m)
- 10 Hammersmith Broadway, a newly refurbished building to extend and improve patient access to sexual health services (c.£1.2m)
- Replacement Fire Alarm and Fire Damper system, currently on site with a completion in mid-2018 (c.£3.2m)

West Middlesex University Hospital

- Refurbishment of the Marjory Warren Wards (c.£0.4m)
- Emergency Department part refurbishment and extension (c.£3.2m)
- Cardiac Catheter Laboratory (c.£1.6m)
- CHP plant and other energy saving schemes (c.£1.8m)

Social, community and human rights issues

We work closely with a number of local partners to safeguard children and vulnerable adults. The Trust employs a team of substantive safeguarding child and adult leads who have expert knowledge in this field. There are named executive leaders for both children's

and adult safeguarding, with audit reports presented to the Quality Committee throughout the year.

Good engagement with our patients and the wider community continues to be of upmost importance to the Trust, helping us understand what people need and expect from the services we provide. Annual open days are held on both main hospital sites as part of the Trust's community engagement activities. One particularly positive initiative has seen the Trust provide work experience opportunities for students at Queensmill School, a local school for children with autism.

Membership

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

The Trust has a combined membership of 17,193 members representing patient, public and staff constituencies. As part of further efforts to drive up membership numbers and ensure our membership is more representative of its local community demographic, we will be developing a targeted membership campaign supported by an enhanced range of communications and outreach activities over the coming year.

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

Equality and diversity

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

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

- The Trust has retained its status as a Top 30 Employer for Working Families, the UK's leading work-life balance charity. We are the only NHS Trust to have achieved this status. Working Families support and advocate on behalf of working parents and carers, and work with employers to create workplaces which encourage work-life balance for everyone, providing a benchmark for organisations to improve all aspects of workplace agility, flexibility and how employers support the work-life balance of all their staff.

- The Trust's work on embedding diversity and inclusion within the organisation has been acknowledged nationally. NHS Employers awarded Kathryn Mangold, Lead Nurse for Learning Disabilities and Transition with the prestigious accolade of Leader of Year, and cliniQ was highly recommended as Team of the Year. This was in recognition of the ground-breaking work they had done (and continue to do) to improve the patient experience for patients with learning disabilities and our trans community respectively.

- Improving the health of our local community and staff is of great importance to us and we actively plan local campaigns to support national campaigns. Over the past year, we ran a series of health education programmes all of which directly impact on patients with one or more of the protected characteristics e.g. World Cancer Day, World AIDS Day and Hypo Awareness Week. The latter event encouraged patients with diabetes to manage night time hypoglycaemic attacks more effectively.

Learning disabilities

In Summer 2016, a 2 year action plan was developed with community LD colleagues from Hounslow, Richmond, Kensington & Chelsea and Hammersmith & Fulham. The action plan is divided into 4 main categories under which an overview of this year's highlights follows:

Patient experience

- A new 'easy-read' version of the Patient Passport was launched in January 2017 with the aim of supporting people with learning disabilities who use our services. It gives staff important information about these patients, allowing them to provide them with a more personalised service, and also includes useful contacts for community learning disability teams.

- A standard discharge pathway for patients with learning disabilities has been developed, in conjunction with colleagues from other acute providers and local Community teams.

Quality of care

- The Lead Nurse for Learning Disability & Transition has been leading on the Learning Disabilities Mortality Review for the Trust, following training as a National reviewer and is working with the Director of Nursing and the Governance team to roll this out at the Trust.

Training and development

- Learning disability awareness training is part of Corporate Induction for all new staff. 903 staff across disciplines have also received level 2 LD training, including midwives, health care assistants, junior doctors, receptionists and physiotherapists this year.

Patient and public engagement

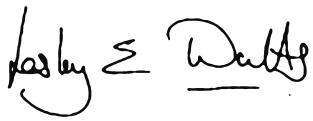
- Local Patient groups and carers of patients with a learning disability are represented on the Trust's Learning Disabilities Steering Group and mothers of young people with complex needs, including learning disabilities, are represented on the Transition Sub-group.

Volunteers

Our volunteers are an integral part of our care teams; the Trust currently has over 300 highly motivated and enthusiastic volunteers. Our volunteers provide support to patients, relatives and visitors, by offering a wide range of services across the organisation.

The Trust aspires to be an exemplar in NHS volunteering and in so doing will; improve the quality of patients' experience, provide personally rewarding opportunities for volunteers, develop the transparency agenda and patient responsiveness, and strengthen its contribution and reputation within the community. The three-way balance between the needs of the hospital, the needs of the volunteer and most importantly the benefit to patient experience must be struck in order to make best use of the volunteer workforce.

To establish this, the Trust has appointed a head of volunteer services and the Chief Operating Officer as an executive lead to develop the volunteering strategy. The Trust is aiming to expand the number of volunteers to 900 (1 per bed) within the next 3 years and to place them in every ward and department over 7 days per week. We will invest in branding and marketing and in a new approach to attraction, recruitment and development of volunteers.



Lesley Watts
Chief Executive Officer

26 May 2017

SECTION 2

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

Names of Trust directors during 2016/17

Name	Title	Period	Unexpired term
Hughes-Hallett, Sir Tom	Chairman	01/02/2014	2 years 10 months
Dodhia, Nilkunj	Non-executive Director	1/7/2014 (voting from 28/11/2015) 01/07/2016	2 years 3 month
Gash, Nick	Non-executive Director	01/11/2015	1 year 7 month
Hermann ,Eliza	Non-executive Director	1/7/2014 (voting from 1/11/2014)	0 year 3 months
Jensen, Jeremy	Non-executive Director	01/07/2014	0 year 3 months
Jones, Dr Andrew	Non-executive Director	1/7/2014 (voting from 1/11/2014)	0 year 3 months
Loyd, Jeremy	Non-executive Director	01/01/2011	0 years 7 months
Shanahan, Liz	Non-executive Director	1/7/2014 (voting from 28/11/2015) 01/07/2016	2 years 3 month
Watts, Lesley	Chief Executive Officer	14/09/2015–present	n/a
McManus, Elizabeth	Chief Nurse	14/09/2015–15/07/2016	n/a
Bewes, Lorraine	Chief Financial Officer	03/05/2003–07/04/2016	n/a
Munslow-Ong, Karl	Deputy Chief Executive	02/03/2015–present	n/a
Penn, Zoe	Medical Director	01/03/2013–present	n/a
Nightingale, Pippa	Director of Midwifery	18/07/2016–present	n/a
Easton, Sandra	Chief Financial Officer	07/04/2016–present	n/a
Collins, Richard	Chief Information Officer	23/11/2015–30/09/16	n/a
Hodgkiss, Robert	Executive Director	07/04/2016–present	n/a
Loveridge, Keith	Director of HR & OD	01/08/2016–present	n/a
Jarrold, Kevin	Chief Information Officer	03/10/2016–present (non-voting board member)	n/a
Hayward, Peta	Interim Director of Human resources and Organisational Development	01/09/2015–01/05/2016	n/a

Register of interests

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

Compliance with cost allocation and charging guidance

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

Political donations

As was the case in 2015/16, the Trust did not make any political donations during 2016/17.

Better Payment Practice Code

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

Measure of Compliance	2016/17 n°	2016/17 £000
Non-NHS payables		
Total non-NHS trade invoices paid within target	74,754	224,565
Total non-NHS trade invoices paid in the year	91,306	265,893
Percentage of non-NHS trade invoices paid within target	**81.87%**	**84.46%**
NHS payables		
Total NHS trade invoices paid within target	1,872	31,401
Total NHS trade invoices paid in the year	3,491	42,843
Percentage of NHS trade invoices paid within target	**53.62%**	**73.29%**

Disclosures relating to quality governance

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

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

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

Income disclosures

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

Disclosure of information to Trust auditors

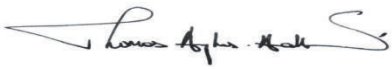
So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

REMUNERATION REPORT

Annual statement on remuneration

The nominations and remuneration committee is a committee of the Board which is appointed in accordance with the constitution of the Trust to determine the remuneration, allowances, pensions and gratuities or terms of service of the executive directors and rates for the reimbursement of travelling and other costs and expenses incurred by directors. In 2016/17, the committee met on four occasions. It reviewed the salaries of the directors taking into consideration benchmarking data in relation to comparable posts, for example, when new directors were appointed and where necessary to reflect organisational structural changes and enhancement to role specifications.

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



Sir Thomas Hughes-Hallett
Chair of Nominations and Remuneration Committee

26 May 2017

Senior managers' remuneration policy

The Trust policy is for all executive directors to be on permanent Trust contracts with six months' notice. Salaries are awarded on an individual basis, taking into account the skills and experience of the post holder and comparable salaries for similar posts elsewhere.

Benchmarking salary data is taken from other NHS organisations and other public sector bodies where appropriate. Pay is also compared with that of other staff on nationally agreed Agenda for Change terms and conditions and medical and dental staff terms and conditions.

Remuneration consists mainly of salaries (which are subject to satisfactory performance) and pension benefits in the form of contributions to the NHS Pension Fund. There were three senior managers whose pay exceeded £142,500 during 2016/17.

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

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

Future policy table

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

Nominations and remuneration committee

The committee is chaired by Sir Thomas Hughes-Hallett (Chairman) and attended by all other non-executive directors. The Chief Executive and the Director of Human Resources and Organisation Development may be invited to attend the committee meeting provided that their executive role is not subject to committee discussion/decision making.

Details of committee attendance in 2016/17 and the date of the Council of Governors meeting at which the salaries for the non-executive directors appointed in 2016/17 were agreed may be found in the 'NHS Foundation Trust code of governance disclosures' section of this report.

Disclosures required by Health and Social Care Act

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

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

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

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

	Total n° in post	N° receiving expenses	Total sum of expenses £000
Governors	27	3	0.25
Directors	20[1]	8	4

Policy on payments of loss of office

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

Service contracts

Information relating to directors' service contracts is included within the 'names of Trust directors during 2016/17 table above.

[1] Of which 16 are Directors at 31 Mar 2017

Senior manager remuneration tables

Senior manager remuneration 2016/17

Name and Title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total[2]	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2017	Lump sum at pension age related to accrued pension at 31 Mar 2017	Cash equivalent transfer value at 1 Apr 2016	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2017
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000
Executive directors												
Lesley Watts, Chief Executive[3]	215–220	0	0	290–292.5	505–510	12.5–15	40–42.5	65–70	205–210	1,233	0	0
Karl Munslow-Ong, Deputy Chief Executive	150–155	0	0	62.5–65	215–220	2.5–5	2.5–5	25–30	65–70	258	69	327
Zoe Penn, Medical Director[4]	180–185	0	0	102.5–105	285–290	5–7.5	5–7.5	75–80	145–150	1,120	128	1,248
Rob Hodgkiss, Chief Operating Officer[5]	125–130	0	0	n/a	125–130	n/a	n/a	25–30	65–70	n/a	n/a	343
Lorraine Bewes, Chief Financial Officer[6]	0–5	0	0	Left	0–5	Left	Left	Left	Left	1,056	Left	Left
Sandra Easton, Chief Financial Officer	125–130	0	0	n/a	125–130	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Peta Hayward, Interim Director of Human Resources and Organisational Development[7]	5–10	0	0	Left	5–10	Left	Left	Left	Left	409	Left	Left
Keith Loveridge, Director of Human Resources and Organisational Development[8]	75–80	0	0	n/a	75–80	n/a	n/a	25–30	85–90	n/a	n/a	567

[2] A contractually entitled exit payment has not been included in these disclosures in accordance with the terms of the exit agreement
[3] Figures for CETV are not available as the Director is over the normal retirement age (NRA) in the existing scheme
[4] The remuneration of the Medical Director includes £133,502 in respect of her clinical role
[5] Appointed to the Board 1 Apr 2016
[6] Left the Board on 7 Apr 2016
[7] Left the Board on 1 May 2016
[8] Appointed to the Board on 1 Aug 2016

Name and Title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total[2]	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2017	Lump sum at pension age related to accrued pension at 31 Mar 2017	Cash equivalent transfer value at 1 Apr 2016	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2017
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000
Elizabeth McManus, Chief Nurse[9]	40–45	0	0	Left	40–45	Left	Left	Left	Left	921	Left	Left
Pippa Nightingale, Director of Midwifery/ Acting Chief Nurse[10]	70–75	0	0	n/a	70–75	n/a	n/a	25–30	70–75	n/a	n/a	395
Richard Collins, Interim Chief Information Officer[11]	105–110	0	0	n/a	105–110	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kevin Jarrold, Chief Information Officer[12]	50–55	0	0	n/a	50–55	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-executive directors												
Sir Thomas Hughes-Hallett, Chairman	55–60	0	0	n/a	55–60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nilkunj Dodhia, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nick Gash, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Eliza Hermann, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jeremy Jensen, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr Andrew Jones, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jeremy Loyd, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Elizabeth Shanahan, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[9] Left the Board on 15 Jul 2016
[10] Appointed to the Board on 18 Jul 2016
[11] Left the Board on 30 Sep 2016. Salary represents amounts paid the recruitment agency and is inclusive of VAT
[12] Appointed to the Board 3 Oct 2016. Salary represents amount recharged from Imperial College Healthcare NHS Trust

Senior manager remuneration 2015/16

Name and Title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2016	Lump sum at pension age related to accrued pension at 31 Mar 2016	Cash equivalent transfer value at 1 Apr 2015	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2016	Employer's contribution to stakeholder pension
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000	£000
Executive directors													
Elizabeth McManus, Chief Nurse/ Interim Chief Executive[13]	155–160	0	0	45–47.5	205–210	2.5–5	10–12.5	50–55	160–165	847	74	921	23
Lesley Watts, Chief Executive[14]	105–110	0	0	362.5–365	470–475	15–17.5	50–52.5	50–55	160–165	834	399	1,233	16
Vanessa Sloane, Acting Chief Nurse / Deputy Chief Nurse/ Director of Nursing[15]	105–110	0	0	252.5–255	360–365	10–12.5	35–37.5	30–35	95–100	332	191	523	15
Zoe Penn, Medical Director[16]	180–185	0	0	60–62.5	240–245	5–7.5	5–7.5	70–75	140–145	1,031	89	FALSE	26
Lorraine Bewes, Chief Financial Officer[17]	160–165	0	0	17.5–20	175–180	2.5–5	7.5–10	50–55	155–160	993	63	1,056	23
Karl Munslow-Ong, Chief Operating Officer	145–150	0	0	32.5–35	175–180	2.5–5	7.5–10	20–25	60–65	209	31	240	21
Susan Young, Chief People Officer and Director of Corporate Affairs[18]	40–45	0	0	n/a	40–45	Left	Left	Left	Left	90	Left	Left	0
Sandra Easton, Acting Chief Financial Officer/ Director of Finance[19]	70–75	0	0	n/a	70–75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[13] Chief Nurse to 31 Mar 2016, Interim Chief Executive to 13 Sep 2015
[14] Chief Executive from 14 Sep 2015. Increase in CETV relates to purchase of additional years
[15] Acting Chief Nurse (voting) to 13 Sep 2015. Director of Nursing (non-voting) from 15 Sep 2015 to 31 Mar 2016
[16] The remuneration of the Medical Director includes £130k in respect of her clinical role
[17] Left employment with the Trust on 7 Apr 2016
[18] Chief People Officer and Director of Corporate Affairs to 31 Jul 2015
[19] Appointed as Director of Finance (non-voting) 17 Aug 2015. Deputised for CFO from Nov 2015 to Mar 2016 (voting). Formally appointed as CFO from 1 Apr 2016

Name and Title	Salary	Expense payments (taxable)	Performance related bonuses	All pension related benefits	Total	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 Mar 2016	Lump sum at pension age related to accrued pension at 31 Mar 2016	Cash equivalent transfer value at 1 Apr 2015	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 Mar 2016	Employer's contribution to stakeholder pension
	Bands of £5,000	To nearest £100	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000	£000
Peta Hayward, Interim Director of Human Resources and Organisational Development[20]	45–50	0	0	n/a	45–50	n/a	n/a	25–30	75–80	n/a	n/a	401	7
Richard Collins, Interim Chief Information Officer[21]	80–85	0	0	n/a	80–85	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-executive directors													
Sir Thomas Hughes-Hallett, Chairman	60–65	0	0	n/a	60–65	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sir John Baker CBE, Vice Chair[22]	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nilkunj Dodhia, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nick Gash, Non-Executive Director	5–10	0	0	n/a	5–10	n/a	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	n/a
Jeremy Jensen, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr Andrew Jones, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jeremy Loyd, 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	n/a
Elizabeth Shanahan, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[20] Appointed 1 Sep 2015
[21] Appointed 22 Nov 2015. Salary represents amounts paid the recruitment agency and is inclusive of VAT
[22] Deputy Chairman to 1 Nov 2015

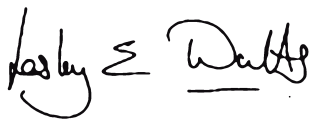
Fair pay multiple

The banded remuneration of the highest paid director in the Trust in the 2016/17 financial year was £215,000–220,000 (2015/16 £180,000–185,000). This was 5.8 times the median remuneration of the workforce (2015/16 5.1 times), which was £37,259 (2015/16 £36,072).

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

Definition of 'senior managers'

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



Lesley Watts
Chief Executive Officer

26 May 2017

STAFF REPORT

Analysis of staff costs

Employee Expenses	2016/17 total £000	2016/17 Permanently employed total £000	2016/17 Other total £000
Salaries and wages	252,263	228,043	24,220
Social security costs	26,529	24,703	1,826
Pension cost—defined contribution plans employer's contributions to NHS pensions	27,509	26,515	994
Pension cost—other	19	19	0
Other post employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Temporary staff—external bank	0		0
Temporary staff—agency/contract staff	28,160		28,160
NHS charitable funds staff	0	0	0
Total staff costs	**334,480**	**279,280**	**55,200**

Analysis of average staff numbers

Average number of employees (WTE basis)

	Substantive n°	Other n°	2016/17 total n°	2015/16 total n°
Medical and dental	1,023	0	1,023	1,006
Ambulance staff	0	0	0	0
Administration and estates	944	0	944	931
Healthcare assistants; other support staff	544	0	544	619
Nursing, midwifery &health visiting staff	1,871	0	1,871	1,826
Nursing, midwifery & health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	663	0	663	553
Healthcare science staff	0	0	0	0
Social care staff	0	0	0	0
Agency and contract staff	0	365	365	294
Bank staff	0	549	549	511
Other	22	0	22	5
Total average numbers	**5,067**	**914**	**5,981**	**5,745**
Of which: Number of employees (WTE) engaged on capital projects	12	22	34	19

Breakdown of employees

The following chart provides information of the gender split between the different staff groups as at 31 March 2017:

	Female	Male	Total
Executive Director	4	3	7
Non-Executive Director	2	6	8
Senior Manager	68	49	118
Other	3,791	1,204	4,996
Total	**3,865**	**1,262**	**5,129**

Sickness absence

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

	2016/17 n°	2015/16 n°
Total days lost	28,742	29,735
Total staff years	5,123	4,954
Average working days lost per whole time equivalent	5.6	6.0

Trust employment and disability

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

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

In accordance with the sickness absence policy and the equality and diversity policy, the occupational health department advises managers and staff on appropriate working arrangements, which may include making reasonable adjustments or modifications to working hours to accommodate a medical condition. Reasonable adjustments are specific to individuals and could include making adjustments to premises, duties, working hours or acquiring or modifying equipment (e.g. hearing loop). The Trust also seeks guidance from specialist external agencies such as access to work where necessary.

Actions taken to consult, involve and engage with staff

Our workforce is our primary asset in determining the quality of experience and care we provide. Therefore, staff engagement is paramount in supporting the implementation of improvements so that we foster a more positive work environment.

A number of committees have been established to monitor the performance and delivery of the workforce priorities and consult with trade union colleagues. These are outlined below:

- People and Organisational Development Committee
- Workforce Development Committee
- Partnership Forum
- Local Negotiating Committee (LNC)

Staff feedback is also obtained from the national staff survey, results of which are used to develop action plans for improvement. In addition, we communicate and engage in a range of ways, including:

- Monthly Team Briefings at all sites with a written briefing emailed to all staff
- Frequent all staff emails
- A revised intranet and website
- Social media including Twitter and Facebook pages for both hospital sites as well as some of our key specialisms
- GP newsletters and clinical education events
- Annual open days at each hospital
- Working with journalists to shout about good news at our hospitals and being responsive to any press enquiries they may have

The Trust has introduced exit survey and joiners surveys to understand what makes people leave and stay within the organisation. The results from these surveys will be analysed and appropriate strategies agreed and implemented.

In addition in 2017/18 we are going to introduce quarterly staff pulse survey which will cover the staff friends & family test.

Health and safety and occupational health

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

13 RIDDOR incidents were reported to the Health and Safety Executive (HSE) from April 2016–March 2017. The development and introduction of a new combined web-based Datix system seeks to further improve incident reporting throughout the Trust and allows for the integration of incidents complaints, claims, risk and occupational health data to ensure that the Trust continues to improve the safety of its practices.

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

Policies and procedures in respect of countering fraud and corruption

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

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

2016 national NHS staff survey

In autumn 2016, questionnaires were sent to 5160 staff, 2488 staff took part in this survey and our response rate of 48% which puts us in the highest 20% of acute trusts in England. This was the first time our newly merged Trust has been surveyed

Our results are summarised in 32 key findings which are compared to the results of other acute trusts in England.

Headlines

Overall indicator of staff engagement was 3.79 compared to an average score of 3.81 for English acute trusts. This overall indicator of staff engagement is a composite result based on responses to questions about staff members' ability to contribute to improvements at work; their willingness to recommend the Trust as a place to work or receive treatment; and the extent to which they feel motivated and engaged with their work.

Our top five ranking scores when compared with other English acute trusts were:

- Quality of appraisals
- Percentage of staff agreeing that their role makes a difference to patients / service users
- Percentage of staff / colleagues reporting most recent experience of violence
- Percentage of staff satisfied with the opportunities for flexible working patterns
- Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse

Our bottom five ranking scores were:

- Percentage of staff experiencing harassment, bullying or abuse from patients,
- relatives or the public in last 12 months
- Percentage of staff experiencing discrimination at work in the last 12 months
- Percentage of staff witnessing potentially harmful errors, near misses or
- incidents in last month
- Percentage of staff experiencing physical violence from staff in last 12 months
- Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion

The Trust will use the staff survey results as a basis for developing a two year staff experience action plan which will be aimed at reducing staff turnover and improving engagement.

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

Expenditure on consultancy

In 2016/17 the Trust incurred £0.98m (2015/16 £7.7m) on consultancy costs which included a review of paediatric specialist services, support for the "Soft Services" tender, consultancy work for bed management and private patients, VAT consultancy services and a number of smaller projects across the Trust.

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

Off-payroll engagements as of 31 Mar 2017, for more than £220 per day and that last for longer than six months

	2016/17 n° of engagements
No. of existing engagements as of 31 Mar, 2017	30
Of which:	
Number that have existed for less than one year at the time of reporting	22
Number that have existed for between one and two years at the time of reporting	6
Number that have existed for between two and three years at the time of reporting	1
Number that have existed for between three and four years at the time of reporting	1
Number that have existed for four or more years at the time of reporting	0

New off-payroll engagements, or those that reached six months in duration, between 01 Apr 2016 and 31 Mar 2017, for more than £220 per day and that last for longer than six months

	2016/17 n° of engagements
Number of new engagements, or those that reached six months in duration between 01 Apr 2016 and 31 Mar 2017	44
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and national insurance obligations	0
Number for whom assurance has been requested	0
Of which:	
Number for whom assurance has been received	0
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	20

There were 44 off-payroll engagements, or those that reached six months in duration, between 01 April 2016 and 31 March 2017, for more than £220 per day and that last for longer than six months. The Trust has strengthened its processes around off-payroll engagements.

The number of individuals who have been deemed board members and/or senior officials with significant financial responsibility during 2016/17 totalled 20. During the year 1 of these posts were covered by off-payroll arrangements.

The Trust’s policy is that off-payroll arrangements and agency requests in corporate areas should be authorised by the executive team at its weekly meeting.

Exit packages

Reporting of compensation schemes—exit packages 2016/17

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	2	1	3
£25,001–50,000	1	2	3
£50,001–100,000	5	–	5
£100,001–150,000	3	–	3
£150,001–200,000	1	–	1
>£200,000	–	–	–
Total number of exit packages by type	13	3	16
Total resource cost (£)	£985,000	£106,000	£1,091,000

Reporting of compensation schemes—exit packages 2015/16

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

Other departures are detailed in the table below.

Exit packages—other (non-compulsory) departure payments

	2016/17		2015/16	
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	1	31	–	–
Early retirements in the efficiency of the service contractual costs	–	–	–	–
Contractual payments in lieu of notice	2	50	12	126
Exit payments following Employment Tribunals or court orders	1	25	–	–
Non-contractual payments requiring HMT approval	–	–	–	–
Total	**4**	**106**	**12**	**126**
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	–	–	–	–

Workforce improvement activity

Performance and development review (PDR)

In 2016/17 we developed a new approach to PDRs for our non-medical staff. Our PDR process is an essential step in the development of our performance culture, part of our recruitment and retention strategy and key to supporting our staff in their development. We have linked performance ratings to the award of annual increments and we will use the new process drive discussions regarding career aspirations. Performance ratings will feed into our plans to roll out succession planning in 2017/18.

Leadership training

In 2016/17 we launched a suite of leadership development training to provide our leaders with the skills, knowledge and attitudes to develop an improvement culture. Our Established Leaders programme was undertaken by 48 staff in the Trust in senior roles and supported transformation projects combined with learning around leadership principles. Our Emerging Leaders programme was attended by 60 staff from multiple disciplines. The Trust also supported intervention to support staff on team work and resilience.

Clinical development

Clinical development programmes are run on both sites developing staff in their clinical skills and supporting them to undertake further development. The use of clinical skills teaching and simulation enhances the learning of the staff.

Recognition scheme

In the 2016/17 the Trust launched annual and monthly people recognition schemes which celebrate people who live our values through great work and commitment.

Values

In December 2016 we launched our new PROUD to care values:

- Putting patients first
- Responsive to, and supportive of, patients and staff
- Open, welcoming and honest
- Unfailingly kind, treating everyone with respect, compassion and dignity
- Determined to develop our skills and continuously improve the quality of our care

Our values are actively promoted and it is our ambition to see them embedded in everything we do.

Managing temporary staffing

The Trust has revised contractual and operational arrangements for the management of temporary staffing through a range of initiatives:

- In 2016/17 we established a master vendor contract for sourcing nursing & midwifery, allied health professional and health care scientist agency workers to provide better management of agency usage and reduce spend for this staff group

- A preferred supplier list (PSL) was established with ten medical agencies to provide better control of the bookings and costs for medical agency workers

- Revised booking and authorisation processes were established for medical, allied healthcare professional (AHP)/health science services (HSS) and admin and clerical (A&C) staff

- We created a single nursing and midwifery bank across our sites by investing in harmonised bank rates across the Trust and merging the electronic roster systems that support nursing and midwifery rotas. In 2016/17 we will roll out electronic rostering to allied health professional and health care scientist staff groups

- In 2016 an innovative solution for our junior doctors bank called FlexiStaff+ was introduced at West Middlesex Hospital site. This scheme has significantly reduced our reliance on medical agency workers. We will roll out FlexiStaff+ to Chelsea and Westminster Hospital from April 2017.

Recruitment

Significant work has been undertaken to modernise our recruitment function and promote the Trust as an employer of choice. In 2016 the recruitment function implemented a new electronic recruitment system to make the recruitment process more efficient and reduce the average time taken to hire candidates by more than five weeks.

A number of different approaches have been taken within 2016/17 with regards to recruitment which has included the use of recruitment fairs, offering student nurses posts, targeted recruitment campaigns, advertising in the national press, and overseas recruitment.

NHS FOUNDATION TRUST CODE OF GOVERNANCE DISCLOSURES

Code of Governance compliance statement

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

Chelsea and Westminster Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

For the year ending 31 March 2017 Chelsea and Westminster Hospital NHS Foundation Trust complied with all the provisions of the Code of Governance published by NHS Improvement (formerly known as Monitor).

Governance arrangements

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

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

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

The Board 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 decision that are delegated to the management of the hospital. These include contracts, tendering procedures, security of the Trust's property, monitoring and ensuring compliance with Department of Health directions on fraud and corruption, delegated approval limits, budget submission, annual accounts and reports, banking arrangements, payroll, borrowing and investment, risk management and insurance arrangement.

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

interests in any transactions that involve the Trust. Throughout the reporting period, the Nominations and Remuneration Committee have kept under review the overall size of the Board and the balance of skills, experience and expertise of Board members. A formal Board evaluation which incorporates a 'skills gap analysis' was launched in April 2016.

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

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

A formal procedure is in place should there be a dispute between the Board and Council of Governors. During 2016/17 no issues of dispute arose and the governors therefore did not exercise their power under paragraph 10 (c) of schedule 7, NHS Act 2006.

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

Board of Directors

The Board has eight non-executive directors (including the chairman) and seven executive directors (including the chief executive). The Board comprises 40% female and 60% male directors. Each director's skills, expertise and experience (those on the Board at the end of March 2017) are detailed below.

Executive Directors

Lesley Watts, Chief Executive
Lesley became Chief Executive of Chelsea and Westminster Hospital NHS Foundation Trust on 14 September 2015. A nurse and midwife by training, Lesley has executive managerial experience at the highest level, having been a Chair of an NHS Trust, a Foundation Trust Governor and a Director of Nursing and Operations at a major hospital. Prior to her appointment as Chief Executive, Lesley was Accountable Officer (Chief Executive) for East & North Hertfordshire Clinical Commissioning Group, which was nominated for Health Education England Governing Body of the Year and the HSJ Patient Participation Award.

Karl Munslow-Ong, Deputy Chief Executive
Karl started at the Trust in March 2015 as Chief Operating Officer (COO) and became Deputy Chief Executive in March 2016. He was previously COO at Hillingdon Hospital and has extensive operational management experience across a number of acute London trusts. In his previous role, he was the executive responsible for the clinical divisions, strategy, service transformation, major incident planning and contract management (jointly with the Finance Director). While at Homerton University Hospital Foundation Trust as

Deputy COO, he played a key role in the integration of Hackney community services. Karl started his career as a management consultant for PricewaterhouseCoopers before moving to work at the Strategic Health Authority.

Zoë Penn, Medical Director
Zoë Penn was appointed as Medical Director in March 2013. She was previously Divisional Medical Director for Women, Neonatal, Children & Young People, HIV, GUM & Dermatology Services and is a Consultant Obstetrician by background. Miss Penn has been a consultant with the Trust since 1996, during which time she has held a number of positions including Clinical Lead for Gynaecology and Clinical Director for Women and Children's Services.

Rob Hodgkiss, Chief Operating Officer
Robert Hodgkiss 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 & Young People, HIV, GUM & Dermatology Services, having previously been a Divisional Director for four years previously at a trust in the West Midlands. Robert 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.

Sandra Easton, Chief Financial Officer
Sandra Easton joined the Foundation Trust in August 2015 as Director of Finance before becoming Chief Financial Officer in April 2016. Previously she was Deputy Director of Finance at Imperial College Healthcare NHS Trust. Sandra started her NHS career in 2001 after finishing her degree in Financial Services and has a wealth of experience across acute, tertiary, community and mental health providers. Sandra is responsible for Finance, Procurement, Information, Contracts and Performance. She is an Associate of the Chartered Institute of Management Accountants (AMCA) and a Chartered Public Finance Accountant (CPFA).

Keith Loveridge, Director of HR and OD
Keith has been the Director of Human Resources and Organisation Development since August 2016. He was previously the Deputy Director of HR at Imperial College Healthcare and has worked in a variety of HR roles in the London acute, community and health authority sectors. Prior to joining the NHS in 1994, Keith worked for eight years as a primary school teacher and English teacher in the UK and Spain.

Pippa Nightingale, Chief Nurse
Pippa joined the NHS in 1994, originally working as a maternity support worker. She qualified in 1998 and worked clinically for 10 years in maternity and neonates. On completion of her MSc in advanced clinical practice in 2007 she undertook a clinical academic role at the University of Hertfordshire. Pippa entered back into the acute setting as a Matron and then as a Consultant Midwife. She has undertaken numerous professional leadership roles including Deputy Director of Midwifery at Imperial, and Director of Midwifery and Clinical Director at Chelsea and Westminster. Pippa has experience at leading large-scale, complex health system reorganisations and led the transition of maternity services in north west London—this ensured that safe care was delivered to 33,000 women by standardising maternity services across 6 acute providers. Pippa is committed to ensuring healthcare services provide high quality, safe and personalised care to users and their families, and supports staff to develop and progress their careers. Pippa also has responsibility for Quality, including our assurance systems and processes.

Directors in attendance at Board meetings

- Kevin Jarrold, Chief Information Officer

Non-Executive Directors

Sir Thomas Hughes-Hallett (Chairman)
Sir Thomas Hughes-Hallett is Cofounder (with his friend Paul Marshall) and Chair of The Marshall Institute within the London School of Economics and Political Science and Chair of Chelsea and Westminster Hospital NHS Foundation Trust. He is also a Trustee of The Esmée Fairbairn Foundation and is on the Board of the Westminster Abbey Foundation. He has been appointed a Professor in Practise at the London School of Economics and adjunct Professor at Imperial College's Institute for Global Heath Innovation. Thomas has served the Department of Health as a Chair and member of a number of advisory boards. He has held senior leadership positions with in investment banking and the voluntary sector including Chair of Michael Palin Centre for Stammering Children, English Churches Housing Group, Chief Executive of Marie Curie Cancer Care, and the Institute of Global Health Innovation at Imperial College London amongst others. He is an advisor to Larry Renfro, Chief Executive of Optum. He was on the board of the Kings Fund for 4 years.

Sir Thomas has chaired commissions both for the government and independently on healthcare broadly, end of life care and Philanthropy. Most recently, in September 2016, Sir Thomas founded and now chairs a new social enterprise called HelpForce, underpinning health and social care in England. In 2012 he was awarded a knighthood for his services to philanthropy, in 2013 a Beacon Fellowship for Philanthropic Advocacy, a US Ferrari lifetime lectureship by Houston Methodist Medical School and an Honorary Degree by Anglia Ruskin University. Thomas is married to Juliet the founder and chair of the charity Smart Works and his great passions are choral music and family life.

Nilkunj Dodhia
Nilkunj, a non-voting Board member since 1 July 2014, was appointed as a Non-Executive Director on 27 November 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, as the national lead for Mental Health and Orthopaedics. He also served as the Chairman of the South West London Elective Orthopaedic Centre (SWLEOC), one of the largest joint surgery hospitals, and a Non-Executive Director of Epsom and St Helier University Hospitals NHS Trust. Nilkunj has a MBA from INSEAD and is a fellow of the Institute of Chartered Accountants in England and Wales having trained with PwC. Nilkunj is a member of the Audit Committee and Finance & Investment Committee.

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

arts centre based in Brentford. Nick is currently a member of the Quality Committee and the People and Organisational Development Committee.

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

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

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

Jeremy Loyd
Jeremy was reappointed as a non-executive director in October 2015 for the period of two years. Jeremy is currently a non-executive director of UCL Cancer Institute Research Trust and the Marine Management Organisation. Jeremy was formerly director and general manager of Carlton Television, managing director of Capital Radio and a non-executive director of several other companies in both the UK and USA. Jeremy was also deputy chairman of Blackwells, the academic information distributer and retailer. Jeremy is a trustee of CW+, one of Chelsea and Westminster Hospital’s Charities. Jeremy is currently the Chair of the Audit Committee.

