Annual report and accounts

2021/22

Chelsea and Westminster Hospital
NHS Foundation Trust

Chelsea and Westminster Hospital NHS Foundation Trust

Annual Report and Accounts 2021/22

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

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PERFORMANCE REPORT

OVERVIEW OF PERFORMANCE

Statement from the Chief Executive

I am delighted to introduce the 2021/22 Annual Report for Chelsea and Westminster Hospital NHS Foundation Trust (the Trust), which encompasses our two main hospital sites, Chelsea and Westminster Hospital and West Middlesex University Hospital, and all our community-based services.

2021/22 has been another extraordinary year in coping with the worldwide COVID-19 pandemic. Our response to these events has been simply remarkable during the year and I have been so proud to see our staff demonstrate their outstanding commitment to delivering excellent patient care and experience.

Our approach over the past year has seen optimal use of resources, more convenient care to patients and ensuring that our staff are focused on delivering direct care to our sickest patients. Against the context of increased and altered demand, we are proud to be ranked as one of the best performing hospitals in the country. However, the impact of COVID-19 has affected how we provide our services. Our challenge, once again, over the next 12 months, is to our service delivery and plan for maintaining the levels of performance and outcomes that we have previously delivered—and to continue to tackle the backlog of demand that has arisen during the various COVID-19 waves.

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

It has never been more evident that to provide excellent care to our patients, we must also provide excellent support to the people who work within the Trust to deliver our aspirations for excellence. During the year we have continued to develop our comprehensive staff wellbeing and support service to ensure our staff receive the help they need to continue to support our patients. I would like to take this opportunity to thank all our staff, volunteers and partners who have shown incredible commitment to the care of our patients and colleagues. I am confident we will continue to go above and beyond for the patients and communities we serve, and I look forward to the year ahead as the Trust goes from strength to strength.

Our values

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

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

Our priorities

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

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

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

Strategic priority 2: Be the employer of choice

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

Strategic priority 3: Delivering better care at lower cost

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

COVID-19

I cannot fail to acknowledge the continued COVID-19 global pandemic during the last year, and the impact it has had on our patients, staff and wider communities.

During 2021/2022, we managed further periods of significant increases and responding to variants of concern. In the intervening months we continued with our significant recovery programme, one that has recommenced in earnest since April 2022. During the year we:

- Admitted 2,160 COVID-19 patients across the Trust
- Managed, at its peak, 164 COVID-19 inpatients in a day with 7 on ICU
- Discharged 2,260 patients and 2,040 back to their homes
- Delivered more than 10,000 babies across our two maternity units
- Continued to look after our non-COVID-19 patients with tens of thousands of outpatient attendances

We could not have achieved this without a coordinated response across the North West London health and care sector and I thank our acute, community, primary care, mental health and local authority partners for their round-the-clock efforts to keep our staff and patients safe.

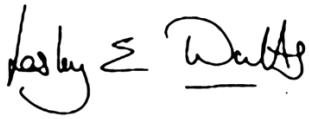
We should assume we will have a combination of further outbreaks of the pandemic and increased non-COVID-19 emergency demand throughout the year ahead. We have demonstrated our ability as an integrated care system to quickly repurpose and create surge capacity locally and regionally.

While we have seen a reduction in patients accessing non-elective care, we have begun our restart of the elective care programme across North West London as part of the NHS operating plan for 2022/23, where the expectation is the delivery of 104% of pre-pandemic

levels of activity. The key priority is that we ensure staff and patients are safe as we commence the treatment of our patients waiting.

I would like to take this opportunity to thank all our staff who have shown consistent commitment to our patients and each other during this challenging year. I know that they will continue to go above and beyond as we look ahead to 2022/23.

During 2021/22, our vice chair Steve Gill took over as interim chair, leading us through the continued challenging circumstances supporting the work to bring the acute collaboration together, ensuring a consistency of challenge from our Board subcommittees and ensuring that we continued to provide quality service to our patients. In March 2022, Matthew Swindell was appointed as Chair of the collaborative.



Lesley Watts
Chief Executive Officer

21 June 2022

The year in photos

April 2021

HR celebrate their CW+ PROUD award

Our first hip replacement as a day case

May 2021

Celebrating ODP Day

International Clinical Trials Day

June 2021

The Trust has visits from Prince Charles and Matt Hancock

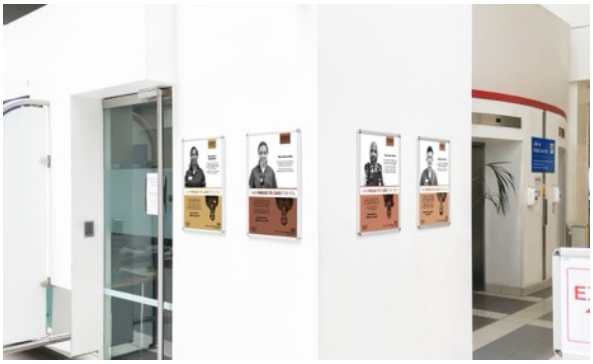
July 2021

We celebrate the NHS's birthday at both West Mid and Chelsea

Estates and Facilities say goodbye to Manuel, who retires after 47 years of service to the NHS

August 2021

We welcome Antonio Lagdameo, the Philippine Ambassador to the UK, and Laure Beaufils, the new UK Ambassador to the Philippines, to our Chief Nursing Awards event



The kindness to staff poster campaign is launched across both our hospital sites

September 2021

Celebrations at West Mid for their 100th birthday

We mark World Sepsis Day at the Trust

October 2021

Chelsea ICU celebrate receiving ‘gold’ in their ward accreditation

Sam Slaytor (Head of Inclusion, Wellbeing and Engagement) receives a Halloween flu jab

November 2021

Staff are rewarded with healthy treats for completing their annual staff survey

Celebrating Occupational Therapy Week 2021

December 2021

The Trust runs a pop-up vaccination hub at Chelsea FC

We run virtual Christmas celebrations for staff, including a competition for the ward with the best decorations

January 2022

Victoria Cochrane (Director of Midwifery and Gynaecology) is named in the Queen's New Year's Honours list

Military personnel assist the Trust during winter pressures

February 2022

Our Valentine's Day virtual message board enabled staff to send each other messages of appreciation

Staff came together to run bake sales to raise money for relief efforts for Typhoon Odette in the Philippines, raising £1,370

March 2022

Staff 'go green' in every sense—celebrating St Patrick's Day

Raising awareness of sustainability initiatives for Waste Awareness Week

History and statutory background of the Trust

Chelsea and Westminster Hospital NHS Foundation Trust (the Trust) was founded on 1 Oct 2006 under the Health and Social Care (Community Health and Standards) Act 2003 and is a statutory body. It acquired West Middlesex University Hospital NHS Trust on 1 Sep 2015, and now operates these two hospitals in addition to a range of community services.

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

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

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

Purpose and activities of the Trust

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

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

We are active partners in the North West London integrated care system (ICS), which brings together all parts of the NHS and local authorities to focus on improving the health of the local population. Draft legislation has now been published in the form of a white paper *Integration and Innovation: working together to improve health and social care for all' (11 February 2021)* outlining that the NHS and local government come together legally as part of integrated care systems to plan health and care services around patients' needs,

and quickly implement solutions to problems. The purpose of the North West London ICS is to reduce inequalities, increase quality of life and achieve outcomes on a par with the best of global cities. All NHS organisations and local authorities in North West London have been working informally as an ICS, ahead of legislation to put ICSs on a statutory footing. Within the ICS we are part of the North West London Acute Provider Collaborative along with Imperial College Healthcare NHS Trust, The Hillingdon Hospitals NHS Foundation Trust and London North West University Healthcare NHS Trust. Our collaborative is focused on reducing health inequalities to patients accessing acute care across North West London by developing joint clinical pathways and providing mutual aid.

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

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

We also have a series of contractual, systems management and other partnership arrangements with the respective local authorities. This includes membership and reporting arrangements to health and wellbeing boards and overview and scrutiny committees. We have established our partnership duties through a series of accountability and reporting mechanisms to local Healthwatch groups (the statutory patient representative organisation).

Equality of service delivery

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

The Trust provides many important health services that have been developed over the years to meet a variety of needs. We seek to ensure that in delivering these services they are provided in a fair and equitable manner. We want our services to be accessible and useful to everyone, regardless of age, disability, gender, race, national origin, sexuality or any other factors which may cause disadvantage or inequity. We will not tolerate any practices that result in the provision of a lower standard of service to any group or individual because of unfair or unlawful discrimination. During 2021/22, we have developed a range of collaborative pathways with other acute providers across North West London, as well as offering mutual aid to start to reduce health inequalities across acute health providers in North West London. This has been particularly beneficial post COVID as we strive to work collaboratively to address elective backlogs in care.

Principal risks for 2021/22

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

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

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Strategic priority 2: Be the employer of choice

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

Strategic priority 3: Delivering better care at lower cost

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

The principal risks that could substantially impact on the achievement of the Trust's strategic objectives, as recorded in the Board assurance framework, are outlined in greater detail within the *Annual Governance Statement* from page 94.

- **North West London Health and Care Partnership System Recovery Plan:** The Trust has robust development and improvement plans in place that are aligned to develop the quality of care and patient experience across North West London. Consistent planning, governance and leadership across the sector is required to meet this ambition.

- **Achievement of quality, performance and regulatory standards:** The provision of safe, high-quality, patient-centred care is of paramount importance to the Trust—to ensure standards are achieved, the Trust has an embedded a quality monitoring and improvement process.

- **Becoming the employer of choice:** The Trust is committed to the provision of the support, information, facilities and environment our staff need to develop in their roles and careers. The organisation also recognises the need to recruit and retain the people required to deliver high-quality services to our patients. The Trust will continue to deliver its equality, diversity and inclusion action plan and further develop its recovery, retention and recruitment workstreams to mitigate barriers to achievement of this objective.

- **Financial sustainability:** Failure to maintain the organisation's financial sustainability would impact on the achievement of all other strategic objectives for the Trust. A robust financial strategy is well embedded within the organisation to ensure identification, escalation and mitigation of risks or barriers to achievement.

- **Embedding innovation and improvement:** The Trust has an ambitious quality improvement plan—a dedicated quality improvement team monitor and support the organisation's change programme to ensure the Trust Board's quality ambitions are delivered.

- **Estate development:** The organisation has ambitious development plans to ensure our patients receive long-term benefit from sustainable estates development. Risks associated with the estate development strategy are monitored by the executive management Board.

- **Implement our digital strategy:** The Trust is committed to the provision of innovative technology to support improvement in patient care, patient experience and the running of our hospitals. Clear programme management and leadership is required to ensure this ambition is realised.

- **Responding to COVID-19:** As with all healthcare providers in the UK, the coronavirus pandemic has fundamentally altered the day-to-day operations of the Trust throughout the year. This major disruption to service provision represents a risk to our patients, staff and the services we offer.

Going concern

The Trust has submitted a plan for 2022/23 to generate a breakeven position. As at 31 Mar 2022 the Trust holds £153m of cash reserves and has a forecast cash balance of £144m at 31 Mar 2023.

The directors are confident that there is a reasonable expectation that the Trust will continue to have adequate cash resources to service its operational activities in cash terms for the next 12 months and into 2023/24. The impact of COVID and associated changes to the cash regime over the last two years (with block and top-up arrangements) are coming to an end and have been taken into account for the Trust's plans and projections, including cash flows, liquidity and income base.

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

PERFORMANCE ANALYSIS

How the Trust measures performance

The work of the Trust Board is underpinned by five key committees—namely the Quality Committee, People and Organisational Development Committee, Audit and Risk Committee, Finance and Investment Committee and Nominations and Remuneration Committee.

Board-level

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 detail the actions in place to deliver improvement.

The KPIs cover a range of contractual and internally determined metrics, providing a balanced scorecard for the Trust's performance across the four domains of regulatory compliance, quality, efficiency and workforce. Each KPI, where appropriate, has a target based on either the contractual performance standard or an internally set target, based on benchmarking information from a peer group of other NHS organisations.

The integrated performance report presents the KPIs for both hospital sites independently, as well as the combined Trust performance. Trend data is also provided for the last 12 months to enable the Trust Board to track progress over time.

The report also provides context in terms of the Trust's relative performance, and a national ranking was provided for the main access standards of Accident and Emergency (A&E), Referral to Treatment (RTT) and cancer. The Board also receives a summary of the Trust's financial performance, with more detailed information provided to and scrutinised by the Finance and Investment Committee.

Divisional-level

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

A comprehensive programme of specialty-based deep dives was introduced in 2017/18 and is now fully embedded across the organisation. These reviews are executive-led and held with the specialty multidisciplinary teams to review their quality, workforce and efficiency metrics.

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

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

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

Operational performance

As in the previous year 2020/21, last year the Trust faced significant challenges due to the COVID-19 pandemic. This has clearly impacted the Trust's ability to manage performance in a way that would be historically recognised. Despite this, the Trust has continued to deliver a high level of performance and quality in treating patients in the best way that it has been able to.

During 2021/22, the Trust made a significant and important contribution to the ICS and across London, offering support and mutual aid when asked. This year has also seen the successful roll-out of the admitted end-to-end pathway management solution across both of our main sites.

Our urgent and emergency care departments have continued to be challenged by the requirements of infection prevention and control (IPC) guidance, both for managing the risk of infection within the department and when admitting patients to an inpatient area. While activity remains lower in comparison to those in previous pre-pandemic years, activity for 2021/22 increased by an average of 54.3% when compared to 2020/21. Despite pressures, the Trust has continued to perform well and would, if reporting, rank in the top decile nationally. The Trust has consistently delivered one of the best levels of performance across the capital as well as one of the best nationally.

Throughout 2021/22, RTT performance has not been delivered and has not been since October 2019 when the Cerner electronic patient record system was deployed at the Chelsea site. The subsequent impacts of ceasing elective activity in March 2020 during the first wave of COVID meant the recovery phase was not concluded. The focus for the NHS during the year 2021/22 was to focus on reducing the longest waiting patients and the elimination of over 104 weeks. The Trust achieved this ambition with 0 patients waiting over 104 weeks for treatment.

During the year 2021/22, the Trust provided mutual aid across a number of specialities to our acute Trust colleagues across North West London. The Trust ended the year having reduced the number of 104-week waiters to 0. The number of 78-week waiting patients has reduced from 139 to 27. The number of 52-week waiting patients also reduced from 1,054 in March 2021 to 492. The focus for the year ahead is to continue to reduce the number of 52-week waiting patients and return to pre-pandemic levels of performance.

Our performance in relation to the 62-day cancer GP referral to first treatment standard has been a constant focus during the year. This standard has, again, been impacted significantly by the pandemic. Performance has been below the national standard for 8 out of the 12 months, however the Trust has delivered a consistent and sustained reduction to the backlog of patients waiting over 62 days throughout the year.

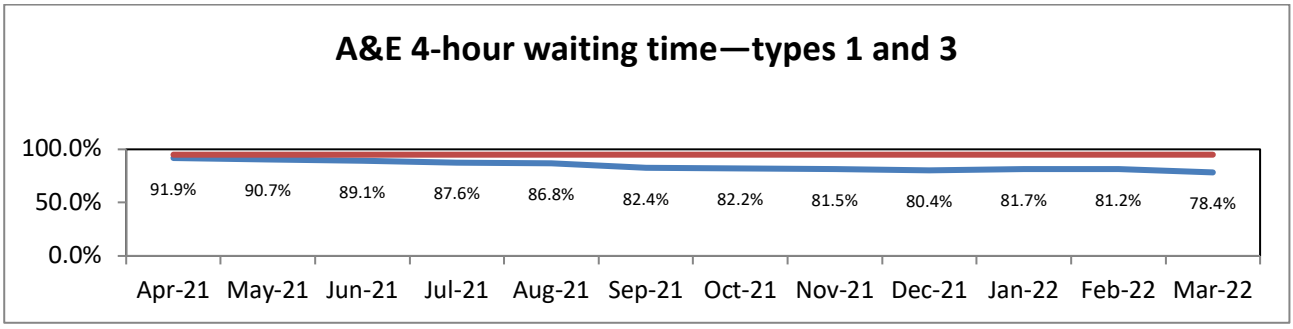
Our compliance with the 2-week wait cancer standard has been excellent despite the challenges and has delivered the standard for 11 months out of 12 across the year.

From 1 Oct 2021, a new cancer standard was introduced—the 28-day Faster Diagnostic Standard (FDS). This new standard was introduced to ensure patients who are referred for suspected cancer have a timely diagnosis. The aim is for 75% of patients to be diagnosed or have cancer ruled out within 28 days of being urgently referred by their GP for suspected cancer. The Trust has delivered against this standard for 5 out of the 6 reportable months since its introduction.