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

the Irish International Business Network and a member of the British Council's Provocation Group. Liz chairs the People and Organisational Development Committee and is a member of the Audit Committee.

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

Key changes on the Board in 2016/17

Sir Tom Hughes-Hallett, Chairman was reappointed for a further term of three years. As of 3 October 2016 Kevin Jarrold, Chief Information Officer joined the Board in a non-voting capacity. This appointment followed the stepping down of Richard Collins, Interim Chief Information Officer whose term came to an end. Elizabeth McManus left the Trust on 15th July 2016, Pippa Nightingale joined the Board, initially on an acting basis, until her formal appointment on 12th May 2017.

The executive team has undergone change in-year. As of 7 April 2016 Karl Munslow-Ong undertook the post of Deputy Chief Executive Officer. As a result, Robert Hodgkiss was appointed as the Chief Operating Officer on 7 April 2016. In August 2016, Keith Loveridge joined the Trust and the Board as Director of Human Resources and Organisational Development.

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

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

Board meetings

The Board meets on average no less than six times per year. Special meetings are organised as and when required. There were six public meetings in 2016/17. There was one extraordinary private Board meeting in 2016/17 to receive and approve the 2015/16 Annual Report. Director attendance at Board meetings is detailed below.

Non-executive directors	Ordinary Board meeting attendance	Extraordinary Board meeting attendance
Hughes-Hallett, Sir Tom	5/6	1/1
Dodhia, Nilkunj	5/6	1/1
Gash, Nick	6/6	1/1
Hermann, Eliza	5/6	1/1
Jensen, Jeremy	6/6	1/1
Jones, Dr Andrew	6/6	1/1
Loyd, Jeremy	5/6	1/1
Shanahan, Liz	6/6	1/1

Executive Directors	Ordinary Board Meeting attendance	Extraordinary Board Meeting attendance
Watts, Lesley	5/6	1/1
McManus, Elizabeth	1/1	0/1
Munslow-Ong, Karl	5/6	1/1
Penn, Zoe	6/6	1/1
Nightingale, Pippa	3/5	n/a
Easton, Sandra	4/6	1/1
Collins, Richard	3/3	1/1
Hayward, Peta	0/1	n/a
Hodgkiss, Robert	6/6	1/1
Loveridge, Keith	3/4	n/a
Jarrold, Kevin	3/3	n/a

Sub-committees of the Board of Directors

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

Nominations and remuneration committee

The nominations and remuneration committee is a committee of the Board of Directors which is appointed in accordance with the constitution of the Trust to decide the

remuneration and allowances, and the other terms and conditions of office, of the chief executive and other executive directors. The committee comprises the chairman and all other non-executive directors.

The nominations and remuneration committee met on 7 April 2016 and made the following appointments: Sandra Easton, Chief Financial Officer, Karl Munslow-Ong, Deputy Chief Executive and Robert Hodgkiss, Chief Operating Officer. The committee also approved remuneration for the appointments made.

In addition, the nominations and remuneration committee met on 6 May 2016 for the appointment of Keith Loveridge, Director of HR & Organisational Development; 24 November 2016 for the review of interim executive appointments; and subsequently met on 5 January 2017 to approve remuneration of executive directors.

Nominations and remuneration committee attendees	Attendance
Hughes-Hallett, Sir Tom	4/4
Dodhia, Nilkunj	3/4
Gash, Nick	4/4
Hermann, Eliza	3/4
Jensen, Jeremy	4/4
Jones, Dr Andrew	3/4
Loyd, Jeremy	3/4
Shanahan, Liz	3/4
Watts, Lesley	4/4
Loveridge, Keith	2/2
Lafferty, Thomas	3/3
Humm, Robert	2/2

A distinct nominations and remuneration committee exists for the nomination, appointment and remuneration of the chairman and non-executive directors. This committee is a committee of the Council of Governors and its membership comprises the chairman, the lead governor and five publicly/patient elected governors. Based upon the recommendation of the nominations and remuneration committee from its June meeting, the reappointment of Nilkunj Dodhia and Liz Shanahan for a further term of three years was approved at the July 2016 Council of Governors meeting.

In addition, on the recommendation of the Nominations and Remuneration Committee from its October meeting, the reappointment of Sir Thomas Hughes-Hallett for a further term of three years was approved at the December 2016 Council of Governors meeting.

Finance and investment committee

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

People and organisational development committee

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

Quality committee

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

Audit committee

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

The chief executive is the Trust's designated accounting officer, who has the duty of preparing the accounts in accordance with the NHS Act 2006. The audit committee is chaired by Jeremy Loyd and includes two other non-executive directors. It met five times in 2016/17. Jeremy Loyd attended 4/5 meetings, Nilkunj Dodhia attended 4/5 and Liz Shanahan attended 5/5 meetings.

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

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

- Single general ledger project
- NHS revenue: over-performance, and provisioning
- Management override of controls

Following the year end, the audit committee considered the draft annual report and accounts 2016/17 and received the ISA 260 report from its external auditors.

During 2016/17, in addition to the executive and non-executive directors, the Trust's internal and external auditors attended audit committee meetings. Additionally, other relevant senior managers attended meetings to provide a deeper level of insight into certain key issues within their respective areas of expertise including all areas of significant risk.

Assessment of effectiveness of the external audit process

The audit committee has engaged regularly with the external auditor over the course of the financial year, including in private sessions at which executive management is not

represented. The subjects covered have included consideration of the external audit plan, matters arising from the audit of the Trust's financial statements, the review of the Trust's quality accounts and any recommendations on control and accounting matters proposed by the auditor.

The Trust carried out an OJEU tender for statutory audit services in October 2016 and re-appointed Deloitte LLP on a three-year contract with an option to extend for a further two years.

The external auditor has provided non-audit services in the year in the form of the quality accounts review. Auditor objectivity and independence have been safeguarded by assurance that the audit partner's remuneration is not connected with the volume or value of non-audit services provided to the Trust

Policy for safeguarding the external auditors' independence
Appointment of the external auditors to conduct non-audit work is considered by the chair of the audit committee prior to award of contract. The contract from audit services was tendered in 2016/17. As part of the procurement process the independence of applicants was assessed.

Internal audit

The Trust's internal audit service is provided by KPMG LLP under a five-year contract which was awarded in 2011/12. The contract was extended for a further year until March 2018. The internal auditors work to a risk based audit annual plan which was agreed by the audit committee in May 2016. It covers the Trust's risk management, governance and internal control processes, both financial and non-financial across the Trust. Through detailed examination, evaluation and testing of the Trust's systems, internal audit play a key role in the Trust's assurance processes. The audit committee review the findings of internal audit's work against the annual plan at each of its meetings. The head of internal audit reports to the committee and is managed by the chief financial officer. The head of internal audit has a right of direct access to committee members.

Council of Governors

The role, powers and composition of the Council of Governors is outlined earlier in this report and is also set out within the Trust's constitution. The Council of Governors meets at least quarterly. There were five meetings in 2016/17. Executive and non-executive directors are invited to attend. Both elected and appointed governors normally hold office for a period of three years and are eligible for re-election or reappointment at the end of that period. The details of the Governors holding office as at March 2017 are provided within the following table.

Last name	First name	Constituency	Organisation	Date elected or appointed	Attendance at Council meetings 2016/17
Anderson	Julia	University	Imperial College	Oct 2015	4/5
Anderson	Nowell	Public	London Borough of Hounslow	Nov 2015	3/5
Bauer	Juliet	Patient		Nov 2015	4/5
Bryant	Ian	Staff	Management	Nov 2015	3/5
Church	Tom	Patient		Nov 2015	3/5
Davies	Nigel	Public	London Borough of Ealing	Nov 2015	4/5
Dyer	Simon	Patient		Nov 2015	3/5

Last name	First name	Constituency	Organisation	Date elected or appointed	Attendance at Council meetings 2016/17
Faulks	Cllr Catherine	Local Authority	Royal Borough of Kensington and Chelsea	Jun 2014	3/5
Harrington	Paul	Public	Richmond upon Thames	Nov 2015	4/5
Henderson	Angela	Public	London Borough of Hammersmith and Fulham	Dec 2013	5/5
Hodson-Pressinger	Anna	Patient		Nov 2014	4/5
Hutton	Elaine	Public	London Borough of Wandsworth	Nov 2015	4/5
Kanodia	Kush	Patient		Nov 2015	4/5
Kitchener	Paul	Public	Royal Borough of Kensington and Chelsea	Nov 2016	2/2
Maxwell	Susan	Patient		Nov 2012	5/5
McDonald	Chisha	Staff	Allied Health Professionals, Scientific and Technical	Nov 2016	1/2
McEvoy	Lynne	Staff	Nursing and Midwifery	Nov 2015	5/5
Micklewright	Wendy	Public	London Borough of Richmond upon Thames	Nov 2015	5/5
Owen	Philip	Public	Royal Borough of Kensington and Chelsea	Nov 2014	4/5
Pascoe	Guy	Public	London Borough of Hammersmith and Fulham		2/2
Petre-Goncalves	Andreea	Patient		Nov 2015	3/5
Phillips	David	Patient		Nov 2015	4/5
Pollak	Tom	Public	London Borough of Wandsworth	Dec 2013	5/5
Samuels	Sonia	Public	City of Westminster	Nov 2016	2/2
Shotliff	Matthew	Staff	Support Administrative and Clerical	Nov 2016	2/2
Walker	Nicholas	Public	City of Westminster	Nov 2016	1/2
Wareing	Laura	Public	London Borough of Hounslow	Nov 2015	3/5
Samuels	Diane	Staff	Allied Health Professionals, Scientific and Technical	Nov 2015 (resigned 22 Sep 2016)	1/4
Steel	Alan	Staff	Medical and Dental	Nov 2015 (resigned 16 Dec 2016)	4/4
Steele	Gavin	Staff	Contracted	Nov 2015 (resigned 05 Oct 2016)	1/3
Lewis	Martin	Public	City of Westminster	Dec 2013 (retired Nov 2016)	3/3
Jeremiah	Melvyn	Public	City of Westminster	Dec 2013 (retired Nov 2016)	3/3
Culhane	Sam	Public	London Borough of Hammersmith and Fulham	July 2013 (retired Nov 2016)	2/3

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

Director attendance at Council of Governors

Non-executive directors	Attendance
Hughes-Hallett, Sir Tom	5/5
Dodhia, Nikunj	3/5
Gash, Nick	4/5
Hermann, Eliza	4/5
Jensen, Jeremy	3/5
Jones, Dr Andrew	3/5
Loyd, Jeremy	4/5
Shanahan, Liz	4/5

Executive directors	Attendance
Watts, Lesley	4/5
Munslow-Ong, Karl	4/5
Hodgkiss, Robert	2/5
Penn, Zoe	3/5
McManus, Elizabeth	0/1
Collins, Richard	3/3
Jarrold, Kevin	0/2
Easton, Sandra	3/5
Loveridge, Keith	1/3
Nightingale, Pippa	2/4
Sloane, Vanessa	2/5

Council of Governors elections held during 2016/17

An election was held in November 2016 to fill vacant seats in the public constituency. The results were as follows:

- City of Westminster: Nicholas Walker (elected unopposed) & Sonia Samuels (elected unopposed)
- London Borough of Hammersmith and Fulham: Guy Pascoe (elected)
- London Borough of Wandsworth: Tom Pollak (re-elected)
- Royal Borough of Kensington and Chelsea: Paul Kitchener (elected)

An election was held in November 2016 to fill vacant seats in the following classes of the staff constituency. The results were as follows:

- Allied Health Professionals, Scientific and Technical Class: Chisha McDonald (elected unopposed)
- Support, Administrative and Clerical Staff Class: Matthew Shotliff (elected unopposed)

Access to register of governors' interests

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

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

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

In particular, the draft annual plan 2017/18 was presented to governors at the March 2017 Council of Governors meeting.

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

The Trust continues to work to its established Membership and Engagement strategy. The aim of the strategy was to ensure that the Trust's membership base is representative of the Trust's increased patient population base post-acquisition, reflecting the communities that the Trust serves.

As at 31 January 2017 the membership profile was as follows:

	Public	Patient	Staff	Total
Age	6,979	5,787	4,427	17,193
0–16	3	0	0	3
17–21	202	19	8	229
22+	6,094	3,876	4,418	14,388
Not stated	680	1,892	1	2,573
Age 22+:	6,094	3,876	4,418	14,388
22–29	406	145	661	1,212
30–39	755	554	1,240	2,549
40–49	1,097	921	1,225	3,243
50–59	1,157	836	948	2,941
60–74	1,445	876	334	2,655
75+	1,234	544	10	1,788
Gender	6,979	5,787	4,427	17,193
Unspecified	82	51	0	133
Male	2,528	2,189	1,086	5,803
Female	4,369	3,547	3,341	11,257
Transgender	0	0	0	0
Ethnicity	6,077	3,848	4,129	14,054
White:				
English, Welsh, Scottish, Northern Irish, British	3,515	2,257	1,692	7,464
Irish	187	124	150	461
Gypsy or Irish Traveller	0	0	0	0
Other	851	528	479	1,858
Mixed:				
White and Black Caribbean	100	55	31	186
White and Black African	21	11	23	55
White and Asian	50	23	31	104
Other mixed	92	68	57	217
Asian or Asian British:				
Indian	296	130	351	777
Pakistani	117	55	61	233
Bangladeshi	49	36	24	109
Chinese	41	31	59	131
Other Asian	210	136	333	679
Black or Black British:				
African	284	222	358	864
Caribbean	123	83	193	399
Other Black	65	38	49	152
Other Ethnic Group:				
Arab	4	0	0	4
Any Other Ethnic Group	72	51	238	361

In terms of membership engagement and development there were various opportunities for governors to engage with members and the general public in 2016/17, including Open

Days held at both sites, Annual Members' Meeting, annual Christmas events, 'Your Health' (previously known as 'Medicine for Members') events and regular 'Meet a Governor' sessions.

Meet a Governor sessions are held at both hospital sites and afford governors an opportunity to have direct contact with patients and members of the community gaining invaluable feedback on their experiences of services provided by the Trust. During 2016/17 the Membership & Engagement Committee have been spearheading outreach 'Meet a Governor' sessions in the local community and will continue a programme of outreach during 2017/18 focusing on community events with a high footfall of visitors such as shopping centres and community fairs.

Membership recruitment continued during 2016/17 via 'Meet a Governor' sessions and at engagement events such as the Open Days. The plan for 2017/18 will be to continue to recruit members focusing on areas where our membership does not reflect the makeup of the local constituency population.

There are two Council of Governors sub-committees, namely Membership and Engagement and Quality, which have enabled governors to contribute to the operational and strategic discussions in these two important areas.

One of the objectives for Membership & Engagement sub-committee during 2016/17 was to improve communication with our membership and focus engagement events towards topics of interest. To this end a comprehensive membership survey was undertaken during 2016, the results of which were used to inform the engagement strategy for 2017/18. The membership strategy was approved in August 2015 and will be updated in January 2017 following the membership survey results. Whilst the total number of members is important to the Trust our objective for the coming year will be to increase the level of active membership participation through a series of targeted engagement events which reflect the areas of interest identified by the membership survey results.

A successful governor away-day was held in September 2016 which provided an opportunity for the executive team to update them on the Trust's strategy and the wider strategic context for the NHS and in particular for North West London. In addition, the governors contributed to discussions on the implementation of the clinical strategy and the Trust values. A further away-day is planned for 2017/18 and is scheduled for 30 November.

REGULATORY RATINGS

Single oversight framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

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

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

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's *Risk Assessment Framework* (RAF) was in place. Information for the prior year and first two quarters relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation

The Trust has been placed into segment 2. This segmentation information is the Trust's position as at 18 May 2017. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

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

Area	Metric	2016/17 Q3 Score	2016/17 Q4 Score
Financial Sustainability	Capital Service Capacity	2	2
	Liquidity	1	1
Financial Efficiency	I&E Margin	1	1
Financial Controls	Distance from financial plan	1	1
	Agency spend	3	4
Overall Scoring before overrides		2	2
Overall Scoring after overrides		2	3

The key driver behind the Trusts scoring is agency spend where expenditure has not reduced in line with the target set by NHS Improvement. The Trust has taken a number of actions and revised contractual and operational arrangements for the management of temporary staffing through a range of initiatives:

- In 2016/17 we established a master vendor contract for sourcing nursing & midwifery, allied health professional and health care scientist agency workers to provide better management of agency usage and reduce spend for this staff group.

- A preferred supplier list (PSL) was established with ten medical agencies to provide better control of the bookings and costs for medical agency workers.

- Revised booking and authorisation processes were established for medical, AHP/HSS and A&C staff.

- We created a single nursing and midwifery bank across our sites by investing in harmonised bank rates across the Trust and merging the electronic roster systems that support nursing and midwifery rotas. In 2016/17 we will roll out electronic rostering to allied health professional and health care scientist staff groups.

- In 2016 an innovative solution for our junior doctors bank called FlexiStaff+ was introduced at West Middlesex Hospital site. This scheme has significantly reduced our reliance on medical agency workers. We will roll out FlexiStaff+ to Chelsea and Westminster Hospital from April 2017.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

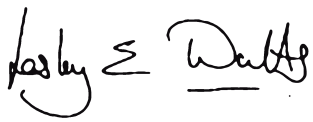
The NHS Act 2006 states that the chief executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper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

Under the NHS Act 2006, Monitor has directed Chelsea and Westminster Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Chelsea and Westminster Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the accounting officer is required to comply with the requirements of the NHS Foundation Trust annual reporting manual and in particular to:

- Observe the accounts direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the NHS Foundation Trust annual reporting manual have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Prepare the financial statements on a going concern basis

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



Lesley Watts
Chief Executive Officer

26 May 2017

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives—it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chelsea and Westminster Hospital NHS Foundation Trust for the year ended 31 Mar 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

Throughout 2016/17, the Board has had regular oversight of the Trustwide risk assurance framework (RAF), which mapped the organisation's aims and objectives against all aspects of risk—clinical, financial, service, reputational and legal. The RAF is scrutinised by the following committees:

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

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

Board members continue to receive annual risk management training and all staff receive training sessions on various aspects of risk (e.g. information governance, fire, health and safety) as part of the Trust's general induction programme. Thereafter, risk management training is explicitly included in the mandatory training 'refresher' courses provided by the

Trust, which all staff (including Board members and senior managers) undertake, the frequency of which varies depending on the subject matter. The learning and development department keep a record of attendance for each training session. Any member of staff overdue risk management training is identified by the learning and development department and followed up with the individual's direct line manager. The Trust risk management policy is accessible to all staff via the Trust intranet and aims to provide guidance on the conduct of risk assessments and the escalation of risk, as appropriate for each staff member's level of authority and duties.

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

Risk and control framework

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

Identification of risk

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

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

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

- Risks/recommendations from incident investigations and themes/trends arising from cumulative analysis of incident data
- Clinical risk assessments
- Non-clinical risk assessments (security, health and safety, health and wellbeing etc.)

- Risks arising as a result of an external review or inspections
- Recommendations from internal audit reports or other internal or external monitoring reviews/audits/assessments or reports
- Patient surveys
- Staff surveys
- PALS and complaints key themes
- Risk shared by other NHS organisations and/or other stakeholders/duty holders or authorities

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

Risk assessment

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

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

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

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

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

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

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

The RAF template is structured in a way that requires the recording of a ‘current risk rating’ and a ‘residual risk rating’. This allows the Trust to track changes in risk, from risk recognition through to an assessment of the risk post-mitigating actions. In each case, the Trust’s risk ‘appetite’ is determined by the residual risk rating which effectively operates as a target rating, i.e. once the mitigating actions have been implemented successfully and the risk has reduced to the target, the Trust accepts the residual level of risk. However,

each time a risk is reviewed and updated, the determination of the Trust's risk appetite is also reviewed, particularly after new mitigating actions have been identified.

Principal risks

As of March 2017, the principal risks affecting the attainment of the Trust's corporate objectives (including significant clinical risks, risks to FT licence condition four, in-year and future risks, how the risk will be managed and mitigated and how outcomes will be assessed) are as detailed below:

Cost improvement plan/synergies 2017/8

The Trust's planned position for 2017/18 is dependent upon the delivery of the £25.9m CIP target and all other aspects of the financial/operational plan. The achievement of the Trust's financial plan underpins the delivery of its clinical services strategy and all other high-level strategies (estates, IT etc.). A series of CEO-led 'deep dive' review sessions have been established to scrutinise service-specific savings plans in addition to the general oversight provided by the Finance and Investment Committee.

Growth in non-elective demand above plan

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

Staffing capacity

Across the Trust, there are areas of high vacancy rates as a result of high staff turnover and the inability to recruit to all vacant posts. This has an adverse impact upon service provision and increases the Trust's reliance on agency staff which attracts premium rates. The Trust is undertaking a further review of its establishment panel process for roles and has restructured its HR and corporate nursing directorates to bring greater senior input to these issues. The Trust has also developed a refreshed recruitment and retention strategy. This work is being overseen by the People and Organisational Development Committee.

Delivery of the quality strategy and maintenance of quality standards

Multiple potential risks or threats to maintenance of quality of care as set out by quality strategy and other regulatory compliance frameworks such as the Care Quality Commission (CQC). The Trust is considering options for a system that will systematically produce 'real-time' assessments of quality performance in each clinical area. The Trust will embed the quality account's priorities within its monthly integrated quality and performance report to ensure that these KPIs remain on track for delivery.

Communications

Multiple risks that our patients, our staff and our partners are not engaged in and with the services we provide resulting in poor design and delivery, adverse impact on outcomes, patient experience and use of resource—specifically poor recruitment and retention of workforce. This is compounded by the number of contractual, regulatory, professional and user relationships within the system, significant change in the health and care system—including our own Integration Programme. The Trust has undertaken significant mapping to support Stakeholder Management to better prioritise and is using its PROUD to Care Values & Culture work to underpin a refreshed communications plan to mitigate and manage risks.

Risks to data security

Management of the IT infrastructure is separated between the two sites, with West Middlesex IT managed in house, while services for the Chelsea and Westminster Hospital site are managed by Systems Powering Healthcare (SPHERE), a joint venture established between the Trust and the Royal Marsden NHS Foundation Trust. Plans are in place to bring the site arrangements together under the management of Sphere as this will support a consistent approach to the management of cyber security risks and incidents.

The Trust operates Windows, Linux and Unix operating systems at its Chelsea and Westminster site. Some of these are no longer supported and there is currently a rolling programme of work to update both PCs and operating systems. The Trust is also currently reviewing its approach to patching as this has historically been inconsistent due in part to the operational challenges of taking systems down to undertake the work and therefore impacting clinical services. It is expected that all operating systems will be updated to conform to best practice standards and a systematic approach to patching will be in place during the first half of 2017/18.

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

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

The IGSG supports and drives the broader information governance agenda and provides the audit committee (via the executive Board) with assurance that effective best practice mechanisms are in place within the Trust. A key part of the IGSG's work is to review compliance against the Information Governance Toolkit. The Trust has invited in 2017/18

the Information Commissioner's Office to under an audit in to Information Governance practices.

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

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

Quality governance and performance

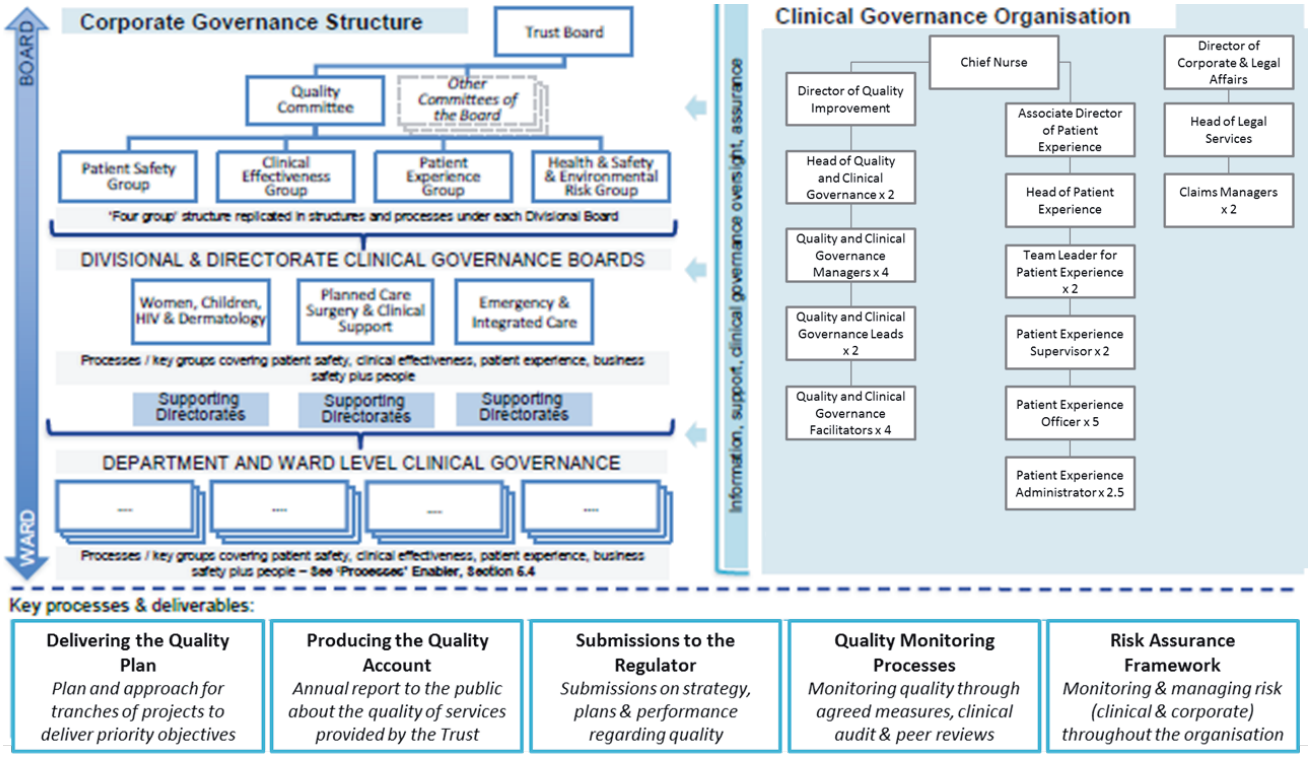
The Foundation Trust's quality governance structure, as set out in Figure 1 below enables the organisation to maintain and continually improve quality from 'Board to ward. It is led by the Quality Committee, which reports into the Board and is chaired by a NED with the Chief Nurse as Executive lead, supported by the Medical Director. Divisional Medical Directors chair the Divisional Clinical Governance Boards, supported by the clinical governance team. Together, this framework monitors quality performance and risk; including serious incidents, complaints and investigations, as well as being responsible for overseeing delivery against our four special quality projects for 2015 to 2018. These projects were identified from an analysis of the themes and key risks arising from reporting through Quality Committee.

The Care Quality Commission (CQC) inspected our hospitals in July 2014 and September 2015 and, whilst it found that the Trust provides good and outstanding care in many areas, its overall rating for the Trust was 'requires improvement'. In order to improve the Trust's rating to 'good' or 'outstanding', speciality-level action plans were developed with the Quality Committee responsible for the oversight of their delivery. An update on progress is presented to each meeting of the Trust board as part of the integrated performance report.

The CQC report made broader recommendations in relation to establishing a culture of consistency and rigour in how quality is approached across the Trust. The Quality Strategy and supporting Quality Architecture described in this document are key to ensuring that both the specific actions and the broader recommendations identified by the CQC—in particular in relation to consistency of quality assurance process across the organisation—become part of ongoing systematic and rigorous ways of working within the Trust as it delivers its strategic and growth agenda.

Continuous quality improvement is supported by a new ward accreditation process. The overall performance of each ward is evaluated against a framework in a similar style to a CQC assessment, resulting in a rating of gold, silver, bronze or white. The framework incorporates observation of practice, engagement with staff and patients and a review of key quality indicators, and helps wards to take action to improve the quality of care that they provide to patients. The Trust Board is currently considering how a culture of continuous improvement may be further developed across the organisation more broadly.

Figure 1: Quality Governance Structure



Data assurance

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

The Trust has an advanced feed from the patient administration system (PAS) which 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, including patient level information. The Trust will establish a minimum frequency requirement for completing refresher training on data entry into the PAS.

A manual data validation process is undertaken by the Information Team, to review the information entered into the PAS and to investigate the data that underlies reported performance. Identified data issues are logged by the Performance Team, then investigated and corrected. Recurring issues are subject to root cause analysis, from which a corrective action plan are developed to support the relevant service to improve the quality of the inputted and reported data. The external auditor, however, has issued a qualified opinion in respect of the Trust's calculation of the RTT and A&E performance measures.

Draft terms of reference have been developed for a Data Quality Improvement Group (DQIG) to provide focused review of data quality policies, strategies and reviews. The DQIG will report to the Executive Board to enable prompt escalation of emerging issues to the Board where required. The Chief Operating Officer, as the responsible Executive for data quality, will be an attendee of the DQIG to enable issues to be raised at the Executive

Board. In addition to this, the Trust has reviewed the Information and Data Quality policy to ensure that it is current and harmonised across all areas. During 2017/18, the Trust will be preparing for the implementation of a new PAS on the WMUH site and as such, additional resource and focus has been made available for Data Quality prior to changing systems.

Corporate governance

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

Assessing the effectiveness of governance structures

The Trust undertook a series of governance reviews in 2015/16 as part of the merger process with West Middlesex. Given the detailed nature of this work the Board will therefore make its corporate governance statement on the basis of the assurance provided through these assessments and/or through the Trust's response to any identified governance 'gaps' or shortfalls.

Pension

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

Equality and diversity

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

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

- The Trust has retained its status as a Top 30 Employer for Working Families, the UK's leading work-life balance charity. We are the only NHS Trusts to have achieved this status. Working Families support and advocate on behalf of working parents and carers, and work with employers to create workplaces which encourage work-life balance for everyone, providing a benchmark for organisations to improve all aspects of workplace agility, flexibility and how employers support the work-life balance of all their staff.

- The Trust's work on embedding diversity and inclusion within the organisation has been acknowledged nationally. NHS Employers awarded Kathryn Mangold, Lead Nurse for Learning Disabilities and Transition with the prestigious accolade of Leader of Year, and cliniQ was highly recommended as Team of the Year. This was in recognition of the ground-breaking work they had done (and continue to do) to improve the patient experience for patients with learning disabilities and our trans community.

- Improving the health of our local community and staff is of great importance to us and we actively plan local campaigns to support national campaigns. Over the past year, we ran a series of health education programmes all of which directly impact on patients with one or more of the protected characteristics e.g. World Cancer Day, World AIDS Day and Hypo Awareness Week. The latter event encouraged patients with diabetes to manage night time hypoglycaemic attacks more effectively.

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

The Board on a monthly basis keeps under review the Trust's use of resources through the integrated performance report referred to above but also with regard to the monthly finance report which allows the Board to obtain a 'grip' on financial performance and cost effectiveness. During 2016/17 the Trust has increasingly used various benchmarking sources to identify efficiency opportunities at service line level. Where the Board identifies key risks and issues in relation to the Trust's use of resources, it will instruct the finance and investment committee to undertake 'deep dive' reviews of such concerns to ensure that a sufficient degree of assurance can be obtained.

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

The governance structure below the Executive Board provides opportunities through the divisional board meetings for specific divisions to be challenged on their use of resources within the respective clinical services which they provide. This is in addition to the work of internal audit undertaken throughout 2016/17. The detail of the key actions of the internal audit programme can be found at the 'systems of internal control' section below.

Information governance

During 2016/17 there were no serious information governance (IG) incidents that were reportable to the Information Commissioner's Office (ICO). In May 2016 the Trust received a monetary penalty from the ICO as a result of Data Protection Breach that occurred in September 2015 (which was reported in last year's annual report). The Trust actively uses the IG Toolkit work and General Data Protection Regulations (GDPR) preparation work as regards any actions points relating to Data Protection.

The Trust actively monitors this area using the IG Toolkit Incident Reporting Tool.

Both Trust sites now use DATIX (a Trust reporting database) for reporting incidents, this provides for a unified approach, and aids the review of the of IG incident management process. IG incidents are summarised and reported to the information governance steering group. IG officers are allocated to each of the divisions and disseminate lessons learnt from these incidents at departmental meetings and / or via Trustwide communication tools.

Information governance toolkit attainment levels

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

The information governance toolkit is an online self-assessment tool that enables NHS organisations and their partnering bodies to measure how well they are complying with Department of Health standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage. The attainment level assessed within the information governance toolkit provides an overall measure of the quality of data systems, standards and processes across six main areas, see table below. The toolkit sets out specific criteria that enable performance to be assessed based on submitted evidence, resulting in a score between 0 and 3 for each of the 45 requirements for acute trusts.

The Trust information governance assessment report overall score for 2016/17 was 66% and was graded green (satisfactory). For more information about the information governance toolkit please visit www.igt.hscic.gov.uk.

IG Toolkit v14 Assessment scores

Assessment	Level 0	Level 1	Level 2	Level 3	Total Req'ts	Overall Score	Self-assessed Grade
Information Governance Management	0	0	5	0	5	66%	Satisfactory
Confidentiality and Data Protection Assurance	0	0	9	0	9	66%	Satisfactory
Information Security Assurance	0	0	15	0	15	66%	Satisfactory
Clinical Information Assurance	0	0	5	0	5	66%	Satisfactory
Secondary Use Assurance	0	0	8	0	8	66%	Satisfactory
Corporate Information Assurance	0	0	3	0	3	66%	Satisfactory
Version 14 (2016/17) Overall Score	0	0	45	0	45	66%	Satisfactory

Compliance with Freedom of Information drastically improved this year, reaching the newly raised target of 90% for compliance with the 20 day response rate from Jan–Mar 2017.

IG training compliance also improved on the first period of the merger and work is taking place to merge the two training arrangements in order to improve further.

In 2017/18 the toolkit assurance will go hand in hand with work on the General Data Protection Regulations (GDPR) which will be in force from May 2018. Emphasis will be on the information security assurance section of the toolkit, particularly data flow mapping and information asset registers as well as work on arrangements to support and promote information sharing for coordinated and integrated care purposes.

Annual quality report

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

The Trust followed this guidance in compiling its quality report as part of the 2016/17 annual report and in refreshing its clinical priorities for 2017/18. This process included engagement with internal stakeholders such as the Board of Directors, Quality Committee, Council of Governors and key external stakeholders such as local Healthwatch organisations, local commissioners and overview and scrutiny committees. The breadth of this engagement helped ensure that the content of the quality report was balanced and in alignment with the needs of the Trust's patient population.

The Trust's annual quality report is set out below in Section 3.

Review of effectiveness

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

The role of the Board, the Audit Committee and the Quality Committee in maintaining and reviewing the Trust's systems of internal control is described above. The internal audit programme provides a further mechanism for doing this. In 2016/17, KPMG, the Trust's internal auditors identified high priority (red risk) recommendations made within their audit reports, which alongside medium and low priority recommendations are monitored in an internal audit recommendations tracker which is frequently reviewed by the executive team.

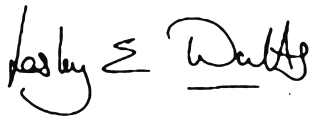
The internal audit high priority recommendations identified were as follows:

- **Cyber security:** The recommendations in relation to cyber security relate to ensuring there are clear patch management processes in place, controlling and reviewing privileged access, joiners, leavers and movers lifecycle management and the management of logging and monitoring control weaknesses within the system.

- **Disaster Recovery:** The two recommendations in relation to disaster recovery relate to having a disaster recovery plan in place and a formal back up schedule for key applications

Conclusion

In conclusion, to the best of my knowledge, no significant internal control issues have been identified within 2016/17.