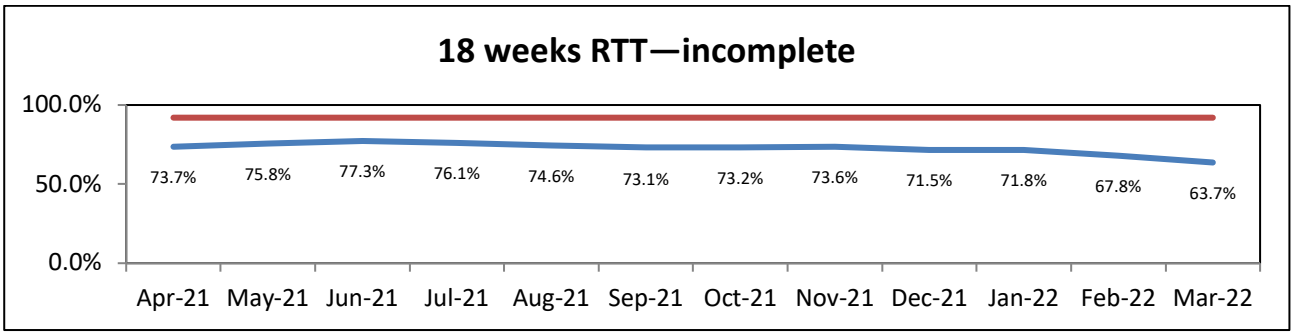
The diagnostic standard has not been delivered during the first half of the year due to the impacts of COVID-19. The latter half of the year has seen the delivery of the 99% national performance standard with the Trust returning to the top decile of all providers for this standard.

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

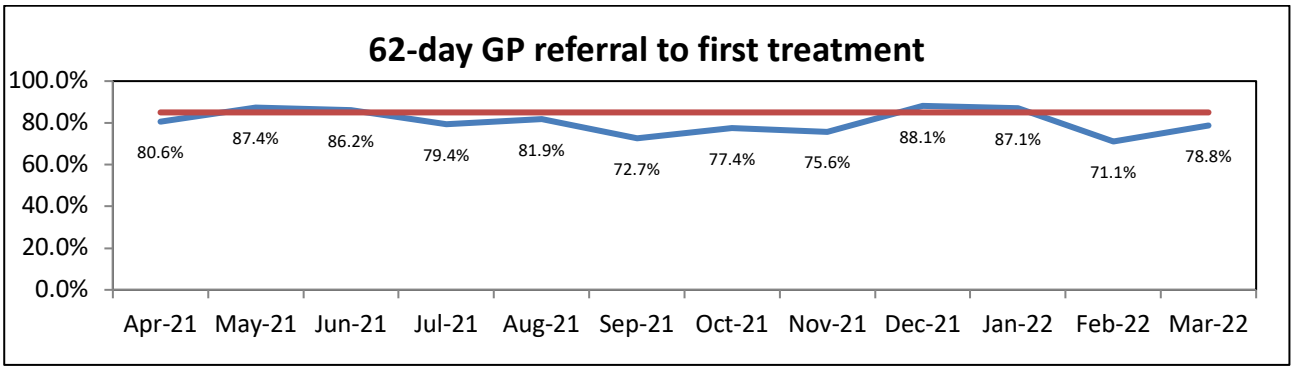
A&E 4-hour waiting time—types 1 and 3 (target 95%)



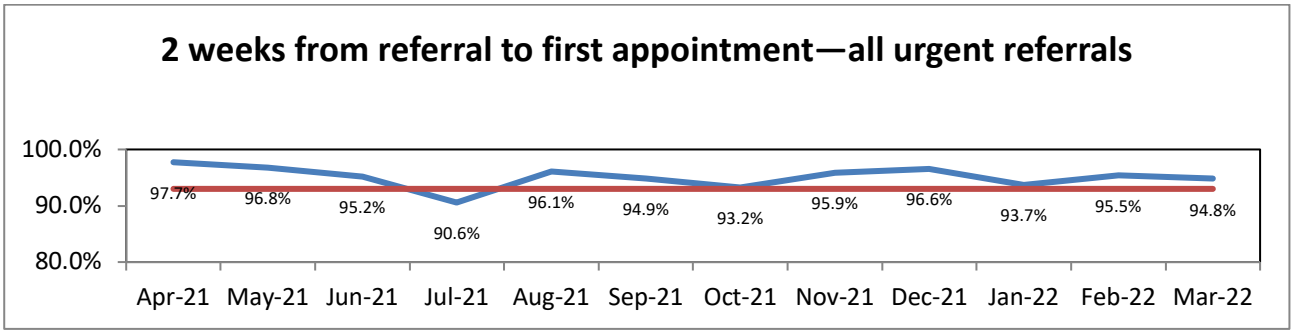
18-week referral to treatment (RTT)—incompletes (target 92%)



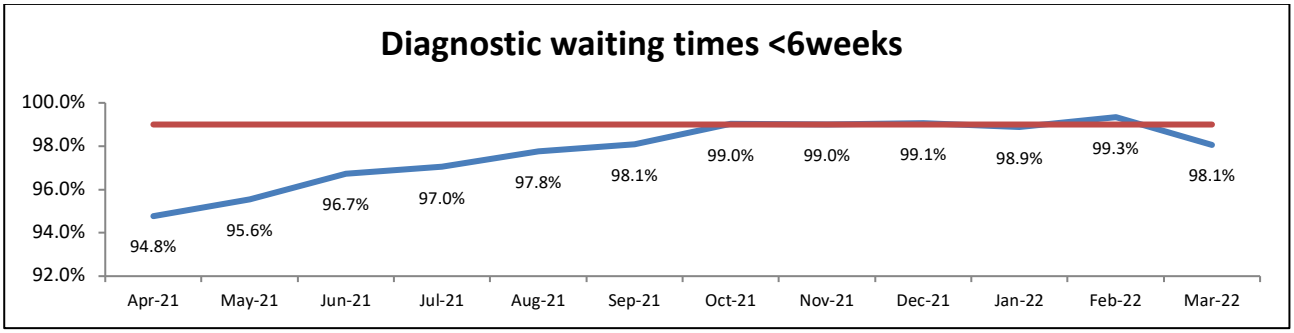
Cancer urgent GP referral to treatment waiting time (target 85%)



Cancer 2-week wait (target 93%)



Diagnostics waiting times (target 99%)



West London children's healthcare

West London children's healthcare is an initiative to develop more integrated, 'user-centred' care for children and young people with a stronger focus on health and wellbeing and disease prevention. It brings together the management of our acute and specialist children's services with those provided by Imperial College Healthcare NHS Trust to help ensure best practice, reduce unnecessary variations and support closer collaboration with community and primary care partners. We are also working with our academic partner Imperial College London to embed research and learning into the development of children's services and clinical practice.

Our two trusts' children's healthcare services have a combined workforce of more than 1,500 across four main hospital sites—Chelsea and Westminster, Hammersmith, St Mary's and West Middlesex. Collectively, we provide 115,000 outpatient consultations and more than 20,000 planned operations or other planned procedures every year.

While acute and specialist children's services will continue to be provided from their current locations across both trusts' sites, the leadership structures are now being formally unified. A key milestone for the initiative saw the appointment of both a joint medical director and a joint director of nursing under a single managing director from April 2022.

Quality priorities

During 2021/22 we set a range of quality priorities for delivery across the Trust aimed at improving the safety, effectiveness and experience of care received by our patients. These were:

- **Priority 1:** Improving sepsis care
- **Priority 2:** Improving cancer care
- **Priority 3:** Improving diabetes care
- **Priority 4:** Improve clinical handover

Priority 1: Improving sepsis care

Sepsis is a life-threatening condition with around 123,000 cases each year in England and an estimated 37,000 associated deaths. Timely identification and appropriate antimicrobial therapy have been shown to be effective in reducing transition to septic shock and therefore reducing mortality. For this reason, sepsis care was set as a two-year Trust quality priority in 2019/20.

During 2021/22, 88.6% of our patients were screened for sepsis within one hour—unfortunately we were only able to complete this process and document that patients received antibiotics within one hour 42% of the time. Timely screening in our emergency departments was impacted by the volume of patients admitted and timely screening within inpatient wards was impacted by complex interprofessional working. Antibiotic administration within one hour was also impacted by the COVID-19 pandemic, as patients with COVID-19 mirrored 'triggers' for Sepsis. Therefore, the guidance and Trust protocols was to exclude the use of antibiotics.

These important safety measures will continue to be supported and monitored by the Trust. Live monitoring and response will utilise the command centre within the Trust, with metrics being reported through Integrated Board (on overall screening ED and adult inpatient wards and clinical review ED and adult inpatient wards).

Our target	Baseline (Mar 2021)	Achieved
More than 90% of our A&E and admitted patients will be screened for sepsis within 1 hour	A&E: 70% Wards: 35%	A&E: 86% Wards: 90.4%
More than 90% of all confirmed septic patients will receive antibiotics within 1 hour	45%	42%

Priority 2: Improving cancer care

In 2020/21 the Trust established improving cancer care as a quality priority to deliver personalised care for people who are newly diagnosed with cancer. Through the pandemic the Trust has increased support to our patients by focusing on the end-to-end cancer pathways and ensuring personalised and high-quality care is provided, in line with the

national priority. From August 2021, the project continued to consistently achieve and surpassed the Trust quality standard of offering ≥75% of all eligible cancer patients a holistic needs assessment (HNA) at the point of diagnosis.

As a result, the Trust has ensured that those patients diagnosed with cancer have a supportive conversation, health and wellbeing information, resources available during the conversation and their personal needs assessed with an HNA approach.

Our target	Baseline	Achieved
More than 75% of our patients will receive a holistic needs assessment and personalised care plan	62%	86%

Priority 3: Improving diabetes care

Improving inpatient diabetes care was set as a Trust quality priority in 2020/21. This priority was chosen following the National Diabetes Inpatient Audit (NADIA) report showed that between 2010 and 2019, 10–15% of inpatients at our Chelsea site and 23% at our West Middlesex site have diabetes. Nationally there is evidence that patients with diabetes, regardless of their reason for admission, have a longer average length of stay than other patients and are at risk of experiencing diabetes-related harm (such as hypoglycaemia, new foot ulcers and diabetic ketoacidosis) if their care is not optimised for their condition.

During the course of this quality priority, the Trust has established an average length of stay of four days for elective patients with diabetes who are admitted for elective surgery. Unfortunately, the Trust has not managed to achieve the target of 300 non-diabetes staff trained in 10-point training. However, we have made great strides in the implementation of online training for wider staff through the Trust and have also implemented the training as part of the Care in Excellence HCA training.

Our target	Baseline	Achieved
300 non-diabetes staff will receive 10-point training	131	229

Priority 4: Improve clinical handover

Improving clinical handover was established as a Trust quality priority in 2020/21. This was set as a quality priority as effective handover between clinical teams is widely accepted as essential for patient safety. The initial focus for this quality priority was medical handover aspects for its first year. During this time, the Chelsea and Westminster site has regularly had 67% of staff attending handover at night and 95% of attendance during the day. A training session has also been implemented for junior doctors with plans to expand this to wider clinical staff. During the first year, due to the maturity of handover and principles of handover teaching at the Chelsea site, there was a focus on the Chelsea site to prove concepts in preparation for the second year and the wider role-out.

Unfortunately, the Trust has not achieved this target, though the organisation and staff remain focused on delivering improvement in this area—it is for this reason that clinical handover remains a quality priority improvement area for 2022/23, with increase target focus areas.

Target	Baseline	Achieved
50% of clinical staff to be trained in the principles of safe and effective handover	0% formally trained	100% of junior doctors trained
95% of all handovers to be attended by each medical downstream ward	Handover meetings underrepresented by medical and surgical wards	

Financial performance

The Trust reported an adjusted surplus of £1.3m against the control total of £5.0m surplus. The overall reported position is a surplus of £30.6m for the year (before adding back all reversals of impairments relating principally to land and buildings of £31.0m and other adjustments of £1.6m). The Trust delivered £12.7m of cost improvement programmes during the year.

The following table shows the 2021/22 financial outturn against the 2020/21 position under NHS Improvement's reporting definitions.

	2021/22 outturn (£m)	2020/21 outturn (£m)
Operating revenue	£802.1	£752.5
Employee expenses	(£454.1)	(£424.5)
Other operating expenses	(£300.6)	(£331.4)
Non-operating income/expenses	(£15.9)	(£15.1)
Other gains/(losses) including disposal of assets	(£0.9)	(£1.5)
Net reversal of impairments and other non-current asset gains/(losses)	(£31.0)	£24.7
Removal of donated assets/PPE consumables	£1.7	(£3.3)
Adjusted surplus/(deficit)	**£1.3**	**£1.6**
Net surplus/(deficit) %	0.2%	0.2%

Total operating revenue for EBITDA	£801.1	£749.3
Total operating expenses for EBITDA	(£761.1)	(£709.8)
EBITDA	**£40.0**	**£39.4**
EBITDA margin %	5.0%	5.3%

Year-end cash	**£152.8**	**£141.6**

During the year, the balance of cash and cash equivalents increased from £141.6m (31 Mar 2021) to £152.8m (31 Mar 2022).

In 2021/22 the Trust invested £28.6m on capital which included £7.8m on estates works and maintenance across both sites, £3.1m on ward refurbishments, £5.4m on medical equipment and £7.0m on IT goods and services.

Environmental and sustainability performance

Overall strategy for sustainability

Chelsea and Westminster Hospital NHS Foundation Trust, with its service partners, will continue to pursue its ambition to reduce the impact of our activities on the environment while providing leading sustainable healthcare. This means that the way we operate today must meet the needs of the present, while collaboratively building on a cleaner, healthier environment for future generations. The Trust will continue to embed this commitment to sustainable development with a clear strategic focus on our carbon footprint, ensuring that the national and local sustainability responsibilities are firmly embedded in the overall Trust strategy, encapsulated in our Green Plan.

The Trust understands the challenging and ambitious goal of being carbon neutral in the core footprint by 2040 and by 2045 in the footprint plus aligned to the NHS *Towards Net Zero Strategy* targets. The Trust will continue to work in a coordinated way to instil a culture which supports our environmental responsibility. We recognise the increasing and urgent need to take action to halt the negative impacts on our environment and improve efficiencies which will support, protect and enhance biodiversity throughout the organisation.

We will continue to monitor our impacts as they arise, adapting our approach and resources to manage and reduce our impact on the environment through the efficient use of resources and utilities.

We recognise that delivering sustainable healthcare involves working at all levels of healthcare with staff, patients and partner organisations to implement our ambition to deliver a health system that supports social and environmental ambitions which are financially efficient, to put our organisation on a path to a cleaner, greener and healthier future.

SCOPE 1: Direct GHG emissions

During the past year the Trust has measured its carbon footprint for its core activities and will do so again for financial year 2022/23. This is the first time that GHG emissions for water, waste, well-to-tank, anaesthetic gases, travel etc have been calculated in addition to energy.

Core category	CO_2 tonnes
Fossil fuels	14,543.6
NHS facilities	19.8
Anaesthetics	268.5
Electricity	4,304.6
Energy WTT	2,910.0
Metered dose inhalers	798.5
Waste	729.8
Water	307.3
Business travel, public transport, cars	9.4
Total	**23,891.5**

Training and workshops have been undertaken with key teams on understanding and reducing the core footprint.

In addition to climate change mitigation, the Trust is looking ahead to consider adaptation and has been undertaking awareness raising workshops across a variety of staff teams, including at Board level. This is to raise awareness as the Trust considers its next steps.

Waste minimisation and management

The Trust, in conjunction with Bouygues Energies and Services Facilities Management Ltd, installed in 2020 a waste processing plant on the West Middlesex site. The Steriwave plant has been processing offensive waste and alternative treatment waste streams. This waste would have been disposed at landfill, but will now be processed on-site, reducing carbon during transportation to landfill. The waste output is used as fuel for biomass energy. Segregating this waste using a behavioural change programme and creating new waste streams has reduced clinical waste volumes and saves the Trust ~£25k per annum. This continues to be monitored on an ongoing basis.

As the Trust returns to business as usual, Estates and Facilities have restarted the Trustwide Waste User Group and are targeting local projects, particularly around improved segregation and increased recycling. Initial projects are underway in main theatres, ICU and the burns unit at Chelsea, with a view to extending the learning across all wards and departments.

There are a number of waste awareness days planned for this year, building on the successful Global Recycling Day held across the sites, with World Refill Day in June, supported by CW+, and UK Recycle Week in September.

Finite resource consumption

Water consumption

The Trust's target was to reduce water consumption by 15% by the end of the calendar year 2020, based on the 2014 baseline figure of 360,860 m^3. The following table highlights a current water consumption reduction to date of 22% against the 2014 baseline. However, it should be noted that the impact of reduced patients and hospital activity during emergency periods would have significantly contributed to the reduction in consumption. The installation of logging and leak detection equipment on six of eight fiscal water meters (accounting for 99% of supply), will continue to actively support the monitoring water efficiency.

Water consumption (m^3)	2017/18	2018/19	2019/20	2020/21	2021/22
Chelsea and Westminster Hospital	107,014	134,257	117,156	89,015	110,110
West Middlesex University Hospital	235,344	196,808	186,674	198,877	181,693
Associated clinics	-	4910	6,121	4,194	3,473
Trustwide total	**342,358**	**335,975**	**309,951**	**292,085**	**295,276**
Baseline variance	-18,502	-24,885	-50,909	-68,775	-65,584
2014 baseline (360,860 m^3)	-5%	-7%	-16%	-24%	-22%

Energy consumption

Improvement in the CHP uptime reduced the imported electricity during Q3 and Q4 at the CW site, coupled with a milder winter, resulted in overall energy consumption below the recent trend. Installation of loggers and meter telemetry across the sites has improved the accuracy of the consumption.

Electricity (KWh)	2017/18	2018/19	2019/20	2020/21	2021/22
Chelsea and Westminster Hospital	14,013,135	24,791,028	14,010,604	11,067,245	9,909,354
West Middlesex University Hospital	9,256,195	10,697,851	6,688,655	6,677,914	7,727,451
Harbour Yard	0	0	374,895	248,113	215,757
Associated clinics	0	419,461	499,014	470,364	435,518
Trustwide total	**23,269,330**	**35,908,340**	**21,573,168**	**18,463,636**	**18,288,081**

Gas (KWh)	2017/18	2018/19	2019/20	2020/21	2021/22
Chelsea and Westminster Hospital	31,394,129	54,708,819	50,444,761	61,624,791	59,569,601
West Middlesex University Hospital	11,967,602	16,271,385	17,311,190	16,832,953	14,259,314
Associated clinics	0	580,667	589,773	198,772	167,951
Trustwide total	**43,361,731**	**71,560,871**	**68,345,724**	**78,656,517**	**73,996,866**

Patient-led assessments of the care environment (PLACE)

The annual PLACE assessments in 2020 and 2021 were postponed due to the COVID-19 pandemic. The Trust has been notified that there will be PLACE inspections carried out in the coming year, but details and updated assessment tools are yet to be provided.

Estates and Facilities continue to conduct routine inspections of the hospital buildings along with our service partners and hospital directors. This includes reviewing the environment and cleaning standards, which are monitored in line with the National Standards of Cleanliness and routine monthly food tasting sessions.

Patient environment

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

- **David Erskine Ward Refurbishment:** Trust investment of ~£2.9m
- **Neonatal Intensive Care Unit (NICU) expansion:** Phase 3 completion
- **Distribution lift upgrades:** Trust investment of ~£0.3m
- **New atrium flooring:** Trust investment of ~£0.2m
- **Ambulatory Care Diagnostic Centre:** Trust investment of £1.1m
- **Endoscopy ventilation:** Trust investment of £0.5m
- **QMMU new patient lift:** Trust investment of £0.2m

Social, community, anti-bribery and human rights issues

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

Community

The Trust has worked closely with community NHS and private providers throughout the year to ensure effective care was provided to residents during the pandemic. The Trust has also run and supported many community engagement events during the pandemic to provide public health messages and reassurance on the safety of the COVID vaccination programme. Through 2021/22 the Trust provided a COVID vaccination program on a number of external sites and has continued to run a public vaccination hub on site at West Middlesex University Hospital.

Alongside our local police force, fire brigade and LAS, we were pleased to support a community emergency services celebration and engagement day in summer 2021.

Equality, diversity and inclusion

The Trust's work on embedding equality, diversity and inclusion has continued to broaden and strengthen as part of the culture within the organisation. We know, as an organisation, that being truly inclusive involves commitment from all our leaders and managers and all individuals across the Trust. As an organisation, we continue to face challenges in terms of our model employer goals, ensuring we have representation from our Black, Asian and minority ethnic colleagues at more senior levels within our organisation, and ensuring each individual member of staff, regardless of their protected characteristics, have a great experience at work. We know from our staff survey results we have more work to do to ensure this is a reality and have set out our plans to be a truly inclusive organisation in our 3-year Equality, Diversity and Inclusion Strategy. Some of the key highlights from our continued work include:

- Launch of a disability staff network sponsored by an executive board member, and the Trust participated in the Calibre Leadership Programme hosted by Imperial College hosted by Imperial Healthcare NHS
- Continuing reduction in the overall number of formal employee relations cases
- Improvement in our Workforce Race Equality Standard (WRES) indicators 3 and 4 scores
- Senior-level participation in the Workforce Race Equality Standard (WRES) experts programme
- Participation in the North West London White Allies programme
- Relaunch of our LGBTQ+ staff network and appointment of a new network chair
- Participation in the Stonewall Workplace Equality Index 2002 and updating our Stonewall Diversity Champion accreditation
- Engagement in network activities with our four staff networks, including programmes of events for awareness days, weeks or months (ie Black History Month, Disability Awareness Day, LGBT History Month, International Women's Day)
- Commencement of joint network lead meeting on a quarterly basis to share ideas and improve smart and collaborative working
- Improvement in the probation cases percentage adversely affecting BAME staff
- Membership on the North West London Inclusion Board, which focuses on equality, diversity and inclusion across the sector
- Participation on the North West London Leadership Ladder and Inclusive and Compassionate Pilot programmes

Disabled employees

The year was a challenge for our Workforce Disability Equality Standard (WDES) indicator metrics, however we continue to work to make measurable and sustainable progress.

- The Trust launched a disability staff network, appointed cochairs, received sponsorship from executive board members and continues to have regular monthly meetings to engage with disabled staff
- Trust participated in the North West London Calibre Pilot Programme aimed at encouraging staff with disabilities into leadership roles
- Maintained Disability Confident status and working towards Disability Leader status

Learning disabilities

The Trust has continued to provide learning disability services to its patients during the year. A lead nurse for learning disabilities heads this agenda ensuring, as a Trust, we are aware of all our patients with learning disabilities to ensure they have the correct care passports in place, and offering support to families. The Trust is fully compliant with the increasing learning disabilities mortality review initiative for all mortalities of a patient with a learning disability and/or autism to have a full mortality review. The Trust is now in the fourth year of Project SEARCH, with interns who have autism and/or a learning disability placed within the Trust to gain work experience and progress to future employment within the organisation—a number of previous interns are now employed within the organisation. The Trust has an active programme of learning disability staff training and a learning disabilities steering group involving staff, local authorities, third-sector organisations, patients and carers.

Safeguarding

The Trust actively engages with local safeguarding adult and safeguarding children boards. The Trust has a dedicated team of professionals who work to protect vulnerable adults and children. There are named leads for both safeguarding children and adults who report regularly through the governance structure to the Trust's Quality Committee. The Trust has a team of independent domestic violence advisors to support patients and staff who are affected by domestic abuse, an increasing issue over the last two years. The Trust also has a team of mental health nurse leads and RMNs to support the care of patients with mental health issues while they are in our hospitals. This team works alongside our partner providers and delivers extensive training programmes throughout the organisation to enable staff to provide care and support to those in need. The Trust offers a range of mandatory and additional training in all areas of safeguarding for both children and adults.

Anti-bribery

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

RSM was contracted by the Trust during 2021/22 to provide local counter-fraud specialist services in accordance with secretary of state directions. The Trust Board's Audit and Risk Committee formally approves the counter-fraud annual work plan and progress reports are provided to the committee at each meeting.

Volunteers

In 2021/22 volunteers contributed 32,707 hours, an increase of 500 hours over 2020/21. There were 461 volunteers active last year, compared to 380 in 2020/21.

The team played a key part in Military Aid to the Civil Authority (MACA), assisting with the deployment of armed forces personnel at Chelsea and West Middlesex hospitals in January 2021. Together they contributed 1,176 hours of support across both sites, in inpatient wards and ED.

The team has been working closely with volunteering partners such as CW+ and the Friends to restart their services. This includes ensuring that volunteers are compliant with wider Trust policies and infection prevention and control. The team has worked to maintain volunteering activity despite many volunteers scaling back their levels of involvement since 2020, as they return to their regular working lives and leisure activities.

Over the last year, the service has built a dynamic and compelling youth pathway for young volunteers aged 16–21. 186 young volunteers contributed more than 9,000 hours of volunteering last year. The service has also launched a series of Volunteer to Career initiatives—offering career spotlight sessions, online training, certificates and pathways to apprenticeships. It is planning to build on this in the next year.

Charity matters—CW+

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

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

COVID-19 Rapid Response Fund

The CW+ COVID-19 Rapid Response Fund continued to be supported by our generous communities throughout the past year. These donations enabled CW+ to provide new equipment, the latest technologies and essential support for the mental and physical wellbeing of staff, including mental health first aid training, and wellbeing hubs equipped with sleep pods, refreshments and charging stations. Funds were also used to support vital innovation and research into COVID-19. CW+ supported the PIONEER study which completed recruitment with 502 patients.

Critical care opening

In June 2021, CW+ officially opened the state-of-the-art expansion and redevelopment of the adult and neonatal intensive care units at Chelsea and Westminster Hospital, enabling the treatment of more than 2,000 critically ill adults and babies every year. These new critical care facilities were made possible through the charity's £12.5 million Critical Care Campaign. Both units were officially opened by previous patients who received incredible care on these new units.

The new adult intensive care unit has increased in capacity by 45%, allowing the Trust to care for an additional 500 patients per year, and has world-class facilities with a first-of-its-kind, patient-led approach to care. The new unit aims to significantly improve critically ill patients' recovery and wellbeing by creating optimal healing environments and incorporating the latest innovations and digital solutions that can be personalised to reduce anxiety, pain and stress.

Adjacent to the new ICU, we have created a bespoke indoor botanical Sky Garden, created to bring the outdoors in, supporting the cognitive function, wellbeing and rehabilitation of patients in intensive care. The Sky Garden is one of only two green spaces in the UK designed specifically to incorporate the physical and psychological needs of intensive care patients and their families.

In 2021, the new ICU won *Best Interior Design Project* at the Building Better Healthcare Awards and the Sky Garden won an *NHS Forest Award* as an innovative green space.

The new neonatal intensive care unit has expanded by 40%, providing specialist care to 150 more babies every year and providing better clinical space and family facilities. The unit, designed to offer a 'home from home' environment, is equipped with the latest technology to facilitate improved healing conditions for babies.

NHS Charities Together

CW+ was selected as the lead charity within North West London for supporting COVID-19 recovery activities, funded by NHS Charities Together. Working with partners from across the region, CW+ is delivering three digital inclusion and innovation projects, supporting vulnerable people affected by COVID-19 through digital access to health, care and community resources.

Best For You

The number of young people in the UK needing urgent mental health support has reached crisis point. In response to this, CW+, Chelsea and Westminster Hospital NHS Foundation Trust, Central and North West London NHS Foundation Trust, and West London NHS Trust have partnered to launch *Best For You*, a new model of mental health care and support for young people and their families.

Best For You is designed to provide immediate help for those in crisis as well as ongoing, personalised care for as long as needed. The unique model of care combines the rapid assessment, transfer and treatment of young people requiring inpatient care with day, digital and community services that provide consistent and comprehensive care.

The Best For You first-of-its-kind model of care will include:

- A state-of-the-art young people's centre
- A brand-new day service unit
- Community partnerships
- Digital interventions
- Comprehensive evaluation

CW+ is engaging a network of partners and supporters to raise £8m to deliver each element of the Best For You programme. Thanks to an incredible initial response from our community, CW+ has already secured more than £3.5m since the launch in November 2021.

Arts in Health

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

The CW+ Studio is a new, bespoke, multifunctional art and social space at Chelsea and Westminster Hospital. Completed in March 2020, it was temporarily transformed into a wellbeing hub for staff during the pandemic. It officially opened in April 2021 and welcomed its first patients to participate in art and cultural activity workshops. The CW+ Studio will host a variety of participatory events to improve the wellbeing of the hospital community and beyond.

CW+ also offer their participatory arts programme *Arts For All* via in-person sessions in wards at both hospitals, and through their online platform Virtual Connections. In-person activities resumed in March 2021 and the Virtual Connections programme now has more than 200 on-demand videos, and new content from partners including the National Portrait Gallery, English National Ballet School, London Art Studies and Chelsea FC Foundation.

CW+ won *Best Collaborative Arts Project/Performance* at the Building Better Healthcare Awards in November for their pioneering Virtual Connections programme.

Across all clinical and non-clinical spaces, CW+ strive to enhance our hospitals to provide an outstanding healing environment, reducing stress and anxiety for patients and staff to improve wellbeing and outcomes. Significant improvements to the design and environment across both hospitals have been made this year, ranging from complete ward refurbishments to new artwork commissions and installations.

In November 2021, CW+ was delighted to partner with Saatchi Gallery to present *Journeys: The Healing Art*s, the first Arts in Health exhibition at the gallery, which ran until January 2022. The exhibition showcased a selection of bespoke artworks from their art collection, exploring the journey from traditional drawn artworks through to innovative digital and screen-based pieces.

Grants and CW Innovation

CW+ continues to offer a discretionary grants programme, awarding £500,000 per year to fund projects which improve patient care and experience and support staff, including:

- **Small Change Big Impact:** Fast-track awards (up to £2,000) to support patient experience
- **Patient-focused grants:** Up to £100,000 to fund larger project which transform care
- **Staff wellbeing and amenities**
- **Training, education and development**

The charity has hosted several special funding call events throughout the year with dedicated funding awarded to specific areas of work.

The annual nurse, midwife and allied health professionals funding call winners were from the obstetrics and gynaecology team who proposed providing women with alternative pain relief in the form of a VR headset when having gynaecological procedures to lower pain and decrease stress. All shortlisted finalists for the call received funding for their ideas.

RADICAL was the charity's first 'rapid adoption innovation call' open to all Trust staff. The winner was announced as FibriCheck, a smartphone atrial fibrillation testing app proposed by cardiology staff. All the finalists were awarded funding including trialling the use of Microsoft HoloLens glasses across our hospitals, enabling medical students to remotely stream into clinics.

As part of their grants programme, the charity funded the Trust volunteer programme which enabled the team to recruit 900 volunteers across the Trust, who provide invaluable support every day to our staff and patients.

The second anniversary of CW Innovation (led jointly by CW+ and the Trust) was celebrated with a series of virtual events to showcase the exciting and diverse portfolio of transformative projects. The Rt Hon Sajid Javid MP (Secretary of State for Health and Social Care) and Professor Tony Young (National Clinical Lead for Innovation, NHS England) participated in one of the virtual events endorsing the programme.

This year, the CW Innovation programme has gone from strength to strength, with a growing portfolio of innovative solutions and models of care, and we are delighted that the Trust has been recognised the only London NHS test and scale site for innovation. We have also been selected to join the NHS Clinical Entrepreneur Programme.

CW+ is a founding partner of the DigitalHealth.London Accelerator (DH.LA). Now in its sixth consecutive year, the programme has supported some of the biggest and most effective digital innovations now being used by the NHS, which were all trialled at Chelsea and Westminster.

CW Innovation has also launched its 12-month Horizon Fellowship programme in partnership with DigitalHealth.London, which will nurture 20 Trust staff to develop their innovative ideas for projects to improve patient care and experience.

CW Innovation supported the 2021 Digital Health Rewired Pitchfest event for the third consecutive year. The winner was announced as CardMedic—an innovative app to reduce health inequalities which will be tested and scaled at Chelsea and Westminster.

HIV and sexual health

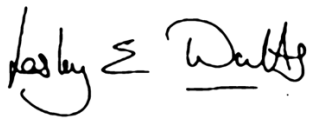
CW+ continue to support our HIV and sexual health services and has successfully applied for various funding opportunities throughout the year as well as awarding grants to a variety of projects. The charity supported 56 Dean Street's *Test Now, Stop HIV* campaign to raise awareness of testing, which reached a national audience of 3.2 million people and 1 in 5 men testing for HIV in response. CW+ also supported the clinic's *Quickstart PrEP* awareness and treatment campaign.