Lesley Watts
Chief Executive Officer

26 May 2017

SECTION 3

QUALITY REPORT

Part 1: Statement on quality from the Chief Executive

Introduction

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

Welcome by the Chief Executive

I'm pleased to introduce our second Quality Report since the merger of our two hospitals in September 2015. Last year we started developing a truly integrated organisation and there's been a lot of hard work by everyone in the Trust to develop a culture of continuous improvement. All this hard work will help us deliver the very best care and experience for patients. We are already seeing real improvements to the provision of care, the quality of services and staff experience.

Our key achievements since we became one organisation include:

- A significant reduction in hospital acquired pressure ulcers (see priority 1)
- A reduction in the number of unexpected admissions to neonatal unit (see priority 4)
- Developing new clinical services, for instance: Surgical Assessment Units at both hospitals; a state of the art sexual health clinic (10 Hammersmith Broadway); a dedicated gynaecology inpatient ward at Chelsea and Westminster; and a new Cardiac Catheter Lab at the West Middlesex so that patients don't have to travel as far for diagnosis and treatment
- The redevelopment of key hospital areas to provide patients with better care and experience including A&E departments at both hospitals and medical inpatient wards at the West Middlesex
- Being shortlisted by the national Friends and Family Test awards for improvements in food service on a surgical ward. The Friends and Family Test indicates whether patients feel they are getting a high standard of care and have a good experience while in hospital
- Many of our dedicated staff being recognised for their hard work and excellence in regional and national awards
- Being ranked as one of the top 30 employers for working families in the UK by leading work-life balance charity Working Families — the only NHS organisation in this year's top 30 list

But we are not stopping there. Because of the embedded improvement methodology, we will be able to invest in more improvements to patient experience and new models of care listening to our staff and patients. Great progress has been made in developing a single electronic patient record system in partnership with our colleagues at Imperial College

Healthcare. As both organisations will share one digital platform we be able to access patient records seamlessly across both organisations so that doctors and nurses are able to access relevant information about their treatment irrespective of where it was received. This will improve coordination of patient care and make it more efficient.

In 2017/18 we will also make significant and essential investments in services for some of our most critically ill patients. Working with our charity CW+ we will expand and redevelop our adult and neonatal intensive care facilities at Chelsea and Westminster—allowing us to care for 650 more critically ill adults and children a year, and we will redevelop facilities for children's services at West Middlesex. We will be fundraising to support these vital developments during the course of 2017; if you would like to support these improvements please visit www.cwplus.org.uk. In addition to this CW+ are supporting the Trust to lead a pilot project to use a new web based tool to compile quality information during the ward accreditation process.

Working with the Friends Charity we have refurbished 5 Butterfly Rooms to support dying patients and their families and 3 more will be refurbished in 2017/18.

I would like to take this opportunity to thank all of our 6,000 staff who have shown they are proud to care for their patients and colleagues. I know that they will continue to go 'above and beyond' for the patients and communities we serve and I look forward to being able to showcase more excellent practice over the coming year.

Core services

Our core services include:

- Full emergency department (A&E) services for medical emergencies, major and minor accidents and trauma on both sites. The departments are supported by separate on site Urgent Care Centres (UCC) and have a comprehensive Ambulatory Emergency Care services.

- Emergency assessment and treatment services including critical care and a Surgical Assessment Unit at the West Middlesex Hospital. The Trust is a designated trauma unit and stroke unit.

- Acute and elective surgery and medical treatments such as day and inpatient surgery and endoscopy, outpatients, services for older people, acute stroke care and cancer services.

- Comprehensive maternity services including consultant led care, midwifery led natural birth centre, community midwifery support, antenatal care, postnatal care and home births. There is also a neonatal specialist intensive care unit (Chelsea and Westminster Hospital), special care baby unit (West Middlesex Hospital) and specialist fetal medicine service. We also have a private maternity service.

- Children's services including emergency assessment, 24/7 Paediatric Assessment Unit, inpatient and outpatient care.

- HIV and Sexual Health Services.

- Diagnostic services including pathology and imaging services. In 2016/17 a cardiac catheterisation laboratory was opened on the West Middlesex site.
- A wide range of therapy services including physiotherapy and occupational therapy.
- Education, training and research.
- Corporate and support services.

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

Key facts and figures for the past three years

	2016/17	2015/16	2014/15
Outpatient attendances	767,330	743,230	729,185
Total A&E attendances	282,157	187,538	175,651
Total urgent care centre attendances[23]	87,683	83,716	82,798
Inpatient admissions	136,837	135,116	117,846
Babies delivered	10,682	10,504	9,744
Patients operated on in our theatres	33,683	33,517	34,053
X-rays, scans and procedures carried out by clinical imaging	391,609	348,476	175,917[24]
Number of staff including our partners (C&W + ISS and Norrland)	5,981 + 369	5,745 + 729	5,323 + 708

Our vision and values

Chelsea and Westminster Foundation Trust's vision and ambition is to deliver excellent care and outcomes for our patients. We are already among the highest performing Trusts in the NHS and we will seek to build on this.

The Board have set the Strategic Priorities for 2017/18 to:

- Deliver high quality patient centred care
- Be the employer of choice
- Deliver better care at lower cost
- Improve communication within and outside our organisation
- Deliver our key strategic programmes

Our PROUD Values were launched in December 2016, and they underpin the new performance and development review system and the quality board work on wards and departments. They are a bringing together of the two sets of values from Chelsea and

[23] 'Total urgent care centre attendances' relate to Type 3 attendances at the West Middlesex site. These numbers are also included in the Total A&E attendances figures.
[24] Chelsea and Westminster Hospital only—pre-acquisition data for West Middlesex University Hospital is unavailable.

Westminster and West Middlesex prior to the merger. They were developed in consultation and engagement with staff, governors, directors and non-executive directors.

- **P**utting patients first
- **R**esponsive to, and supportive of, patients and staff
- **O**pen, welcoming and honest
- **U**nfailingly kind, treating everyone with respect, compassion and dignity
- **D**etermined to develop our skills and continuously improve the quality of our care

Quality strategy and plan 2015–18

The Quality Strategy and Plan (QSP) launched in 2015/16 set out a three-year journey for how we will work to continuously improve the quality of the services provided by Chelsea and Westminster Hospital NHS Foundation Trust. This strategy and plan was rolled out over both hospitals during 2016/17.

The QSP was developed against a backdrop of the local and national context including the recommendations of the Care Quality Commission review of both hospitals in 2015.

We have considered quality based on the four components:

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

Under these components, we have set ambitions and supporting priorities as well as governance structures to manage each agenda these all feed into an overarching Quality Committee.

We will continue to deliver our ambitions for quality through the tranches of focused projects focusing on priority areas that have been identified through engagement to date on the development of the QSP. The projects will continue to focus on Frailty, Admitted Surgical Care, Sepsis and Maternity. The quality priorities that were identified for Chelsea and Westminster for 2016/17 link to these overarching plans and will continue to do so in 2017/18.

Declaration

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

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance, or included in internal audit's programme of work each year.

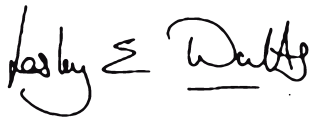
- Data is collected by a large number of teams across the Trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted.

- In many cases, data reported reflects clinical judgement about individual cases, where another clinician might have reasonably have classified a case differently.

- National data definitions do not necessarily cover all circumstances, and local interpretations may differ.

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

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



Lesley Watts
Chief Executive Officer

26 May 2017

Part 2: Our priorities

Priorities for improvement 2016/17

This section of the report reviews how we performed in 2016/17 in relation to the priorities set in our Quality Report 2015/16. Each of the priorities will have an outline of what we set out achieve, what we did during the year to improve our patient care, the results we achieved and what we will do going forward in 2017/18.

Chelsea and Westminster Hospital NHS Foundation Trust set the following priorities for 2016/17:

Patient safety

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

Clinical effectiveness

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

Patient experience

- Priority 5: Friends and Family Test—inpatient responses

These priorities were rolled over from 2015/16.

How we did in 2016/17

Patient safety

Priority 1: Reduction of hospital acquired pressure ulcers

What we set out to achieve during 2016/17
The plan for 2016/17 was to continue to report on the prevalence of hospital acquired pressure ulcers across the Trust. A 15% reduction for grade 3 and 4 hospital acquired pressure ulcers was agreed as the target.

What we did during the year to improve patient care
The pressure ulcer group continued through 2016/17 with the aim of overseeing on going improvements in the prevention and management of hospital acquired pressure damage.

The tissue viability team have led a number of key projects and service improvements to support the overall pressure ulcer strategy. These have included significant multi-professional training & education and education packages called ‘Stop the Pressure’, ‘Under Pressure’ and ‘Lift off’. In addition the team has focused on enhancing their clinical visibility and promoting an ‘at the bedside’ approach with a strong inspirational leadership ethos.

A systematic approach to root cause analysis was introduced across both hospital sites. This has resulted in a clearer understanding of the causal factors, senior oversight of the incidents and the introduction of a number of focused pieces of work developed from shared learning.

Using the learning from the root cause analysis the strategy with the clinical teams has been simplified into 3 key messages:

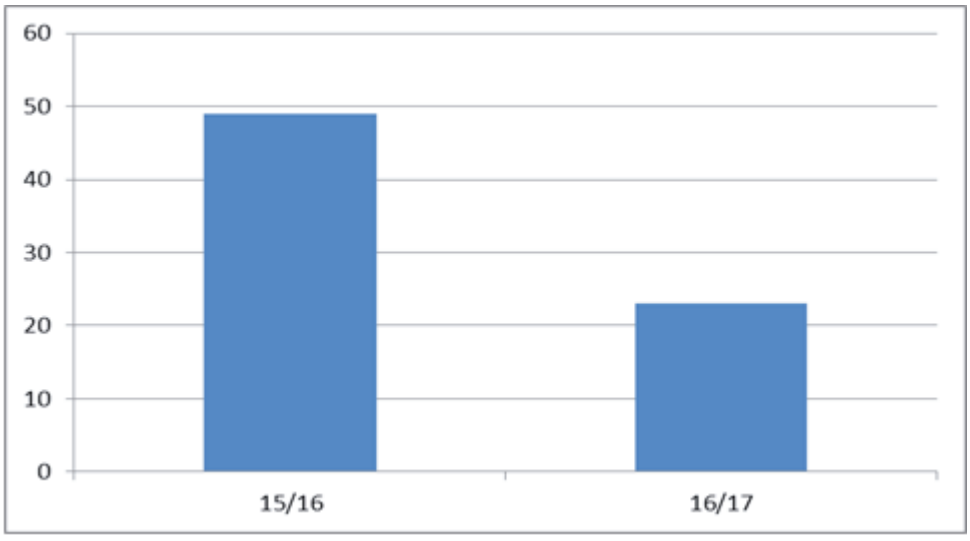
- Systematic and systemic assessment of all pressure areas on admission or when the patient's condition changes. Understand the additional impact of comorbidities particularly, liver / alcohol related conditions, peripheral vascular disease and hypoxic effects on skin breakdown.

- Take early prevention strategies with 2–4 hourly repositioning and utilise pressure-relieving equipment including specialist beds and off-loading boots. Take an 'every contact counts' approach to involve all clinical teams, not just nursing. This maximises assessment and visibility of patients at risk.

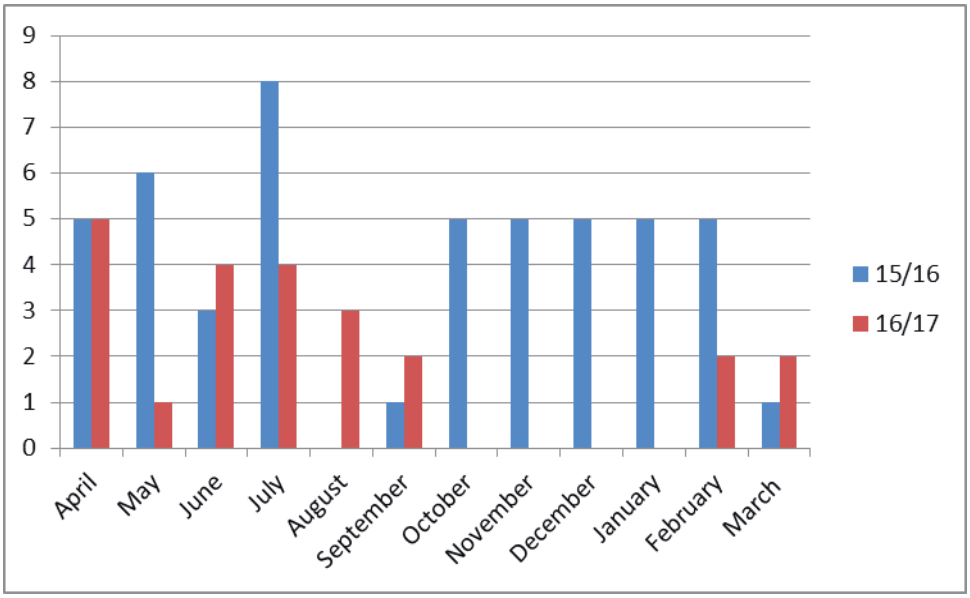
- Escalate noncompliance or vulnerable and high risk patients to the senior nurse and TVN for specialist advice and intervention.

What was achieved
The target reduction set for 2016/17 was to reduce grade 3 and 4 hospital acquired pressure ulcers by 15%. Graphs 1 and 2 demonstrate that this has been substantially exceeded. The year-end position for 2016/17 is a significant **reduction of 53%.**

Graph 1: Total Pressure Ulcers reported as serious incidents 2015/16 v 2016/17



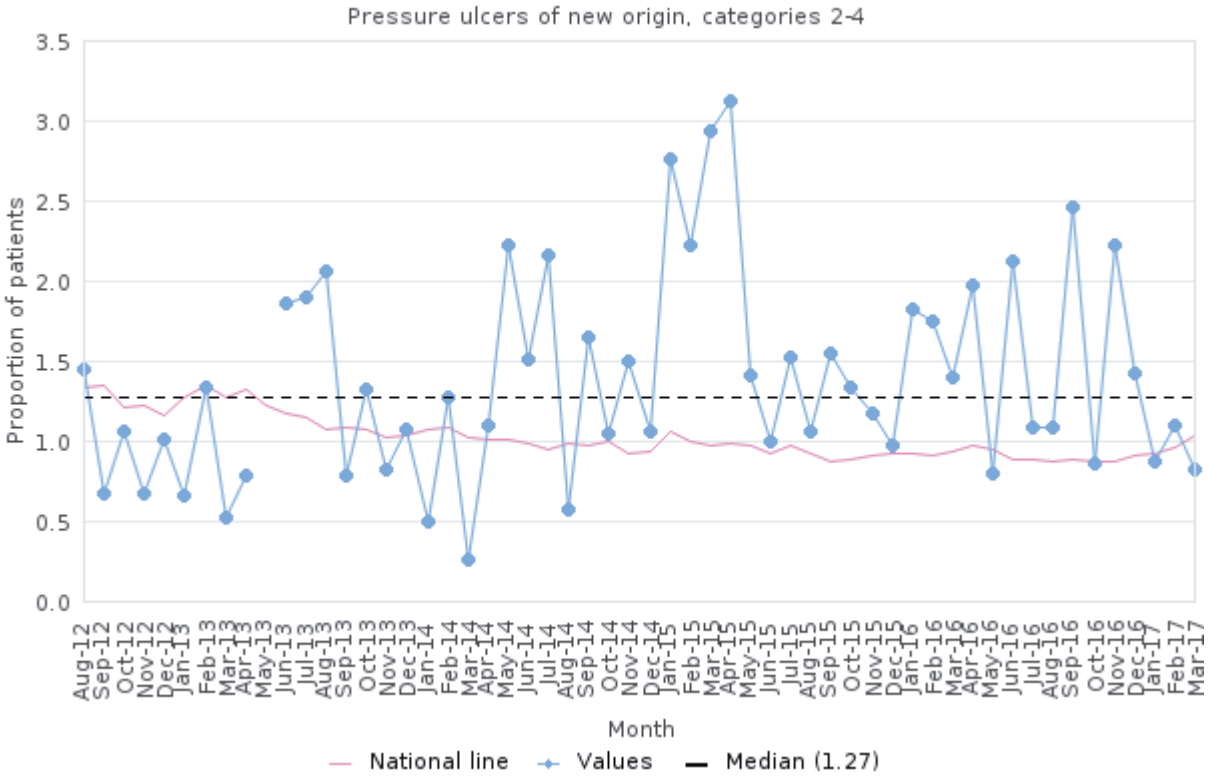
Graph 2: Pressure ulcers reported as serious incidents by month 2015/16 v 2016/17



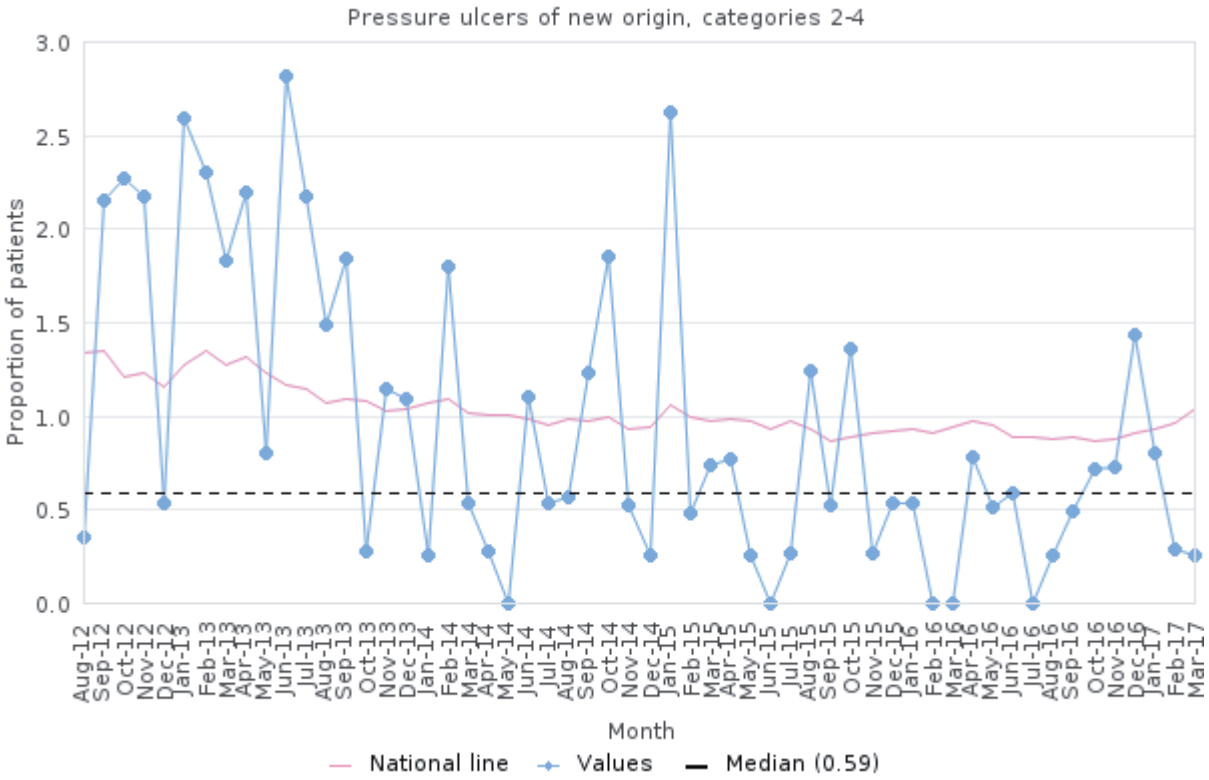
We have successfully achieved the reporting of all grades of pressure ulcers by using our internal electronic incident reporting tool, Datix which provides a live dashboard approach to reporting data and provides the senior leadership team with real time information.

In addition to this there is a monthly point prevalence audit using the national 'Safety Thermometer Tool' that measure harm. Using the safety thermometer data the graphs below show the national position for hospital acquired pressure ulcers is just below 1% of patients have a hospital acquired pressure ulcer. Chelsea and Westminster Hospital site has a median of 1.27%; this is an improvement from last year where the median was 1.33%. The West Middlesex site has a median of 0.59% which is below the national median of 0.99%. The actual numbers of pressure ulcers (Grade 2, 3 and 4) are reported on the Trust's incident reporting system and are displayed in the section of the report reviewing local quality performance indicators in Part 3 of this report.

Graph 3: Safety Thermometer Prevalence Data Sep 2012–Mar 2017 (C&W)



Graph 4: Safety Thermometer Prevalence Data Sep 2012–Mar 2017 (WM)



What we going to do going forward
Although pressure ulcers are not a designated quality priority for 2017/18, the improvement work will continue and all grades 2, 3 & 4 will be monitored via the incident reporting system with performance monitored by the executive team. All actions implemented this year will continue with progress being monitored via the Pressure Ulcer Group to the Patient Safety Group. We will continue to report progress in next year's Quality Report as a local quality indicator.

In addition to this we will continue to record pressure ulcers using the 'National Patient Safety Thermometer'. The safety thermometer data collection provides a 'temperature check' on harm. It provides a benchmark for hospital acquired grade 2, 3 and 4 pressure ulcers.

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

What we set out to achieve during 2016/17
To fully embed use of the WHO checklist across the organisation, reflecting feedback from the CQC's review of the services we provide and building on existing progress.

What we did during the year to improve patient care
- The WHO checklist was not completely aligned on both sites due to the different theatre processes. A standardise approach was agreed by the Service Director for Surgery, the 3 core steps on the checklist—'the sign in' the 'time out 'and the 'sign out' are present on both checklists so the headline criteria of the WHO are met.

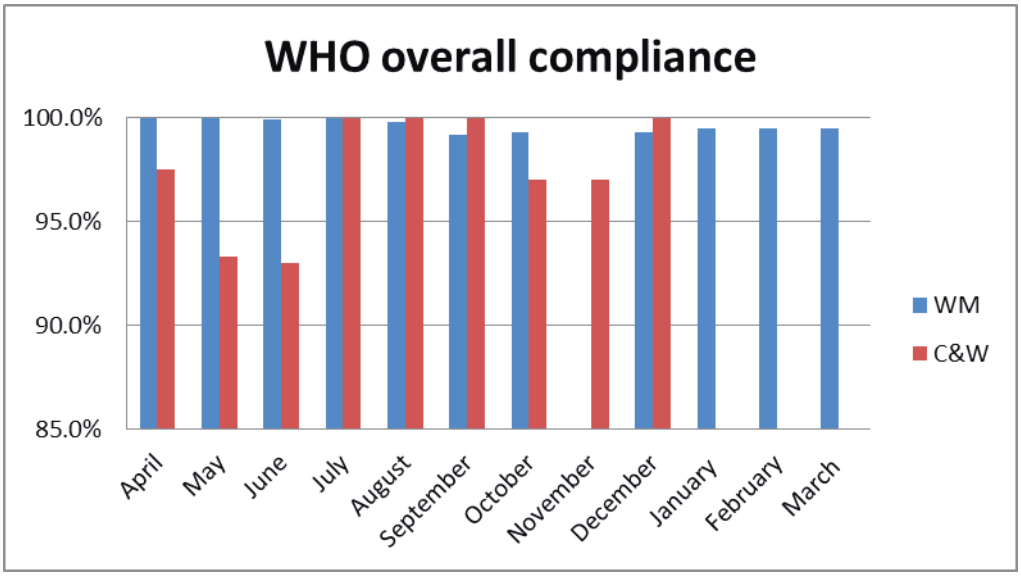
- A new audit methodology has been developed and agreed through the Patient Safety Group.

- The two sites now use the same audit tool on Survey Monkey (started on the 6th February 2017) using a rolling speciality 6 week audit timetable. Graphs 5 and 6 indicates performance since the implementation of the new audit tool.

- The compliance with the team brief process at the start of each theatre list is also audited using the new audit tool.

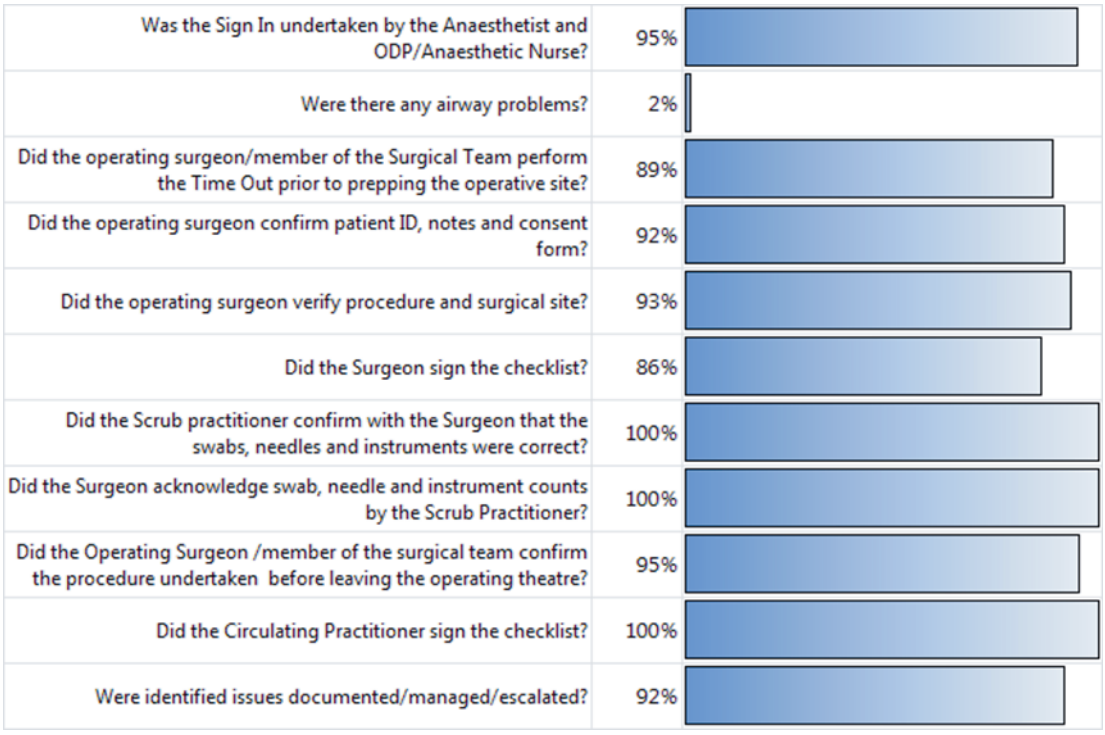
What was achieved
Graph 5 below demonstrates that the overall WHO compliance ranges from between 92% and 100%. The November data for WMUH is unfortunately unavailable, as is the data for January to March for C&W. Data collection was affected by a change in the auditing process, and a move from paper-based to electronic data capture.

Graph 5: WHO overall compliance



In January 2017 the audit methodology changed; graph 6 shows a snap shot of the cross-site WHO audit report for the four week period 13 February 2017 to 10 March 2017 (n=79). This methodology will allow consistent reporting during 2017/18.

Graph 6: Compliance table for main questions with percentages and data bars



What we are going to do going forward

The WHO check list remains a priority for 2017/18. Further information is provided in the next section on quality priorities 2017/18.

Priority 3: Early identification of the deteriorating patient

What we set out to achieve during 2016/17
To rapidly identify potentially unwell and/or septic patients and institute prompt treatment, in order to reduce mortality and morbidity.

What we did during the year to improve patient care

The sepsis management guidance was agreed:
- The steering group looked at the current best evidence and the decision was made to follow the NICE guidelines (NG51, Sepsis: recognition, diagnosis and early management). The guideline helps us to identify early moderate and low risk sepsis, especially helpful in the hospitalised patient cohort.

Protocols were updated:
- Adult Emergency Department: C&W site has introduced use of stickers for screening and has updated the protocol; WMUH site has continued the established screening programme.

- Adult Inpatient: Screening & Management protocol has been agreed, screening at C&W site will be facilitated by the use of Think Vitals software (Think Vitals is a tool used to records patient observations), WMUH site will be a paper based collection.

- Paediatric ED & Inpatient: Screening & Management Protocol has been completed

Training and engagement:
- Training is crucial to the delivery of 2017/18 quality priorities so during 2016/17 the following was achieved:

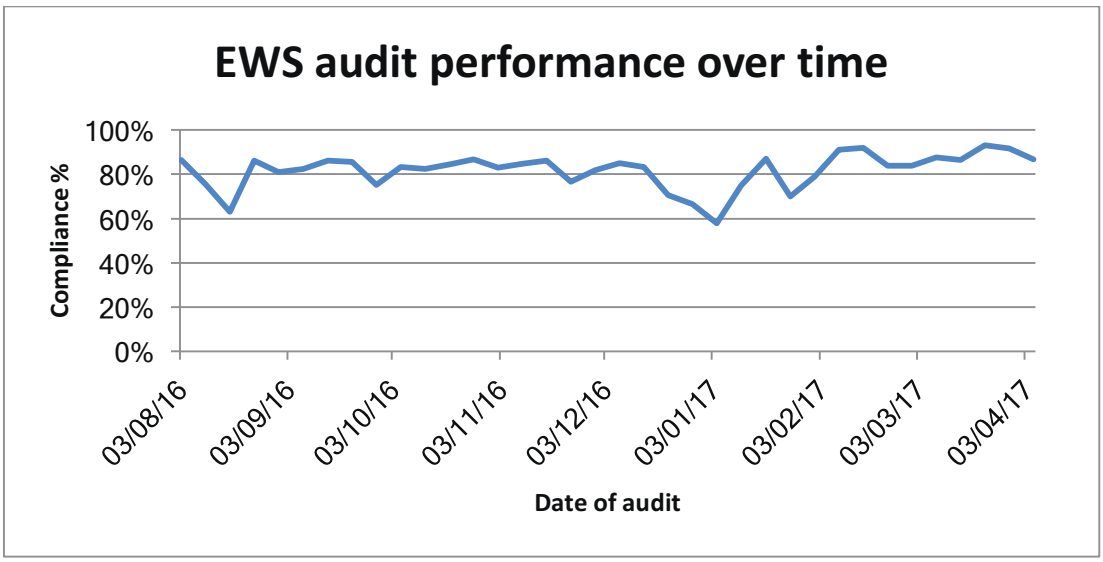
    - A training plan has been drafted with the Learning & Development team and will deliver teaching on IV cannulation & taking blood cultures to nurses.
    - ED professional development nurse, Band 7 nurse & medical education fellow will help deliver this training.

Engagement of staff has been instrumental through 2016/17:
- Departmental level training in ED for medical and nursing staff.
- Grand Round Presentation at C&W site on sepsis and inpatient screening and management tool.
- Meeting with medical consultants at the WMUH site at the medical directorate meeting and explained the protocols.

In addition:
- First line antibiotic agreed for adults and paediatrics.
- Think Vitals implemented on all adult inpatient wards at C&W site, there is an alternative solution in place on the WMUH site.
- Audit of early warning score compliance was introduced. Graph 8 shows compliance with the early warning score audit across both sites since August 2016 when the audit was introduced.

What results we achieved
Graph 7 below shows the compliance with the early warning score audit across the two sites.

Graph 7: Compliance with the Early Warning Score Audit



What we plan to do going forward
Sepsis remains a priority for 2017/18. Further information is provided in the next section on quality priorities 2017/18.

Clinical effectiveness

Priority 4: Reduce avoidable admissions of term babies to the Neonatal Intensive Care Unit

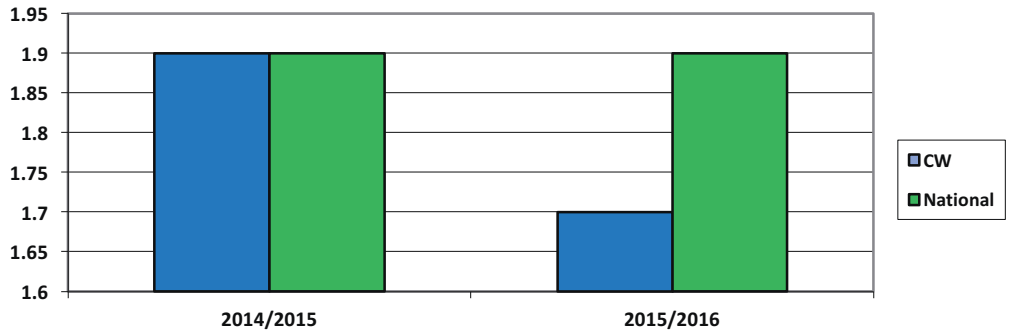
What we set out to achieve during 2016/17
To deliver a 20% reduction in the number of term babies admitted unexpectedly to the neonatal intensive care unit (NICU).

What we did during the year to improve patient care
- Agreed to use the Growth Assessment Protocol (GAP) to identify at risk babies.
- Implemented a training package for fetal heart rate monitoring in labour, in coherence with NICE guidelines and the International Federation of Gynaecology and Obstetrics (FiGO) classification system.
- Survey Monkey audit tool to assess staff knowledge gaps relating to hypoglycaemia and hypothermia, with the aim to complete a random audit of practice on 2 days a week for 1 month to assess current practice.

What results we achieved
The data from the national neonatal research database demonstrates that in 2014/2015 C&W had an unexpected admission to the neonatal unit rate the same as the national average. The rates in 2015/16 have reduced to a rate of 1.7 admissions per 10000 births compared to the national average of 1.9 admissions per 1000 births (see Graph 8). The

reduction in this rate has resulted in the NHSLA making a 1% reduction which totals a £70k reduction in the insurance premium for maternity. This demonstrates an overall reduction of 10% of term babies unexpectedly admitted to the Neonatal unit.

Graph 8: Unexpected admission to the neonatal unit (C&W v National)



What we are going to do moving forward

- Create a skills development programme around hypothermia and hypoglycaemia.
- Monthly audit of compliance to measure if babies receive antibiotics in a timely manner.
- Implement the GROW package at the WMUH site.

Patient experience

Priority 5: Friends and Family Test—inpatient responses

What we set out to achieve during 2016/17

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

What did we do during the year to improve patient care

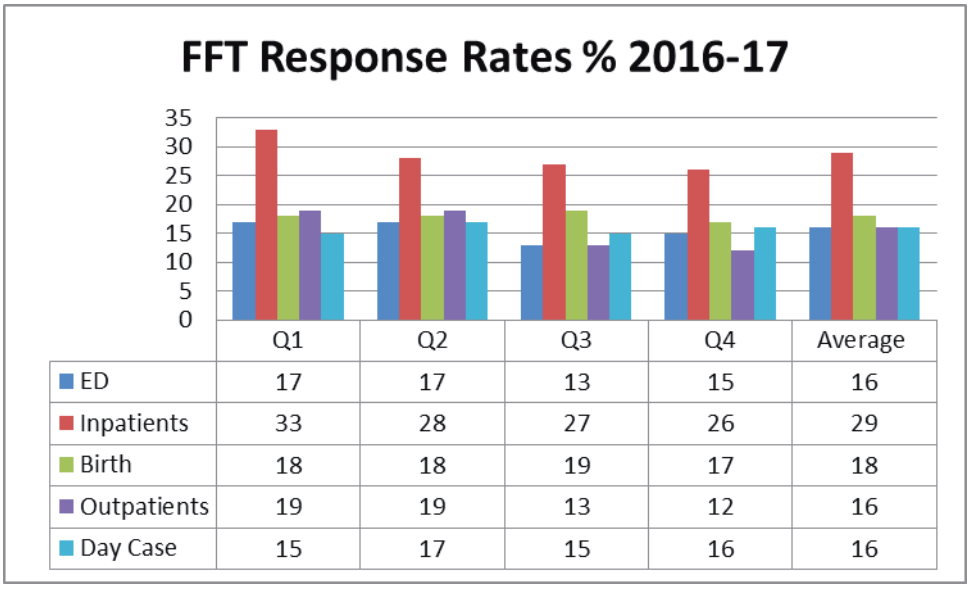
Engagement was strengthened with the Divisions, through both the monthly Patient Experience Group meetings, and the monthly divisional quality meetings. FFT data is combined within the Quality Report and shared with all key staff outside of the meetings, with key best practice, concerns or trends highlighted with the local senior nurse. Feedback from staff has informed a new FFT strategy for 2017/18 which will further strengthen and promote FFT.