Celebrating our history

Throughout 2021, CW+ showcased elements of West Middlesex's fascinating history on their website and social media, including old photos and stories, as well as accounts from current West Middlesex staff on their experiences working at the hospital during the pandemic.

Thanks to funding from the National Lottery Heritage Fund, CW+ is also leading on the creation and installation of an onsite heritage exhibition, uncovering details from our archive photos and documents to share with staff and visitors.

On 17 Sep 2021, we marked the end of West Middlesex's extraordinary 100th year with a special service at All Saints' Church in Isleworth and a celebration BBQ for past and present staff. We were delighted to be joined by Sir David Sloman (NHS Regional Director for London) at this event.



Lesley Watts
Chief Executive Officer

21 June 2022

SECTION 2

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

Names of Trust directors during 2021/22

Name	Title	Period	Unexpired term
Stephen Gill	Interim Chair	1 Nov 2017–present	1 year 7 months
Aman Dalvi	Non-executive Director	1 Dec 2019–present	8 months
Nilkunj Dodhia	Non-executive Director	1 Jul 2014–present	1 year 3 months
Nick Gash	Vice Chair and Non-executive Director	1 Nov 2015–present	7 months
Eliza Hermann	Senior Independent Director and Non-executive Director	1 Jul 2014–present	3 months
Ajay Mehta	Non-executive Director	1 Dec 2019–present	8 months
Lesley Watts	Chief Executive Officer	14 Sep 2015–present	open-ended
Dr Roger Chinn	Chief Medical Officer	4 Apr 2020–present	open-ended
Robert Hodgkiss	Deputy Chief Executive and Chief Operating Officer	7 Apr 2016–present	open-ended
Virginia Massaro	Chief Financial Officer	1 Oct 2019–present	open-ended
Pippa Nightingale	Chief Nursing Officer (until 14 Feb 2022)	18 Jul 2016–14 Feb 2022	open-ended
Vanessa Sloane	Interim Chief Nursing Officer (from 14 Feb 2022–31 Mar 2022)	14 Feb 2022–31 Mar 2022	open-ended

Register of interests

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

Members of the public can view the register of directors' interests on the Trust website at www.chelwest.nhs.uk/bod, by emailing ft.secretary@chelwest.nhs.uk or by writing to:

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

Compliance with cost allocation and charging guidance

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

Political donations

The Trust did not make any political donations during 2021/22.

The Better Payment Practice Code

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

Measure of compliance	2021/22 n°	2021/22 £000
Non-NHS payables		
Total non-NHS trade invoices paid in the year	82,050	257,104
Total non-NHS trade invoices paid within target	75,695	233,926
Percentage of non-NHS trade invoices paid within target	**92.3%**	**91.0%**
NHS payables		
Total NHS trade invoices paid in the year	3,075	51,573
Total NHS trade invoices paid within target	2,467	41,015
Percentage of NHS trade invoices paid within target	**80.2%**	**79.5%**
Totals		
Total trade invoices paid in the year	85,125	308,677
Total trade invoices paid within target	78,162	274,941
Percentage of total trade invoices paid within target	**91.8%**	**89.1%**

Well-led framework

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

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

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

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

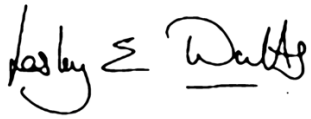
Disclosure of information to Trust auditors

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

Income disclosures

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

The impact of other income which the Trust has received has been invested in the provision of goods and services for the purposes of the health service in England.



Lesley Watts
Chief Executive Officer

21 June 2022

REMUNERATION REPORT

Annual statement on remuneration

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

In 2021/22, the committee met on five occasions to consider a number of matters within its terms of reference, including making decisions on the remuneration and terms of service of the executive directors' and very senior managers' pay, including new appointments. When making decisions on the salaries of executive directors, the committee considered benchmarking data for comparable positions, particularly to ensure that salaries remained appropriate where responsibilities of senior managers were amended in line with national guidance.

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

Steve Gill
Interim Chair 2021/22

21 June 2022

Senior managers' remuneration policy

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

Remuneration consists mainly of salaries (which are subject to satisfactory performance) and pension benefits in the form of contributions to the NHS Pension Fund. There were four senior managers whose pay exceeded £150,000 during 2020/21.

Remuneration is set with due regard to benchmarking information from other NHS organisations and public sector bodies as appropriate and survey data. Experience, performance and portfolio are also taken into account.

Salaries are awarded on an individual basis, taking into account the skills and experience of the postholder and comparable salaries for similar posts elsewhere. Pay is also compared with that of other staff on nationally agreed Agenda for Change terms and conditions, and medical and dental staff terms and conditions.

Increases in pay can be withheld where it is considered, through the annual appraisal process, that individual or Trust performance does not warrant an increase, but also subject to affordability and labour market conditions.

There are provisions within the directors' contracts of employment for recovery of sums, should performance fall below the required standard. Trust employees were not specifically consulted on the policy and procedure for determining the remuneration of directors, however the policy was developed with full consideration given to the terms and conditions of other staff groups within the Trust and in accordance with national guidance. The policy is aligned in many ways to the terms and conditions of other staff groups.

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

Information on the salaries and pensions of directors is included within the senior manager remuneration tables from page 49.

Diversity

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

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

Future policy table

	Salary/fees	Taxable benefits	Annual performance-related bonus	Long term-related bonus	Pension-related benefits
Support for the short- and long-term strategic priorities of the Foundation Trust	Ensure the recruitment/retention of directors of sufficient calibre to deliver the Trust's objectives	None disclosed	n/a	n/a	Ensure the recruitment/retention of directors of sufficient calibre to deliver the Trust's objectives
How the component operates	Paid monthly	None disclosed	n/a	n/a	Contributions paid by both employee and employer, except for any employee who has opted out of the scheme
Maximum payment	As set out in the remuneration table, salaries are determined by the Trust's Nominations and Remuneration Committee	None disclosed	n/a	n/a	Contributions are made in accordance with the NHS pension scheme
Framework used to assess performance	Trust appraisal system	None disclosed	n/a	n/a	n/a

	Salary/fees	Taxable benefits	Annual performance-related bonus	Long term-related bonus	Pension-related benefits
Performance measures	Based on individual objectives agreed with line manager	None disclosed	n/a	n/a	n/a
Performance period	Concurrent with the financial year	None disclosed	n/a	n/a	n/a
Amount paid for minimum level of performance and any further levels of performance	No performance-related payment arrangements	None disclosed	n/a	None paid	n/a
Explanation of whether there are any provisions for recovery of sums paid to directors or provisions for withholding payments	Any sums paid in error may be recovered	None disclosed	Any sums paid in error may be recovered	None paid	n/a

Service contracts

Information relating to directors' service contracts is included within the section *Names of Trust Directors during 2021/22* from page 41.

Policy on payments for loss of office

Payments for loss of office in a compulsory redundancy situation are made under the nationally negotiated compensation scheme. The Nominations and Remuneration Committee has the authority to consider compensation in relation to exit arrangements for directors. In the event of early termination, executive director contracts provide for compensation in line with the contractual notice period. There were no payments for loss of office made in 2021/22.

Nominations and Remuneration Committee

The executive Nominations and Remuneration Committee is chaired by the Trust Chairman, and membership comprises all other non-executive directors.

The Trust's chief executive may be invited to attend all or part of the committee meetings provided that they are not present when their executive role is subject to committee discussion/decision-making.

The committee is supported by the Director of Corporate Governance and Compliance. Details of committee attendance in 2021/22 may be found in the section *NHS Foundation Trust Code of Governance Disclosures* from page 74.

Disclosures required by Health and Social Care Act

The Trust is governed by a Board of Directors. At 31 Mar 2022, the Board comprised six non-executive directors (including the chairman) and five executive directors (including the chief executive).

There are 30 governor positions (25 were in post as at year end), comprising:

- **8 patient governors (elected):** Patients treated at the hospital in the last three years, or their carers
- **13 public governors (elected):** Two each from seven local boroughs, except for one borough having one representative
- **6 staff governors (elected):** One each from the six staff constituencies
- **3 stakeholder governors (appointed):** Nominated from partnership organisations

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

	Total n° in post	N° receiving expenses	Total sum of expenses £000
2021/22			
Governors	25	2	0.50
Directors	12	2	14.70
2020/21			
Governors	28	1	0.30
Directors	12	1	6.30

Senior manager remuneration tables

Senior manager remuneration 2021/22

Name and title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance related bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 Mar 2022 (bands of £5,000)	Lump sum at pension age related to accrued pension at31 Mar 2022 (bands of £5,000)	Cash equivalent transfer value at 1 Apr 2021 (£000)	Real increase in cash equivalent transfer value (£000)	Cash equivalent transfer value at 31 Mar 2022 (£000)
Executive directors[1]												
Lesley Watts, Chief Executive[2]	290–295	0	15–20	n/a	310–315	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roger Chinn, Chief Medical Officer[3]	185–190	0	0	137.5–140	325–330	7.5–10	12.5–15	70–75	185–190	1,464	163	1,661
Rob Hodgkiss, Deputy Chief Executive/ Chief Operating Officer[2]	200–205	0	15–20	n/a	215–220	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Virginia Massaro, Chief Financial Officer	150–155	0	0	47.5–50	200–205	2.5–5	0–2.5	35–40	65–70	471	27	525
Pippa Nightingale, Chief Nursing Officer[4]	145–150	0	15–20	42.5–45	205–210	2.5–5	0–2.5	55–60	110–115	861	29	921
Vanessa Sloane, Acting Chief Nursing Officer[5]	15–20	0	0	77.5–80	90–95	0–2.5	0–2.5	45–50	120–125	887	8	972
Non-executive directors[1]												
Nilkunj Dodhia, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nick Gash, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Steve Gill, Non-Executive Director/ Interim Chairman	55–60	0	0	n/a	55–60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Eliza Hermann, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ajay Mehta, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Aman Dalvi, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

Senior manager remuneration 2020/21

Name and title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance related bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 Mar 2021 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 Mar 2021 (bands of £5,000)	Cash equivalent transfer value at 1 Apr 2020 (£000)	Real increase in cash equivalent transfer value (£000)	Cash equivalent transfer value at 31 Mar 2021 (£000)
Executive directors[6]												
Lesley Watts, Chief Executive[7]	290–295	0	15–20	n/a	310–315	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zoë Penn, Chief Medical Officer[8]	0–5	0	0	0	0–5	0	0	70–75	155–160	1,836	0	0
Roger Chinn, Chief Medical Officer[9]	175–180	0	0	0	175–180	0	0	65–70	170–175	1,451	0	1,464
Rob Hodgkiss, Deputy Chief Executive/ Chief Operating Officer[7]	200–205	0	15–20	n/a	215–220	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Virginia Massaro, Chief Financial Officer	145–150	0	0	155–157.5	300–305	7.5–10	15–17.5	30–35	65–70	343	122	471
Pippa Nightingale, Chief Nursing Officer	165–170	0	15–20	40–42.5	230–235	2.5–5	0–2.5	50–55	110–115	786	62	861
Sue Smith, Director of Human Resources and Organisational Development[10]	35–40	0	0	207.5–210	240–245	7.5–10	20–22.5	45–50	125–130	835	219	1,069
Thomas Simons, Director of Human Resources and Organisational Development[11]	80–85	0	0	35–37.5	115–120	2.5–5	0	25–30	0	282	36	322
Non-executive directors[6]												
Sir Thomas Hughes-Hallett, Chairman[12]	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
Stephen Gill, Non-Executive Director/ Interim Chairman	15–20	0	0	n/a	15–20	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	5–10	0	0	n/a	5–10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr Andrew Jones, Non-Executive Director[13]	0–5	0	0	n/a	0–5	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ajay Mehta, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Aman Dalvi, Non-Executive Director	10–15	0	0	n/a	10–15	n/a	n/a	n/a	n/a	n/a	n/a	n/a

6 The Accounting Officer has reviewed which officers act as 'senior managers' for the purposes of the remuneration report, and considers that for 2020/21, this only includes the chair and executive and non-executive directors of the Trust

7 Figures for CETV are not available as the individuals are no longer part of the NHS pension scheme

8 Left the Trust Board in Apr 2020

9 Appointed to the Trust Board in Apr 2020—the remuneration of the Chief Medical Officer includes £157k in respect of their clinical role

10 Appointed to the Trust Board in Nov 2020—50% of salary costs apportioned to CWFT, as joint post with HHT

11 Left the Trust Board in Oct 2020

12 Left the Trust Board in Mar 2021

13 Left the Trust Board in Sep 2020

Fair pay disclosures

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

Percentage change in remuneration

Salary and allowances

The banded remuneration of the highest-paid director in the organisation in the financial year 2021/22 was £290,000–295,000 (2020/21, £290,000–295,000). This is a change between years of 0%.

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

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £13,000 to £290,000–295,000 (2020/21 £12,000 to £290,000–295,000). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 3%. This 3% is reflective of the 3% annual pay award received by the majority of staff. No employees received remuneration in excess of the highest-paid director in 2021/22 (nil in 2020/21).

Performance pay and bonuses

The banded remuneration of the highest-paid director in the organisation in the financial year 2021/22 was £15,000–20,000 (2020/21, £15,000–20,000). This is a change between years of 0%.

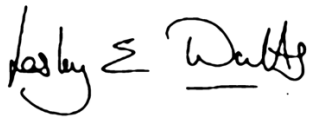
For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £15,000–20,000 (2020/21 £15,000–20,000). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 0%. No employees received remuneration in excess of the highest paid director in 2021/22 (nil in 2020/21).

Pay ratio information

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

2021/22	25th percentile	Median	75th percentile
Salary component of pay	£33,552	£43,519	£55,111
Pay and benefits excluding pension: pay ratio for highest paid director	9.31:1	7.18:1	5.67:1

The banded remuneration of the highest paid director in the Trust in the 2020/21 financial year was £290,000–295,000. This was 7.00 times the median remuneration of the workforce, which was £41,766.



Lesley Watts
Chief Executive Officer

21 June 2022

STAFF REPORT

Analysis of staff costs

Staff costs	Permanent £000	Other £000	2021/22 total £000	2020/21 total £000
Salaries and wages	302,773	48,172	350,945	331,398
Social security costs	34,085	4,098	38,183	35,274
Apprenticeship levy	1,718	-	1,718	1,577
Employer's contributions to NHS pension scheme	49,311	3,159	52,470	49,809
Pension cost—other	43	-	43	38
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff	-	13,522	13,522	9,071
Total gross staff costs	387,930	68,951	456,881	427,167
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**387,930**	**68,951**	**456,881**	**427,167**
Of which:				
Costs capitalised as part of assets	2,269	530	2,799	2,704

Analysis of average staff numbers

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

Average number of employees (WTE basis)	Permanent n°	Other n°	2021/22 total n°	2020/21 total n°
Medical and dental	1,216	129	1,345	1,292
Ambulance staff	-	-	-	-
Administration and estates	1,221	317	1,538	1,188
Healthcare assistants and other support staff	738	328	1,066	743
Nursing, midwifery and health visiting staff	2,280	365	2,645	2,276
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	577	22	599	567
Healthcare science staff	29	-	29	24
Social care staff	-	-	-	-
Other	-	-	-	-
Total average numbers	**6,060**	**1,161**	**7,221**	**6,771**
Of which:				
N° of employees (WTE) engaged on capital projects	-	-	-	25

Breakdown of employees

The following chart provides information of the gender split between the different staff groups as at 31 Mar 2022. Numbers are for substantive staff only.

Employee (headcount)	Female	Male	Total
Executive director	3	2	5
Non-executive director	1	5	6
Senior manager	147	93	240
Other	4,789	1,592	6,381
Total	**4,940**	**1,692**	**6,632**

Sickness absence

The chart below details the Trust's sickness absence data for 2020/21.

Sickness absence	2020/21 n°	2021/22 n°
Total days lost	84,401	85,750
Total staff	6,500	6,476
Average working days lost per whole time equivalent	13	13

Staff health and wellbeing

COVID-19 has shone a light for the Trust to invest and support our growing workforce. We are delighted to report that we are now entering the second-year delivery of our inclusive and wide-ranging staff health and wellbeing programme. To support this delivery, we now have a team in place who are supported by 71 wellbeing champions and 104 mental health first aiders across our Trust—promoting and embedding this programme of work within their teams and departments.