The results we achieved

The Trust target of 90% recommendation rate was achieved within the Maternity services and Day Case. The recommendation rate for inpatient wards vary with some high achieving areas achieving 90–100% but with a collective rate of just under the 90% target. This is due to specific wards which have complex challenges such as elderly care wards where patients are asked to respond to the survey by text.

The Trust did not achieve the targets of >30% overall Response Rate (see Graph 9). Our reflection on this is that the single method of collection (via text message) is not fit for purpose given our different patient demographics and spread of age, first language and user convenience. We are implementing other collect methods such as iPad, ward/dept based kiosks, direct support for inpatients as well as the text collection system to give best assurance to the target being met for 2017/18.

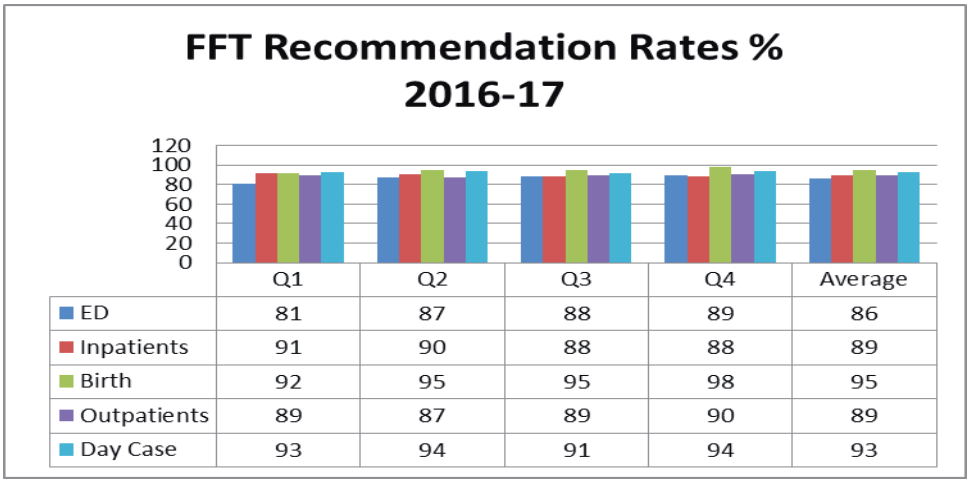
Graph 9: FFT response rates Q1–Q3 2016/17



	Q1	Q2	Q3	Q4	Average
ED	17	17	13	15	16
Inpatients	33	28	27	26	29
Birth	18	18	19	17	18
Outpatients	19	19	13	12	16
Day Case	15	17	15	16	16

Graph 10 demonstrates that Maternity and Day Case reaches well above the target of 90% of patients who recommend the service. The ED department decreased in recommendation scores in the midst of building renovations for both sites. However, the preliminary data for Q4 does show ED reaches over 90% at the Chelsea site which may coincide with the complete of the build work and a calmer environment. These results should also be reflected at the West Mid site once the estates work is completed in May 2017.

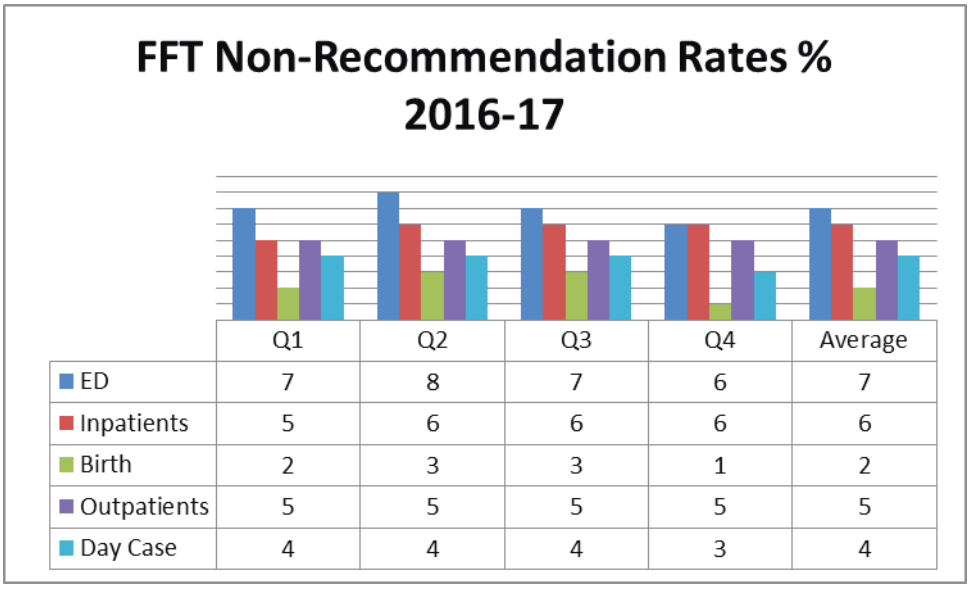
Graph 10: FFT recommendation rates



	Q1	Q2	Q3	Q4	Average
ED	81	87	88	89	86
Inpatients	91	90	88	88	89
Birth	92	95	95	98	95
Outpatients	89	87	89	90	89
Day Case	93	94	91	94	93

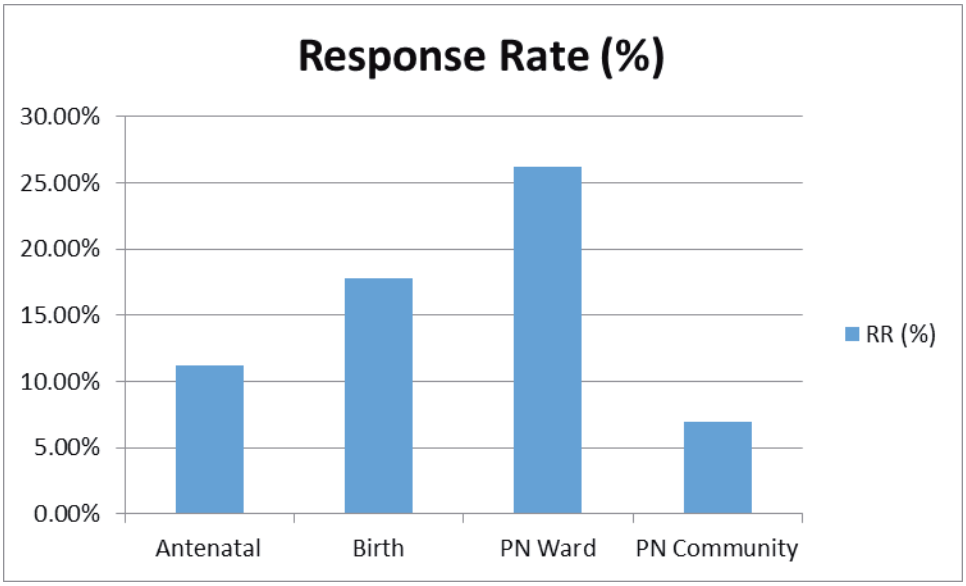
Graph 11 shows that all areas reach the target of <10% non-recommendation rate, which is reassuring.

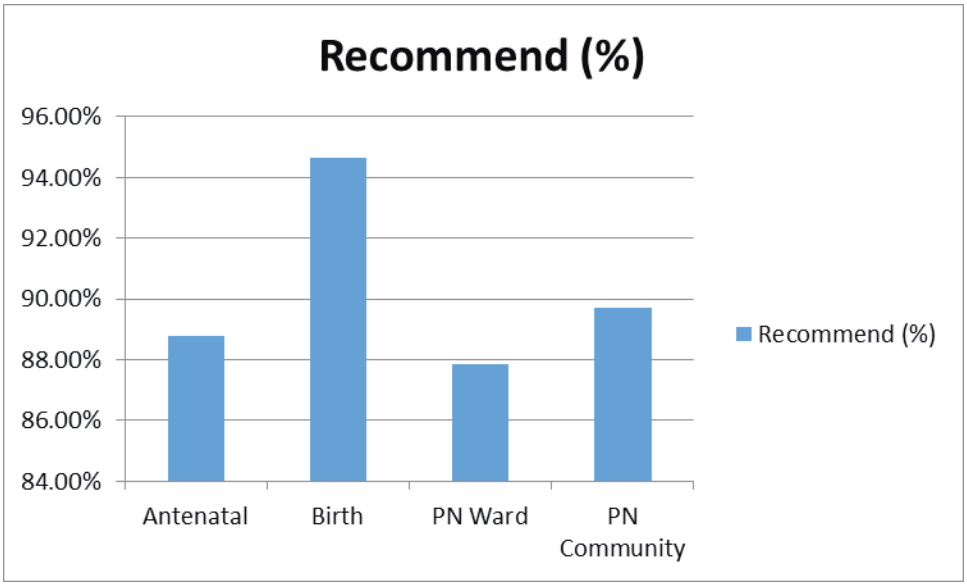
Graph 11: FFT non-recommendation rates 2016/17

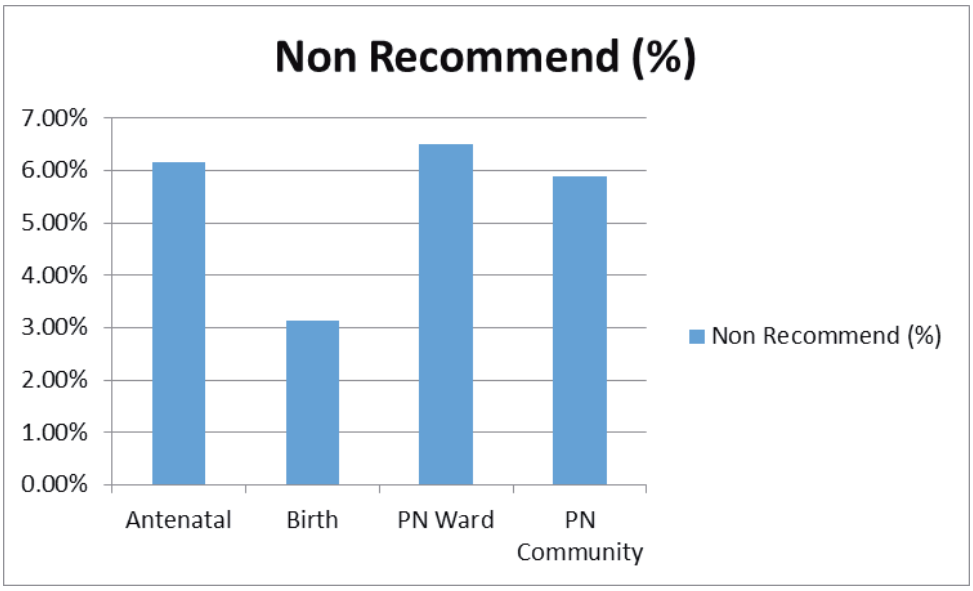


	Q1	Q2	Q3	Q4	Average
ED	7	8	7	6	7
Inpatients	5	6	6	6	6
Birth	2	3	3	1	2
Outpatients	5	5	5	5	5
Day Case	4	4	4	3	4

The FFT for maternity services is aligned to touch points: prenatal, birth and postnatal. The following three graphs show the position for the year across each touch point. The low response rate demonstrates the challenges that exist in gaining feedback from women who are postnatal in a community setting. However the recommendation rates are above 88% for all four areas.







What are we going to do going forward?
FFT remains a priority for 2017/18. Further information is provided in the next section on quality priorities 2017/18.

Priorities for improvement 2017/18
This section of the report sets out the Trust's quality improvement priorities for 2017/18. The plan for 2017/18 is to continue to link the quality priorities to the Quality Strategy and Plan 2015/18 and in each case, as we did last year; we have aligned the priority to one of the three quality domains (patient safety, clinical effectiveness and patient experience). However, we recognise that in reality each priority is likely to impact on multiple domains—in particular patient experience which we are focusing on as an overarching objective of our Quality Strategy.

In 2017/18 priorities were, as in previous years, identified through engagement across a number of areas which have endorsed the chosen priorities:

- Engagement and feedback from our Council of Governors' Quality Sub Committee that includes external stakeholders (for example, commissioners and Healthwatch)

- Engagement and feedback from our Board's Quality Committee
- The development of the Quality Strategy and Plan for 2015 to 2018
- Incident reporting and feedback from complaints

Our ambition for 2017/18 is to continue a supportive process with all these projects aimed at ensuring teams continue to develop transferrable and sustainable knowledge and skills in order to carry on the journeys of improvement within the organisation and across wider healthcare. These are critical skills for the future and for working with patients and colleagues across the sectors.

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

- Patient safety—how safe the care provided is
- Clinical effectiveness—how well the care provided works
- Patient experience—how patients experience the care they receive
- Patient access and operational performance—how easily patients can access services, and how long they wait

We have set the following priorities for 2017/18 which have been agreed with the Council of Governors. Details of each of these priorities, including the actions planned and how we will monitor our progress throughout the year, are presented below. A quarterly report will be provided to the relevant subgroup i.e. Clinical Effectiveness Group, Patient Safety Group or Patient Experience Group, and subsequently to the Quality Committee.

The quality priorities for 2017/18 are outlined below:

Patient Safety

Priority 1: Reduction in falls (Frailty)

What we aim to achieve during 2017/18
To see a reduction in all falls, reduction in falls with moderate and severe harm, reduction in externally reported falls—targets for 2017/18:

- 25% reduction in externally reportable fall incidents (Apr 2016 to date =4)
- 40% reduction in falls resulting in moderate harm (Apr 2016 to date =11)
- 20% reduction in falls resulting in no or low harm (Apr 2016 to date =881)

What we will do during the year to improve patient care
- Every patient to have a falls assessment and action plan on admission
- Staff to attend prevention training
- Correct staffing levels, recruitment and retention
- Falls prevention group to continue
- All falls with moderate or severe harm to be reviewed by the Falls Standing Panel using root cause analysis methodology
- Investment in equipment/hoist for post falls management
- Policies will be aligned across both sites

How will we measure our success
- Falls dashboard will be reviewed monthly by the falls group
- Falls prevention to be reported to divisional quality meetings

- Analysis of themes will take place quarterly using the DATIX incident reporting system
- A quarterly report on progress will be provided to the patient safety group

Priority 2: Antibiotic administration in Sepsis (Sepsis)

What we have out to achieve during 2017/18
All recognised sepsis patients to have antibiotics administered within an hour of prescribing.

What we will do during the year to improve patient care
Senior nurses and midwives in all clinical areas to receive training by end of May 2017 on:

- Sepsis recognition
- Taking blood cultures
- Administering antibiotics from the PGD
- Antibiotics to be administered to septic patients within one hour of sepsis diagnosis in accident & emergency (Target >90% by year-end)
- Antibiotics to be administered to septic patients within one hour of sepsis diagnosis for inpatient wards (Baseline data for 2015/16 = 35%; Target >60% by year-end)
- All antibiotics started for suspected sepsis should have a documented review within the medical notes by an appropriate staff member within 24–72 hours detailing initial response to therapy and future plan of therapy (Target >90% by year-end)

How will we measure our success?
- Retrospective audit of medical notes
- Feedback of performance monthly by sepsis team
- 100% of senior nurses and midwives in all clinical areas will be competent in taking blood cultures
- A quarterly report on progress will be provided to the clinical effectiveness group

Priority 3: National Early Warning Score (Sepsis)

What we set out to achieve during 2017/18
All inpatients will have clinical observations taken, recorded and scored as per clinical policy and charted on an early warning score (EWS) chart.

What we will do during the year to improve patient care
- All staff will be trained on EWS clinical observations, recording and escalation on induction
- Observation charts will be standardised across the two sites and in all clinical areas
- Completing actions and audit cycles from the monthly EWS audits

How we will measure our success
- 95% of all patients will have observations taken as per clinical guideline and recorded on the EWS chart; audit will be undertaken monthly in each clinical area
- A quarterly report on progress will be provided to the clinical effectiveness group

Priority 4: National Safety Standards for Invasive Procedures (NatSSIPs) (Admitted Surgical Care)

What have we set out to achieve during 2017/18?
WHO safety check list to be completed on all patients having surgery, to prevent never events of retained swabs.

What will we do during the year to improve patient care?
- All theatre staff to undertake human factors simulation training on theatre safety
- Continuous learning from monthly WHO checklist audit cycles
- Specialty specific WHO checklists / Local Safety Standards for Invasive Procedures (LocSipps) to be developed for all invasive procedures

How will we measure our success?
- 100% compliance in WHO checklist clinical audits
- Human factor training compliance
- Improve audit results across both sites reporting through all 3 divisional governance boards.
- Decrease in Datix incidents relating to safer surgery incidents.
- Achieve local reporting of audits in all specialties and departments including those outside theatre settings.
- A quarterly report on progress will be provided to the patient safety group

Clinical Effectiveness

Priority 5: Reduction in still births (Maternity)

What we set out to achieve during 2017/18
Achieve a still birth rate which is lower than the national average

What will we do during the year to improve patient care
- Implementation of the Growth Assessment Protocol (GAP) to identify at risk babies on both sites
- Named midwife for all women
- Implementation of K2 intrapartum central Cardio Toco Graph (CTG) central display on both sites
- Standardised CTG assessment for all staff annually

How will we measure our success
- Named midwife compliance reported on the maternity dashboard monthly compliance >90%
- Training data on CTG assessment—compliance >90%
- Implementation of the ‘every baby counts’ tool kit
- Direct comparison to the National stillbirth rates
- A quarterly report on progress will be provided to the clinical effectiveness group

Patient Experience

Priority 6: Focus on complaints and demonstrate learning from complaints

What have we set out to achieve during 2017/18?
Achieve a 1% reduction in informal complaints with 90% of all complaints responded in compliance with the Trust policy and all complainants receiving acknowledgement of a complaint within 48 hours. Actions and learning from complaints to be inputted onto Datix following the risk process.

What will we do during the year to improve patient care
- Central complaints team phoning and sending acknowledgement letters within 48 hours
- Weekly complaints meeting with divisions to track compliant progress on Datix
- Monitoring of a complaints dashboard in the patient experience committee
- Effective management of the complaint process
- Review and implement a new complaints policy in line with national recommendation
- The key themes from complaints will be cascaded in the Big 4 safety message to enhance learning from complaints

How will we measure our success?
- Number and % of complaints
- Compliance data on response to complaint
- Compliance data on acknowledgement of complaints
- A quarterly report on progress will be provided to the patient experience group

Priority 7: FFT improvements in recommend scores

What we aim to achieve during 2017/18?
All clinical areas to have a recommend score of over 90%

What will we do during the year to improve patient care?
- Individual ward accountability for improvement action plans
- Evidence clinical areas reviewing trends in complaints and addressing these actions
- Improved communication to patients
- New method for data collection to include tablets in all ward areas in addition to the existing methodologies of texting and paper based collections.
- 'You said we did' visible on all wards
- Electronic devises to collect FFT data to be implemented in all clinical areas

How will we measure our success?
- FFT scores visible on ward quality boards
- A quarterly report on progress will be provided to the patient experience group

Review of services

During 2016/17 the Chelsea and Westminster Hospital NHS Foundation Trust provided and or sub-contracted 87 relevant health services. The Chelsea and Westminster Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services. The income generated by the relevant health services reviewed in 2016/17 represents 100% of the total income generated from the provision of

relevant health services by the Chelsea and Westminster Hospital NHS Foundation Trust for 2016/17.

Participation in clinical audit

During 2016/17, 30 national clinical audits and 10 national confidential enquiries covered relevant health services that the Chelsea and Westminster Hospital NHS Foundation Trust provide. During that period Chelsea and Westminster Hospital NHS Foundation Trust participated in 93% of national clinical audits and 100% of national confidential enquiries that it was eligible to participate in.

The national clinical audits and national confidential enquiries that Chelsea and Westminster Hospital NHS Foundation Trust was eligible and participated in, and for which data collection was completed during 2016/17, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 1: National Clinical Audit Project Participation

National Clinical Audit Title	Trust eligible	Trust participated	% Submitted
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	Yes	Ongoing
Adult Asthma	Yes	Yes	100
Adult Cardiac Surgery	No	Not eligible	.
Asthma (paediatric and adult) care in emergency departments	Yes	Yes	100
Bowel Cancer (NBOCAP)	Yes	Yes	Ongoing
Cardiac Rhythm Management (CRM)	Yes	Yes	Ongoing
Case Mix Programme (CMP)	Yes	Yes	100
Chronic Kidney Disease in primary care	No	Not eligible	.
Congenital Heart Disease (CHD)	No	Not eligible	.
Consultant Sign-off (Emergency Departments)	Yes	Yes	100
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	No	Not eligible	.
Diabetes (Paediatric) (NPDA)	Yes	Yes	100
Elective Surgery (National PROMs Programme)	Yes	Yes	100
Endocrine and Thyroid National Audit	No	Not eligible	.
Falls and Fragility Fractures Audit programme (FFFAP)	Yes	Yes	Ongoing
Head and Neck Cancer Audit	Yes	Yes	Ongoing
Inflammatory Bowel Disease (IBD) programme	Yes	Yes	50
Learning Disability Mortality Review Programme (LeDeR)	No	Not eligible	.
Major Trauma Audit	Yes	Yes	Ongoing
National Audit of Dementia	Yes	Yes	100
National Audit of Pulmonary Hypertension	No	Not eligible	.
National Cardiac Arrest Audit (NCAA)	Yes	Yes	Ongoing
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	Yes	Yes	Ongoing
National Comparative Audit of Blood Transfusion programme	Yes	Yes	100
National Diabetes Audit—Adults	Yes	Yes	Ongoing
National Emergency Laparotomy Audit (NELA)	Yes	Yes	100
National Heart Failure Audit	Yes	Yes	Ongoing
National Joint Registry (NJR)	Yes	No	–
National Lung Cancer Audit (NLCA)	Yes	Yes	100

National Clinical Audit Title	Trust eligible	Trust participated	% Submitted
National Neonatal Audit Programme—Neonatal Intensive and Special Care (NNAP)	Yes	Yes	100
National Ophthalmology Audit	Yes	No	–
National Prostate Cancer Audit	Yes	Yes	Ongoing
National Vascular Registry	No	Not eligible	.
Nephrectomy audit	No	Not eligible	.
Neurosurgical National Audit Programme	No	Not eligible	.
Oesophago-gastric Cancer (NAOGC)	Yes	Yes	Ongoing
Paediatric Intensive Care (PICANet)	No	Not eligible	.
Paediatric Pneumonia	Yes	Yes	Ongoing
Percutaneous Nephrolithotomy (PCNL)	No	Not eligible	.
Prescribing Observatory for Mental Health (POMH-UK)	No	Not eligible	.
Radical Prostatectomy Audit	No	Not eligible	.
Renal Replacement Therapy (Renal Registry)	No	Not eligible	.
Rheumatoid and Early Inflammatory Arthritis	Yes	Yes	Ongoing
Sentinel Stroke National Audit programme (SSNAP)	Yes	Yes	Ongoing
Severe Sepsis and Septic Shock—care in emergency departments	Yes	Yes	100
Specialist rehabilitation for patients with complex needs following major surgery	No	Not eligible	.
Stress Urinary Incontinence Audit	No	Not eligible	.
UK Cystic Fibrosis Registry	No	Not eligible	.

Table 2: Confidential Enquiries Project Participation

Confidential Enquiry Project Title	Trust eligible	Trust participated	Trust submission
Young People's Mental Health	Yes	Yes	Ongoing
Acute Pancreatitis	Yes	Yes	–
Cancer in Children, Teens and Young Adults	Yes	Yes	Ongoing
Chronic Neurodisability	Yes	Yes	Ongoing
Acute Heart Failure	Yes	Yes	Ongoing
Non-invasive ventilation	Yes	Yes	Ongoing
Perioperative diabetes	Yes	Yes	Ongoing
Physical and mental health care of mental health patients in acute hospitals	Yes	Yes	Ongoing
Suicide by children and young people in England(CYP)	No	Not eligible	–
Suicide, Homicide & Sudden Unexplained Death	No	Not eligible	–
The management and risk of patients with personality disorder prior to suicide and homicide	No	Not eligible	–
Maternal morbidity and mortality confidential enquiries (cardiac (plus cardiac morbidity) early pregnancy deaths and pre-eclampsia)	Yes	Yes	Ongoing
Perinatal mortality and morbidity confidential enquiries (term intrapartum related neonatal deaths)	Yes	Yes	Ongoing
Perinatal Mortality Surveillance	Yes	Yes	Ongoing
Confidential enquiry into serious maternal morbidity	Yes	Yes	Ongoing
Confidential enquiry into stillbirths, neonatal deaths and serious neonatal morbidity	Yes	Yes	Ongoing
Maternal mortality surveillance	Yes	Yes	Ongoing

National Clinical Audit projects reviewed by the Trust

The reports of 29 national clinical audits on each site were reviewed by the provider in 2016/17 and Chelsea and Westminster Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Review the remaining national clinical audits relating to 2016/17 to identify and collate actions to be taken to improve the quality of healthcare provided.

- Publish the findings of all reviews in August 2017 in the Trust's Clinical Audit Annual Report 2016/17.

Table 3 provides a summary of some of the actions we intend to take to improve quality, safety and clinical effectiveness arising from participation in national clinical audit. It is not intended to be a comprehensive reflection of the action plans. Actions are ongoing and are monitored via clinical effectiveness group.

Table 3: National Clinical Audit Summary

National clinical audit	Department leading review	Summary and agreed actions arising from National Clinical Audits
National Diabetes Audit (adults)	Diabetes Service	The Trust National Diabetes audit report were reviewed by the Diabetes Service and following improvement were made: • An increase inpatient staff and consultant's time for inpatients, with consideration of a seven day services. • The implementation of an improved screening assessment and identification for patients requiring a diabetes review and foot check.
National Emergency Laparotomy Audit	General Surgery	The Trust participated in the National Emergency Laparotomy Audit (NELA) Clinical Audit. • Both sites performed well in the indicators for patient arrival in theatre within a timescale appropriate for urgency and admission to critical care following surgery. • Both sites are below national average against many criteria, actions are being taken to improve overall performance.
National Oesophago-Gastric Cancer Audit (NOGCA)	Cancer Services	The National Oesophago-Gastric Cancer Audit (NOGCA) was reviewed by the Trust Multidisciplinary teams. • There is clear organisational protocols are in place to ensure all cancer cases are discussed at Multidisciplinary Team Meeting (MDT). • The MDTs monitor management of High Grade Dysplasia (HGD), and ensure there is access to endoscopic treatment of Barrett's HGD.
National Joint Registry	Ortho services	The Trust participated in the National Joint Registry (NJR) audit, the organisation were audited against nine indicators. • The Trust scored above the NJR's benchmark for cases submitted with NHS number (98%). • However, patient consent confirmation was below the NJR's benchmark at 82% against the NJR benchmark of 95%. Actions are being taken to increase performance.
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Respiratory Services	The Trust is compliant with 13 out of 17 recommendations, two of the recommendations were partial compliant. While one of the recommendation was not compliant and one recommendation was not applicable to the Trust. • Improvement made as a result of this audit is to provide NIV or high flow oxygen training for all nursing staff on the respiratory ward.

National clinical audit	Department leading review	Summary and agreed actions arising from National Clinical Audits
Inflammatory Bowel Disease (IBD) programme	Gastro Services	The Trust has performed above average and is compliant with 5 out of 6 recommendations from this audit. Best practices identified are: • Infliximab biosimilars is used as the first line anti-TNFα for appropriate patients with active IBD. • All patients are screened prior to treatment with biological therapies. A proforma pre-initiating biologics has been designed and in use for 2years. • Weaning regime in place, most children off steroids by the time infliximab are commenced.
Neonatal Intensive and Special Care (NNAP)	Neonatal Services	The Trust performed above national average for most of the audit criteria. The neonatal unit scored higher than the national average for level of vigilance in preventing admission hypothermia (95%, national average 93%) and maintaining correct temperature 36–37.5 degrees in the unit (83%, national average 75%). The rate of antenatal steroid administration was above national average (86%, national average 84%).
National Audit of Cardiac Rhythm Management Devices	Cardiology	The Trust registered a total of 33 new pacemakers implanted with National Institute for Cardiovascular Outcomes Research (NICOR). While a total five were register as replacement implanted pacemakers. One new implantable Cardioverter defibrillator (ICD) was registered and one as replaced. • Physiological pacing for Sick Sinus Syndrome was above national average at 100% (national average 89.4%). • 15 out of 17 recommendations from this audit were met, while one recommendation is in its planning stage. This is due to the catheter lab service being new at the WestMid site. • A plan is in place to review the service in six months to ascertain activity compliance to the British Heart Rhythm Society (BHRS) guidelines and NICE Technology Appraisal Guidance. • Recommendations applicable to the validation of data submitted to NICOR were also met as data are captured electronic database at time of implant. Validation is completed by the consultant cardiologist prior to submission to NICOR.

Local Clinical Audit projects reviewed by the Trust

The reports of a random selection of 35 of 93 local clinical audits were reviewed by the provider in 2016/17 and Chelsea and Westminster Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. Below are examples from across the Trust that demonstrate some of the ongoing actions taken to improve the safety and effectiveness of our services.

Table 4: Local Clinical Audit Summary

Local Clinical Audits	Summary & agreed actions arising from Local Clinical Audits
Audit of referrals to anaesthetic antenatal clinic.	Retrospective audit of the compliance to the guidance for the Anaesthetic Antenatal Clinic (ANC) referrals. 60% (205) of referrals were compliant with the referral guidance. 40% (134) of the referrals were deemed to be inappropriate. The agreed action was to review the current guidance and to raise awareness of the correct referral criteria were completed.

Local Clinical Audits	Summary & agreed actions arising from Local Clinical Audits
ECG documentation Audit.	A re-audit of the documentation of ECGs to meet the guidelines published by the Society for Cardiology Sciences and Technology. The re-audit revealed there had been no significant improvement and only 8% of the audited ECGs had a sticker attached. A recommendation for further education of nursing and medical staff working on the Acute Assessment Unit.
Appropriate antibiotic prescribing in Lower respiratory tract infections (LRTIs).	An audit to assess the appropriateness of the prescribing of antibiotics for lower respiratory tract infections (LRTIs). The results revealed 30% of patients admitted with LRTI had antibiotics according to Trust protocol. Actions agreed were to liaise with microbiology team to develop hospital infective exacerbation of asthma guideline.
Audit of compliance with NICE Quality Standard 33, Statement 7, specifically that 'People with rheumatoid arthritis have a comprehensive annual review that is coordinated by the Rheumatology Department'.	Audit to assess compliance with the NICE recommendations relating to assessing control and pain management in people with rheumatoid arthritis. The audit results show that care plans and provision of educational activities/self-management were >90% compliant with the standard.
An Audit of the Quality of Bowel Care Amongst Elderly Patients following Emergency Surgery for Hip Fracture.	The audit result has led to a departmental intervention, of placing coloured labels on all hip fracture pathway booklets, to prompt early laxative prescription. The findings also resulted in the introductions of a sustained teaching programme led by the anaesthetic team and the implementation of routine training on the use of peripheral nerve blocks for staff working in A&E, Orthopaedics and Ortho-geriatrics departments.
An Audit of the Appropriate Escalation of High NEWS on a Medical Ward.	The audit was carried out to assess compliance to the National Early Warning Score (NEWS). To enable the efficient identification and response to patients who present with or develop acute illness. The findings of this audit shows some improvement is required and has resulted in ongoing NEWS training for nurses and doctors via the Trust mandatory e-learning module.
An audit of the appropriateness and safety of oral anticoagulation therapy newly initiated for non-valvular atrial fibrillation for adult patients.	The cohort study was carried out to highlight that clinicians were prescribing DOAC agents over warfarin therapy for patients with non-valvular atrial fibrillation (nvAF). • Overall the audit results show that there was good adherence for documentation of patients received counselling on the anticoagulation agent to alert them of side effects and adverse events that require urgent medical attention. • Some criteria for this audit require further improvement to ensure the appropriateness of anticoagulation therapy given to patients. • Further education is required for medical and pharmacy staff to ensure patients is offered verbal and written information on anticoagulation agent.
Perioperative Management and Outcomes of People with Diabetes Mellitus (DM) & Impaired Glucose Tolerance (IGT) Referred for Bariatric Surgery.	Audit was carried out to compare the management of T2DM in the peri and postoperative periods following bariatric surgery with the local and national guidelines and to identify non-compliance of these standards. • The findings of this audit were overall positive and as a result there is increase awareness and prescribing of postoperative metformin therapy to patients after Bariatric Surgery. • An abstract of this audit was also submitted as a poster to a national conference to increase awareness further.

Local Clinical Audits	Summary & agreed actions arising from Local Clinical Audits
WMUH Acute Medical Unit Clinical Quality Indicators Audit (Re-Audit).	Society of Acute Medicine (SAM) published four Clinical Quality Indicators for Acute Medical Units (AMUs) in 2011, defining the gold standard for the delivery of acute medical care. There were overall improvement with compliance. Further audit and strategy increase completion of discharge summaries for patients who die in hospital. The results were disseminated to AMU Consultants and other relevant clinical leads (AMU matron, A&E matron). An abstract for a poster will be presented at the SAM spring conference in 2017 to share the experience of rota change on the performance of the AMU.
Appropriate recognition, assessment and management of pain in the Emergency Department.	Audit carried out in the Emergency Department against the Royal Colleges of Emergency Medicine Guidelines (RCEM) 2014 for pain management. Pain scoring in line with the RCEM standards was not fully compliant in the Emergency Department at both triage assessments and doctor assessment. However, as a result of this audit a new pain pathway for patients was introduced in the Emergency department.
Audit on the management of epididymo-orchitis in a London-based level 3 sexual health clinic	This audit demonstrated that patients attending clinic were treated in concordance with national guidelines and the vast majority showed a good clinical response. However, lack of routine urine sampling for microscopy/culture was evident. Although a urine dipstick was performed in most cases, guidelines do stipulate that this only serves as a useful adjunct. As a result of this audit the department intends to obtain a midstream specimen of urine for culture in all cases of epididymo-orchitis. The findings of this audit has been published in the International Journal of STD & AIDS (Feb 2017).
Post exposure prophylaxis after sexual exposure (PEPSE)—are we following BASHH guidelines?	This audit identified key areas where the Trust is not compliant against NHS guidelines on PEPSE prescription. One change that has been implemented in Genito Urinary Medicine(GUM) clinic is the use of proformas which captures key guideline recommendation. The audit identified key loop holes where some of the data was missing or held on an alternative database—Adastra. This system is used when patients are seen in the Urgent Care Centre rather than in Majors or Resus of ED. The ED department plans to work with the HIV Pharmacy Team to identify a pathway that would be beneficial and useful for both departments.

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

The number of patients receiving relevant health services provided or sub-contracted by the Trust in 2016/17 that were recruited during that period to participate in research approved by a research ethics committee was 3947.

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

The Trust was involved in conducting 262 research studies in 2016/17 in A&E, Anaesthesia, Critical Care, Diabetes, ENT, Maternity, Ophthalmology, Surgery, Metabolic and Endocrine, Sexual Health, Genetics, Neurology, Neonatology, Infection, Urology, Cancer, Gastroenterology, Paediatric, Haematology, Respiratory, Cardiology, Rheumatology, Dermatology and Stroke during 2016/17. The improvement in patient health outcomes demonstrates the Trust's commitment to clinical research which leads to better treatments for patients.

123 Trust staff participated in research as Principal Investigators for research studies approved by a Research Ethics Committee at the Trust during 2016/17.

In the last three years, 1544 publications have resulted from our involvement in research and audits, which shows our commitment to transparency and our desire to improve patient outcomes and experience across the NHS.

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

Commissioning for quality and innovation (CQUIN) payment framework

Every year Chelsea and Westminster Hospital NHS Foundation Trust agree a number of quality indicators with its commissioners. The indicators cover areas of patient safety, patient experience and clinical effectiveness.

A proportion of Chelsea and Westminster Hospital NHS Foundation Trust's income in 2016/17 was conditional on achieving quality improvement and innovation goals agreed between Chelsea and Westminster Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2016/17 and for the following 12 month period will be available electronically on the Trust's website.

The tables on the following pages detail the payment received by the Trust for the achievement against each of the indicators for 2016/17 and sets out the goals for 2017/19. Q4 milestones are yet to be signed off by commissioners and therefore the numbers in the table are based on the Trust's forecasts.

Table 5: Nationally agreed CQUIN indicators

Decription of CQUIN	Quality priorities	Forecast achievement (%)	Forecast achievement (£000)	Total value allocated (£000)	Comments
Provision of staff wellbeing initiatives	Patient safety, clinical effectiveness and patient experience	63%	£477	£763	Q1–Q3 achieved in full, risk on Q4 milestones
Promotion of health eating to staff, patients and visitors	Patient safety, clinical effectiveness and patient experience	60%	£458	£763	Q1–Q3 achieved in full, risk on Q4 milestones
Staff influenza vaccination	Patient safety, clinical effectiveness and patient experience	100%	£763	£763	Forecast to be achieved in full
Sepsis (screening and antibiotic administration and review)—Emergency Department	Patient safety, clinical effectiveness and patient experience	80%	£305	£382	Partial compliance against target for sepsis screening
Sepsis (screening and antibiotic administration and review)—Inpatients	Patient safety, clinical effectiveness and patient experience	80%	£305	£382	Partial compliance against target for sepsis screening
Antimicrobial resistance—reduction in antibiotic usage	Patient safety, clinical effectiveness and patient experience	50%	£191	£382	Forecast partial compliance against target for reduction in antibiotic usage

Decription of CQUIN	Quality priorities	Forecast achievement (%)	Forecast achievement (£000)	Total value allocated (£000)	Comments
Antimicrobial resistance—empiric review of prescribing	Patient safety, clinical effectiveness and patient experience	88%	£334	£382	Q1–Q3 achieved in full, risk on Q4 milestones
Implementation of clinical utilisation review systems	Patient safety, clinical effectiveness and patient experience	0%	£0	£286	Non-achievement as the Trust has chosen not to pursue this CQUIN scheme
Enhanced supportive care for care patients	Patient safety, clinical effectiveness and patient experience	100%	£143	£143	Forecast to be achieved in full
Chemotherapy dose banding	Patient safety, clinical effectiveness and patient experience	100%	£143	£143	Forecast to be achieved in full

Table 6: Regionally agreed CQUIN indicators

Decription of CQUIN	Quality priorities	Forecast achievement (%)	Forecast achievement (£000)	Total value allocated (£000)	Comments
NW London IT and IG strategy and governance	Patient safety, clinical effectiveness and patient experience	100%	£191	£191	Forecast to be achieved in full
Sharing of integrated care plans	Patient safety, clinical effectiveness and patient experience	100%	£382	£382	Forecast to be achieved in full
Improve communication method for GP follow-ups to Trust clinical services	Patient safety, clinical effectiveness and patient experience	93%	£1,765	£1,908	Q1–Q3 achieved in full, risk on Q4 milestones
Electronic clinical correspondence	Patient safety, clinical effectiveness and patient experience	88%	£334	£382	Q1–Q3 achieved in full, risk on Q4 milestones
NW London data quality	Patient safety, clinical effectiveness and patient experience	100%	£191	£191	Forecast to be achieved in full
Dental schemes—recording of data participation in referral management and participation in networks	Patient safety, clinical effectiveness and patient experience	100%	£110	£110	Forecast to be achieved in full

Table 7: Locally agreed CQUIN indicators

Decription of CQUIN	Quality priorities	Forecast achievement (%)	Forecast achievement (£000)	Total value allocated (£000)	Comments
Blueteq implementation for high cost drugs approvals	Patient safety, clinical effectiveness and patient experience	93%	£672	£763	Q1–Q3 achieved in full, risk on Q4 milestones, due to tougher year-end target
Richmond OBC engagement	Clinical effectiveness and patient experience	100%	£100	£100	Forecast to be achieved in full
Timely discharge communication with Wandsworth CAHS	Patient safety, clinical effectiveness and patient experience	100%	£287	£287	Forecast to be achieved in full
Developing telemedicine	Patient safety, clinical effectiveness and patient experience	100%	£206	£206	Forecast to be achieved in full
ARV switch for HIV patients	Clinical effectiveness	100%	£326	£326	Forecast to be achieved in full
Reducing ventilator associated pneumonia	Patient safety, clinical effectiveness and patient experience	100%	£40	£40	Forecast to be achieved in full

For 2017–19, 12 CQUINS have been agreed—7 national and 5 for specialised commissioning

Table 8: Agreed CQUIN indicators 2017–19

National	Description
Improving staff health and wellbeing	To Improve the support available to NHS Staff to help promote their health and wellbeing in order for them to remain healthy and well.
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)	Timely identification and treatment for sepsis and a reduction of clinically inappropriate antibiotic prescription and consumption.
Improving services for people with mental health needs who present to A&E	Ensuring that people presenting at A&E with mental health needs have these met more effectively through an improved, integrated service, reducing their future attendances at A&E.
Offering Advice and guidance	Improvement in access for GPs to consultant advice prior to referring patients in to secondary care.
NHS e-Referrals (2017/18 scheme only)	All providers to publish all of their services and make all first outpatient appointment slots available on e-referral service by 31st March 2018.
Supporting safe and proactive discharge	Enabling patients to get back to their usual place of residence in a timely and safe way.
Preventing ill health by risky behaviours (2018/19 scheme only)	To support people to change their behaviour to reduce the risk to their health from alcohol and tobacco.
Specialised Commissioning	**Description**
Enhanced Supportive Care	The scheme seeks to ensure patients with advanced cancer are, where appropriate, referred to a Supportive Care Team, to secure better outcomes and avoidance of inappropriate aggressive treatments.
Nationally standardised Dose banding for Adult Intravenous Anticancer Therapy	A national incentive to standardise the doses of SACT in all units across England in order to increase safety, to increase efficiency and to support the parity of care across all NHS providers of SACT in England. A set of dose-banding principles and dosage tables have been developed by a small team of Pharmacists supported by the Medicines Optimisation CRG.
Optimising Palliative Chemotherapy Decision Making	Provision of optimal care for by employing SACT to review the full effect of treatment for patients with advanced cancer, starting or continuing chemotherapy by ensuring direct consultation with peers and the shared decision with the patient.
Hospital Medicines Optimisation	Improvement in productivity and performance in related medicines, by unifying hospital pharmacy transformation programme (HPTP) plans and commissioning intentions to determine best practice and effective remedial interventions.
Neonatal Community Outreach	Ensure that neonatal units are running at safe levels by improving utilisation of intensive care and high dependency capacity, through early discharge and community support, with an impact on patient flows and improvement in service provision.

Registration with the Care Quality Commission (CQC)

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

Chelsea and Westminster Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is ‘fully registered’. Chelsea

and Westminster Hospital NHS Foundation Trust has 'no conditions' on registration. The CQC has not taken enforcement action against Chelsea and Westminster Hospital NHS Foundation Trust during 2016/17. To find out more about the CQC visit www.cqc.org.uk.

Chelsea and Westminster Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during 2016/17.

Secondary Uses Service information (SUS)

Chelsea and Westminster Hospital NHS Foundation Trust submitted 1,641,574 records during April 2016 to March 2017 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. We are not able to get best/worst figures for NHS Number completeness and GMC Practice Code completeness. We have the national mean, which is the most important reference point.

Valid NHS number

	2015/16		2016/17	National Performance		
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	Worst	Best	Mean
A&E	96.4%	89.7%	91.6%	DNP	DNP	96.7%
Outpatients	100.0%	91.1%	94.0%	DNP	DNP	99.5%
Admitted patient care.	97.8%	95.4%	97.0%	DNP	DNP	99.3%

General medical practice code

	2015/16		2016/17	National Performance		
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	Worst	Best	Mean
A&E	99.9%	99.7%	99.8%	DNP	DNP	99.0%
Outpatients	100.0%	99.3%	99.9%	DNP	DNP	99.8%
Admitted patient care.	99.9%	99.8%	99.9%	DNP	DNP	99.9%

Information governance toolkit attainment levels

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

The Information Governance Toolkit is an online assessment system that enables NHS organisations and their partnering bodies to measure how well they are complying with Department of Health standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage. The attainment level assessed within the Information Governance Toolkit provides an overall measure of the quality of data systems, standards and processes. The Toolkit sets out specific criteria

that enable performance to be assessed based on submitted evidence, resulting in a score between 0 and 3 for each of the 45 requirements for Acute Trusts. If anything less than level 2 in all 45 requirements is achieved, the overall score for the whole IG Toolkit is recorded as “not satisfactory”.

Chelsea and Westminster Hospital NHS Foundation Trust Information Governance Assessment Report overall score for 2016/17 was 66% and was graded green. For more information about the Information Governance Toolkit please visit the Information Governance Toolkit webpage.

Clinical coding error rate

The Chelsea and Westminster Hospital site was not subject to the Payment by Results clinical coding audit during 2016/17.

The West Middlesex University Hospital site was not subject to the Payment by Results clinical coding audit during 2016/17.

Data quality

Chelsea and Westminster Hospital NHS Foundation Trust has/will be taking the following action to improve data quality:

- Manual data validation is undertaken by the Information Team based on reviews of information entered into the patient administration system and investigation of data underlying reported performance.
- Validation of patient pathways is undertaken by the performance team at C&W and the validation team at WMUH.
- Where issues are identified, they will be investigated and corrected, however a formal mechanism for investigating the cause of recurring issues and determining corrective actions will be established.
- Known data quality issues should be logged by the performance team and for recurring issues a root cause analysis should be completed to understand the cause. A corrective action plan will be developed to support the relevant service to improve the quality of data input and reported.
- The Information and Data Quality policy will be reviewed to ensure it is current and appropriate for the whole Trust.
- A minimum frequency for completing refresher training on data entry into the patient administration systems will be established.
- Draft terms of reference have been developed for a Data Quality Improvement Group (DQIG) to provide focused review of data quality policies, strategies and reviews.

- The DQIG should report to the Executive Board to enable prompt escalation of emerging issues to the Board where required. The Chief Operating Officer, as the responsible Executive for data quality, should be an attendee of the DQIG to enable issues to be raised at the Executive Board.

Reporting against core indicators

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

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

The West Middlesex University Hospital information shown for the 2015/16 period is from April 2015 until August 2015. The Chelsea and Westminster Hospital NHS Foundation Trust information shown is five months of C&WFT only April to August 2015 and seven months of C&WFT and WMUH site combined (September 2015 to March 2016).

Core indicators

Summary hospital level mortality indicator (SHMI)

	2015/16		2016/17	National Performance
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	National Average
Summary hospital level mortality indicator ("SHMI")	Data not published	0.86(better than expected)	0.85 (better than expected)	1

Chelsea and Westminster Hospital NHS Foundation Trust consider that this data is as described for the following reasons:

- The Trust has consistently maintained good performance with regards to mortality against national indicators.

The Chelsea and Westminster Hospital NHS Foundation Trust intend to take the following actions to improve this indicator, and so the quality of its services, by:

- Mortality surveillance assurance is provided through detailed analysis of information from HES, SHMI, Dr Fosters and the internal mortality reviews.

- A dedicated mortality review module has been developed within the Datix Safety.

- Learning system; the module provides a single repository for all in-hospital deaths and provides a platform for the recording and analysis of consultant led case reviews.

- Trends requiring further investigation or Trust response are documented within the Mortality Management Plan.

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

	2015/16 West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	2016/17 Chelsea and Westminster NHS Foundation Trust.	National Performance Worst	Best	Mean
Percentage of patient deaths with palliative care coded	29.90%	34.60%	31.50%	56.30%	3.90%	30.10%

Chelsea and Westminster Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The ongoing increase in recorded palliative care activity compared to the previous years is noted. This is reassuring and compares well with the national pattern of specialist palliative care service delivery.

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

- Training and support for all staff involved in palliative care.
- Roll out of the Gold Standards Framework (GSF).
- Implementation of 'Coordinate my Care'.
- Implementation of the 'Compassionate Care Agreement' (personalised care plan).
- Extending a 7-day face to face specialist palliative care nursing service to the WMUH site.
- Appointment of medical and nursing staff, including two end of life care specialist nurses, a new consultant in palliative medicine at WMUH and a consultant post advertised for C&W site.

Patient related outcome measures (PROMS)

Patients undergoing elective inpatient surgery for four common elective procedures (hip and knee replacement, varicose vein surgery and groin hernia surgery) funded by the English NHS are asked to complete questionnaires before and after their operations to assess improvement in health as perceived by the patients themselves. PROMS data can be used to inform changes in service delivery. The scores reported are adjusted health gain as per national definition. The national performance is taken from the most recent nationally published data which is for the period April 2015 to September 2015, national scores have not been published nationally for this period at the time of writing the report. For 2015/16 there are insufficient responses from C&W and WMUH to enable national reporting and no data is available locally.

Readmission rate (28 days)—0–15 Age

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

	2015/16 West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	2016/17 Chelsea and Westminster NHS Foundation Trust.
Readmission (28 days) (0-15) (P00902)	4.9%	4.3%	1.7%

Chelsea and Westminster Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

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

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

- Both hospital sites now have senior paediatric medical cover in line with the RCPCH guidelines from 08.00–22.00 7 days a week, aiding in both the assessment of children presenting for treatment and those who are deemed fit for discharge.

- A Paediatric Assessment Unit was introduced at the WMUH site in 2015/16 and this has ahd a positive impact on the readmission rate during 2O16/17.

- On both sites there are rapid access clinics which enable ongoing care to be accessed quickly, without an inpatient admission.

Readmission rate (28 days)—16+ Age

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

	2015/16 West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	2016/17 Chelsea and Westminster NHS Foundation Trust.
Readmission (28 days) (16+) (P00902)	10.3%	6.3%	6.1%

Chelsea and Westminster Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

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

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

Care of the elderly
- Reviewing quality of discharge summaries to GPs. Establish access to System1 for OAST (Older Adult Support Team) clinic to enable sharing of notes with GPs.
- Hounslow/Richmond Frail Elderly Workstream—Red Bag scheme, Care navigators in A&E, care coordinators, locality based MDTs and clinics.
- Establish and expand model of one stop shop/hot clinics for care of the elderly to offer comprehensive, multi-disciplinary assessment and care provision with access to rapid diagnostic, therapies input, community and social care pathways.

Discharge planning
- Review discharge planning and processes. Focus on more comprehensive discharge planning, started on admission, to reduce the risks of readmission.
- Roll out of Red to Green days will identify reasons why discharge planning has not been effective and expected dates of discharge are not met, or frequently changed. Red to Green days is an approach that has been developed nationally to identify and tackle any delays which lead to a patient being in hospital for longer than they should be.
- Involvement in NWL/WLA integrated discharge project to support MDT discharge planning.

Development of ambulatory care services
- Proposals to expand and standardise the AEC offer across both sites, looking at reducing both short term admissions and reducing LOS through offering AEC follow up for inpatients to enable discharge through developing pathways from ED, AAU and step up from GP/Community would support reducing readmissions.

Responsiveness to personal needs

	2015/16		2016/17	National Performance		
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	Worst	Best	Mean
Response to personal Needs. (P01779)	DNP	65.95	DNP	DNP	DNP	DNP

The patient survey results for 2016/17 are not due for final publication until June 2017 so cannot yet be published in this report. Despite this there are a number of actions underway to improve survey results across the board as the Trust received the high level data of the survey in February 2017.

Chelsea and Westminster Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

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

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

- Patient experience is a priority for the organisation; the previous year 2015/16 generated an action plan which was shared amongst key staff to take forwards. The 2016/17 Inpatient survey has shown some improvements from the previous year yet highlights room for improvements regarding care and treatment, which fits with 'Response to Personal Needs'.

- An Inpatient Action Plan 2017/18 has been developed with staff which will be continuously monitored alongside the Friends and Family Test.

- The patient experience group reviews the survey results along with other key metrics. Divisional leads are responsible for taking forward actions within their areas.

- Divisional patient experience metrics are in place and there is emphasis on staff engagement, to share good practice but also improve on the negative themes from results.

Staff recommending Trust

	2015/16		2016/17	National Performance
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	
Staff recommending Trust	**54%**	**82%**	**73%**	**70%**

Chelsea and Westminster Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The indicators are reviewed as part of workforce reporting within the Trust and any anomalies investigated.

Chelsea and Westminster Hospital NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- We are holding open conversations with our staff to discuss the results and action planning. Once this has been formulated, we will share with the Executive Board and the rest of the Trust. We anticipate this to be at the beginning of June.

Venous thromboembolism assessment

	2015/16		2016/17	National Performance		
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	Worst	Best	Mean
Percentage of admitted patients risk assessed for VTE	94.3%[18]	96.1%	89.9%	72.14%	100%	95.5%

Please note national performance is based on Q1–Q3.

Chelsea and Westminster Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The national target (≥95%) of adult patients with completed VTE risk assessments on admission to hospital was not achieved 2016/17. There is a difference in performance across the two sites, WMUH site did not achieve ≥95% but C&W did. The methodology for reporting differs on both sites making it difficult to capture on WMUH site.

- There is monitoring of VTE risk assessment completion rates with circulation of performance reports to clinicians to address and target areas to improve performance.

Chelsea and Westminster Hospital NHS Foundation Trust has taken the following actions to improve performance and quality of its services by:

C&W site

- Weekly and monthly monitoring of VTE risk assessment performance, with circulation of reports to divisions, and support to those departments not meeting target.
- Audits on whether patients at-risk of VTE are prescribed appropriate pharmacological and mechanical thromboprophylaxis, unless contraindicated, performed on a quarterly basis by pharmacy staff.
- Audits on whether patients receive verbal and/or written information on VTE prevention, aware of the signs and symptoms of VTE and when to seek urgent medical attention.
- Patients who develop a hospital associated VTE event, defined as a VTE event occurring during or within 90 days of hospital admission, are investigated (root cause analysis) to identify VTE prevention measures and the contributory factors leading to VTE event, with implementation of an action plan to prevent future recurrence, and dissemination of learning to teams/department.

WMUH site

- Changes are being implemented to the RealTime electronic VTE risk assessment to include assessment of a cohort group of patients e.g. day cases at low risk of VTE, changes to the VTE risk assessment fields, and inclusion of management guidance to assist the clinician with decision-making for the prescribing of appropriate thromboprophylaxis.
- Changes are being implemented for VTE risk assessment performance reports with introduction of weekly and monthly reports to feedback to divisions and departments, and identification of patients without a VTE risk assessment by ward, speciality and Consultant to target education.
- VTE risk assessment status to be displayed on ward whiteboards, with introduction on priority wards.
- Audits on the prescribing of appropriate anti-coagulant therapy introduced and performed on a quarterly basis by pharmacy staff.
- The root cause analysis investigation has changed to identify patients with a hospital associated VTE event via radiology alert report and Datix incidents. Clinicians are requested to complete root cause analysis investigation to identify VTE prevention measures and the contributory factors, with identification of any changes to practice, and dissemination of learning to teams/department.

VTE agenda for both sites

- Joint Thrombosis and Thromboprophylaxis Group introduced, with terms of reference and representation for divisions across both sites.
- Anticoagulation and VTE guidelines are in the process of being reviewed and updated for both sites. Published joint guidelines available on the intranet. Introduction of anticoagulation pocket guides at WMUH site.
- VTE patient information leaflets are in the process of being updated and available for both sites.
- VTE education provided to medical, nursing and pharmacy staff.
- VTE mandatory training will be standardised for junior medical staff across both sites.
- VTE ward rounds on medicine, surgical and obstetric wards to be re-established at C&W site and introduced at WMUH site.
- Standardising VTE pathways across both sites e.g. introducing a VTE management pathway for patients in lower limb immobilisation at WMUH site, extending thromboprophylaxis for hip fracture surgical patients at WMUH site.
- Anticoagulation incidents are reviewed for both sites with education provided to departments and any changes to practice to prevent future recurrence.

***C.difficile* occurrence**

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

	2015/16		2016/17
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.
C. difficile occurrence per 100k bed days. (P01792)	6.72	5.02	4.2

Chelsea and Westminster Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The numbers of cases of *C.difficile* and the rate per 100,000 bed days has fallen year on year between 2007/08 and 2016/17

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

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

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

The data for this indicator is taken from the National Reporting and Learning System (NRLS).

The figures for lowest and highest scoring hospitals enable comparison with other acute non-specialist NHS Trusts and demonstrate the wide range of incident reporting across the NHS acute sector.

Number and rate of patient safety incidents		C&WFT	Lowest scoring hospital	Highest scoring hospital
Oct 15–Mar 16	Number	3,866	1,499	11,998
	Rate per 1000 bed days	26.82	14.77	40.89
Apr 16–Sept 16	Number	3,793	1,485	13,485
	Rate per 1000 bed days	26.98	21.15	41.19

Number and % of patient safety incidents that result in severe harm or death		C&WFT	Highest scoring hospital	Lowest scoring hospital
Oct 15–Mar 16	Number	21	26	20
	%	0.5	1.7	0.2
Apr 16–Sept 16	Number	13	1	18
	%	0.34	0.02	0.56

Chelsea and Westminster Hospital NHS Foundation Trust considers this data is as described for the following reasons:

- All staff at Chelsea and Westminster Hospital NHS Foundation Trust are reminded through a number of different channels (for example, induction) that all incidents must be reported on the local incident management system, Datix. To support this, the Trust employs a Datix Administrator who, together with the rest of the Quality and Clinical Governance team, provides training and is available for drop-in sessions and one-to-one support for staff.

- The Divisional Quality Boards include incident reporting as a standing item on their agenda as part of the ongoing work to continually improve reporting rates.

- All incidents reported on Datix are reviewed by the Quality and Clinical Governance team prior to upload to the NRLS. As part of this validation process, if necessary the incident lead is contacted for further information to ensure that not only have actions been put in place to ensure safety, but that the details have been correctly recorded and the system updated to provide an accurate reflection of patient safety incidents across the Trust.

Chelsea and Westminster Hospital NHS Foundation Trust has taken/will be taking the following actions to improve this rate and so the quality of its services by:

- Continuing to focus our priorities on improving patient safety, in 2016 the Trust implemented a new and improved version of DatixWeb. This was not merely the latest available upgrade, it was customized in-house resulting in a bespoke patient safety reporting and learning system rolled out across all hospital sites.

- Patient safety incidents continue to be reviewed on a daily basis by the Quality and Clinical Governance team who escalate or take appropriate action when necessary.
- Serious incidents are investigated and the findings used to inform learning and quality improvement.
- Root cause analysis training introduced from May 2017 in line with national standards.
- Investigation reports continue to be reviewed at both local level through morbidity and mortality meetings or quality and risk meetings and also at Board level via the monthly serious incident report.

Part 3: Other information

Performance indicators

During 2016/17 we met the majority of the key standards that the Government and our commissioners—the NHS organisations that buy services from us on behalf of our patients—set for us, and only narrowly missed others. Doing well against these standards demonstrates that we are providing our patients with the best possible care. Below is a summary of some of our key performance indicators for 2016/17. However, this should be read in conjunction with the main narrative of the annual report for a better understanding of the context of these performance measures. You can find details of our current performance, updated on a monthly basis, on our website at chelwest.nhs.uk.

NHS Improvement risk assurance framework

The table below summarises the performance indicators for the Trust.

	Target 2016/17 Combined C&W and WMUH	Performance 2016/17 Combined Year-end Position
Incidents of *Clostridium difficile*	16	14
All cancers: 31-day wait from diagnosis to first treatment	96%	99%
All cancers: 31-day wait for second or subsequent treatment: surgery	94%	100%
All cancers: 31-day wait for second or subsequent treatment: anti-cancer drug treatments	98%	100%
All cancers: 62-day (urgent GP referral to treatment) wait for first treatment	85%	87%
Cancer: two week wait from referral to date first seen comprising all cancers	92%	92%
Referral to treatment waiting times <18 weeks—incompletes	>92%	91.80%
A&E: total time in A&E <= 4 hours	95%	92%
Self-certification against compliance with requirements regarding access to healthcare for people with a learning disability		

It should be noted that the external auditor has issued a qualified opinion in respect of the Trust's calculation of the RTT and A&E performance measures.

Local quality indicators

The local quality indicators are the same as last year. This provides us with an opportunity to review the key indicators that are important to us and the quality of patient care that our patient's receive. The indicators chosen are important not just to Chelsea and Westminster but to North West London as a whole. In determining the indicators we have focused on where we can embed and sustain improvements and share learning from the wider NHS. Falls and pressure ulcers are linked to the Trust's 'Quality Strategy and Plans for 2015 to 2018'. Having the same local quality indicators allows us to compare performance year on year.

Patient safety

Pressure ulcers

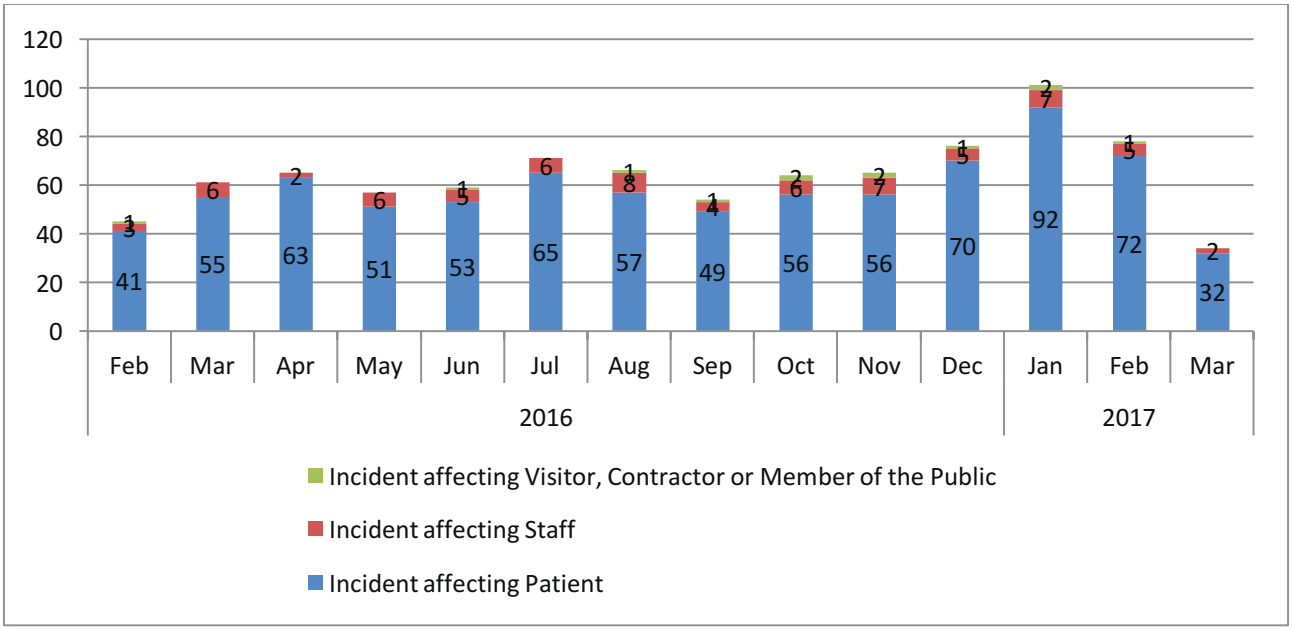
Prevention of hospital acquired pressure ulcers is crucial to the prevention of harm agenda. An update on pressure ulcers and the actions for 2016/17 was provided in the Our Priorities section of this report. The table below provides an overview of the number of incidents reported on the Trust's incident reporting system on both sites during 2016/17 comparing to the previous year's data. This data shows that in addition to the decrease in the volume of grade 3 and 4 pressure ulcers documented earlier in this report, there has been a 24% reduction in grade 2 hospital acquired pressure ulcers. The focus in 2017/18 will be to continue to ensure timely accurate reporting. The Trust continues to be engaged in work across North West London on the prevention and reduction of pressure ulcers across hospital and community.

	2015/16		2016/17
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.
Grade 3 and 4 reported as Serious Incidents	**23**	**26**	**21**
Pressure ulcers (grade 2,3, & 4)	**199**	**205**	**291**
Pressure ulcers (grade 2,3, & 4 including community acquired)	**1072**	**792**	**1770**

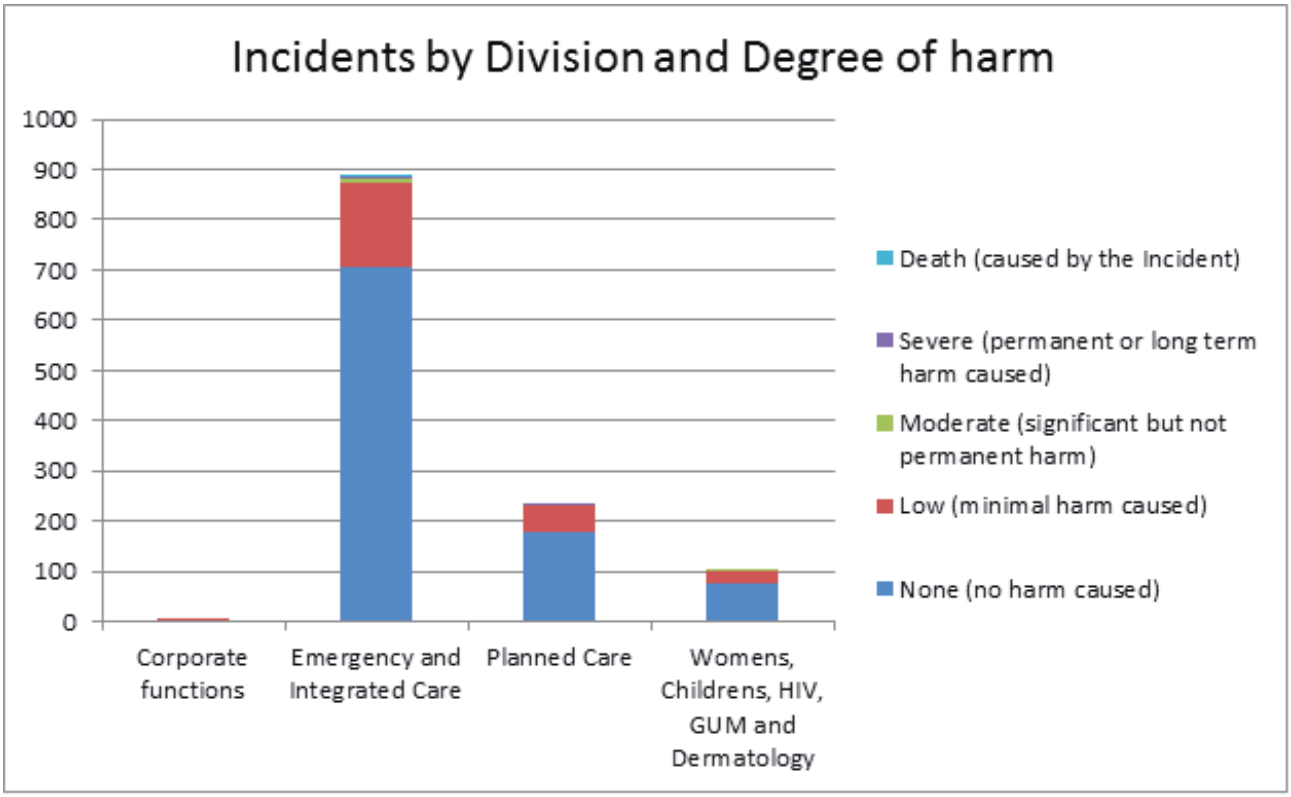
Falls

Falls are another indicator covered by the prevention of harm agenda. The prevention of avoidable falls remains a high priority for the Trust. Graphs 12 & 13 provide an overview of the falls reported on the Trust's incident reporting system. The Trust is showing a below national average for falls with harm, however there are too many preventable falls occurring. Graphs 14 & 15 which are taken from the safety thermometer data show the national median is 1.78, the median at C&W is 1.42 and WMUH is 1.6 both below the national position. Falls are a quality priority for 2017/18, the focus on falls prevention will continue and there will be agreed metrics to monitor progress. The work on falls prevention is reported quarterly to the Patient Safety Group and to the three Divisional Quality and Governance Meetings. Details of the objectives and plans for 2017/18 are detailed in the Quality Priority 2017/18 Section of this report.