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

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

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

In October 2020, the Trust approved a three-year staff health and wellbeing programme. During the first 18 months of delivery, we have achieved:

- Recruitment of a Health and Wellbeing Lead and Head of Inclusion, Wellbeing and Engagement
- Continued to grow of wellbeing champions—71 trained to date
- Trained 104 mental health first aiders—with plans to train a further 64 in 2022
- Provided four offerings of psychological support services—accessed by more than 1,600 staff
- Delivered more than 45 wellbeing sessions, reaching over 1,400 staff since June 2021
- Introduced a backup care service to help staff get to work when care breaks down at home—392 staff have used this service since launching, booking 886.5 days of care
- Supported our cycle-to-work staff with quarterly bike doctor days—servicing bikes on site reaching 322 staff
- 325 staff have utilised the free will writing service provided by Dunham McCarthy
- Supported 100 staff with a unique weight loss programme called Reset, targeted at those at risk of type two diabetes

- Piloted an app called Peppy to support staff with the menopause, reaching more than 80 staff, as well as delivering a monthly staff menopause support group
- 426 staff took part in the VP GO step challenge—over two challenges staff walked 92,551,373 steps
- Supported our wellbeing champions and mental health first aiders with monthly forums
- Provided monthly reflective practice sessions for our wellbeing champions and mental health first aiders with the British Red Cross to ensure we are caring for staff going above and beyond
- Attended monthly inductions for rotation doctors, trainee nurses and healthcare assistants, reaching 178 new trainees since September 2021
- In the 2021 national staff survey, 58% of staff felt the Trust took positive action on health and wellbeing

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

Here is what staff said about our programme:

- *The Peppy app is great and very useful. I've suffered really bad menopausal symptoms ie hot flushes, irritability, memory fog resulting to lack of sleep, easy fatigability and more. Overall, it impacts on my daily activities and was affecting my relationship with my family and work efficiency. The app was very informative and easy to use. I can honestly say that my symptoms have significantly improved and recommended it to other staff that I know and I'm now back to my simply gorgeous and happy mode.*

- *I have found the staff psychology service invaluable during the COVID crisis. As a nurse manager supporting and dealing with the wellbeing and mental health of staff, I have utilised the staff psychology service for a large volume of colleagues and, quite frankly, I am not sure what I would have done without it. The service has not only reacted quickly in the assessment and support of staff, it has, in a lot of cases, kept staff at work or got staff back to work quicker. I know from feedback from staff who have used the service that they rate the support highly.*

- *I used Dr Bike outside the education centre at West Middlesex University Hospital yesterday and he did the most fantastic job on my bike. The gears had previously been slipping but, after the mechanic had serviced my bicycle, it was like new. I cycle 22 miles a day to and from work and I think this initiative and service is absolutely fantastic. It is normally so difficult for me to reach a bicycle shop as I work full-time and long hours.*

- *I felt valued by my organisation, they care about me and my family's wellbeing.*

- *I have been in the Reset programme since the end of August. The first few weeks were difficult but once I got over the caffeine and sugar withdrawals (I don't drink tea or coffee so Diet Coke was my go-to drink) and got myself organised I have found it very easy. They have some lovely recipes to try, and I have adapted ones I have also. I have lost 33 kg (5 st) in five months and have been able to reduce the blood pressure tablets I am taking and my HbA1c has gone into the pre-diabetic levels. I have recommended the programme to colleagues who have also now started the programme.*

- *I am a single mum of two children and have to go to work. Having emergency childcare support in place has been a great relief. I thank my Trust for rolling this out. Really appreciated.*

- *I was able to book emergency childcare instantly. The staff catered for my preferences of childcare, and they found one really close to my home. Without emergency care, either me or my husband had to take days off from work.*

- *Makes me keen to stay at Chelwest as I feel so valued.*

Staff engagement

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

National NHS staff survey 2021

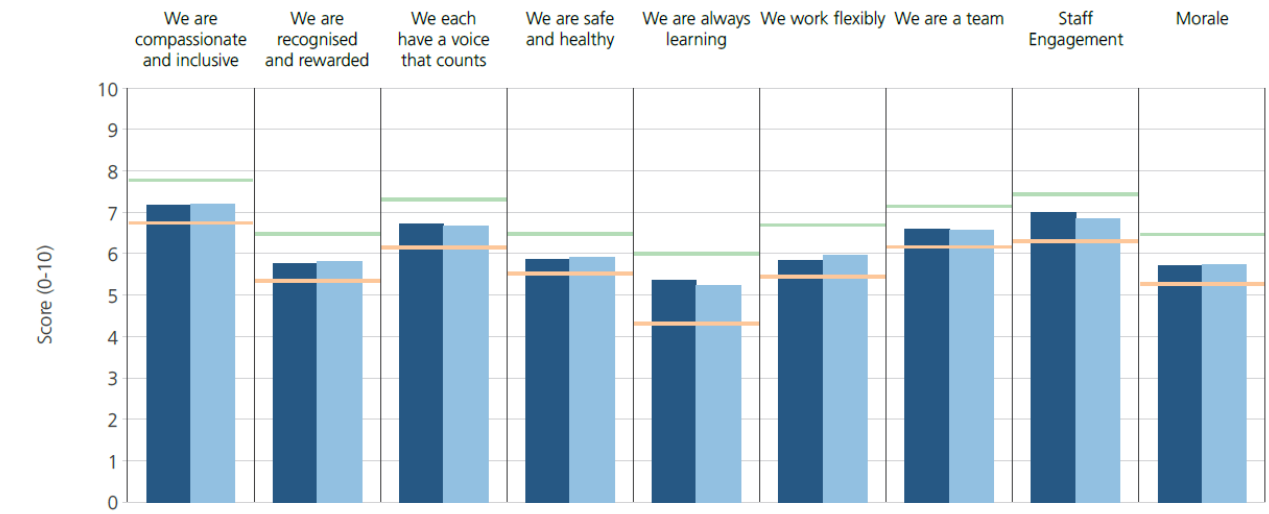
The NHS staff survey is conducted annually. In 2021, 47% of the workforce (3,025 staff) took part in the survey, which is a reduction of 12% of the 2020 response rate (59%) but above the national median response rate of 46%. This was the second year that the survey was delivered completely online to all staff groups. The Trust also presented team awards to seven teams who had achieved over 75% response rate.

Headlines

The national staff survey key themes have been changed in 2021 to align to the NHS People Promise. It is more difficult to compare and contrast our staff survey changes as the previous years' results were not aligned to the NHS People Promise.

The overall results of the 2021 staff survey are highlighted in the following table and indicate that, overall, the Trust was is higher than the national average for 'we are always learning' and 'staff engagement'.

The Trust is in line with the national average for 'we are compassionate and inclusive', 'we are recognised and rewarded', 'we each have a voice that counts', 'we are safe and healthy', 'we are a team' and 'morale'.



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

Areas of strength

The Trust response rates showed the topics above the national average were ‘we are always learning’ and ‘staff engagement’.

67% of staff would recommend the Trust as a place to work, 76% are happy with the standard of care delivered, 77% report that the organisation acts on concerns raised by patients and 81% believe that the care of patients is the organisation’s top priority, all of which are higher than the national average. The Trust is ranked in the top three across acute trusts in London for those recommending their Trust as a place to work.

We are making progress on the learning experiences for our staff— 55% of staff feel that there are opportunities for them to develop their career in the Trust and 68% feel that they have opportunities to improve their knowledge and skills. The Trust is also above average for appraisals.

While we have seen a small decrease in ‘staff engagement’, we remain above the national average, but need to keep focusing on this to build rapport and ensure staff feel listened to.

Following the significant investment in health and wellbeing for staff in 2020, 58% of staff report that the Trust takes positive action on health and wellbeing, higher than the national average.

Areas for improvement

The Trust’s key area for improvement is ‘we work flexibly’ where the Trust scores below the national average. Following the change in the Flexible Working Policy in September 2021, where all staff now have the right to request flexible working from day one, a programme of work has been developed to ensure flexible working is a focus and priority across the Trust, including accreditation with Timewise and centrally recording all flexible

working requests. 48% of staff report that they have opportunities for flexible working and this has now dropped below the national average.

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

We have a good safety culture at the Trust but our staff are feeling burnt-out and are having negative experiences, with 38% of staff reporting that they feel burnt-out because of work, and a number of our staff suffering from discrimination and violence and aggression from patients, relatives and members of the public. We need to continue to address these issues as part of our commitment to making sure our people feel valued, safe and supported at work through our extensive health and wellbeing programme, our Kindness campaign and the various work led by our staff safety group.

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

Gender pay

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

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

The Trust's gender pay gap report for 2020/21 is published at www.chelwest.nhs.uk/edi.

Workforce gender split

As at 31 Mar 2021, the total relevant paid workforce was 6,495 staff across all sites and staff groups.

Gender	N° of staff	% split of the workforce
Male	1,596	25% of the total workforce
Female	4,899	75% of the total workforce

Average and median hourly rates

Gender	Average hourly rate	Median hourly rate
Male	£25.93	£21.73
Female	£21.68	£19.25
Difference	£4.25	£2.48
Pay gap %	**16%**	**11%**

The gender pay gap, when expressed as a mean average, shows that female staff earn 16% less than male staff. This equates to a difference of £4.25 per hour.

The gender pay gap, when expressed as a median average, shows that female staff earn 11% less than male staff. This equates to a difference of £2.48 per hour.

Bonus gender pay gap by hourly rate

For the purpose of this report, the bonus payments referred to are those made to consultants in the form of clinical excellence awards (CEAs), discretionary points and distinction awards. As at 31 Mar 2021, there were 532 consultants at the Trust, of which 48% were male and 52% female.

Gender	Average pay	Median pay
Male	£12,496.87	£7,284.92
Female	£9,943.66	£7,916.98
Difference	£2,553.21	-£632.06
Pay gap %	**20%**	**-9%**

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

Quartile	Female	Male	Female %	Male %
1	1,196	427	74%	26%
2	1,287	337	79%	21%
3	1,313	311	81%	19%
4	1,015	609	62%	38%

Plans to address the gender pay gap include:

- Working with the Trusts women's network to explore available options to support female staff across all professions to move into leadership roles and to access development opportunities internally and externally
- In partnership with Timewise, deliver our action plan to improve flexible working options across the organisation to ensure this adequately supports all staff
- Delivering on the six key high-impact areas for recruitment processes to ensure a fair and consistent approach is taken to enable career progression opportunities for all staff
- Reviewing the proportions of men and women applying for and obtaining promotions by division

- Reviewing the proportion of women still in post a year on from return after maternity leave and ensuring our policies and procedures support women's return and balancing raising a family through support being available such as our Bright Horizons back-up care offer

Further details of key actions are detailed in the Trust's Gender Pay Gap report for 2020/21 which can be accessed at www.chelwest.nhs.uk/genderpaygap.

Trade union facility time

The Trust acknowledges the importance of partnership working between management and recognised trade unions. Partnership working provides a clear framework for consultation, negotiation and decision-making where our trade unions can have a proactive role in matters of strategic importance that affect the workforce.

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

In line with the *Trade Union (Facility Time Publication Requirements)* regulations, which came into force on 1 Apr 2017, trade union representatives are required to record their paid time off to carry out trade union duties and the Trust is required to publish this information on an annual basis. To comply with the regulations the Trust is required to publish the data included in the following four tables. This data relates to facility time recorded between the period 1 Apr 2020–31 Mar 2021.

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

	2020/21
Number of employees who were relevant union officials during the relevant period	16
Number of full-time equivalent employees as at 31 Mar 2021	6,099

Percentage of time spent on facility time for each relevant union official[14]

	2020/21
0%	11
1–50%	4
51–100%	1

Percentage of pay bill spent on facility time

	2020/21
Total cost of facility time	£90,000
Total pay bill	£427,167,000
% of total pay bill spent on facility time (total costs of facility time/total pay bill x100)	0.02%

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

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

	2020/21
Time spent on paid union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x100	0.00%

Workforce improvement activity

Recruitment and retention

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

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

Despite the ongoing challenges over the last 12 months due to the COVID-19 pandemic, the Trust has maintained a relatively low vacancy rate which, at the end of the financial year, stood at 7.4%. The Trust continues to review its recruitment and retention practices, most recently improving the support available for Armed Forces candidates as part of our commitment to the Armed Forces Covenant.

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

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

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

The mobility of staff post-pandemic and pressure on staff have contributed to higher rates of staff turnover within the Trust and the sector. As at the end of March 2022, the Trust saw an in-year increase in overall turnover from 17.96% to 18.01% and voluntary turnover from 10.51% to 14.24%. While this is an increase on last year, the rate of increase has slowed materially and is back to being under the sector position. There are specific areas where turnover is high and interventions have been developed, utilising staff survey data to develop locally owned people promises to address issues impacting retention. The Trust has launched a range of initiatives which have been well-received by staff, including the back-up care scheme which was nominated for a national award. The Trust has received Timewise accreditation in recognition of our work towards being a flexible employer.

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

Performance and development reviews (PDRs)

During the year staff have, where possible, had their PDRs completed and we are currently at 91% compliance for non-medical and 90% for medical appraisals. Work is underway to include health and wellbeing and EDI discussions in the PDRs for the coming year.

Throughout the pandemic, the Trust sought to offer a supportive and non-pressured approach to completion of appraisals. Once the programme was restarted, staff were encouraged to complete an appraisal, if possible, but it was understood that due to COVID this may be difficult. It was communicated that it was acceptable to have the meeting without the normal amount of supporting information, and to look at it as opportunity to reflect and discuss with the appraiser how COVID has, and continues to have, an effect.

Leadership development

Hult Ashridge Executive Education L7 Senior Leader Apprenticeships have continued. The Emerging Leaders programme was redesigned as a virtual programme with multiple cohorts taking place across the year.

We have revised our Management Fundamentals programme, which offers a range of virtual masterclasses for leaders and managers including topics such as management vs

leadership, time management and prioritisation, and influencing and collaboration, and this is now run across both our Trust and The Hillingdon Hospitals NHS Foundation Trust.

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

Recognition schemes

The CW+ PROUD awards over the last 12 months have gone well, with 184 nominations received, from which 56 individuals and 13 teams were recognised.

All staff nominated last year have been awarded where they have won, and letters advising them of their nominations have been sent to other nominees. The Excellence Reporting has gone well over the last year, with 510 nominations (including 8 teams). For the next 12 months, we envisage reviewing and streamlining the processes of both schemes with the aim of informing individual staff and teams of their nominations as early as possible.

Apprenticeships and work experience

Work experience has remained on hold for face-to-face placements, but we have continued to work across the ICS, in partnership with Springpod, to deliver an interactive, online work-related learning programme for students in years 10–13 who are interested in growing their understanding of different careers in the NHS. The programme consists of 10 hours-worth of learning, including background reading, quizzes and live webinars from professionals in the field. We piloted nursing and midwifery and allied health professional programmes in July 2020 with 200 students taking part. The next cohort included medicine and support services with 1,628 students completing the programmes. We have since run two more programmes, supporting more than 3,300 students gain an understanding in NHS careers.

Apprenticeships have continued to grow with increased offerings, such as the Level 6 Improvement Leader and Level 6 Operating Department Practitioner programmes. We currently have 82 staff on non-clinical apprenticeships and 110 staff on clinical apprenticeships. In the past 12 months we have averaged 40% of the levy utilisation rate and, in the last three months, this has grown from 43–52%. During National Apprenticeship Week we recognised 34 staff who successfully completed their nursing associate, nurse degree and business administration apprenticeships. In total, 57 staff have completed programmes to gain a qualification across clinical and non-clinical apprenticeships. 90% of those staff have stayed with the Trust upon completing an apprenticeship, with many progressing further in their roles and enrolling onto further apprenticeships.

Health and safety and occupational health

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

Details and data relating to incidents, complaints, claims, risk registers and occupational health data are captured on Datix, a web-based, integrated safety learning system. The Datix system is subject to further enhancements to include other patient safety topics, such as patient experience and mortality reviews, and supports a robust reporting culture throughout the Trust to improve our safety practices.

There were 27 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) incidents reported to the Health and Safety Executive (HSE) during 2021/22, of which 9 related to CW and 15 to WM. A total of 3 incidents were RIDDOR reported for community nursing/clinics provided by the Trust. The Trust's health and safety team works with clinical and corporate departments to support a system of self-assessment and independent spot-checks. Areas subject to spot-checks are identified using a risk-based approach. A total of 166 body fluid exposures, including sharps and splash injuries relating to staff, were reported during the period.