Graph 13: Total Falls: Chelsea and Westminster



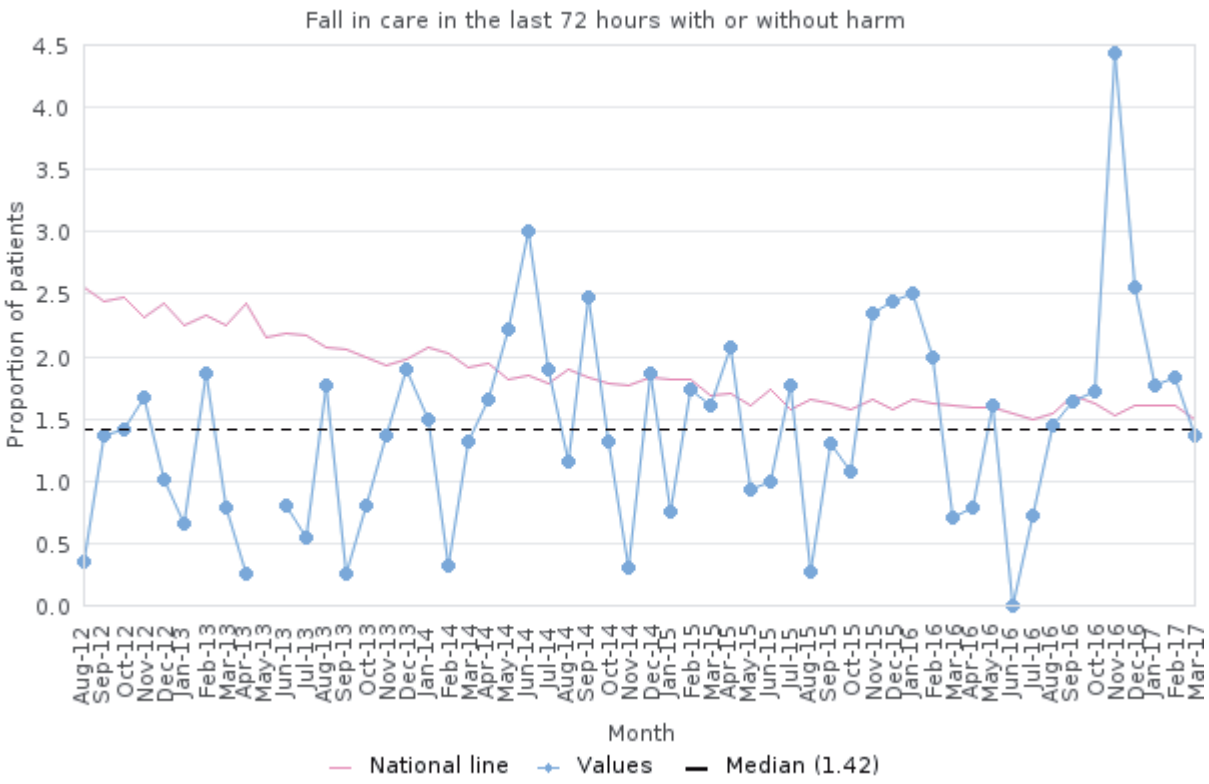
Graph 14: Degree of harm by division



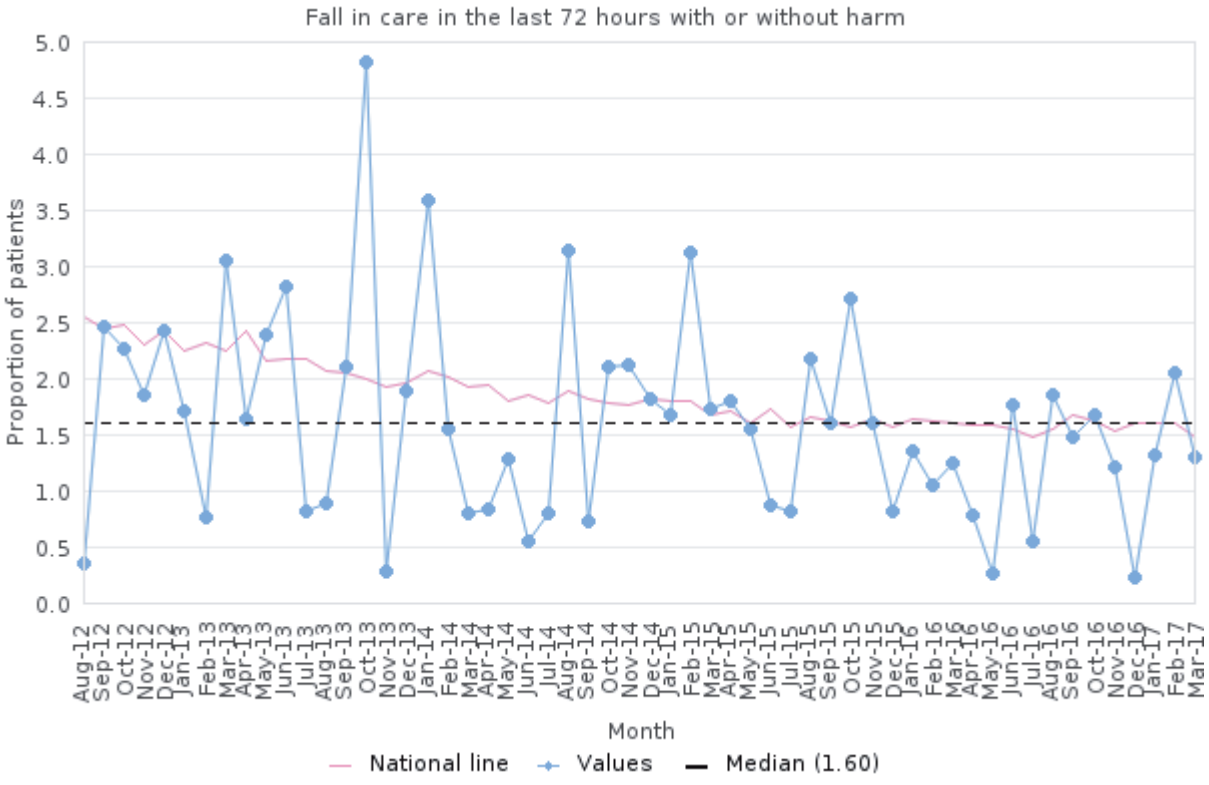
Key actions completed for 2016/17

- Assistant Director of Nursing appointed as Trust lead for falls prevention.
- Joint Falls Steering Group established with an action plan
- Updating agreed training cross site
- Key metrics for 2017/18 agreed

Graph 15: Safety Thermometer Total Falls C&W



Graph 16: Safety Thermometer Total Falls WMUH



Clinical effectiveness and patient experience

A&E performance

Performance against the A&E 95% standard has been particularly challenging during the year, most notably during Q3 & Q4 across both sites. The non-elective demand facing the NHS has been the subject of much National media scrutiny and whilst the aggregate yearly performance for Chelsea and Westminster only met 92.4%, this is in no way reflective of the efforts of our staff. Demand has increased by c.10% compared to 2015/16 and Chelsea and Westminster remains in the upper quartile in terms of overall performance nationally.

	2015/16		2016/17	National Perfomance		
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	Worst	Best	Mean
A&E/UCC Patient stay in A&E less than 4 hours all types	**91.60%**	**93.10%**	**92.40%**			**83.60%**

RTT

RTT performance over the year has been difficult, in the context of both increased referrals and non-elective demand. December was a particularly difficult month for the NHS as a whole and Trusts were asked to prioritise non-elective demand above elective demand, hence the standard in that month being only 90.7%. The Trust has made significant inroads in dealing with its longest waiting patients.

Whilst our performance in relation to the 62-day cancer GP referrals to first treatment standard has been excellent during the year, our compliance with the 2 week wait standard has been particularly challenging with a number of months where the required 93% has been missed. Both of our sites have experienced significant growth in demand from Primary Care with increased referrals compared to 2015/16. Colorectal services on the Chelsea site have been the single biggest challenged speciality during the year.

	2015/16		2016/17	National Performance		
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.	Worst	Best	Mean
18 Week RTT	**N/A**	**92.10%**	**91.80%**	**67.56%**	**100.00%**	**92.09%**
Cancer 2 week waits	**93.80%**	**95.30%**	**92.00%**	**75.00%**	**100.00%**	**95.42%**
Cancer 31 day diagnosis to treatment.	**99.50%**	**99.70%**	**99.00%**	**66.67%**	**100.00%**	**95.95%**
Cancer 62 days referral to treatment	**90.00%**	**87.10%**	**87.00%**	**0.00%**	**100.00%**	**79.05%**

To note the national performance data for RTT and Cancer is based on February data as year-end is not yet published.

Patient experience

The final inpatient CQC patient survey is not included in this report as it is not finally published until June 2017; the Trust has the initial high level data which it has used in this report.

Complaints management and safeguarding training

During 2016/17 there has been a significant reduction in the number of complaints responded to within 25 working days however there has been an improvement in the compliance with the complainant being contacted within 48 hours of the Trust receiving a complaint. The following actions will be or have been put in place to improve the response times.

- Restructure of the complaints team including roles and responsibilities
- Patient Experience Module on Datix to be implemented. This allows visibility of process and timescales.
- Weekly meetings between complaints and divisions
- Review of the complaints policy
- Number of outstanding complaints reviewed at senior operational groups

The FFT for maternity services is aligned to touch points: pre natal, birth and post natal. During 2015/16 there was an increase in the response rates for the post natal services on the C&W hospital site but a reduction at WMUH. Response rates for postnatal services continue to be a challenge as 42% of women that are delivered at C&W do not have their postnatal care provided by C&W. The low response rate is reflective of this. For 2017/18 the aim is to increase the response rates and to analyse the percentage recommended with the aim of reaching above 90% of women recommending the service.

Safeguarding training remains a key quality indicator for the Trust. There have been some challenges during 2016/17 which have resulted in the 90% target for safeguarding adults not being met at 87.3%. Safeguarding children was just above the 90% target at 90.8%. During the year there has been a review of the content of both adult and children's training in line with the national guidance and following an in-depth look at safeguarding a robust action plan is in place to help facilitate improvements in training compliance. The Trust continues to work closely with the designated professionals.

	2015/16		2016/17
	West Middlesex University Hospital.	Chelsea and Westminster NHS Foundation Trust.	Chelsea and Westminster NHS Foundation Trust.
Complaints responded to within 25 working days	60.8%	62.8%	32.0%
complaints acknowledged within 48 hours of receiving the complaint	64.0%	52.0%	965.0%
Maternity Friends and Family Test (Post Natal response rate)	13.0%	28.7%	20.5%
Safeguarding Adults Training	91.80%	96%	87.30%
Safeguarding Children's Training	83.10%	92.60%	90.80%

Other quality improvement indicators

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

Duty of Candour

How we are implementing 'Duty of Candour'

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

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

Duty of Candour ensures that we are open and transparent with our patients, their families or carers. We will inform, explain and apologise should something go wrong with the care and treatment we provide that results in significant harm.

Policy

Last year we reported that a policy had been developed and was being implemented. This has now been in place for nearly a year and been downloaded more than 200 times since publication. We plan to review our processes in the upcoming year to ensure they are fit for purpose.

Training and education for staff

The programme of training and education is ongoing and is now also included as a regular slot within the management module for junior doctors. Members of the governance department are always available to provide training or updates on request and there are regular sessions within the Trust governance half-days.

The intranet site continues to be developed in line with staff feedback.

Documentation

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

These forms are not only available on the intranet but have also been developed within the Trust's Electronic Document Management system as 'e-forms'. This means they can be readily scanned and transferred in to the patient's notes.

Monitoring compliance

Compliance with the steps required to ensure our duty of candour is delivered is monitored within a specially developed section of the Trust's reporting and learning system. This is then reported within the monthly divisional quality reports which are discussed at the divisional quality boards and scrutinised at the Trust Patient Safety Group.

Patient safety improvement plan as part of the Sign up to Safety campaign

What is Sign up to Safety

Sign up to Safety is a national campaign to strengthen patient safety in the NHS and make it the safest healthcare system in the world. The aim is to deliver harm free care for every patient, every time, everywhere. Sign up to Safety champions openness and honesty, and supports everyone to improve the safety of patients. The overall goal is to reduce avoidable patient harm by 50% and save 6,000 lives over 3 years.

As separate organisations West Middlesex University Hospital and Chelsea and Westminster Hospital NHS Foundation Trust had each signed up to participate in this campaign. Now as one organisation we are working to combine and refresh our strategy.

What are our pledges?

1. **Putting safety first:** Commit to reduce avoidable harm by half and make public our locally developed goals and plans.

We will:

- Focus on preventable harm—Pressure ulcers, falls with harm (including environmental reviews and a focus on the link with dementia), the deteriorating patient (including the roll out of electronic NEWS—Think Vitals).
- Continue to focus on infection control—environment (PLACE), visibility of hand hygiene being undertaken, utilisation of Sepsis 6 bundles, catheter related UTI's.

2. **Continually learning:** Make our organisation more resilient to risks by acting on the feedback from patients and staff and by constantly measuring and monitoring how safe our services are.

We will:

- Educate our staff and patients to improve all aspects of safety.
- Focus on performance at ward and speciality level—ensuring visibility of safety data to staff and patients in a standardised format using quality boards.
- Ensure a formal plan of regular ward visits from Board Members and Governors, including feedback to individual areas as well as the Board.
- Ensure systematic analysis of all patient feedback mechanisms—Complaints, Compliments, FFT, Picker surveys.
- Provide a patient feedback session at each Board—to offer patients, families and staff the opportunity to directly feed back to the Board their own experiences.

3. **Being honest:** Be transparent with people about our progress to tackle patient safety issues and support staff to be candid with patients and their families if something goes wrong.

We will:

- Provide regular opportunities for staff and patients to share their views, and feedback on actions taken following these.
- Ensure root cause analysis investigations are carried out where serious incidents occur, or themes emerge, and share these with patients and carers, as well as with external stakeholders, in a timely manner.
- Provide patients and families with the opportunity to meet with clinical staff and senior managers following complaints or incidents to share understanding and learning.
- Continue to foster an open and transparent culture throughout the organisation.
- Report to key stakeholders and internal committees/ Board to promote thorough surveillance and scrutiny of patient safety and quality performance.
- Continue to encourage staff to raise any concerns regarding safety and quality within our organisation.

4. **Collaborating:** Take a lead role in supporting local collaborative learning, so that improvements are made across all of the local services that patients use.

We will:

- Work with patients and carers through our Patient Experience Group, as well as our Learning Disability Steering Group and Transition Group, to ensure we are designing models of care which meet the needs of our patient group.
- Utilise our transformation programme to provide effective, patient centred pathways which continuously improve safety and quality.

5. **Being supportive:** Help our people understand why things go wrong and how to put them right. Give them the time and support to improve and celebrate progress

We will:

- Improve our feedback to staff individually and as groups, following incidents, through the use of Datix online reporting system, and Clinical Governance Half Days, promoting shared learning from incidents.
- Through our Quality strategy continue to promote improvements in quality and safety of care for patients.
- Continuously monitor the quality of care, and challenge poor performance.
- Promote and encourage innovations in health care provision, including the use of new technology.

How are we progressing?

We have now combined our strategies as above and are dividing the goals between the Divisions. Whilst each will have a Trustwide focus they will be led by the division to which they most closely align. Within the division a lead will be identified.

There will be a steering group, to involve patient representatives, which brings the strands together.

As a result of the two plans coming together progress with historical actions relating to 'Sign up to Safety' has not been as effective as we would have liked.

Future plans

A combined relaunch is being planned to engage staff and public in promoting safety and understanding what safety means to patients and families, which may be different to the meaning to staff. A priority is involving patients in promoting their own safety and questioning our practices.

The priorities have been developed in line with the Quality Plans, and need to be incorporated in this work.

Staff survey results

National staff survey results were provided to trusts in March 2017, there were numerous areas where the Trust was higher than the national average, and these can be seen in the full annual report. The two scores that were lowest compared to the national average were:

- **KF26:** percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months = 27%

- **KF21:** percentage believing that Trust provides equal opportunities for career progression or promotion = 80%

The following measures are being put in place to address these indicators in the staff survey:

- We are holding open conversations with our staff to discuss the results and action planning. Once this has been formulated, we will share with the Executive Board and the rest of the Trust. We anticipate this to be at the beginning of June.

CQC ratings

Both hospital sites were independently assessed against the Care Quality Commission's Fundamental Standards during 2014/15 with a rating of 'requires improvement'. Action plans that addressed the themes that were identified were completed on both Trust sites.

The Trust has developed a systematic approach to monitoring of compliance with standards as set by the Care Quality Commission. One part of this work has been demonstrated by senior nurses and midwives working clinically with different multidisciplinary stakeholders in taking forward a weekly quality review or 'quality round'. The aim for the organisation is to achieve a rating of at least 'Good' in the next CQC inspection for both sites.

Quality rounds

This process has been developed over the past two years and is an established and scheduled programme. The process has been established as a regular mandatory quality round to ensure:

- Professional leaders stay connected to the reality of delivering care.
- Nurses and midwives are able to assure themselves and the organisation with regard to standards of care.
- Senior staff are able receive direct feedback from patients on the care they receive.
- Nurses and Midwives are able to use the sessions as an opportunity to refresh their clinical knowledge to support their professional development and the Nursing and Midwifery Council's Revalidation requirements to re-register.
- Staff feel they are supported by their senior professional leaders being available and regularly visible.

Ward accreditation

Over the past year, a new system of ward and clinical area accreditation was launched. The system is a quality assurance and improvement process with the aim to oversee and assure the quality standards being met in all clinical areas. When a clinical area has been subject to the accreditation process it is then rated from 'white' to 'gold' in a similar manner to the CQC's grading system of regulation. The grading runs from gold being the highest rating noting excellent/outstanding practice, to silver, bronze and white to be the lowest grading.

The process aims to identify good practice in the clinical areas and for areas that need to make improvement, to facilitate support and guidance for these to meet the standards expected. The accreditation tool uses a template in line with the Care Quality Commission's (CQC's) Key Lines of Enquiry.

Key leads in the nursing, midwifery and multidisciplinary healthcare staff have completed a dedicated briefing to join the accreditation teams. The accreditation programme forms part of the Trust's ongoing quality portfolio reviewing the quality of services offered to patients and relatives, stakeholders and the support to staff in the Trust's clinical areas.

The ward accreditation process was completed for all ward areas and some specialist areas on both sites by March 2017. All remaining relevant specialist clinical areas will be subject to the accreditation process. The process will be repeated at least yearly in every area on the programme.

Other work themes

Towards the end of the year funding was awarded to the Trust by the Trust's official Charity CW+. This award permits the Trust to lead a pilot project to use a new web based tool to compile quality information during the ward accreditation process. This will support the substantial degree of data that is collected during accreditation and provide a more

precise scoring system. This will mean Chelsea and Westminster Hospital NHS Foundation Trust will be one of only a handful of Trusts in the UK who will use this new innovation; aimed to release time spent on accreditation administration by healthcare professionals.

Other work to meet the requirements of the CQC has included a focus on enhancing patient documentation which has become a major work stream in the Corporate Nursing Division. Also through every department there has been an additional work programme to harmonise policies and procedures from the two organisations into one set of documents.

Chelsea and Westminster Hospital NHS Foundation Trust Board recognise its responsibility to have robust governance and oversight in place to ensure compliance with requirements of regulatory and professional bodies. Another area of work, the Trust Compliance Group is delegated to monitor compliance via a compliance matrix. The Compliance Group seek assurance in respect of any other specific compliance areas that fall outside of the generic testing used within the Ward Accreditation programme, in addition to Peer Review preparation and to include area or profession specific external visits and accreditations.

Over the past year there has been a programme of work to establish a direction for ongoing quality improvement with the CQC's standards at the forefront of its direction. This has included completing action plans and merging a process for quality improvement into a sustainable programme for both hospital sites.

There remain a small number of outstanding actions on both sites resulting from CQC's 2014 inspections. Work is in progress for all of this small number of themes. These are highlighted in Table 9.

Table 9: Final outstanding actions following the previous 2014 CQC reports

Site	Issue	Update	RED/AMBER/ GREEN rating
Chelsea and Westminster site	Patients with mental health issues spending long periods in the Emergency Department (ED), unable to access appropriate provision.	Following building work in both EDs there is more appropriate space available for these patients. There has been increased Child and Adolescent Mental Health Service (CAMHS) and psychiatric liaison support to review patients. Engagement with NHS England and West London Mental Health Trust/ Central North West London to improve provision of appropriate mental health beds.	Amber
Chelsea and Westminster site	Patients are not always transferred from the Intensive Care Unit (ICU) to a ward within 4 hours of being medically fit. Patients on occasions are being transferred between the hours of 22.00–07.00 which is not the optimum time for patient transfer in terms of best practice.	The ICU leads continue to audit these incidents, and to highlight early in the day patients who are suitable for step-down to the ward area.	Amber

Site	Issue	Update	RED/AMBER/ GREEN rating
West Middlesex site	The hospital not meeting the national target of providing 'face to face' specialist palliative care services 09.00–17.00, 7 days a week.	Increased number of nurses and medical staff within the palliative care team has been increased.	Amber
West Middlesex site (relevant to both sites)	Provision of information in other languages to be accessible.	Using nationally available leaflets where possible. A number of leaflets are now available in 'Easy Read' format.	Amber

Aside of the work undertaken in the Trust during the year, key Trust representatives have worked closely with the Trust's CQC's relationship manager to ensure key work is identified and taken forward to maintain firm working relationships by the Trust with the CQC.

Additional quality highlights

Council of Governors Quality Awards

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

Laser clinic at 10 Hammersmith Broadway

HPV infection can cause harmless (but cosmetically significant) skin growths or warts, but also pre-cancerous changes in infected skin. The Laser Clinic at 10HB meets an unmet need and offers an holistic and patient-centred approach, treating all refractory warts and suitable ano-genital pre-malignant conditions in one clinic. Given the paucity of this type of service, regionally it also presents the opportunity to develop a referral clinic for patients from further afield.

The ICU team

The ICU Airway Group team was set up following a critical incident involving a young ICU patient with a difficult airway. Issues were identified which the Team worked hard to remedy. Vulnerable patients now have an airways alert at the head of their bed; an airways alert handover was initiated; there is improved simulation training for difficult airways; there are new airways trolleys throughout the Trust, and difficult airways patients are flagged on care plans. This project has enabled the staff to learn as a team in a supportive environment, improving confidence, competency and teamworking skills.

Oliver Lynch, IV Line Practitioner

The Nurse-Led Vascular Access Service appointed a dedicated IV Line Practitioner enabling an improvement of choice of lines, skilled placement of lines and a programme of education for ward staff on optimisation of ongoing care. Oliver Lynch has driven the project and delivered the service. With the implementation of this project—"Right patient, Right line, Right time"—there is also potential to generate income through training of nurses from other acute Trusts and District nurses.

10 Hammersmith Broadway relocation team

Rachael Jones (Lead clinician of 10HB) and her team, working closely with the design and build team, successfully relocated the former West London Centre for Sexual Health (WLCSH) to 10 Hammersmith Broadway. The work involved was intense and all parties, patients especially, were consulted at all times in order to make the move successful and in order to provide a much higher level of service.

Kathryn Mangold and her team

Kathryn Mangold (Lead Nurse for Learning Disability and Transition) and her team, consisting of carers of patients with learning disabilities and the Trust Facilities team, worked tirelessly with the Changing Places Consortium to provide a Changing Places (CP)P toilet on the ground floor at Chelsea and Westminster hospital, Fulham Road. This is the first Changing Places facility within an NHS hospital in London. The parent carers worked with the architect, the building contractors, the lead nurse and the Estates and Facilities team to design the facility, including art work and lighting; they also advised them on the latest suitable equipment to install.

Additional quality improvement highlights

Clinical innovation and improvement fellowship

Initiatives to improve quality frequently involve frontline staff, including junior doctors. However, hospital trusts do not always harness the knowledge and skills of this cohort.

Chelsea and Westminster Hospital NHS Foundation Trust has undergone significant recent changes, merging with West Middlesex University Hospital. The Trust is transforming and integrating following this, whilst continuing to strive for excellence in patient care. It was recognised that engaging junior doctors would be vital to this strategy.

After an initial successful pilot with a single fellow, five junior doctors were employed by the Trust in August 2016 as Clinical Innovation and Improvement Fellows. These unique roles allow the Fellows to bring their clinical knowledge into the managerial arena and to develop their understanding of the inner workings of a hospital.

Three of the fellows are closely aligned to specific services, each working within one of the divisions, whilst the remaining two are aligned to the prestigious Darzi leadership programme and focus on issues spanning the Trust and community.

Currently, the fellows are working on a wide range of improvement projects, including the development of a service to better care for the frail elderly patient group and the implementation of a new electronic patient record system. Fellows provide clinical advice to managerial staff and work with front line clinicians. They continue their clinical commitment and have a day a week working in a clinical setting, ensuring they are able to better understand the problems of clinicians, patients and managers in their areas. The fellowship is also part of the development of a wider Trust commitment to quality improvement and staff engagement, with particular focus on junior doctors.

A selection of their individual projects includes:

Red to Green

Red to Green is an approach that has been developed nationally in order to identify and tackle any delays which lead to a patient being in hospital for longer than they should be. Experience from other trusts that have used this tool have shown that it can improve patient care by tackling delays and also help staff caring for patients by solving the problems that they know lead to unnecessary delays and are often a source of huge frustration.

This approach began at the Trust as a pilot on David Erskine and is now being rolled out across the Trust. There has been a huge amount of clinical engagement in the project and feedback has been broadly positive with staff identifying how important it is to our patients. Whilst the approach is being rolled out we are seeing a change in how delays are identified and a new focused effort to ensure that patients receive the highest quality care in the shortest amount of time that clinically they need to be in hospital.

Choosing Wisely

The Choosing Wisely campaign is a global initiative aiming to open up a dialogue between patients and clinicians about the best tests and treatments relating to their personal values and goals. Having these discussions can help us to avoid tests, treatments and procedures that are at best, ineffective and, at worst, harmful. Aaminah Haq leads on the project to implement the Choosing Wisely principles throughout the Trust, by engaging doctors and patients in behavioural change. To date, an impressively detailed level of data around ordering behaviours has been analysed, patient directed campaigns have started and Choosing Wisely champions have been identified throughout the Trust. These champions are working on their individual projects on ways to stop overuse of tests, empower patients and develop doctor education. It is hoped that this project will improve patient experience and allow us to care for more patients with the same resources. Although this project is in its infancy, the national branch of the campaign, led by the Academy of Medical Royal Colleges, has highlighted how proactive the Trust has been in its early adoption of these principles.

FlexiStaff+

Locum and agency staffing is a significant patient safety issue for the Trust as well as a huge financial pressure, as it is for trusts up and down the country. Last year a new approach was sought to ensure that locum and agency spend was decreased whilst providing optimum levels of medical staff to provide the highest quality of care for patients. This involved a new and innovative staff bank—FlexiStaff+—which launched at the West Middlesex site in November 2016 and is due for launch at the Chelsea and Westminster site in spring 2017. Already FlexiStaff+ has filled over 10,000+hours of shifts at West Middlesex, providing significant cost savings to the Trust whilst filling shifts with doctors approved through FlexiStaff+ and evaluated to ensure high quality of care

All of the projects undertaken by the fellows have excellence in quality of care at their core. Over the next few months of the fellowship the fellows will continue to work on a wide range of projects and look forward to showing the impact that they have had for their patients.

End of life care

The Trust continues to be engaged in a comprehensive plan led by the End of Life Care Steering Group to implement and deliver care, treatment and support for people moving towards the end of their life and their family/friends. This includes:

- Training and support for all staff
- Roll out of the Gold Standards Framework (GSF)
- Implementation of 'Coordinate my Care'
- Implementation of the 'Compassionate Care Agreement' (personalised care plan)
- Extending a 7-day face-to-face specialist palliative care nursing service to the WMUH site from July 2017
- Appointed additional medical and nursing staff, including two end of life care specialist nurses, a new consultant in palliative medicine at WMUH and a consultant post advertised for C&W site.

The Trust continues with the development programme to become one of the first London teaching hospitals to become a GSF accredited hospital, a kite mark for excellence in end of life care. The aim of the programme is to support clinical and non-clinical staff to deliver excellent end of life care, 24 hours a day, 7 days a week in line with the end of life care strategy.

In phase one 4 wards began the training process and will apply for accreditation in September 2017. The second phase of training began in June 2016 and a further 8 wards are undergoing training. Phase three will begin later this year and include all other clinical areas in the Trust. The plan continues for all clinical areas/wards to be fully accredited with the GSF standard of care within the next two years.

Working with the Friends Charity we have refurbished the Butterfly Room on David Erskine ward and completed two new Butterfly Rooms on Nell Gwynne and Edgar Horne wards, a further 3 rooms across both sites of the Trust will be completed by April 2017. Each Butterfly Room is designed to better support dying patients and their families.

The refurbishment involves an upgrade in the clinical environment, coloured art panels for ceiling and windows and recliner chairs converting to single beds for relatives. Visitors from other trusts have come to see and review the Butterfly Room concept.

Mortality review

A quality initiative was established in October 2016 to provide a standardised process for the identification, review and response to all in-hospital deaths. This initiative aimed to provide increased opportunities to learn from mortality, drive service improvement and offer assurance to our patients and their families that the causes and contributory factors of all deaths are understood and acted upon.

Following a death the patient's clinical team meet to share and agree the reasons for the outcome and to consider if care could or should have been managed differently; the outcome of this review is recorded within a dedicated mortality review module to support wider Trust learning.

If issues in the way care was provided are identified corrective action is supported by both a Divisional Mortality Review Group (chaired by the Divisional Medical Director or deputy) and the Trustwide Mortality Surveillance Group (chaired by the Trust Mortality Lead).

Through systematic review of mortality, the Trust continues to develop our safety learning culture.

Annex 1: Council of Governors statement

Governors' comments on the Quality Report

The governors have read the Quality Report with great interest and we are always amazed at the amount of commitment shown by staff in working toward continual improvement of the quality of care.

We governors fully endorsed the **reduction of hospital acquired pressure ulcers** as a continued priority during 2016/17. It was noted that a cross-site approach to root cause analysis resulted in clear steps being put in place, which proved extremely helpful in dramatically reducing the occurrences of hospital acquired pressure ulcers.

The governors fully approved the choice of the **Friends and Family Test** as a Priority yet again, since there is still scope for improvement in the number of patients completing these tests. The FFT is a key measurement of patient satisfaction with the quality of care provided, so the fact that we are continually just under the target continues to disappoint.

The governors are pleased to see the ongoing commitment of our Research and Development department in their continued recruitment of patients to participate in clinical research, approved by a research ethics committee. This demonstrates the Trust's commitment to testing and offering the latest medical treatments and techniques, which go a long way to improving the quality of care.

The Ward Accreditation scheme introduced this year has proved very successful, with wards competing with each other to attain high status. The governors were delighted to learn that this system is a process of assuring that quality standards are being met and sustained in all clinical areas. We were also pleased to learn that with the help of our official hospital charity CW+ a new web-based tool was introduced as a pilot project to compile quality information. The accreditation work, utilising this work tool, while improving quality of care on the wards, is also gathering essential data which the CQC will require during their inspection.

The governors would also like to thank the Friends Charity for their support in refurbishing the Butterfly Room on David Erskine Ward and for completing new Butterfly Rooms on Nell Gwynne and Edgar Horne wards. Their commitment to a further three rooms across both sites of the Trust is much appreciated.

With a keen eye to the continued quality of care provided to our patients, the governors continue to take an interest in the training and education of the Trust staff. It was good to note that this is now included as a regular slot within the management module for junior doctors.

Good to see, too, that after an initial successful pilot with a single fellow, five junior doctors were employed by the Trust as Clinical Innovation and Improvement fellows. We governors shall follow their progress with great interest.

The governors continue to provide Quality Awards for innovations which improve the patient experience, or which improve the working procedures or environment of the hospital staff, particularly where an idea which saves money can be rolled out cross-site. We are continually impressed by the standard of the applications we receive.

There continue to be disappointing complaints about the appointment system, especially where hospital letters are concerned. The governors will keep an eye on the number of complaints and look forward to the promised improvements this coming year.

We were disappointed, too, to see from the Staff Survey results that 27% stated they experienced harassment, bullying or abuse from other staff. This percentage is worrying and the governors will keep an eye on what plans are put into action to combat this situation.

The governors have been pleased to see that both the Trust senior leadership and front line managers have continued to strive to achieve integration across the two main sites (in Chelsea and at the West Middlesex hospital). We have seen joint work taking place to improve both the patient experience and the feedback to staff in Team Briefings showing appreciation of their help with work on integration.

The governors would like to thank the staff of both sites for the hard work and dedication that goes into making us one of the top Trusts. We governors are aware that it is only through your continual efforts that we achieve high ratings in many areas. We want staff throughout the Trust to know how appreciated you are. Thank you all.

Susan Maxwell
21 April 2017

Annex 2: CWHHE Clinical Commissioning Group (CCG) statement

Chelsea and Westminster Hospital NHS Foundation Trust Quality Account 2016/17: Commissioners' Statement

NHS West London Clinical Commissioning Group (WLCCG) is the lead commissioner for Chelsea and Westminster Hospital NHS Foundation Trust (C&W). This function is delivered jointly with NHS Hounslow CCG on behalf of a number of Clinical Commissioning Groups (CCGs) across London.

Both CCGs monitor the quality and performance of services across both sites (Chelsea and Westminster and West Middlesex Hospitals sites).

We have triangulated the accuracy of the information presented in this Quality Account against data and information which is available to us as part of existing monthly quality, contract and performance monitoring meetings, visits to services and continuous dialogue with the Trust. These processes informed our opinions about the quality of services provided. The Quality Account has been shared with CCGs and this narrative is a collective response.

As Clinical Commissioners we are pleased the Trust has implemented a number of quality initiatives and developments to improve patient, safety and experience. In particular the Trust has significantly reduced hospital acquired Pressure Ulcers; and improved clinical services such as refurbished Accident & Emergency departments across both sites; and the award winning Paediatric Assessment Unit a model of care with excellent patient feedback.

The Trust has continued to focus on its integration agenda following the acquisition of West Middlesex Hospital, and the benefit of both sites learning from each other and sharing mutual strengths and effective clinical pathways. We recognise this work will continue into 17/18.

The Trust has fully achieved a number of national and regional CQUINs, however it is of concern that infection prevention indicators have only been partially achieved.

As Clinical Commissioners we receive feedback from patients and General Practitioners, that is both positive and where patient experience is not always ideal, in particular: less than optimum delivery of Type 1 Diabetes service and below expected performance for the Friends and Family Test (FFT), particularly in Maternity at the West Middlesex hospital site. We note the Trust's use of Information Technology to support improvements in infection prevention and FFT at the Chelsea site is being rolled out to the West Middlesex site over the coming year.

Recognising that Safeguarding training did not meet the required threshold, we welcomed the opportunity to undertake a 'deep-dive' with the Trust and are assured that staff know the appropriate actions to take for safeguarding concerns.

Overall we welcome the vision described within the Quality Account, agree on the priority areas and will work collaboratively with the Trust to realise its stated vision and values. We

will support the Trust in the areas identified as priorities as well as those areas that have been and continue to be a challenge.

Clinical commissioners commend the Trust's open culture and candour regarding sharing information related to incidents and their commitment to working as partners and stakeholders, as evident in the Trust preparation for future Care Quality Commission inspection. We remain committed to working with the Trust to learn lessons and continually improve the quality of services provided to patients.

Louise Proctor
Managing Director
NHS West London CCG

Mary Clegg
Managing Director
NHS Hounslow CCG

Annex 3: Healthwatch Central West London statement

Healthwatch Central West London Statement on Chelsea and Westminster Hospital NHS Foundation Trust's Quality Report 2016/17

Healthwatch Central West London (Healthwatch CWL) welcomes the opportunity to comment on the Chelsea and Westminster Hospital NHS Foundation Trust (the Trust) Quality Report (QR) 2016/17.

We would like to commend the continued efforts made by the Trust in providing a clear Quality Report with simple explanations used consistently throughout. We welcome the Trust's cooperation during the Enter & View visits carried out by our Dignity Champions at the Chelsea and Westminster Hospital this year. We commend the Trust on its achievements this year, for example the reduction in avoidable admissions of term babies to the Neonatal Intensive Care Unit.

Comment on 2016/17 priorities

Priority 1: Reduction of hospital acquired pressure ulcers

We commend the Trust on the progress they have made in significantly reducing the number of pressure ulcers reported for the year 2016/17. Whilst pressure ulcers have not been set as priority for the year 2017/18, we would like to see the incidence of pressure ulcers reported in next year's QR as this has been an area of concern for several years and it would be good to see progress continue.

Priority 2: Embedding of the WHO surgical checklist

We recognise the progress that has been made in the implementation of the World Health Organisation (WHO) surgical safety checklist. Whilst the graphs demonstrate the Trust's compliance with the checklist, it would also be useful to receive feedback in how effective it has been in improving patient safety.

Priority 5: Friends and Family Test (FFT)

Our members welcome that the Trust met its FFT target of 90% within the Maternity services and Day Case however would like to understand why collectively the inpatients wards fall just below the target for recommendations. The QR references that 'complex challenges' on the inpatient wards have contributed to the lower results for patient experience. Our members would like to understand what the 'complex challenges' are and what is being done to improve the patient experience on these wards. Our members have recognised that the survey response rate is very low overall with the exception of some inpatients wards, that have higher response rates but lower recommendation rates. It would be good to receive feedback on why this may be.

Comments on 2017/18 priorities

We commend the Trust for selecting 'patient experience' as an overarching objective for the Trust's Quality Strategy 2017/18. Our members would like to receive more information about how the Trust arrived at the priorities for 2017/18 and how patients were consulted

during the process. It would be useful to have details of how the Trust engaged with patient governors and Healthwatch Central West London.

Healthwatch commend the Trust on how they plan to achieve a reduction in falls outlined in the section **Priority 1: Reduction in falls (Frailty)**. In this section, it would be useful for the Trust to reference the graphs on page 101 so that the reader can easily find baseline data on the number and seriousness of falls. Our members would also like to see more information in the QR around the site or ward where falls have taken place, as well as details of the cases leading to moderate or serious harm and the link to older patients.

Healthwatch Central West London would like to have seen more ambition when setting priorities; **2- Antibiotic administration in Sepsis**, **3- National Early Warning Score (Scepsis)** and **4- National Safety Standards for Invasive Procedures**. Our members feel that these should be done routinely therefore are interested in the rationale for identifying these as priorities.

We welcome **Priority 6- Focus on complaints and demonstrate learning from complaints** as this is something previously proposed by Healthwatch Central West London. Whilst the response time is important, our members feel that the focus should be on the learning gained from the complaints and how they are used to inform practices. A target of 1% reduction of informal complaints is very low and it is questionable whether a reduction is an appropriate target as complaints and comments should be encouraged.