During the past two years, the Trust put in place a programme of support for staff during the COVID-19 pandemic. This included an innovative offer for psychological support and access to various health and wellbeing initiatives. This work is ongoing. The occupational health team focussed on reviewing all Trust COVID-19 risk assessments for new and existing employees, offering advice to both management and staff. A confidential clinical reference group was established to inform decision-making relating to fitness to work and/or reasonable adjustments in the workplace. This group continues and is to be held monthly in view of a reduced risk from COVID-19. Comprehensive clinical COVID-19 assessments are carried out by the team for staff identified as being clinically extremely vulnerable, pregnant and those with high risk factors as defined by government guidelines and best practice.

Policies and procedures in respect of countering fraud and corruption

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

RSM was contracted by the Trust during 2021/22 to provide local counter-fraud specialist services in accordance with secretary of state directions. The Trust Board's Audit and Risk Committee formally approves the counter-fraud annual work plan and progress reports are provided to the committee at each meeting.

Expenditure on consultancy

In 2021/22, the Trust incurred £1.6m (£0.4m in 2020/21) of consultancy expenditure, including consultancy for the regional elective transformation work hosted by the Trust, which has been matched by equivalent income.

There have been a number of other projects which contribute to the remaining spend, including specialist advice to support the set-up of our pharmacy wholly owned subsidiary CW Medicines, consultancy to support a review of business rates charges, volunteering project support and other smaller projects.

Off-payroll arrangements

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

Highly paid off-payroll worker engagements as at 31 Mar 2022 earning £245 per day or greater

	Total
Number of existing engagements as of 31 Mar 2022	13
Of which:	
Number that have existed for less than one year at time of reporting.	8
Number that have existed for between one and two years at time of reporting.	1
Number that have existed for between two and three years at time of reporting.	1
Number that have existed for between three and four years at time of reporting.	2
Number that have existed for four or more years at time of reporting.	0

All highly paid off-payroll workers engaged at any point during the year ended 31 Mar 2022 earning £245 per day or greater

	Total
Number of off-payroll workers engaged during the year ended 31 Mar 2022	20
Of which:	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	12
Subject to off-payroll legislation and determined as out-of-scope of IR35	8
Number of engagements reassessed for compliance/assurance purposes during the year	0
Of which number of engagements that saw a change to IR35 status following review	0

Exit packages

Reporting of compensation schemes—exit packages 2021/22

Exit package cost band (including any special payment element)	N° of compulsory redundancies	N° of other departures agreed	Total n° of exit packages
≤£10,000	-	-	-
£10,001–25,000	-	1	1
£25,001–50,000	-	-	-
£50,001–100,000	-	-	-
£100,001–150,000	-	-	-
£150,001–200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	**0**	**1**	**1**
Total resource cost (£)	£0	£20,000	£20,000

Reporting of compensation schemes—exit packages 2020/21

Exit package cost band (including any special payment element)	N° of compulsory redundancies	N° of other departures agreed	Total n° of exit packages
≤£10,000	-	-	-
£10,001–25,000	-	1	1
£25,001–50,000	1	-	1
£50,001–100,000	-	-	-
£100,001–150,000	-	1	1
£150,001–200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	**1**	**2**	**3**
Total resource cost (£)	£35,000	£146,000	£181,000

Exit packages—other (non-compulsory) departure payments

	2021/22		2020/21	
Exit package cost band (including any special payment element)	**N° of payments agreed**	**Total value of agreements (£000)**	**N° of payments agreed**	**Total value of agreements (£000)**
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARs) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	1	20	2	146
Exit payments following employment tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**1**	**20**	**2**	**146**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

Awards and achievements

Internal recognition

CW+ PROUD Awards

The CW+ PROUD Awards recognise the outstanding achievements of members of staff or teams. Each month, winners are recognised with a certificate, a special gold PROUD to Care pin badge and a voucher, while other nominees receive a letter advising them of their nomination. 230 nominations were received from Apr 2021–Mar 2022 and the winners follow.

April 2021
- Hanawi Abdella
- Leandra Cloete
- Michelle Ociones
- Marianna Kutyreva

May 2021
- Kathleen Corpuz
- Maria Mercer
- Kath Bintley
- Vincente Fernandes
- Gidget Gabriel
- Marilyn Lloyd
- Infection Prevention and Control Team
- Hub Support Volunteers

June 2021
- Lanson Pereira
- Palliative Care Team
- Sally Dauncey
- Allison Downey
- Surjit Dhillon
- Zhane St Jacques
- Nisar Bostan
- Procurement Team
- Ella Winter

July 2021
- Sarbgeet Dhillon
- Paula Campbell
- Ras Semojane
- Dr Mehul Parekh
- Claire Davidson
- Darryl Johnson
- Sally Legg
- Avani Bhalla
- Mary Egan

August 2021
- Victoria Morgan
- Rhiannon Allen
- Dermatology Cancer Team
- Shane Moran
- Clodagh Finlay
- Miranda Brose

September 2021
- Idylah Kionisala
- Practice Development Midwives
- Matthew Parks
- Practice Development Preceptorship Nurses

October 2021
- Felix Soriano
- Ron Johnson Ward team
- Stephanie Railey
- Zoran Popovac
- Natalie Caughter
- Carl Stockley
- Sharon Upsdell

November 2021
- Rainsford Mowlem Nursing Team
- Deborah Bovey
- Rupert Penwarden
- Treatment Centre Leadership Team
- Stacey Humphries
- Nikka Javier

December 2021
- Asmita Karki
- Claire Cahill
- Julie Crook
- Sexual Health Hounslow
- Julian St Clair-Gribble
- Stephanie Stevenson-Shand
- Costa Team

January 2022
- Nikki Mulhall
- Alison Thurlow
- Devila Devji
- Charlotte Wiginton

February 2022
- Amrit Kaur
- Temitope Emeruwa
- Elenita Miranda
- Alex Bulpitt
- Debbie Stevens
- Georgia Boak
- Lilie Upgrade Team
- Yoonis Ahmed

March 2022

- Dr Emma McVeigh
- Adnan Kabeer
- Sandra Pacquette
- Andrei Nistor
- Education Team
- Carmen Allix
- Angela Ayer

Reporting Excellence

Reporting Excellence is a chance to recognise staff who have demonstrated excellence in any aspect of their work. It allows us to capture these observations so they can be shared and gives staff the chance to receive positive feedback on their behaviour. It could be communication at a difficult time, dealing with an incident, supporting their colleagues, or anything at all. There were 509 excellence reporting nominations received in the period Apr 2021–Mar 2022.

12 Days of Christmas—Dec 2021

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

- **First day of Christmas:** Patient Advice and Liaison Service (CW and WM)
- **Second day of Christmas:** Endoscopy units (CW and WM)
- **Third day of Christmas:** Richmond Ward (WM)
- **Fourth day of Christmas:** Marble Hill 2 Ward (WM)
- **Fifth day of Christmas:** Acute Assessment Unit (CW)
- **Sixth day of Christmas:** Imaging teams (CW and WM)
- **Seventh day of Christmas:** Edgar Horne Ward (CW)
- **Eighth day of Christmas:** Central Booking Team (WM)
- **Ninth day of Christmas:** Neptune Ward (CW)
- **Tenth day of Christmas:** COVID-19 wards (CW and WM)
- **Eleventh day of Christmas:** A&E (CW and WM)
- **Twelfth day of Christmas:** Contractors (CW and WM)

Best Decorated Ward or Department—Dec 2021

- Syon 1 Ward (WM), 1st place
- Neptune Ward (CW), 2nd place
- Imaging Department (CW), 3rd place

External recognition

BJN Awards—Mar 2022

- Diane Home (Consultant Nurse Rheumatology)—Gold award (winner) for Rheumatology Nurse of the Year
- Melanie Jerome (Specialist Nurse Practitioner)—Silver award (runner-up) for Stoma Care Nurse of the Year

CIPR Excellence Awards—Mar 2022

- Communications Team—finalist in the Public Sector Campaign category for the Kindness campaign

HSJ Partnership Awards—Mar 2022

- Chelsea and Westminster in collaboration with Bright Horizons—finalists in the Workforce and Wellbeing Initiative of the Year category for a staff health and wellbeing programme to support staff in managing work and family commitments

Unicef Baby Friendly Initiative—Feb 2022

- Neonatal units—awarded a Certificate of Commitment from the UK Committee for UNICEF Baby Friendly Initiative

Magnet4Europe Milestone Achievement Award—Dec 2021

- Christine Adamson and the Magnet team—for improving the mental health and wellbeing of physicians, nurses and other health professionals in European hospitals

New Year's Honours—Dec 2021

- Victoria (Vicki) Cochrane—awarded MBE for years of service in midwifery and outstanding service to the community

Southall Community Awards—Dec 2021

- Dr Rashmi Kaushal and the Diabetes team in collaboration with the Diabetes Integrated Care Ealing services group—awarded Team of the Year for embracing diversity, tackling inequalities in healthcare and promoting inclusion in a culturally diverse population

Building Better Healthcare Awards—Nov 2021

- CW+ Arts in Health—won Best Collaborative Arts Project
- Intensive Care Unit (CW)—won Best Interior Design Project
- Chelsea and Westminster in collaboration with Sensyne Health—highly commended in the Technology Solution category for an AI algorithm for predicting risk in COVID-19 patients

Gaydio Awards—Nov 2021

- 56 Dean Street—awarded in the Digital Pride Activity of the Year category for their #TestNowStopHIVcampaign

Helpforce Awards—Nov 2021

- Avani Bhalla (Volunteer)—commendation for her work as a ward helper, phlebotomy buddy, volunteering in the vaccination team and mentoring in youth support

NHS England Communicate Awards—Nov 2021

- Simone Onasanya (Senior Communications Manager)—awarded for professional development in communications

NHS Forest Awards—Oct 2021

- CW+ and designer JinnyBlom—awarded for the Chelsea Sky Garden which provides a beautiful green space for staff and patients

Asian Women of Achievement Awards—Sep 2021

- Ghaida Al-Jaddir (Service Director of Paediatric Surgical Specialty)—won the Chairman's Award for her work in paediatric dentistry

HSJ Value Awards—Sep 2021

- Chelsea and Westminster in collaboration with Imperial College London, supported by the Health Foundation—finalists in the HSJ Value Pilot Project of the Year category for publication *A Picture of Health: Determining a hospital's population health needs*

- Chelsea and Westminster in collaboration with the Royal Borough of Kensington and Chelsea, City of Westminster, Public Health England (London)—finalists in the Public and Preventative Health Service Redesign Initiative category for hospital-based oral health prevention programme Tip Top Teeth

- Ambulatory Emergency Care Team (WM) in collaboration with Hounslow and Richmond Community Healthcare NHS Trust—finalists in the Acute Service Redesign Initiative category for their initiative to deliver intravenous treatments in patients' homes

Silver CNO Award—Aug 2021

- Josephine Tidon (Ward Manager)—awarded a silver CNO award by Ruth May, Chief Nursing Officer for England

Impact Awards—Jul 2021

- Darren Brown (Specialist Physiotherapist in HIV and Oncology)—Global Impact Award by Physiopedia for his paper on Long COVID

Transform Awards—Jul 2021

- 56 Dean Street—Gold Award in the category for Best Visual Identity from the Healthcare and Pharmaceuticals Sector, and Silver Award in the category for Best Brand Development Project to Reflect Changed Mission, Values or Positioning

Simon Newell Prize (Royal College and Paediatrics and Child Health)—May 2021

- Cheryl Battersby (Consultant Neonatologist)—for substantially improving outcomes for preterm babies

NHS FOUNDATION TRUST CODE OF GOVERNANCE DISCLOSURES

Code of Governance compliance statement

Chelsea and Westminster Hospital NHS Foundation Trust NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code which was last updated in 2018.

As a Trust, we are committed to effective, representative and comprehensive governance which secures organisational capacity and the ability to deliver mandatory goods and services.

Governance arrangements

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

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

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

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

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

The Council of Governors represents the interests of the local communities, patients, public and staff, and shares information about key decisions with Foundation Trust members. The Council of Governors is not responsible for the day-to-day management of the organisation, which is the responsibility of the Trust Board.

The role of the Council of Governors includes:

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

A formal procedure is in place should there be a dispute between the Board and Council of Governors. During 2021/22 no issues of dispute arose, and the governors therefore did not exercise their power under paragraph 10(c) of schedule 7, *NHS Act 2006*.

Board of directors

As at 31 Mar 2022, the Board had five executive directors (including the chief executive) and six non-executive directors (including the interim chairman). The Board comprises 36% female and 64% male directors. The skills, expertise and experience of each Trust Board director as at the end of Mar 2022 are detailed below and is appropriate to meet the requirements of an NHS foundation trust.

Executive directors

Lesley Watts, Chief Executive Officer

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

Rob Hodgkiss, Deputy Chief Executive and Chief Operating Officer

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

Roger Chinn, Chief Medical Officer

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

Vanessa Sloane, Acting Chief Nursing Officer

Vanessa trained at the old Westminster Hospital, gaining her registered general nursing qualification and BSc in nursing and community health in 1991. Following some time working with adults, she qualified as a registered sick children's nurse, training at Birmingham Children's Hospital. Vanessa has undertaken specialist qualifications in paediatric neurosciences, paediatric diabetes and child safeguarding. Prior to joining the Trust in January 2012 as the head of paediatric and neonatal nursing, Vanessa worked at Oxford University Hospitals as a matron. Vanessa has been heavily involved in the development of Chelsea Children's Hospital and was delighted to have the opportunity to showcase the facilities to Prince Charles and the Duchess of Cornwall during its opening in March 2014. She has also worked with lead clinicians within paediatrics across North West London to support Shaping a Healthier Future. Vanessa is particularly keen on staff development and patient involvement—securing funding for a youth worker to enable the development of HYPE (Hospital Young People's Executive).

Virginia Massaro, Chief Financial Officer

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

Non-executive directors

Steve Gill, Interim Chair

Steve was appointed as a non-executive director on 1 Nov 2017. He was chair of the People and Organisational Development Committee from February 2018 to March 2021. In August 2020 Steve was appointed as deputy chair and senior independent director (SID), in March 2021 he was appointed as interim chair and served in this role for 13 months until 1 Apr 2022. Steve has had an international executive career in the IT industry, including chief executive roles with Hewlett-Packard in the UK, Korea and China. He has held various non-executive director roles including advising the UK government on IT in education. Steve qualified as a chartered accountant with PwC in London and has extensive experience in mergers and acquisitions, strategic planning, talent and succession planning, organisational development, risk management and disaster recovery. Steve has been the Chair of Trustees of Age Concern (Windsor) since January 2018.

Aman Dalvi

Aman Dalvi has worked at very senior levels for many years and has been a chief executive of three organisations where he has led multidisciplinary teams. Aman has extensive experience in planning and regeneration and in his career, he was executive director of development and renewal in a major local authority. He was also a ministerial appointee on the boards of English Partnerships and the Olympic Park Legacy Company. Aman has also served as a chair of a number of organisations which include the Anchor Trust and PA Housing. In addition, he has been a statutory appointment on a number of large and diverse organisations. Aman is currently working as a consultant for two major developers and is chair of a development company. Aman is a member of the Audit and Risk Committee and the Finance and Investment Committee. He is in his first term of office and was appointed in November 2019.

Nilkunj Dodhia

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

Nick Gash (Vice Chair)

Nick works as a consultant offering communications, policy and political advice, and training. He remains an associate of public affairs company Westbrook Strategy. Nick was board chair of West Middlesex University Hospital until the acquisition in 2015, having been a non-executive director and deputy chairman before that. In November 2021 Nick was appointed as chair of the Audit and Risk Committee of the Royal Society of Medicine. He chairs the North West London advisory panel for national clinical impact awards and is a lay member of the School Board of the London School of Anaesthetics.

Until 2004 Nick was the chief executive of the National Union of Students having previously been director of development and training. Nick was for nine years chair of the trustees of Watermans, a multicultural arts centre based in Brentford. Nick currently chairs the Audit and Risk Committee and is a member of the People and Organisational Development Committee. Nick is also the non-executive director lead for Freedom to Speak Up, and a trustee of our hospital charity, CW+.

Eliza Hermann (Senior Independent Director)

Eliza was appointed as a non-executive director on 1 Jul 2014. She spent 25 years in the oil and gas industry working for Amoco and BP on projects all over the world. She held commercial and strategy development roles and, for the last decade of her career, she was a vice president of human resources at BP’s headquarters in London.

Over the past 18 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 Audit and Risk Committee.

Ajay Mehta

Ajay is an organisational development specialist supporting the growth and sustainability of civil society organisations globally to increase their social impact. With significant contributions in the social impact and public sectors, he brings a breadth of experience in the areas of strategic planning, resource mobilisation and sustainability, community engagement, leadership and governance. Ajay's portfolio of work has ranged from large international institutions to smaller community-based organisations, supporting them to review and re-engineer their strategic interventions and maximise impact. Ajay has particular interests in human and environmental rights, a focus of his company em4, which engages with institutional funders to build the capacities of their grantees. He has held board-level positions with national and international charities, and was, until recently, a non-executive director of Hounslow and Richmond Community Healthcare NHS Trust. He currently heads up a charitable foundation that invests in the development of healthcare workers in communities, clinics and healthcare facilities across sub-Saharan Africa. Ajay is chair of the People and Organisational Development Committee and member of the Quality Committee. He also holds the position of wellbeing guardian on the Trust Board. Ajay is in his first term of office and was appointed in November 2019.

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

- Chis Chaney, Chief Executive, CW+
- Kevin Jarrold, Chief Information Officer
- Martin Lupton, Associate Dean and Head of Undergraduate Medicine, Imperial College London
- Sue Smith, Interim Director of HR and OD
- Dawn Clift, Interim Director of Corporate Governance and Compliance
- Emer Delaney, Director of Communications

Key responsibilities of non-executive directors

For all non-executive directors, key responsibilities include:

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

Independence of non-executive directors

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

character and judgement. There were no key changes on the non-executive director composition of the Trust Board during 2021/22 with the exception of Stephen Gill being appointed to the position of interim chair. The chairman meets frequently with the non-executive directors without having the executive team present.

Performance evaluation of the Board

The annual appraisal of the chairman involved collaboration between the senior independent director and the lead governor of the Council of Governors. The views of non-executive directors, executive directors, external partners and governors were sought and contributed to the process. The performance of non-executive directors is evaluated annually by the chairman, who also seeks the views of executive colleagues and governors. Executive directors have an annual appraisal with the chief executive. All Trust Board committees reviewed their effectiveness during 2021/22 and provided assurance reports to the Trust Board on their reported effectiveness and associated improvement actions.

Board meetings

The Trust Board meets on average no less than six times per year. Special meetings are organised as and when required. There were six public meetings and one extraordinary private meeting in 2021/22. Director attendance is detailed below.

	Ordinary Board meeting attendance		Extraordinary Board meeting attendance
	Required to attend	Attended	
Executive directors			
Lesley Watts	6	6	1/1
Roger Chinn	6	6	1/1
Rob Hodgkiss	6	6	0/1
Virginia Massaro	6	6	1/1
Pippa Nightingale	5	5	1/1
Vanessa Sloane	1	1	0/0
Non-executive directors			
Stephen Gill	6	6	1/1
Aman Dalvi	6	6	1/1
Nilkunj Dodhia	6	6	1/1
Nick Gash	6	6	1/1
Eliza Hermann	6	4	1/1
Ajay Mehta	6	6	1/1

Committees of the Board of Directors

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

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

The Nominations and Remuneration Committee is a committee of the Trust Board of Directors. It is appointed in accordance with the constitution of the Trust to decide the remuneration and allowances, and the other terms and conditions of office, of the chief executive and other executive directors. The committee comprises the chairman and all other non-executive directors. The committee met on five occasions during the year and at these meetings they:

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

Nominations and remuneration committee attendees	Attendance	
	Required to attend	Attended
Stephen Gill (Interim Chair)	5	5
Aman Dalvi	5	5
Nilkunj Dodhia	5	4
Nick Gash	5	5
Eliza Hermann	5	5
Ajay Mehta	5	4
In attendance		
Lesley Watts, Chief Executive Officer	5	5
Sue Smith, Interim Director of Human Resources and Organisational Development	5	3
Dawn Clift, Interim Director of Corporate Governance and Compliance	4	4

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

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

Reappointments

During 2021/22, on recommendation by the committee and agreement of the Council of Governors, it was agreed to extend the term of office of the non-executive directors Nick Gash and Nilkunj Dodhia until 30 Oct 2022 and 30 Jun 2023 respectively.

Appointments

During February 2022, on recommendation of the Council of Governors Nomination and Remuneration Committee, the Council of Governors appointed Matthew Swindells as the North West London Chair in Common for a term of four years commencing on 1 Apr 2022. The recruitment process was subject to open competition and a reputable external search facility was utilised to source the best possible candidates.

Council of Governor Nominations and Remuneration Committee attendees	Attendance	
	Required to attend	Attended
Steve Gill, Interim Chair	4	4
Richard Ballerand, Public Governor	5	5
Simon Dyer, Lead and Patient Governor	5	5
Minna Korjonen, Patient Governor	5	4
Anthony Levy, Public Governor	5	3
David Phillips, Patient Governor	5	4
Laura-Jane Wareing, Public Governor	5	5
Eliza Hermann, Senior Independent Director	2	2
In attendance		
Lesley Watts, Chief Executive Officer	5	5
Sue Smith, Interim Director of Human Resources and Organisational Development	5	4
Dawn Clift, Interim Director of Corporate Governance and Compliance	3	3

Quality Committee

The Quality Committee is mainly responsible for issues of quality and patient safety. It seeks assurance on systems, processes and outcomes relating to the safety and effectiveness of care which we deliver to our patients. This includes monitoring regulatory compliance with the standards set out by the Care Quality Commission.

People and Organisational Development Committee

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

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, cash management and capital programme. The committee also reviews and recommends to the Trust Board for approval those business cases with high-level strategic significance.

Audit and Risk Committee

The Audit and Risk Committee assures the Trust Board that probity and professional judgment are exercised in all financial matters. It advises on the adequacy and effectiveness of the Trust's internal control systems, risk management arrangements, counter-fraud measures and governance processes, and on ways of maximising efficiency and effectiveness. In doing this, the Audit and Risk Committee primarily utilises the work of

internal audit (provided by BDO in 2021/22), external audit (provided by Deloitte in 2021/22) and other external bodies. The committee approves the annual work plans of internal and external audit as well as the local counter-fraud specialist (provided by RMS in 2021/22).

The chief executive is the Trust's designated accounting officer who has the duty of preparing the accounts in accordance with the NHS Act 2006. Nick Gash chaired the Audit and Risk Committee in 2021/22, which includes two other non-executive directors. The committee met five times in 2021/22.

Audit and Risk Committee attendees	Attendance	
	Required to attend	Attended
Nick Gash (Chair)	5	5
Aman Dalvi	5	5
Eliza Hermann	5	4

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

During the year, the Audit and Risk Committee received several reports from the internal auditors BDO. These covered several areas including key financial systems, budget setting and reporting, conflicts of interest, self-certification process, data quality, risk maturity, safeguarding children, cyber security, project management and data security and protection toolkit. For the period 1 Apr 2021–31 Mar 2022, seven high-risk recommendations were identified by our internal auditors.

Following the year end, the committee considered the draft annual report and accounts 2021/22 and received the ISA 260 report from the Trust's external auditors.

During 2021/22, in addition to non-executive directors and those executive directors in attendance, the Trust's internal and external auditors and counter-fraud specialist attended the committee meetings. When relevant, other senior managers attended meetings to provide a deeper level of insight into certain key issues within their respective areas of expertise including all areas of significant risk, including cyber security, risk management, Board assurance framework and information governance.

The committee has engaged regularly with the external auditors over the financial year. External audit matters discussed have included consideration of the external audit plan, matters arising from the audit of the Trust's financial statements, implementation of adoption of international reporting standards and any recommendations on control and accounting matters proposed by the auditor.

Policy for safeguarding the external auditors' independence

The Trust carried out an Official Journal of the European Union (OJEU) tender for statutory audit services in Oct 2016 and reappointed Deloitte LLP on a three-year contract with an option to extend for a further two years. It was agreed by the Audit and Risk Committee during 2019/20 to extend the contract for two years. As part of the procurement process, the independence of applicants was assessed. The external auditor has not provided non-audit services in the year.

Internal audit

From June 2021, following a competitive tender, the Trust has awarded the contract to provide internal audit to BDO on a three-year contract with an option to extend for a further two years. The internal audit plan covered the Trust's risk management, governance and internal control processes, both financial and non-financial, across the Trust. Through detailed examination, evaluation and testing of the Trust's systems, internal audit plays a key role in the Trust's assurance processes. The committee reviews the findings of internal audit's work against the annual plan at each of its meetings. The head of internal audit reports to the committee and has a right of direct access to committee members. The internal audit function is managed by the chief financial officer.

Council of Governors

The role, powers and composition of the Council of Governors was outlined earlier in this report and is also set out within the Trust's constitution. The Council of Governors meets at least quarterly and held four meetings in 2021/22. Executive and non-executive directors of the Trust Board are invited to attend. Both elected and appointed governors normally hold office for a period of three years and are eligible for re-election or reappointment at the end of that period. The details of the governors holding office as at 31 Mar 2022 are provided within the table below:

Last name	First name	Constituency	Organisation	Date elected or appointed	Term	Attendance at council meetings 2021/22
Addison	Lisa	Patient	-	Dec 2022	1	1/1
Ballerand	Richard	Public	Kensington and Chelsea	Nov 2020	2	4/4
Booth	Jeremy	Patient	-	Nov 2020	1	1/4
Boulliat	Caroline	Public	Wandsworth	Nov 2019	1	4/4
Bernard H	Casey	Public	Richmond upon Thames	Dec 2022	1	1/1
Carter	Julie	Public	London Borough of Ealing	Dec 2022	1	1/1
Cass-Horne	Cass J.	Public	City of Westminster	Nov 2019	1	4/4
Digby-Bell	Christopher	Patient	-	Nov 2020	2	4/4
Dyer	Simon	Patient/Lead Governor	-	Nov 2018	3	4/4
Fleming	Stuart	Public	Wandsworth	Dec 2022	1	1/1
Singh Garcha	Parvinder	Public	Hounslow	Dec 2022	1	0/1
Kitchener	Paul	Public	Kensington and Chelsea	Nov 2019	3	3/4
Korjonen	Minna	Patient		Nov 2018	2	4/4
Leka	Thewodros	Staff	Allied Health Professionals, Scientific and Technical	Nov 2019	1	2/4
Levy	Anthony	Public	City of Westminster	Nov 2019	1	4/4
Levy	Rose	Public	Hammersmith and Fulham	Nov 2020	1	2/4
Macaskill	Stella	Patient	-	Dec 2022	1	1/1
Nelson	Mark	Staff	Medical and Dental	Nov 2020	2	4/4
Nunes	Nicole	Staff	Contracted	Nov 2020	1	0/4
Phillips	David	Patient	-	Nov 2018	3	3/4
Sands	Catherine	Staff	Management	Nov 2019	1	2/4
Scott	Jacquei	Staff	Nursing and Midwifery	Nov 2018	2	3/4
Wareing	Laura-Jane	Public	Hounslow	Nov 2018	3	4/4
Walsh	Dr Desmond	University	Imperial College	Oct 2018	1	4/4
Yardley	Trusha	Public	Hammersmith and Fulham	Nov 2019	1	2/4

Council of Governors elections held during 2021/22

An election was held in November 2021 to fill vacant seats in the patient, public and staff constituencies. The results follow.

Patient constituency

- Lisa Addison (elected)
- Simon Dyer (re-elected)—Lead Governor
- Stella Macaskill (elected)
- David Phillips (re-elected)—Chair of Governors Membership and Communications Subcommittee
- Minna Korjonen (re-elected)

Public constituency

- **London Borough of Ealing**
  Julie Carter (elected unopposed)

- **London Borough of Hounslow**
  Laura Jane Wareing (re-elected)—Chair of Governors Quality Subcommittee
  Pravinder Singh Garcha (elected)

- **London Borough of Richmond Upon Thames**
  Bernard Casey (elected unopposed)

- **London Borough of Wandsworth**
  Stuart Flemming (elected)

Staff constituency

- **Nursing and Midwifery** (1 to elect)
  Jacquie Scott (re-elected)

Council of Governors' register of interests

Governors are required to sign a code of conduct, declare any interests that are relevant annually and to confirm they meet the fit and proper person condition as set out in Regulation 5 of the *Health and Social Care Act 2008 (Regulated Activities) Regulation 2014*.

The register of governors' interests is published annually—a copy can be downloaded from the Trust website at www.chelwest.nhs.uk/cog or requested by emailing ft.secretary@chelwest.nhs.uk, calling 020 3315 6716 or writing to:

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

Contacting the governors

Governors welcome the views and suggestions of members and the wider public. Please see www.chelwest.nhs.uk/cog for governors' details and biographies. If you would like to contact any of the governors, email ft.secretary@chelwest.nhs.uk or call 020 3315 6716.

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

The Trust Board interacts regularly with the Council of Governors to ensure that it understands their views and those of members. Governors can attend the Trust's public Board meetings and at least five governors usually take this opportunity. Non-executive directors and governors also meet twice a year to discuss a range of topics in an open and informal manner. A rolling programme of non-executive director chairs of Trust Board committees presenting at each Council of Governors meeting takes place to enable governors to hold the non-executive directors to account. In addition, we hold regular governor briefing sessions on topics of strategic or operational interest to governors to enable them to develop their knowledge around the range of information presented to them for assurance purposes and to seek their views on how we can improve on aspects of our business.

Foundation Trust membership

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

Patient membership

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

Public membership

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

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

Staff membership

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

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

Membership engagement strategy

The Trust's membership engagement strategy focuses on recruitment, communication and engagement with members. In 2021/22, the Trust diversified it communications approach to facilitate virtual engagement with members due to the COVID-19 pandemic.

This has included the annual members' meeting and 'meet a governor' sessions. Governors participated in all public and member engagement events organised by the Trust throughout the year including the celebratory event for West Middlesex University Hospital's centenary birthday.

We engage and keep our members updated by distributing seasonal e-newsletters and electronic links to previous e-newsletters on the Trust's website. This is currently sent out via the membership database to our public and patient members who have provided us with their email addresses.

Our overall membership as at 31 Mar 2022 is 18,324 members. The majority of our members are aged over 40 years and during 2022/23 we will develop our membership approach to encourage greater representation of the under 40s age range. We have a very successful youth volunteering platform that can be explored to encourage and share the benefits of membership and we will develop targeted work with colleges, universities and workplaces. We will refresh our approach to the use of alternative media to reach these populations as well as provide in-person interaction.

Ensuring that our membership is representative of the population we serve is important. During 2022/23 we will be developing a gender dysphoria service which we hope will also strengthen the voice and engagement opportunities for coproduction. Socioeconomically we know that the majority of our membership sits within categories B, D and E—these are those of 'executive wealth', 'city sophisticates' and 'career climbers'. The next highest proportion of our membership sits within category P which is defined as those residing in 'struggling estates'. As we move out of the COVID pandemic, we look forward to being much more visible across all our constituencies, to seek their views on the services and experiences we provide, and to give opportunities for our members to contribute to the shape of services in the future. The following table shows our membership profile as at 31 Mar 2022.

	Public	Patient	Staff	Total
Age	**7,004**	**5,489**	**5,831**	**18,324**
0–16	7	0	0	7
17–21	80	5	0	85
22+	6,261	3,747	5,830	15,838
Not stated	656	1,737	1	2,394
Age 22+	**6,261**	**3,747**	**5,830**	**15,838**
22–29	356	51	590	997
30–39	624	319	1,850	2,793
40–49	1,037	808	1,463	3,308
50–59	1,333	944	1,215	3,492
60–74	1,502	966	695	3,163
75+	1,409	659	17	2,085
Gender	**7,004**	**5,489**	**5,831**	**18,324**
Unspecified	120	51	0	71
Male	2,463	2,034	1,405	5,902
Female	4,421	3,402	4,426	12,249
Transgender	0	0	0	0

	Public	Patient	Staff	Total
Ethnicity	**6,991**	**5,461**	**5,818**	**18,270**
White—English, Welsh, Scottish, Northern Irish, British	3,333	2,099	1,982	7,414
White—Irish	184	114	197	495
White—Gypsy or Irish Traveller	0	0	0	0
White—Other	907	522	666	2,095
Mixed—White and Black Caribbean	99	55	44	198
Mixed—White and Black African	24	11	39	74
Mixed—White and Asian	59	25	45	129
Mixed—other mixed	92	70	86	248
Asian or Asian British—Indian	331	126	470	927
Asian or Asian British—Pakistani	133	50	90	273
Asian or Asian British—Bangladeshi	51	38	38	127
Asian or Asian British—Chinese	42	35	70	147
Asian or Asian British—other Asian	227	141	548	916
Black or Black British—African	318	224	513	1,055
Black or Black British—Caribbean	122	83	235	440
Black or Black British—other Black	67	37	72	176
Other ethnic group—Arab	13	2	01	15
Other ethnic group—any other ethnic group	77	53	255	385
Not stated	912	1,776	468	3,158
Total membership	**7,004**	**5,489**	**5,831**	**18,324**

Directors' responsibilities for preparing the accounts

The directors have undertaken their responsibility for preparing the accounts under directions issued by NHS Improvement, the independent regulator of Foundation Trusts under the *National Health Service Act 2006*, and as detailed in the *Statement of Accounting Officer's Responsibilities* from page 91.