Comments on the rest of the Quality Report

Venous Thromboembolism (VTE) Assessment appears to be an ongoing issue for the Trust. Healthwatch CWL welcome the plan to improve this at the West Middlesex site and would like to see the progress included in next year's QR.

On the **Safety Thermometer** graphs (page 92) there are anomalies for Chelsea and Westminster in November/ December and West Middlesex in August/September. It would be helpful to have explanations for the irregular data.

It would be useful to see comparative data for the two indicators listed under the **Staff Survey results** on page 135 in order to understand more about the results. The members commend the Trust for putting measures in place to address the indicators, however it would be good to have more information about the feedback received from staff and the plan in place to improve staff satisfaction. Healthwatch CWL feel that this is important as staff and patient satisfaction tend to influence one another.

Accessibility of the QR

Healthwatch would like to commend the Trust on the readability of the QR. We welcome the use of bullet points and the expansion of specialist terms. The tables and graphs are useful for interpreting information, however the font size is a little small on some tables (e.g. page 111). The Trust should also make sure that tables are labelled correctly, some of the graphs are missing a description on the 'Y axis' (e.g. page 97), and that graphs are used consistently (e.g. either in 2D or 3D). Whilst our members commend the Trust for keeping the use of acronyms low, it would still be good to see a glossary at the front of the QR.

Conclusion

In conclusion, our members welcome the Trusts efforts to provide an easy to read QR and their cooperation during the Enter & View visits.

However, our members would like to see increased engagement with patients and Healthwatch when selecting next year's priorities and hope that those chosen will be more ambitious than those selected this year.

We look forward to continuing to work with Chelsea and Westminster Hospital NHS Foundation Trust in improving the care and support of patients.

Contact

Healthwatch Central West London
T: 020 8968 7049
E: info@healthwatchcentralwestlondon.org

15 May 2017

Annex 4: Royal Borough of Kensington and Chelsea Adult Social Care and Health Scrutiny Committee statement

Royal Borough of Kensington and Chelsea's response

Introduction, merger and inspection

We welcome the opportunity to comment on the Chelsea and Westminster Hospital NHS Foundation Trust's (CWFT's) Quality Account 2016/17. We regret that performance statistics are no longer provided separately for the Chelsea and Westminster Hospital in the Quality Account, though we understand that this is a consequence of the Dept. of Health's regulations.

Since planning first began on the merger of Chelsea and Westminster Hospital (C&W) and West Middlesex University Hospital (WMUH) there has been decline in Care Quality Commission (CQC) ratings. The inspection report C&W (28 October 2014) rated services as 'requires improvement overall'. The inspection report WMUH (7 April 2015) rated services as 'requires improvement overall' and said the 'protracted' merger process had led to a high use of interim senior managers and 'planning blight'.

This Quality Account highlights decline of performance at C&W this year for: staff recommending the hospital; patient stay at A&E less than 4 hours; cancer targets (18 and 2 week); and, complaint handling.

Performance 2016/17

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

Patient safety

- CWFT performs well in regards to mortality against national indicators.
- There has been a decrease in the volume of grade 3 and 4 pressure ulcers and in grade 2 hospital acquired pressure ulcers.
- CWFT reported 34 patient safety incidents that resulted in severe harm or death between October 2015–September 2016.
- There are still too many preventable falls occurring.
- More work is needed to embed the WHO surgical checklist.
- The target for adult patients with completed VTE risk assessments on admission to hospital was not achieved.

	2015/16 WMUH	2015/16 C&W	2016/17 CWFT
Admitted patients risk assessment for VTE (Target ≥95%)	94.3%	96.1	89.9%
Safeguarding Adults Training (Target 90%)	91.8%	96%	87.3%

- The target for safeguarding training was not achieved.
- The Quality Account should have referenced that the obstetrics and gynaecology department has been placed on 'enhanced monitoring' status by the General Medical Council and Health Education England after concerns about safety.

Clinical effectiveness

	2015/16 WMUH	2015/16 C&W	2016/17 CWFT	Comment
A&E/UCC patient stay in A&E less than 4 hours Type 1 (Target 95%)	90.4%	95.4%	89.5%	C&W used to consistently hit this target
18 week RTT (Target 92%)	n/a	92.1%	92%	Performance in December 2016 was 90.7%
Cancer 2 week wait (Target 93%)	93.8	95.3	92%	Colorectal services at C&W has been the biggest challenged speciality.

Patient experience

	2015/16 WMUH	2015/16 C&W	2016/17 CWFT	Comment
Staff recommending the Trust (National performance 70%)	54%	82%	73%	C&W scored 91% in 2014/15

- 27% of C&W staff experiencing harassment, bullying or abuse from staff in the last 12 months seems high and not improving (27% in 2015/16).

Complaints

During 2016/17, there was a significant reduction in the number of complaints responded to within 25 working days.

	2015/16 WMUH	2015/16 C&W	2016/17 CWFT
Complaints responded to within 25 days	60.8%	62.8%	29.1%

This is a very sharp decline in performance and we are surprised that action was not taken earlier to address this problem. The Governors' Statement makes references to: 'complaints about the appointment system, especially where hospital letters are concerned' but it is not clear what action has been taken to address this problem.

Quality priorities 2017/18

CWFT should clearly state it needs to improve its standards 'good' as a minimum and to 'outstanding' where they can before the next CQC inspection.

We support the plan, to continue to link the quality priorities to the Quality Strategy and Plan 2015/18 and align them to Patient Safety, Clinical Effectiveness or Patient Experience. However, targets should be quantifiable wherever possible, so they lend themselves to assessment. It is often difficult to see improvements when CWFT includes statements such as 'deliver the programme'.

We are interested to see the progress that is made towards achieving the quality account priorities during 2017/18.

Improving the Quality Account

We ask CWFT to set out data on the individual hospitals. CWFT has moved to reporting composite scores which hide combinations of high and low performance (as illustrated in some of the tables above).

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

The draft Quality Account was passed to us on the 9 May with the deadline for feedback 16 May. This gave us just seven days to respond. For the third year in a row, CWFT has not given the required 30-days.

This year, we were unable to find CWFT's 2015/16 submission posted on the NHS Choice website, as required.

Openness and transparency

Since November 2015, 'Duty of Candour' became a statutory requirement. We are pleased CWFT writes: 'We will inform, explain and apologise should something go wrong with the care and treatment we provide that results in significant harm.'

CWFT's Information Governance Assessment Report overall score was 66% (graded green).

We were disappointed CWFT came 134th (out of 230 trusts) and said to have 'significant concerns about openness and transparency' in the Learning from mistakes league (March 16).

Shaping a healthier future

Related to outer North West London (NWL), the NWL Implementation Business Case (IMBC) says they: 'will reduce demand for acute beds by 364 by 2025/26' (p7). The earlier draft said '500 beds' in total for NWL would be lost. This leads to a potential loss in inner NWL (in the region of) 136 beds. We await the next iteration of the IMBC to find out the detail. We wish to be kept fully informed of any impact on C&W.

Conclusion

We are entirely supportive of the work of the CWFT. The hospital on the Fulham Road has been an outstanding facility and we welcome the considerable work that is going on to improve Quality in response to the CQC's report.

We look forward to continuing our strong working relationship with CWFT Trust in 2017/18.

Councillor Charles Williams
Chairman

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

Annex 4: Statement of Directors' Responsibilities for the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2016/17 and supporting guidance

- the content of the Quality Report is not inconsistent with internal and external sources of information including:

    - board minutes and papers for the period April 2016 to May 2017
    - papers relating to quality reported to the board over the period April 2016 to May 2017
    - feedback from commissioners dated May 2017
    - feedback from governors dated April 2017
    - feedback from local Healthwatch organisations dated May 2017
    - feedback from Overview and Scrutiny Committee dated May 2017
    - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2017
    - the latest national patient survey dated February 2017
    - the latest national staff survey dated March 2017
    - the Head of Internal Audit's annual opinion of the Trust's control environment dated May 2017
    - CQC inspection reports dated October 2014 and April 2015

- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered

- the performance information reported in the Quality Report is reliable and accurate

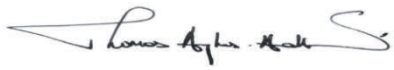
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and

- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

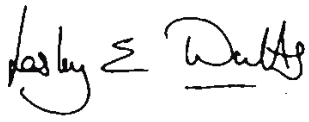
The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the board:



Sir Thomas Hughes-Hallett
Chairman

26 May 2017



Lesley Watts
Chief Executive Officer

26 May 2017

Annex 5: Independent Auditor's Report to the Council of Governors of Chelsea and Westminster Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the council of governors of Chelsea and Westminster Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Chelsea and Westminster Hospital NHS Foundation Trust's quality report for the year ended 31 March 2017 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Chelsea and Westminster Hospital NHS Foundation Trust as a body, to assist the council of governors in reporting Chelsea and Westminster Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2017, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Chelsea and Westminster Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- Percentage of patients with total time in A&E of four hours or less from arrival to admission, transfer or discharge

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2016/17 Detailed guidance for external assurance on quality reports

- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'

We read the quality report and consider whether it addresses the content requirements of the '*NHS foundation trust annual reporting manual' and supporting guidance,* and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- board minutes for the period April 2016 to March 2017
- papers relating to quality reported to the board over the period April 2016 to March 2017
- feedback from the Commissioners dated May 2017
- feedback from the governors dated May 2017
- feedback from local Healthwatch organisations, dated May 2017
- feedback from Overview and Scrutiny Committee, dated May 2017
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2017
- the Trust inpatient survey dated February 2017
- the national staff survey dated May 2016
- Care Quality Commission reports
- the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2017

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- testing key management controls
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation

- comparing the content requirements of the ‘NHS foundation trust annual reporting manual’ and supporting guidance to the categories reported in the quality report
- reading the documents

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the ‘NHS foundation trust annual reporting manual’ and supporting guidance.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Basis for qualified conclusion

Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

As set out in the 2015/16 quality report, the Trust identified a number of issues in prior years in respect of the referral to treatment within 18 weeks for patients on incomplete pathways indicator. The action plans to address these findings are ongoing and our testing indicates that these issues continue to impact the reported indicator and affect both of the Trust’s sites, despite improvements in year in terms of the level of error found in the population.

From a sample of 40, we identified the following:

- Six instances where the clock had not been stopped on the correct date
- One instance where a patient had been duplicated in the data and reported twice in the metric
- Five pathways where a breach had occurred but pathway was recorded as being under 18 weeks

As a result of the issues identified, we have concluded that there are errors in the calculation of the 18 week referral-to-treatment incomplete pathway indicator. We are unable to quantify the effect of these errors on the reported indicator for the year ended 31 March 2017.

Percentage of patients with total time in A&E of four hours or less from arrival to admission, transfer or discharge

Our testing identified that, as was the case in the prior year, the Trust does not retain an audit trail for adjustments made following validation of apparent breaches. Documentation is not retained to evidence the rationale for amending individual A&E attendance durations.

We also identified site that discharge times for our sample were not recorded in patient notes or discharge summaries, meaning we were unable to validate times recorded.

As a result there is a limitation upon the scope of our procedures which means we are unable to determine whether the indicator has been prepared in accordance with the criteria for reporting A&E 4 hour waiting times for the year ended 31 March 2017.

Qualified conclusion

Based on the results of our procedures, except for the effect of the matters set out in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance

- the quality report is not consistent in all material respects with the sources specified in 2.1 of the NHS Improvement Detailed requirements for quality reports for Foundation Trusts 2016/17

- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and supporting guidance

Deloitte LLP
Chartered Accountants
St Albans

30 May 2017

Epilogue

About the Trust website

The maintenance and integrity of the Trust's website is the responsibility of the directors. The work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Your comments are welcome

We hope that you have found our Quality Report interesting and easy to read. We would like to hear what you thought of it, so please let us have your comments by using the contact details below. Please also let us know if you would like to get involved in helping us to decide our priorities for improving quality.

Would you like to stay in touch with the hospital by becoming a member and receiving our hospital newsletter, *Going Beyond*? If so, please contact us—your details will not be shared with anyone else.

Write to:

Head of Communications
Chelsea and Westminster Hospital NHS Foundation Trust
369 Fulham Road
London
SW10 9NH

E: communications@chelwest.nhs.uk

SECTION 4

AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST

Opinion on financial statements of Chelsea and Westminster Hospital NHS Foundation Trust

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement—Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

The financial statements that we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Cash Flows;
- the Statement of Changes in Equity; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement—Independent Regulator of NHS Foundation Trusts.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Summary of our audit approach

Key risks

The key risks that we identified in the current year were:

- Revenue Recognition
- Management Override of Controls
- Valuation of Land and Buildings

Materiality

The materiality that we used in the current year was £9.0m (2015/16: £4.5m) which was determined on the basis of 1.4% of revenue (2015/16: 0.9%).

Scoping

We have not scoped out any balances that are quantitatively or qualitatively material.

Significant changes in our approach

We have reduced the number of key risks in 2016/17 when compared to the prior year. In 2015/16 we identified a key risk in respect of accounting for the acquisition of West Middlesex University Hospital and accounting for the combined Trust. We have not included this as a key risk in the current year.

We reassessed the materiality percentage used in the context of our cumulative knowledge and understanding of the audit risks faced by the Trust for this year.

Going concern

We have reviewed the Accounting Officer's statement on page 16 that the Trust is a going concern. We confirm that:

- we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Trust's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Independence

We are required to comply with the Code of Audit Practice and Financial Reporting Council's Ethical Standards for Auditors, and confirm that we are independent of the Trust and we have fulfilled our other ethical responsibilities in accordance with those standards.

We confirm that we are independent of the Trust and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

In 2015/16 we identified a key risk in respect of accounting for the acquisition of West Middlesex University Hospital and accounting for the combined Trust. Following integration of the Trust's general ledger and finance team, we have not included this as a key risk in the current year.

NHS revenue and provisions

Risk description

As described in note 1, Accounting Policies and note 1.21, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in recognition

of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:

- the complexity of the Payment by Results regime, in particular in determining the level of over-performance and Commissioning for Quality and Innovation ("CQUIN") revenue to recognise;
- the judgemental nature of provisions for disputes, including in respect of outstanding over-performance income for quarters 3 and 4; and
- the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes.

We consider the significant risk to be in relation to the NHS revenue that has been recognised in the year but that is yet to be settled by Commissioners. This includes accrued income, over-performance and any other unconfirmed revenue or open areas of dispute/challenge. In 2016/17 this also includes the Q4, bonus and incentive elements of Sustainability and Transformation Funding (STF) which is dependent on the Trust meeting certain financial performance and access standard requirements.

Details of the Trust's income, including £497.5m (2015/16: £425.0m) of Commissioner Requested Services, are shown in note 2.2 to the financial statements. NHS debtors of £44.3m (2015/16: £33.9m) and related amounts within the overall accrued income balance of £12.8m (2015/16: £20.4m) are shown in note 15. The overall provision for impaired receivables of £10.1m (2015/16: £13.5m) and contractual disputes provision of £12.2m (2015/16: £5.8m) are shown in notes 15 and 21 respectively.

The Trust also received £21.6m transaction support funding and Sustainability and Transformation Funding (STF) of £18.5m from the Department of Health during 2016/17.

The Trust earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position. The settlement of income with Clinical Commissioning Groups continues to present challenges, leading to disputes and delays in the agreement of year end positions.

How the scope of our audit responded to the risk

We evaluated the design and implementation of controls over recognition of Payment by Results income, with IT specialists performing the testing of the systems controls.

We performed detailed substantive testing on a sample basis of the recoverability of unsettled over-performance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.

We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners.

Key observations

We are satisfied that Trust revenue is not materially misstated. Although within an acceptable range, the level of provisioning for bad debts and contractual disputes is relatively conservative.

Property valuations

Risk description

The Trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £348.3m (2015/16 £340.8m). The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.

As detailed in note 1.21, the Trust has reassessed a number of valuation assumptions in the current year, including VAT treatment of the West Middlesex PFI site, floor area and land values. In particular, the change in assumption on the recoverability of VAT reduces the assumed cost of rebuild by 20%. The net valuation movement on the Trust's estate shown in note 5 is an impairment of £4.1m.

Further details on the associated estimates are included in notes 1.21 and 12 to the financial statements.

How the scope of our audit responded to the risk

We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Trust to the valuer.

We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties, including through benchmarking against revaluations performed by other Trusts at 31 March 2017.

We challenged the Trust's assumption that a theoretical alternative, lower value, site could be used in calculating a Modern Equivalent Asset value by reviewing and critically evaluating whether the alternatives considered would be viable given the nature of the Trust's activities.

We assessed the appropriateness of the increased floor areas the Trust has used in calculating a Modern Equivalent Asset valuation by considering the detailed justification of the differences from previous measurements and how these compared to the layout of the Trust's estate compared to a modern building.

We have reviewed the disclosures in notes 1.21 and 12 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.

We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.

Key observations

The Trust's valuation is based on a number of judgemental assumptions, including build costs, MEA space assumptions, PFI treatment and land location. We are satisfied that the

Trust assumptions and valuation methodology are appropriate and are not indicative of management override or manipulation to achieve a preferred outcome. We are satisfied that the property valuations are appropriate in all material aspects.

Management override of controls

Risk description

We consider there to be continued high risk across the NHS that management may override controls to fraudulently manipulate the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations.

The Trust was allocated £14.8m of the Sustainability and Transformation Fund, contingent on achieving financial and operational targets each year, equivalent to a “control total” for the year of a surplus (adjusted for certain items) of £4.4m. Of this, the Trust received £14.4m.

The Trust also received additional funding of £1 of additional funding for each £1 above the control total achieved, for which the Trust received £2.2m; and a further STF bonus of £1.5m. There is a risk that management may be incentivised to override controls to ensure financial targets are met, in order to receive this income.

All NHS Trusts and Foundation Trusts were requested by NHS Improvement in 2016 to consider a series of “technical” accounting areas and assess both whether their current accounting approach meets the requirements of International Financial Reporting Standards, and to remove “excess prudence” to support the overall NHS reported financial position. The areas of accounting estimate highlighted included accruals, deferred income, injury cost recovery debtors, partially completed patient spells, bad debt provisions, property valuations, and useful economic lives of assets.

Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.21.

How the scope of our audit responded to the risk

Manipulation of accounting estimates
Our work on accounting estimates included considering each of the areas of judgement identified by NHS Improvement. In testing each of the relevant accounting estimates, engagement team members were directed to consider their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.

We tested accounting estimates (including in respect of NHS revenue and provisions and property valuations discussed above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources.

We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether

these were in accordance with accounting requirements and were appropriate in the circumstances of the Trust.

Manipulation of journal entries
We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting focusing in particular upon manual journals.

We traced the journals to supporting documentation, considered whether they had been appropriately approved, and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias.

We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial statements.

Accounting for significant or unusual transactions
We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this risk.

Key observations

We did not identify any material misstatements or disclosure deficiencies in regards to management override of controls that warranted reporting to the Audit Committee. The Trust's estimates in the key accounting areas noted above are within an appropriate range.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality

£9.0m (2015/16: £4.5m)

Basis for determining materiality

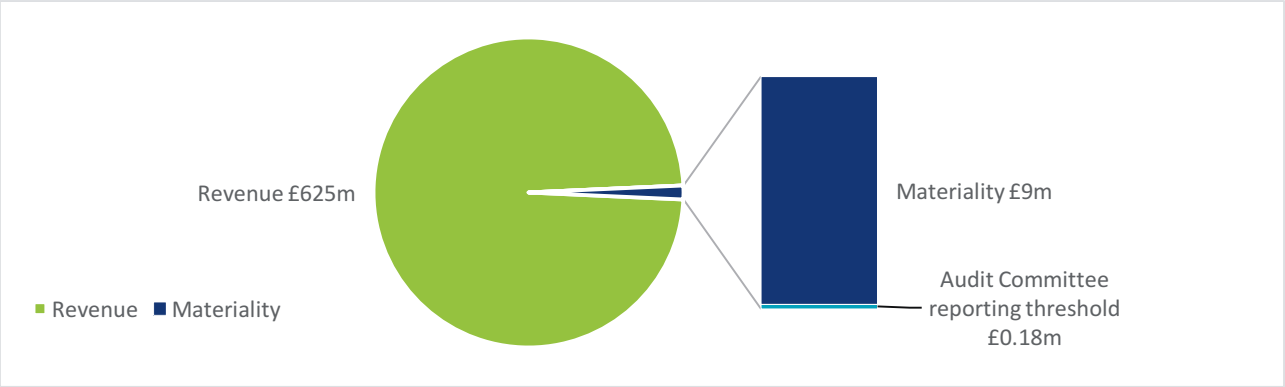
1.4% of revenue (2015/16: 0.9% of revenue)

We reassessed the percentage used in the context of our cumulative knowledge and understanding the audit risks at the Trust and our assessment of those risks for this year.

Prior year materiality was lower due to the heightened risk around the transaction, with the current year figure reflecting a more stable organisation.

Rationale for the benchmark applied

Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £180k (2015/16: £210k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work was performed at the Trust's operational sites at the Chelsea and Westminster Hospital and West Middlesex University Hospital, as well as at the Trust's finance function's offices, directly by the audit engagement team, led by the audit partner.

Following integration of the Trust's general ledger and finance team, the audit was performed on an integrated basis in the current year.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations, PFI accounting and Information Technology systems.

Data analytic techniques were used as part of audit testing, to support identification of items of audit interest and in particular journal testing.

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

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements
Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We 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 Trust, or a director or officer of the 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.

Our duty to read other information in the Annual Report
Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Accounting Officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team.

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Chelsea and Westminster Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Craig Wisdom FCA
Senior statutory auditor

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

30 May 2017

SECTION 5

FINANCE

ANNUAL ACCOUNTS 2016/17

Chelsea and Westminster Hospital NHS Foundation Trust

Annual accounts for the year ended 31 March 2017

Foreword to the accounts

Chelsea and Westminster Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2017, have been prepared by Chelsea and Westminster Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Name **Lesley Watts**
Job title **Chief Executive**
Date **26th May 2017**

Chelsea and Westminster Hospital NHS Foundation Trust
Annual Financial Statements 2016/17

Statement of Comprehensive Income

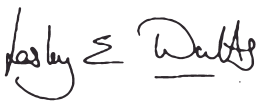
	Note	2016/17 £000	2015/16 £000
Operating income from patient care activities	2.1	517,492	445,421
Other operating income	3	107,476	78,433
Total operating income from continuing operations		**624,968**	**523,854**
Operating expenses	4.1	(595,361)	(574,632)
Operating surplus/(deficit) from continuing operations		**29,607**	**(50,778)**
Finance income	8	107	83
Finance expenses	9.1	(5,410)	(3,370)
PDC dividends payable		(8,537)	(10,378)
Net finance costs		**(13,840)**	**(13,665)**
Gains/(losses) of disposal of non-current assets	10	(807)	-
Share of profit of associates/joint arrangements	13	357	322
Gains/ (losses) arising from transfers by absorption		-	75,049
Surplus for the year from continuing operations		**15,317**	**10,928**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	5	(11,289)	(62,399)
Revaluations	14	-	312
Total comprehensive income / (expense) for the period		**4,028**	**(51,159)**

Chelsea and Westminster Hospital NHS Foundation Trust
Annual Financial Statements 2016/17

Statement of Financial Position

	Note	31 March 2017 £000	31 March 2016 £000
Non-current assets			
Intangible assets	11	11,774	10,898
Property, plant and equipment	12	376,517	372,621
Investments in associates (and joint ventures)	13	643	1,845
Total non-current assets		**388,934**	**385,364**
Current assets			
Inventories	14	6,463	7,230
Trade and other receivables	15.1	81,243	73,548
Cash and cash equivalents	16	49,453	41,877
Total current assets		**137,159**	**122,655**
Current liabilities			
Trade and other payables	17	(84,506)	(86,672)
Other liabilities	18	(7,590)	(5,882)
Borrowings	19	(4,421)	(4,482)
Provisions	21.1	(19,330)	(10,650)
Total current liabilities		**(115,847)**	**(107,686)**
Total assets less current liabilities		**410,246**	**400,333**
Non-current liabilities			
Borrowings	19	(89,537)	(87,445)
Provisions	21.1	(2,770)	(1,087)
Total non-current liabilities		**(92,307)**	**(88,532)**
Total assets employed		**317,939**	**311,801**
Financed by			
Public dividend capital		226,066	223,956
Revaluation reserve		71,181	83,375
Income and expenditure reserve		20,692	4,470
Total taxpayers' equity		**317,939**	**311,801**

The notes on pages 4 to 36 form part of these accounts.



Name Lesley Watts
Position Chief Executive
Date 26th May 2017

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2016 - brought forward	**223,956**	**83,375**	**4,470**	**311,801**
Surplus/(deficit) for the year	-	-	15,317	**15,317**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(905)	905	**-**
Impairments	-	(11,289)	-	**(11,289)**
Public dividend capital received	2,110	-	-	**2,110**
Taxpayers' and others' equity at 31 March 2017	**226,066**	**71,181**	**20,692**	**317,939**

Statement of Changes in Equity for the year ended 31 March 2016

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2015 - brought forward	**166,521**	**93,111**	**98,803**	**358,435**
Surplus/(deficit) for the year	-	-	10,928	**10,928**
Transfers by absorption: transfers between reserves	52,910	52,363	(105,273)	**-**
Impairments	-	(62,399)	-	**(62,399)**
Revaluations	-	312	-	**312**
Transfer to retained earnings on disposal of assets	-	(12)	12	**-**
Public dividend capital received	4,525	-	-	**4,525**
Taxpayers' and others' equity at 31 March 2016	**223,956**	**83,375**	**4,470**	**311,801**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the NHS foundation trust.

Statement of Cash Flows

	Note	2016/17 £000	2015/16 £000
Cash flows from operating activities			
Operating surplus/(deficit)		29,607	(50,778)
Non-cash income and expense:			
Depreciation and amortisation	4.1	19,150	15,332
Net impairments	5	(5,608)	56,373
Income recognised in respect of capital donations	3	(744)	(866)
(Increase)/decrease in receivables and other assets		(9,309)	(11,181)
(Increase)/decrease in inventories		767	814
Increase/(decrease) in payables and other liabilities		(3,492)	17,819
Increase/(decrease) in provisions		10,337	7,586
Net cash generated from/(used in) operating activities		**40,708**	**35,099**
Cash flows from investing activities			
Interest received		98	83
Purchase of intangible assets		(3,447)	(1,907)
Purchase of property, plant, equipment and investment property		(21,923)	(16,802)
Sales of property, plant, equipment and investment property		30	-
Receipt of cash donations to purchase capital assets		256	866
Net cash generated from/(used in) investing activities		**(24,986)**	**(17,760)**
Cash flows from financing activities			
Public dividend capital received		2,110	4,525
Movement on loans from the Department of Health		3,250	15,329
Movement on other loans		(63)	(61)
Capital element of finance lease rental payments		(152)	(84)
Capital element of PFI, LIFT and other service concession payments		(1,004)	(502)
Interest paid on finance lease liabilities		(56)	(38)
Interest paid on PFI, LIFT and other service concession obligations		(4,359)	(2,493)
Other interest paid		(958)	(1,663)
PDC dividend paid		(6,914)	(12,855)
Cash flows from (used in) other financing activities		-	322
Net cash generated from/(used in) financing activities		**(8,146)**	**2,480**
Increase/(decrease) in cash and cash equivalents		**7,576**	**19,819**
Cash and cash equivalents at 1 April		**41,877**	**17,771**
Cash and cash equivalents transferred under absorption accounting		-	4,287
Cash and cash equivalents at 31 March	16	**49,453**	**41,877**

Notes to the Accounts

1 Accounting policies and other information

Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention, modified by the revaluation of properties, and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

Going concern

The Trust has set a plan for 2017/18 to generate a surplus of £11.9m with an adjusted financial surplus of £7.1m against an agreed control total of £7.1m.
The Directors are confident that the surplus is realistic with a strong focus on the achievement of the CIPs target of £25.9m. Following a review of the Trust's plans and projections, including cash flows, liquidity and income base, as well as considering regulatory commitments, the Directors have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

1.1 Interests in other entities

Where the Trust has invested in an entity in which it has joint control with another party and has the rights to the assets, and obligations for the liabilities, relating to the arrangement, it is treated as an investment in a joint operation. The Trust includes within its financial statements its share of the profits after tax.

1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services.
Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.
Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract. In accordance with IAS 18, income relating to those spells which are partially completed at the financial year end is apportioned across the financial years on a pro rata basis.

1.3 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs
NHS Pension Scheme
Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

1.4 Expenditure on other goods and services
Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 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; or
• items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Measurement
Valuation
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value.

All assets are measured subsequently at fair value as follows:
(a) Land and non-specialised buildings – existing use value
(b) Specialised buildings – depreciated replacement cost
(c) Non-property assets - depreciated historic cost
(d) Residential Accommodation – Existing Use value for social housing.
The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be fully recoverable.
All land and buildings are restated to fair value in accordance with IAS 16 and NHSI guidance, using professional valuations at least every five years to ensure that fair values are not materially different from the carrying amounts. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual based on modern equivalent asset values using the alternative site approach where appropriate. The last valuation was carried out by Montagu Evans (Independent Chartered Surveyors, Registration number OC312072) as at 31 December 2016.
An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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.

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

Property, plant and equipment which has been reclassified as ‘held for sale’ ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

1.5 Property, plant and equipment

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments
In accordance with the *DH 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 all of the following criteria are met:

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable ie:

- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated, government grant and other grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI) transactions
HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12 - Service Concession Arrangements. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

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

Private Finance Initiative (PFI) transactions

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 Economic lives of property, plant and equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	4	60
Dwellings	40	40
Plant & machinery	5	15
Transport equipment	5	5
Information technology	5	10
Furniture & fittings	5	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the FT expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

1.6 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

Expenditure which does not meet the criteria for capitalisation is treated as an operating expense in the year in which it is incurred. Where possible, the Trust discloses the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

Amortisation

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

Useful economic life of intangible assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Intangible assets - internally generated		
Information technology	2	10
Intangible assets - purchased		
Software	3	10
Licences & trademarks	3	10

1.7 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

1.9 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and other short term highly liquid investments. These balances are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Monies held in the Trust's bank account belonging to patients are excluded from cash and cash equivalents (see "third party assets" below).
Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within payables. Interest earned on bank accounts and interest charged on overdrafts is recorded respectively as "finance income" and "finance cost" in the periods to which it relates. Bank charges are recorded as operating expense in the periods to which they relate.

1.10 Financial instruments and financial liabilities

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Trust will commonly have the following financial assets and liabilities: trade receivables (but not prepayments), cash and cash equivalents, trade payables (but not deferred income), finance lease obligations, borrowings.

Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.
Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.
Regular way purchases or sales are recognised and de-recognised, as applicable, using the trade date.
All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement
Financial assets are classified into the following specified categories:
• Financial assets 'at fair value through Income and Expenditure'; or
• 'Loans and receivables'; or
• 'available-for-sale' financial assets.
Financial liabilities are classified as either:
• Financial liabilities 'at fair value through Income and Expenditure'; or
• 'Other financial liabilities'.

The Trust has no financial assets classified as 'at fair value through Income and Expenditure' or 'available for sale'. There are also no financial liabilities classified as 'at fair value through income and expenditure'.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.
The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.
Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.
Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset. Evidence is gathered via formal communication between the Trust and the counterparties.
For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of bad debt provision. The bad debt provision is charged to operating expenses.

1.11 Leases

Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS foundation trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases
Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.12 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs
The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 21.2 but is not recognised in the NHS foundation trust's accounts.

Non-clinical risk pooling
The NHS foundation trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

1.13 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 22 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note , unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.14 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.15 Value added tax

Most of the activities of the NHS foundation trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.16 Corporation tax

Corporation tax is not applicable to the Trust

1.17 Foreign exchange

The functional and presentational currencies of the trust are sterling.
A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.
Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.18 Third party assets

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

1.19 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

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

HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2016-17:
• IFRS 9 Financial Instruments - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is therefore not permitted
• IFRS 14 Regulatory Deferral Accounts - Not yet EU endorsed. Applies to first time adopters of IFRS after 1 January 2016, therefore not applicable to DH group bodies
• IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by FReM: early adoption is therefore not permitted
• IFRS 16 Leases - Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is therefore not permitted

1.21 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Property Valuations
Montagu Evans were instructed to carry out a revaluation of all land and buildings at the Chelsea and West Middlesex sites as at 31 December 2016. The valuation was prepared under the requirements of the Annual Reporting Manual and Royal Institute of Chartered Surveyors valuation guidance. Specialised assets such as hospitals for which no market exists are valued at depreciated replacement cost (DRC) for a Modern Equivalent Asset. Other assets are valued at Existing Use Value (EUV) or Market Value (MV).

A majority of the buildings owned by the Trust are specialised assets which have been valued on a Modern Equivalent Asset basis. This requires assumptions to be made about the design of a modern asset with equivalent service potential to the existing asset. The Trust's has reviewed assumptions in the current year, and has made the following key changes:
- reviewing the Useful Economic Life of the asset and the residual value at the end of that life;
- revising the areas excluded from the valuation of the Chelsea site (as used by Imperial College rather than the Trust) to reflect current usage, and reassessing the overall layout and height of an equivalent modern asset
- excluding recoverable VAT when revaluing PFI buildings on the West Middlesex site reflecting the cost at which the service potential would be replaced by the PFI operator; and
- adopting an "alternative site" basis of valuation for the West Middlesex site.

Non-specialised assets and land have been valued on an Existing Use Value basis with the Trust's residential staff accommodation assessed in line with the principle of Existing Use Value for Social Housing.

Disputes with Commissioners
As set out in note 21.1, Management has made an assessment of the potential liability of the Trust from contractual disputes with commissioners. Provisions for the disputes are £12.2m at 31st March 2017 (31st March 2016 £5.8m in provisions and a further £4.9m included in bad debts). The disputes relate to challenges on pricing, activity recording or charging that it has not been possible to settle by reference to the contract, under which the Trust has been entitled to the income. The Trust has recognised the income in relation to the disputes in its Statement of Comprehensive Income. The Trust has determined the level of provision on a basis that reflects settlement of the issue for the financial year in which the issue was raised and any subsequent years but not to retrospectively settle claims.

Recoverability of NHS and Local Authority Debt
The Trust has £44.3m of debt with NHS bodies at 31 March 2017 (2016 £33.9m) and £6.9m of debt with Local Authorities (2016 £5.9m). Management has considered the recoverability of this debt as at 31 March 2017 and has established a level of bad debt provision which is felt adequate to cover the risk of non-recovery.

1.22 West Middlesex University Hospital Charitable Fund

The West Middlesex University Hospital Charitable Fund was operated on a corporate trustee basis until 31 August 2015 and was transferred to Chelsea and Westminster Hospital NHS Foundation Trust from that date on the same basis following the merger of the two trusts. At 31 December 2016, the Trust transferred the undertaking of the West Middlesex University Hospital Charitable Fund to a new independent charity CWPLUS. The Trust Board has considered both the size and nature of the charitable funds and taken the decision not to consolidate the Charitable Fund in the annual accounts at 31 March 2017 on the grounds of materiality as permitted by HM Treaury Financial Reporting Manual (FReM).

2 Operating income from patient care activities

2.1 Income from patient care activities (by nature)

	2016/17 £000	2015/16 £000
Acute services		
Elective income	69,845	59,214
Non elective income	129,969	102,692
Outpatient income	100,496	99,338
A & E income	23,737	17,863
Other NHS clinical income	142,637	119,567
Community services		
Community services income from CCGs and NHS England	2,154	2,340
Community services income from other commissioners	-	616
All services		
Private patient income	17,987	17,421
Other clinical income	30,667	26,370
Total income from activities	**517,492**	**445,421**

Other Clinical Income in 2016/17 principally relates to GUM services to Local Authorities.

2.2 Income from patient care activities arising from commissioner requested services

Under the terms of its provider license, the Trust is required to analyse the level of income from patient care activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2016/17 £000	2015/16 £000
Income from commissioner requested services		
CCGs and NHS England	468,838	398,139
Local authorities	28,621	26,852
Income from non-commissioner requested services		
Other NHS foundation trusts	129	247
NHS trusts	1,228	1,147
NHS other	-	-
Non-NHS: private patients	15,759	15,731
Non-NHS: overseas patients (chargeable to patient)	2,228	1,690
NHS injury scheme (was RTA)	8	912
Non NHS: other	681	703
Total income from activities	**517,492**	**445,421**

2.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	2016/17	2015/16
	£000	£000
Income recognised this year	2,228	1,690
Cash payments received in-year	826	995
Amounts added to provision for impairment of receivables	617	831
Amounts written off in-year	92	1,692

3 Other operating income

	2016/17	2015/16
	£000	£000
Research and development	4,576	4,317
Education and training	31,017	27,661
Receipt of capital grants and donations	744	948
Charitable and other contributions to expenditure	553	-
Non-patient care services to other bodies	-	184
Support from the Department of Health for mergers	21,600	12,900
Sustainability and Transformation Fund income	18,493	-
Rental revenue from operating leases	674	374
Income in respect of staff costs where accounted on gross basis	7,067	4,317
Other income	22,752	27,732
Total other operating income	**107,476**	**78,433**

Other income of £22.8m (2015/16 £27.7m) includes (2015/16 in brackets): CCG funding for transaction and integration costs in respect of the acquisition of West Middlesex Hospital £1.5m (£5.5m), clinical excellence awards £1.1m (£1.0m), car parking income £2.0m (£1.5m), winter resilience funding £1.8m (£1.8m), maternity lease funding £2.8m (£3.6m), emergency department rebuild funding £3.2m (£2.3m) and property income £3.7m (£2.1m).

Sustainability and Transformation Fund (STF) income is made up of £14.8m core funding initially agreed, incentive STF (£ for £) of £2.174m and bonus STF of £1.519m

4 Operating expenses from operations

4.1 Operating expenses

	2016/17	Restated 2015/16
	£000	£000
Services from NHS foundation trusts	1,053	1,306
Services from NHS trusts	5,122	4,328
Services from CCGs and NHS England	10	-
Services from other NHS bodies	-	109
Purchase of healthcare from non NHS bodies	8,355	4,277
Employee expenses - executive directors	1,446	1,464
Remuneration of non-executive directors	155	162
Employee expenses - staff	329,465	265,051
Supplies and services - clinical	60,351	49,369
Supplies and services - general	24,060	17,767
Establishment	4,088	4,757
Research and development	1,639	268
Transport	754	1,226
Premises	18,633	23,374
Increase/(decrease) in provision for impairment of receivables	500	15,313
Increase/(decrease) in other provisions	14,768	4,452
Change in provisions discount rate(s)	80	(51)
Inventories written down	483	-
Drug costs	85,411	80,402
Rentals under operating leases	5,164	5,407
Depreciation on property, plant and equipment	16,348	13,183
Amortisation on intangible assets	2,802	2,149
Net impairments	(5,608)	56,373
Audit fees payable to the external auditor		
audit services- statutory audit	180	212
other auditor remuneration (external auditor only)	30	436
Clinical negligence	11,949	9,040
Legal fees	524	487
Consultancy costs	982	7,720
Internal audit costs	199	130
Training, courses and conferences	1,715	1,435
Patient travel	2,521	1,086
Car parking & security	1,029	848
Redundancy	220	1,469
Hospitality	54	83
Insurance	122	241
Other services, eg external payroll	328	37
Losses, ex gratia & special payments	381	458
Other	48	264
Total	**595,361**	**574,632**

Prior year figures include some reclassifications between headings to ensure consistency following the merger

4.2 Other auditor remuneration

	2016/17	2015/16
	£000	£000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	30	30
Other non-audit services not falling within items 2 to 7 above	-	406
Total	**30**	**436**

4.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2016/17 or 2015/16.

5 Impairment of assets

	2016/17	2015/16
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(7,167)	56,373
Other	1,559	-
Total net impairments charged to operating surplus / deficit	**(5,608)**	**56,373**
Impairments charged to the revaluation reserve	11,289	62,399
Total net impairments	**5,681**	**118,772**

The Trust instructed Montagu Evans to carry out a revaluation of its property portfolio as at 31st December 2016. The revaluation was predominantly based on modern equivalent asset values using the alternative site approach where appropriate. This exercise resulted in a write-down of the relative assets by £4.1m which has been allocated initially against the revaluation reserve (£11.3m) where sufficient reserves were available for the assets concerned, and thereafter to Income and Expenditure Account as a reversal of prior year impairments of £(7.2)m in accordance with the Trust's accounting policies and Monitor guidance. There is an additional impairment £1.6m relating to assets transferred to the Sphere Joint Venture in 2015/16.

6 Employee benefits

	Permanent	Other	2016/17 Total	2015/16 Total
	£000	£000	£000	£000
Salaries and wages	228,043	24,220	**252,263**	199,725
Social security costs	24,703	1,826	**26,529**	18,014
Employer's contributions to NHS pensions	26,515	994	**27,509**	23,043
Pension cost - other	19	0	**19**	4
Termination benefits			**-**	180
Temporary staff (including agency)	-	28,160	**28,160**	26,795
Total gross staff costs	**279,280**	**55,200**	**334,480**	**267,761**
Recoveries in respect of seconded staff	**-**	**-**	**-**	-
Total staff costs	**279,280**	**55,200**	**334,480**	**267,761**
Of which				
Costs capitalised as part of assets	978	1,009	1,987	**1,040**

6.1 Retirements due to ill-health

During 2016/17 there was 1 early retirement from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2016). The estimated additional pension liabilities of these ill-health retirements is £28k (£109k in 2015/16).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

6.2 Salary and pension entitlements of senior manager

In 2016/17 Directors' remuneration was £1,641k (2015/16 £1,626k)of which £40k (2015/16 £0) is included in redundancy. Remuneration includes employers contributions to the pension scheme of £126k (2015/16 £130k).

Further details of directors' remuneration can be found in the remuneration report.

7 Operating leases

7.1 The Trust as a lessor

	2016/17 £000	2015/16 £000
Operating lease revenue		
Minimum lease receipts	674	374
Total	**674**	**374**

	31 March 2017 £000	31 March 2016 £000
Future minimum lease receipts due:		
- not later than one year;	674	90
- later than one year and not later than five years;	-	187
Total	**674**	**277**

The Trust has three lessor agreements on Trust buildings and land. Imperial College lease the Renal Unit and charges are made with regard to actual costs associated with the premises. Alliance Medical lease land for their MRI unit and a contract has been agreed in respect of lease charges that takes into consideration charges from the company to the Trust for MRI scans. Hounslow and Richmond Community Healthcare NHS Trust lease land and building for the Urgent Care Centre (UCC).

7.2 The Trust as a lessee

	2016/17 £000	2015/16 £000
Operating lease expense		
Minimum lease payments	5,508	5,613
Less sublease payments received	(344)	(206)
Total	**5,164**	**5,407**

	31 March 2017 £000	31 March 2016 £000
Future minimum lease payments due:		
- not later than one year;	4,432	5,801
- later than one year and not later than five years;	6,201	12,508
- later than five years.	8,134	5,222
Total	**18,767**	**23,531**

West Middlesex Site:
The site has an existing operating lease for the rental of the Maternity Theatres and Natural Birthing Unit, which commenced in 2009 and is for a nine year duration. In 2014-15, the Trust increased the number of leased units to include four more blocks, the contract commenced on 9th June 2014 and is for a duration of three years. The rent is determined by reference to the lease agreement.

Chelsea Site:
The site has a number of property operating leases to run its operations. These include leased properties predominantly from private companies but also from NHS Property Services. The rent reviews are either at a five year or other agreed intervals.

8 Finance income

Finance income represents interest received on assets and investments in the period.

	2016/17	2015/16
	£000	£000
Interest on bank accounts	107	83
Other	-	-
Total	**107**	**83**

9.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2016/17	2015/16
	£000	£000
Interest expense:		
Loans from the Department of Health	968	829
Finance leases	56	38
Interest on late payment of commercial debt	1	-
Main finance costs on PFI and LIFT schemes obligations	2,698	1,617
Contingent finance costs on PFI and LIFT scheme obligations	1,661	876
Total interest expense	**5,384**	**3,360**
Other finance costs	26	10
Total	**5,410**	**3,370**

9.2 The late payment of commercial debts (interest) Act 1998

	2016/17	2015/16
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	1	1

10 Loss on disposal of non-current assets

	2016/17	2015/16
	£000	£000
Loss on disposal of non-current assets	(807)	-
Net loss on disposal of non-current assets	**(807)**	**-**

11 Intangible assets - 2016/17

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation/gross cost at 1 April 2016 - brought forward	**3,943**	**14,881**	**3,221**	**22,045**
Additions	-	-	4,466	**4,466**
Reclassifications	685	3,723	(5,131)	**(723)**
Disposals / derecognition	(65)	-	-	**(65)**
Gross cost at 31 March 2017	**4,563**	**18,604**	**2,556**	**25,723**
Amortisation at 1 April 2016 - brought forward	**1,581**	**9,566**	**-**	**11,147**
Provided during the year	429	2,373	-	**2,802**
Disposals / derecognition	-	-	-	**-**
Amortisation at 31 March 2017	**2,010**	**11,939**	**-**	**13,949**
Net book value at 31 March 2017	**2,553**	**6,665**	**2,556**	**11,774**
Net book value at 1 April 2016	**2,362**	**5,315**	**3,221**	**10,898**

11.1 Intangible assets - 2015/16

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation/gross cost at 1 April 2015	**3,909**	**10,839**	**3,781**	**18,529**
Transfers by absorption	-	1,658	-	**1,658**
Additions	-	-	2,999	**2,999**
Reclassifications	132	2,781	(2,706)	**207**
Disposals / derecognition	(98)	(397)	(853)	**(1,348)**
Valuation/gross cost at 31 March 2016	**3,943**	**14,881**	**3,221**	**22,045**
Amortisation at 1 April 2015 - as previously stated	**1,039**	**7,485**	**-**	**8,524**
Prior period adjustments	-	-	-	**-**
Amortisation at 1 April 2015 - restated	**1,039**	**7,485**	**-**	**8,524**
Transfers by absorption	-	904	-	**904**
Provided during the year	575	1,574	-	**2,149**
Disposals / derecognition	(33)	(397)	-	**(430)**
Amortisation at 31 March 2016	**1,581**	**9,566**	**-**	**11,147**
Net book value at 31 March 2016	**2,362**	**5,315**	**3,221**	**10,898**
Net book value at 1 April 2015	**2,870**	**3,354**	**3,781**	**10,005**

12.1 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2016 - brought forward	**79,810**	**250,895**	**12,486**	**6,553**	**64,705**	**121**	**18,505**	**3,302**	**436,377**
Additions	-	624	-	23,725	66	-	-	-	**24,415**
Impairments	(127)	(24,428)	-	-	-	-	-	-	**(24,555)**
Reversals of impairments	694	19,574	165	-	-	-	-	-	**20,433**
Reclassifications	-	18,649	71	(25,024)	4,270	-	2,456	301	**723**
Revaluations	-	(5,212)	(234)	-	-	-	-	-	**(5,446)**
Disposals / derecognition	-	-	-	-	(1,050)	-	(736)	-	**(1,786)**
Valuation/gross cost at 31 March 2017	**80,377**	**260,102**	**12,488**	**5,254**	**67,991**	**121**	**20,225**	**3,603**	**450,161**
Accumulated depreciation at 1 April 2016 - brought forward	**-**	**2,362**	**-**	**-**	**43,451**	**121**	**15,599**	**2,223**	**63,756**
Provided during the year	-	7,437	312	-	6,784	-	1,499	316	**16,348**
Revaluations	-	(5,212)	(234)	-	-	-	-	-	**(5,446)**
Disposals/ derecognition	-	-	-	-	(1,014)	-	-	-	**(1,014)**
Accumulated depreciation at 31 March 2017	**-**	**4,587**	**78**	**-**	**49,221**	**121**	**17,098**	**2,539**	**73,644**
Net book value at 31 March 2017	**80,377**	**255,515**	**12,410**	**5,254**	**18,770**	**-**	**3,127**	**1,064**	**376,517**
Net book value at 1 April 2016	**79,810**	**248,533**	**12,486**	**6,553**	**21,254**	**-**	**2,906**	**1,079**	**372,621**

12.2 Property, plant and equipment - 2015/16

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2015 - as previously stated	**59,818**	**287,312**	**12,486**	**2,665**	**43,416**	**121**	**14,625**	**1,798**	**422,241**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Valuation/gross cost at 1 April 2015 - restated	**59,818**	**287,312**	**12,486**	**2,665**	**43,416**	**121**	**14,625**	**1,798**	**422,241**
Transfers by absorption	31,000	71,239	-	756	18,311	-	10,773	1,396	**133,475**
Additions	-	2,977	-	15,811	784	-	31	12	**19,615**
Impairments	(11,008)	(56,470)	-	-	-	-	-	-	**(67,478)**
Reclassifications	-	9,406	-	(12,679)	2,733	-	237	96	**(207)**
Revaluations	-	(63,569)	-	-	-	-	-	-	**(63,569)**
Disposals / derecognition	-	-	-	-	(539)	-	(7,161)	-	**(7,700)**
Valuation/gross cost at 31 March 2016	**79,810**	**250,895**	**12,486**	**6,553**	**64,705**	**121**	**18,505**	**3,302**	**436,377**
Accumulated depreciation at 1 April 2015 - as previously stated	**-**	**8,437**	**-**	**-**	**28,915**	**120**	**12,758**	**903**	**51,133**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2015 - restated	**-**	**8,437**	**-**	**-**	**28,915**	**120**	**12,758**	**903**	**51,133**
Transfers by absorption	-	-	-	-	10,141	-	7,949	1,030	**19,120**
Provided during the year	-	6,568	312	-	4,934	1	1,078	290	**13,183**
Impairments	-	50,926	-	-	-	-	368	-	**51,294**
Revaluations	-	(63,569)	(312)	-	-	-	-	-	**(63,881)**
Disposals / derecognition	-	-	-	-	(539)	-	(6,554)	-	**(7,093)**
Accumulated depreciation at 31 March 2016	**-**	**2,362**	**-**	**-**	**43,451**	**121**	**15,599**	**2,223**	**63,756**
Net book value at 31 March 2016	**79,810**	**248,533**	**12,486**	**6,553**	**21,254**	**-**	**2,906**	**1,079**	**372,621**
Net book value at 1 April 2015	**59,818**	**278,875**	**12,486**	**2,665**	**14,501**	**1**	**1,867**	**895**	**371,108**

12.3 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2017									
Owned	80,377	206,199	12,410	5,200	17,859	-	3,127	1,064	**326,236**
On-SoFP PFI contracts and other service concession arrangements	-	42,536	-	-	-	-	-	-	**42,536**
Government granted	-	1,261	-	-	21	-	-	-	**1,282**
Donated	-	5,519	-	54	890	-	-	-	**6,463**
NBV total at 31 March 2017	**80,377**	**255,515**	**12,410**	**5,254**	**18,770**	**-**	**3,127**	**1,064**	**376,517**

12.4 Property, plant and equipment financing - 2015/16

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2016									
Owned	79,810	189,972	12,486	6,553	20,197	-	2,906	1,079	**313,003**
On-SoFP PFI contracts and other service concession arrangements	-	51,951	-	-	-	-	-	-	**51,951**
Government granted	-	1,353	-	-	41	-	-	-	**1,394**
Donated	-	5,257	-	-	1,016	-	-	-	**6,273**
NBV total at 31 March 2016	**79,810**	**248,533**	**12,486**	**6,553**	**21,254**	**-**	**2,906**	**1,079**	**372,621**

12.4 Donations of property, plant and equipment

During the year the Trust received donations totalling £744k. £487k relates to the transfer of the Mulberry Centre Buildings from the West Middlesex Charity £224k was received from the CW+ Charity for the funding of Nepture & Jupiter wards (£137k), immunology building works (£27k) and the purchase of equipment (£60k). A further £5k was received from Friends of Chelsea and Westminster Hospital for equipment and £27k from St Stephen Aids Trust for buildings works.

12.5 Revaluations of property, plant and equipment

The Trust instructed Montagu Evans to carry out a revaluation of its property portfolio as at 31st December 2016. The revaluation was predominantly based on modern equivalent asset values using the alternative site approach where appropriate. This exercise resulted in a write-down of the relative assets by £4.1m which has been allocated initially against the revaluation reserve (£11.3m) where sufficient reserves were available for the assets concerned, and thereafter to Income and Expenditure Account as a reversal of prior year impairments of £(7.2)m in accordance with the Trust's accounting policies and NHSI guidance.

13 Investments in joint venture

	2016/17	Restated 2015/16
	£000	£000
Carrying value at 1 April	**1,845**	**-**
Capital contribution	-	1,523
Share of profit/(loss)	357	322
Impairments	(1,559)	-
Carrying value at 31 March	**643**	**1,845**

The Trust holds a 50% share in Systems Powering Healthcare Limited ("Sphere"), an IT shared services company set up as a joint venture with the Royal Marsden Hospital Foundation Trust and receives a 58% share of profit or loss. Sphere is a United Kingdom company which commenced operations in April 2015. The Trust accounts for its share of Sphere's gains and losses using the equity method. In 2016/17 there is an impairment of £1.6m relating to assets transferred to Sphere in 2015/16.

The 2015/16 comparatives reflect a transfer of £553k to other debtors (note 15.1) in respect of working capital loans made to Sphere.

14 Inventories

	31 March 2017	31 March 2016
	£000	£000
Drugs	3,025	3,111
Consumables	3,235	3,931
Energy	150	140
Other	53	48
Total inventories	**6,463**	**7,230**

Inventories recognised in expenses for the year were £81,192k (2015/16: £86,379k). Write-down of inventories recognised as expenses for the year were £483k (2015/16: £0k).

15.1 Trade receivables and other receivables

		Restated
	31 March 2017	31 March 2016
	£000	£000
Current		
Trade receivables due from NHS bodies	44,320	33,859
Other receivables due from related parties	6,916	5,954
Provision for impaired receivables	(10,059)	(13,512)
Deposits and advances	-	29
Prepayments (non-PFI)	11,317	8,930
Accrued income	14,513	20,353
Interest receivable	9	-
PDC dividend receivable	667	2,290
VAT receivable	3,024	306
Other receivables	10,536	15,339
Total current trade and other receivables	**81,243**	**73,548**

The 2015/16 comparatives reflect a transfer of £553k from investments in joint venture (note 13) to other debtors in respect of working capital loans made to Sphere.

15.2 Provision for impairment of receivables

	2016/17	2015/16
	£000	£000
At 1 April as previously stated	**13,512**	**6,415**
Transfers by absorption	-	486
Increase in provision	2,525	23,553
Amounts utilised	(3,953)	(8,702)
Unused amounts reversed	(2,025)	(8,240)
At 31 March	**10,059**	**13,512**

15.3 Analysis of financial assets

	31 March 2017 Trade and other receivables	31 March 2016 Trade and other receivables
Ageing of impaired financial assets	**£000**	**£000**
0 - 30 days	55	3,069
30-60 Days	383	1,027
60-90 days	382	1,009
90- 180 days	1,747	3,775
Over 180 days	7,492	4,632
Total	**10,059**	**13,512**
Ageing of non-impaired financial assets past their due date		
0 - 30 days	18,355	21,037
30-60 Days	4,181	5,913
60-90 days	6,682	4,535
90- 180 days	4,941	3,438
Over 180 days	17,198	6,927
Total	**51,357**	**41,850**

The prior year figures for ageing of non-impaired financial assets past their due date have been restated to ensure consistent presentation with the current year

16 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.

	2016/17	2015/16
	£000	£000
At 1 April	**41,877**	**17,771**
Transfers by absorption	-	4,287
Net change in year	7,576	19,819
At 31 March	**49,453**	**41,877**
Broken down into:		
Cash at commercial banks and in hand	1,408	143
Cash with the Government Banking Service	48,045	41,734
Total cash and cash equivalents as in SoFP	**49,453**	**41,877**

16.1 Third party assets held by the NHS foundation trust

The Trust held cash and cash equivalents of £21k (2015/16 £21k) which relate to monies held by the the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

17 Trade and other payables

	31 March 2017 £000	31 March 2016 £000
Current		
NHS trade payables	6,984	2,170
Amounts due to other related parties	313	4,225
Other trade payables	10,537	14,576
Capital payables	9,038	6,015
Social security costs	3,817	3,271
Other taxes payable	3,214	3,330
Other payables	5,751	3,932
Accruals	44,852	49,153
Total current trade and other payables	**84,506**	**86,672**

18 Other liabilities

	31 March 2017 £000	31 March 2016 £000
Current		
Deferred grants income	624	452
Deferred goods and services income	6,966	5,430
Total other current liabilities	**7,590**	**5,882**

19 Borrowings

	31 March 2017 £000	31 March 2016 £000
Current		
Loans from the Department of Health	3,531	3,260
Other loans	-	64
Obligations under finance leases	163	154
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	727	1,004
Total current borrowings	**4,421**	**4,482**
Non-current		
Loans from the Department of Health	55,924	52,944
Other loans	100	100
Obligations under finance leases	627	788
Obligations under PFI, LIFT or other service concession contracts	32,886	33,613
Total non-current borrowings	**89,537**	**87,445**

The Trust has four loans outstanding at the end of the financial year. Three loans are from the Department of Health 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 £39.5m with an interest rate of 1.8%. The capital investment loans have balances of £13.4m, with an interest rate of 1.46%, and £6.5m, with an interest rate of 2.2%. The fourth loan of £100k is from the Chelsea & Westminster Charitable Fund and is interest free.

20 Finance leases

20.1 The Trust as lessee

Obligations under finance leases where Chelsea and Westminster Hospital NHS Foundation Trust is the lessee.

	31 March 2017 £000	31 March 2016 £000
Gross lease liabilities	**981**	**1,191**
of which liabilities are due:		
- not later than one year;	210	210
- later than one year and not later than five years;	506	671
- later than five years.	265	310
Finance charges allocated to future periods	(191)	(249)
Net lease liabilities	**790**	**942**
of which payable:		
- not later than one year;	163	154
- later than one year and not later than five years;	410	541
- later than five years.	217	247

The Trust had two finance lease arrangements during 2016/17:
1. MRI building. The outstanding period for this lease is 11 years.
2. MRI scanner. The outstanding period for the lease is 3 years.

21.1 Provisions for liabilities and charges analysis

	Pensions - early departure costs	Other legal claims	Fines	Contractual Disputes	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2016	**581**	**336**	**2,000**	**5,835**	**1,469**	**1,516**	**11,737**
Change in the discount rate	41	-	-	-	-	39	**80**
Arising during the year	1,442	44	-	11,462	324	5,107	**18,379**
Utilised during the year	(42)	-	-	(3,081)	(875)	(638)	**(4,636)**
Reversed unused	(72)	(161)	-	(2,004)	(918)	(331)	**(3,486)**
Unwinding of discount	13	-	-	-	-	13	**26**
At 31 March 2017	**1,963**	**219**	**2,000**	**12,212**	**-**	**5,706**	**22,100**
Expected timing of cash flows:							
- not later than one year;	193	219	2,000	12,212	-	4,706	**19,330**
- later than one year and not later than five years;	772	-	-	-	-	230	**1,002**
- later than five years.	998	-	-	-	-	770	**1,768**
Total	**1,963**	**219**	**2,000**	**12,212**	**-**	**5,706**	**22,100**

Contractual disputes relate to challenges from Commissioners on pricing, charging and penalties. Other provisions include dilapidations £1,122k (2015/16 £714k), injury benefit £1,058k (2015/16 £514k), contractual pay claims £786k (2015/16 £nil) and other contractual claims £2,407k (2015/16 £nil)

21.2 Clinical negligence liabilities

At 31 March 2017, £204,781k was included in provisions of the NHSLA in respect of clinical negligence liabilities of Chelsea and Westminster Hospital NHS Foundation Trust (31 March 2016: £183,229k).

22 Contingent assets and liabilities

	31 March 2017 £000	31 March 2016 £000
Value of contingent liabilities		
NHS Litigation Authority legal claims	(48)	(43)
Gross value of contingent liabilities	**(48)**	**(43)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(48)**	**(43)**

23 Contractual capital commitments

	31 March 2017 £000	31 March 2016 £000
Property, plant and equipment	6,304	3,179
Intangible assets	20,147	508
Total	**26,451**	**3,687**

Property plant and equipment capital commitments include £3.1m re fire alarm replacement and £2.0m re building enabling works for NICU/ITU

Intangible capital commitments include £20.1m re contract with Cerner for electronic patient record

24 On-SoFP PFI, LIFT or other service concession arrangements

24.1 Imputed finance lease obligations

The trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2017 £000	31 March 2016 £000
Gross PFI, LIFT or other service concession liabilities	**65,253**	**68,955**
Of which liabilities are due		
- not later than one year;	3,358	3,702
- later than one year and not later than five years;	14,505	14,233
- later than five years.	47,390	51,020
Finance charges allocated to future periods	(31,640)	(34,338)
Net PFI, LIFT or other service concession arrangement obligation	**33,613**	**34,617**
- not later than one year;	727	1,004
- later than one year and not later than five years;	4,748	4,147
- later than five years.	28,138	29,466

24.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

The trust's total future obligations under these on-SoFP schemes are as follows:

	31 March 2017 £000	31 March 2016 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	308,631	321,594
Of which liabilities are due:		
- not later than one year;	16,951	12,962
- later than one year and not later than five years;	69,258	54,749
- later than five years.	222,422	253,883

24.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the Trust's payments in 2016/17:

	31 March 2017 £000	31 March 2016 £000
Unitary payment payable to service concession operator	17,264	9,853
Consisting of:		
- Interest charge	2,698	1,617
- Repayment of finance lease liability	993	503
- Service element and other charges to operating expenditure	11,118	6,395
- Capital lifecycle maintenance	794	462
- Revenue lifecyle maintenance	-	-
- Contingent rent	1,661	876
- Addition to lifecycle prepayment	-	-
Other amounts paid to opertaor due to a commitment under the service concession contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	**17,264**	**9,853**

The Trust has a PFI scheme with Bywest Limited for a 33 year period which commenced in 2004. At the end of this period the Trust takes possession of the buildings and equipment funded and maintained by Bywest over the duration of the scheme. The Trust makes an annual unitary payment to cover liabilities management, lifecycle maintenance and finance costs. Unitary payments may vary in the future and are dependent on the Retail Price Index. Facilities management services are subject to market testing every five years. The market testing and formal tender of these services was last carried out in 2012/13. A new provider for soft facilities management services commenced in June 2013, including bulding cleaning and ground & site maintenance. The PFI scheme transferred to the Trust on 1 September 2015 following the merger with West Middlex University Hospital NHS Trust.

Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has finance lease and payments comprise imputed finance lease charges and service charges.

25 Financial instruments

25.1 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.

25.2 Liquidity risk

The Trust's net operating costs are mainly incurred under legally binding contracts with commissioners, which are financed from resources voted annually by Parliament. This provides a reliable source of funding stream which significantly reduces the Trust's exposure to liquidity risk.

The Trust also manages liquidity risk by maintaining banking facilities and loan facilities to meet its short and long term capital requirements through continuous monitoring of forecast and actual cash flows.

In addition to internally generated resources the Trust finances its capital programme through agreed loan facilities with the Independent Trust Financing Facility. The Trust has a working capital facility as at 31 March 2017 but has not drawn down against it.

25.3 Credit risk

Credit risk exists where the Trust can suffer financial loss through default of contractual obligations by a customer of counterparty.

The Trust's policy on bad and doubtful debt has been reviewed and significantly updated during the year. The policy reflects the position on the causes of debt, the implications of compliance and the need to identify trading counterparties correctly and the varied level of risk associated with them along with the requirement to maintain an adequate bad debt provision. The Trust maintains a bad debt provision rule set which is flexible and reflects the monthly movements on the sales ledger, however it also requires that a line by line review of items to be provided is carried out regularly.

Trade debtors consist of high value transaction with NHS England and CCG commissioners under contractual terms that require settlement of obligation within a time frame established generally by the Department of Health and local authorities under contractual terms although these are subject to individual negotiation. Other trade debtors include private and overseas patients, spread across diverse geographical areas.

Credit risk exposures of monetary financial assets are managed through the Trust's treasury policy which limits the value that can be placed with each approved counterparty to minimise the risk of loss. The counterparties are limited to the approved financial institutions with high credit ratings. Limits are reviewed regularly by senior management.

The maximum exposure of the Trust to credit risk is equal to the total trade and other receivables within Note 15.1.

25.4 Interest rate risk

The Trust's borrowings comprise fixed rate loans or interest free loans; the Trust is not therefore exposed to interest rate risk.

25.5 Financial assets

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total £000
Assets as per SoFP as at 31 March 2017					
Trade and other receivables excluding non financial assets	66,226	-	-	-	**66,226**
Cash and cash equivalents at bank and in hand	49,453	-	-	-	**49,453**
Total at 31 March 2017	**115,679**	**-**	**-**	**-**	**115,679**

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total £000
Assets as per SoFP as at 31 March 2016					
Trade and other receivables excluding non financial assets	61,775	-	-	-	**61,775**
Cash and cash equivalents at bank and in hand	41,877	-	-	-	**41,877**
Total at 31 March 2016	**103,652**	**-**	**-**	**-**	**103,652**

25.6 Financial liabilities

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total £000
Liabilities as per SoFP as at 31 March 2017			
Borrowings excluding finance lease and PFI liabilities	59,555	-	**59,555**
Obligations under finance leases	790	-	**790**
Obligations under PFI, LIFT and other service concession contracts	33,613	-	**33,613**
Trade and other payables excluding non financial liabilities	77,267	-	**77,267**
Provisions under contract	16,528	-	**16,528**
Total at 31 March 2017	**187,753**	**-**	**187,753**

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total £000
Liabilities as per SoFP as at 31 March 2016			
Borrowings excluding finance lease and PFI liabilities	56,368	-	**56,368**
Obligations under finance leases	942	-	**942**
Obligations under PFI, LIFT and other service concession contracts	34,617	-	**34,617**
Trade and other payables excluding non financial liabilities	86,672	-	**86,672**
Provisions under contract	11,737	-	**11,737**
Total at 31 March 2016	**190,336**	**-**	**190,336**

25.7 Maturity of financial liabilities

	31 March 2017 £000	31 March 2016 £000
In one year or less	98,217	101,803
In more than one year but not more than two years	4,758	4,648
In more than two years but not more than five years	14,523	13,742
In more than five years	70,255	70,143
Total	**187,753**	**190,336**

25.8 Fair values of financial liabilities at 31 March 2017

	Book value £000	Fair value £000
Loans	56,024	56,024
Other	33,513	33,513
Total	**89,537**	**89,537**

Fair values of financial liabilities at 31 March 2017 relate to non-current financial liabilities only

26 Losses and special payments

	2016/17		2015/16	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	81	190	20	11
Bad debts and claims abandoned	1,369	1,144	1,319	1,943
Stores losses and damage to property	12	282	1	236
Total losses	**1,462**	**1,616**	**1,340**	**2,190**
Special payments				
Extra-statutory and extra-regulatory payments	-	-	1	180
Compensation payments	1	25	-	-
Ex-gratia payments	43	73	22	30
Total special payments	**44**	**98**	**23**	**210**
Total losses and special payments	**1,506**	**1,714**	**1,363**	**2,400**
Compensation payments received	142	1	8	1

The amounts reported as losses and special payments are on an accruals basis, excluding provision for future losses

There were no individual cases over £300,000 in the year (2015/16 None)

27 Operating segments

The Board of Directors is of the opinion that the Trust's operating activities fall under the single heading of healthcare for the purpose of operating segments disclosure. IFRS 8 requirements were considered and the Trust has determined that the Chief Operating Decision Maker is the Trust Board of Chelsea and Westminster Hospital NHS Foundation Trust. It is the responsibility of the Trust Board to formulate financial strategy and approve budgets. Significant operating segments that are reported internally are the ones that are required to be disclosed in the financial statements. There is no segmental reporting for revenue, assets or liabilities to the Trust Board. Expenditure is reported by segment to the Trust Board, however, those segments fully satisfy the aggregation criteria to be one reportable segment as per IFRS 8. Therefore all activities of the Trust are considered to be one segment, 'Healthcare', and there are no individual reportable segments on which to make disclosures.

28 Academic Health Partnership

The Trust has continued to be a partner in Imperial College Healthcare Partners Limited, a company limited by guarantee, in the year, with Imperial College and a number of other local trusts. The company provides central services for the Imperial Academic Health Science Partnership, in which the Trust participates. The Trust's initial investment was £1, and the Trust's contribution to the costs of the company for the year was £50k (2015/16 £156k).

29 Events after the reporting date

There are no events after the reporting date requiring disclosure

30 Comparision with prior year's figures

The 2015/16 figures for operating income and expenditure and finance costs in notes 2 to 10 include 12 months activity for Chelsea and Westminster NHS Foundation Trust and 7 months figures for West Middlesex University Hospital and are not directly comparable to the 2016/17 figures for the combined organisation.

31 Related parties

31.1 Related Party Relationships

Chelsea and Westminster Hospital NHS Foundation Trust is a public benefit corporation established by the order of the Secretary of State for Health.

Government departments and their agencies are considered by HM Treasury as being related parties.

31.2 Related Party Balances

	Receivables		Payables	
	2017	2016	2017	2016
	£000	£000	£000	£000
Imperial College Healthcare NHS Trust	1,879	1,962	2,628	4,544
Department of Health	667	2,290	0	0
NHS Ealing CCG	2,785	4,930	471	422
NHS England	18,024	13,611	18	43
NHS Hounslow CCG	5,073	6,752	1,988	2,233
NHS Richmond	3,471	2,427	421	349
NHS Wandsworth CCG	2,578	1,138	682	0
NHS West London CCG	10,289	7,778	1,087	3
Other Government Departments and central bodies:				
HM Revenue & Customs	3,024	306	7,031	7,963
NHS Pensions Agency	0	0	3,946	2,677

HMRC & NHS Pensions Agency comparative figures have been adjusted to show only the Employer's share of the National Insurance & Superannuation contributions as a liability of the Trust

In addition to the above, the Trust had receivables of £546k and payables of £484k relating to Sphere

31.3 Related Party Transactions

	Income		Expenditure	
	2016/17	2015/16	2016/17	2015/16
	£000	£000	£000	£000
Imperial College Healthcare NHS Trust	3,733	3,631	20,065	17,780
NHS England	159,502	135,094	18	179
NHS Ealing CCG	23,876	13,202	0	6
NHS Hounslow CCG	109,996	69,119	0	0
NHS Richmond CCG	34,610	22,526	0	0
NHS West London CCG	58,897	59,372	52	3
NHS Hammersmith & Fulham CCG	34,684	33,935	0	0
NHS Wandsworth CCG	29,680	28,893	0	0
NHS Central London (Westminster) CCG	17,598	19,895	56	0
NHSLA	0	0	11,989	9,040
Health Education England	29,872	27,159	12	5
Department of Health	23,137	15,550	0	1
Other Government Departments and central bodies:				
HM Revenue & Customs	0	0	26,529	18,078
NHS Pensions Agency	0	0	27,509	23,043

In addition to the above, the Trust had £367k receivables and £4,042k payables relating to Sphere

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