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

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

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

NHS OVERSIGHT FRAMEWORK

NHS system oversight framework

NHS England and NHS Improvement's NHS oversight framework provides the framework for overseeing providers and identifying potential support needs. The framework considers five themes:

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

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

Segmentation

The Trust has been placed into segment 1. This segmentation information is the Trust's position as at 31 Mar 2022.

Current segmentation information for NHS Trusts and foundation trusts is published on the NHS Improvement website www.improvement.nhs.uk.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

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

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

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

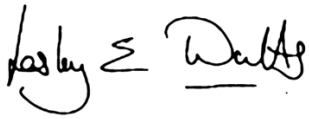
In preparing the accounts, the accounting officer is required to comply with the requirements of the Department of Health and Social Care's *Group Accounting Manual* and, in particular, to:

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirement outlined in the above-mentioned act. The accounting officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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



Lesley Watts
Chief Executive Officer

21 June 2022

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised. This enables us to manage them efficiently, effectively and economically. The system of internal control has been in place in Chelsea and Westminster Hospital NHS Foundation Trust for the year ended 31 Mar 2022 and up to the date of approval of the annual report and accounts. During 2021/22 our auditors BDO completed a review of our Risk Maturity Framework which concluded a good culture of risk ownership in the Trust, with BDO confirming that the Trust scores above average for risk maturity when benchmarked with other NHS organisations.

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

COVID-19 and internal control

As with all healthcare providers in the UK, the coronavirus pandemic fundamentally altered the day-to-day operations of the Trust during the response periods. These changes affected both our clinical response and our systems of internal control. Following guidance from NHS England and NHS Improvement the Trust established interim internal control arrangements designed to release capacity for clinical duties, provide clear decision-

making processes, steer activity and internal control activities during the pandemic response. Throughout 2021/22:

- Trust Board committee meetings were held virtually with agendas having a focus on pandemic management assurance as well as usual Trust Board Committee business
- Daily gold briefings across the NWL system and decision-making meetings were established during the peak wave periods to ensure clarity of leadership and information exchange
- Internal audit arrangements were in place throughout 2021/22 to provide assurance in the systems, processes, and controls in place for the management of key activities underpinning the organisation internal control arrangements

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 and the committees of the Board.

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

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

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

Responsibility for the implementation of risk management activity has been delegated to the executive directors as follows:

- The chief nursing officer has responsibility for clinical governance, patient safety, staff safety, regulatory compliance and associated risk
- The chief medical officer has responsibility for research and development, service development, clinical effectiveness, public health and associated risk
- The chief financial officer has responsibility for financial governance and associated risk
- The director of human resources and organisational development has responsibility for learning and development, workforce management, staff wellbeing, and associated risk
- The deputy chief executive officer has responsibility for site development, business development, digital innovation and associated risk
- The chief information officer is responsible for information management, information technology, information security and associated risk

Executive and non-executive directors receive training as part of a scheduled risk and board assurance development session. All staff receive risk management training on various aspects of risk as part of the Trust's induction programme. This training forms part of the mandatory courses provided by the Trust, which all staff undertake on a regular basis. The organisation's quality and clinical governance directorate also provides one-to-one and group risk management training as required.

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

- Audit and Risk Committee (ARC)
- Quality Committee (QC)
- People and Organisational Development Committee (PODC)
- Finance and Investment Committee (FIC)

The committees and their subgroups ensure risks and the associated mitigation actions are recognised and good practice is supported across all areas.

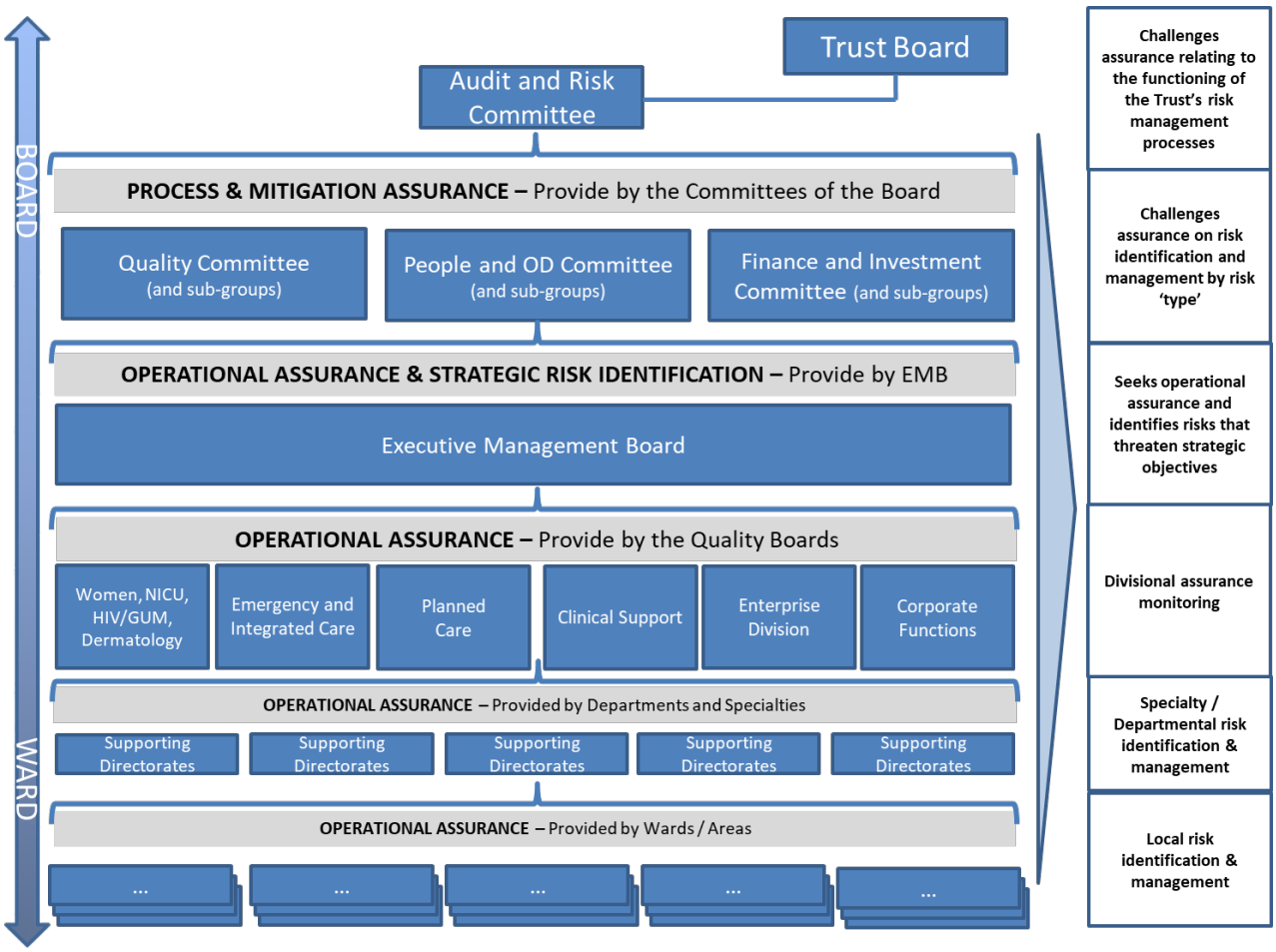
The Trust risk management policy is accessible to all staff via the intranet and aims to provide guidance on the conduct of risk identification, assessment and the escalation, as appropriate, in accordance with each staff member's level of authority and duties.

Risk and control framework

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

Operational risk assurance is provided via the divisional boards—these groups ensure the risk register process is embedded and mitigation actions are undertaken within appropriate timescales.

Management and mitigation assurance is provided via the committees of the board and their subgroups. All items recorded within the risk register system are categorised according to the risk 'subject'—each categorisation is aligned to a committee or subgroup responsible for measuring risk assurance and supporting mitigation action where required.



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

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

- **People and Organisation Development Committee:** Assures the Board on matters related to staff, considering the following work areas—people and organisational development strategy and planning, leadership development and talent management, education, skills and capability (clinical and non-clinical, statutory and mandatory), performance, reward and recognition, culture, values and engagement, and health and wellbeing. The committee ensures that there are robust processes in place to identify risks and issues and manage them accordingly.

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

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

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

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

- **Risk appetite statement:** Describes the amount of risk the Board is prepared to take in the pursuit of its objectives. The Trust's risk appetite varies between objectives and risk type and is reviewed by the Board (via its committees) at least annually to ensure it reflects changes in strategy, appetite, and tolerance to risk.

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

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

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

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

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

Identification of risk

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

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

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

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

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

Risk assessment

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

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

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

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

Impact level	Descriptor	Risk type			
		Injury	Service delivery	Financial	Reputation/publicity
1	Insignificant	No injuries or injury requiring no treatment or intervention	Service disruption that does not affect patient care	Less than £10,000	Rumours
2	Minor	Minor injury or illness requiring minor intervention <7 days off work if staff	Short disruption to services affecting patient care or intermittent breach of key target	Loss of between £10,000 and £100,000	Local media coverage
3	Moderate	Moderate injury requiring professional intervention RIDDOR reportable incident	Sustained period of disruption to services/ sustained breach of key target	Loss of between £100,001 and £500,000	Local media coverage with reduction in public confidence
4	Major	Major injury leading to long-term incapacity requiring significant increased length of stay	Intermittent failures in a critical service Significant under-performance of a range of key targets	Loss of between £500,001 and £5m	National media coverage and increased level of political/public scrutiny, total loss of public confidence
5	Catastrophic	Incident leading to death Serious incident involving a large number of patients	Permanent closure/ loss of a service	Loss of >£5m	Long term or repeated adverse national publicity Removal of chair/ CEO or executive team

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

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

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

Principal risks

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

The executive management team prepare and approve the Board Assurance Framework as a means of communicating principal risk. The committees of the Board receive the Board Assurance Framework at least quarterly intervals during the year to support understanding of principal risks, controls, assurance evidence and assess outcomes of management activity.

Compliance with the NHS provider licence is routinely monitored through the NHS Oversight Framework but, on an annual basis, the licence requires the Trust to self-certify as to whether the organisation has effective systems, governance arrangements, and the resources required to ensure compliance. The 2020/21 self-certification processes concluded that the organisation had taken the necessary precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS acts and have had with regard to the NHS Constitution. Principal risks were considered as part of this review and informed by the Board Assurance Framework—no principal risks to compliance were identified.

During late 2021/22, the Board undertook a root and branch review of its Board Assurance Framework and developed a revised architecture to include the three lines of assurance approach. Strategic risks were also reviewed in light of the operating plan and the evolving development of the Integrated Care System and North West London Acute Provider Collaborative. All Board members contributed to this review.

At March 2022, the following principal risks that could act as barriers to the organisation's strategic objectives were reported to the Audit and Risk Committee:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Data security and protection toolkit (DSPT) attainment levels

Information governance is the way organisations process or handle information. It covers information relating to patients and staff, as well as corporate information, and helps ensure the information is handled appropriately and securely with particular emphasis on managing personal data within the data protection legislation.

The DSPT is an online self-assessment tool that enables NHS organisations and their partnering bodies to measure how well they are complying with Department of Health standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage. It aims to demonstrate how we are implementing the 10 data security standards recommended by the late Dame Fiona Caldicott, the National Data Guardian for health and adult social care. Approximately 70% of the DSPT is related to IT related cyber security.

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

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

- **Assessment outcome:** For 2020/21 the Trust achieved 'standards met' and we believe we will again achieve this standard for 2021/22.

IG incidents reported to the DSPT

Information governance incidents of a certain severity need to be reported to the UK data protection regulator, the Information Commissioner's Office (ICO), within 72 hours of discovery. The mechanism for doing this is normally through the incident reporting section of the DSPT, where you also report other serious incidents below the level of ICO involvement.

A total of three incidents met the toolkit reporting threshold, with one of those incidents being escalated to the Information Commissioner's Office. This incident centred on a breach where sensitive information relating to another patient was erroneously included in the data subject's discharge documentation. The ICO accepted that the breach occurred

as a result of human error and was satisfied that the Trust has appropriate compliance mechanisms in place to protect personal data. They closed their investigation with no further action being taken.

Freedom of information (FOI)

In the financial year 2021/22 we received 762 FOIs. The act says we must respond within 20 working days and the Trust achieved this in 91% of cases, against the ICO requirement of 90%.

General data protection regulation (GDPR)

GDPR came into force on 25 May 2018 along with the UK interpretation of this legislation, the Data Protection Act 2018. As required by law, we have appointed a data protection officer and are compliant with the core aspects, led in part by work on the DSPT and various other streams. During 2020/21 we have undertaken a total of 18 unannounced audits during the course of the year across the Chelsea and West Middlesex hospital sites. The results of those audits varied, and feedback was provided to department heads alongside an improvement action plan. The team currently runs a monthly communications campaign raising awareness of pertinent IG/cyber issues.

Quality governance and performance

Ensuring safe staffing

The annual safe staffing report was submitted to the Trust Board in September. Safe staffing metrics are reported monthly within the Integrated Performance Report to Executive Management Board, Trust subcommittees and Trust Board, and the National Safe Staffing team. Twice-daily nurse staffing meetings were introduced to allow for movement of staff between areas to ensure optimum staffing using all resources available.

Following a review of safe staffing levels within the Trust for nursing and midwifery, therapies, pharmacy and medicine the chief nursing and chief medical officers concluded the following (taken from the Annual Safe Staffing Report September 2021): *As chief nursing and chief medical officers for the Trust, we confirm that we are satisfied that we currently meet safe staffing standards and compliance with the* National Workforce Safeguards Standards 2018*. We recognise we currently have partial compliance with elements of the medical and therapy standards. The Trust's focus through 2022 will be:*

- *Improving compliance in relation to maternity ratios and staffing recommendations for Neonatal Nursing Staffing Standards*
- *Recruiting to consultant posts agreed for maternity*
- *Recruiting to consultant posts agreed for intensive care*
- *Reviewing the acute medical staffing tier 2 model at Chelsea site to gain further compliance*
- *Reviewing partial compliance with medical tier 3 cover through job planning*
- *Continuing to work with the NWL critical care group to develop a workforce plan for therapy staffing in ITU*
- *Focusing on staff retention, particularly in therapies, pharmacy and among the HCA workforce*

Data assurance

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

We have an advanced feed from the patient administration system (PAS) which is available throughout the Trust and updated daily. Divisional staff and the information team regularly review a suite of reports including more advanced information for elective waiting times and patient-level information. The Trust has a set of training modules available to support staff and is currently undertaking an assessment to further improve staff adoption.

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

We have invested significantly in data quality improvement via the electronic patient record (EPR) system. The Trust has had several external bodies auditing our data quality performance which has outlined that we are in line with our peers. A Trustwide data quality group is in place, which provides oversight of data quality policies, strategies and reviews. The data quality group reports into the executive management Board to enable prompt escalation of emerging issues to the Trust Board when required.

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

Corporate governance

Details of the corporate governance structure can be found within the accountability report from page 41. It is a fundamental part of our Trust's governance structure that all material risks and issues are scrutinised and monitored by the executive management board, in addition to being reported to Board committees. This includes the key areas of quality, workforce, performance and finance, giving further assurance that the Trust is fully compliant with the Care Quality Commission registration requirements.

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

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

Conflicts of interest

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

Climate change and Greener NHS programme

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

The Trust recognises and understands the pressing and immediate need to reduce carbon emissions and to address sustainability issues as part of the climate emergency and ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust's updated green plan was approved by the Trust Board in November 2021 and confirms commitment to the NHS *Delivering a Net-Zero Health Service* report and Greener NHS programme, which outlines the NHS's ambition to become the world's first carbon net-zero national health service by 2045.

The sustainability board has been established to monitor progress of the Green programme and drive forward sustainability improvements across the Trust. The Sustainability Board reports through Improvement Board to the Finance and Investment Committee and on to Trust Board. A staff green committee has also been established, which is a staff-led network of colleagues who are passionate about greener improvement and making environmental changes in the NHS. The Green Champions lead this forum.

There are 4 workstreams as part of the Trust's green plan:

Workstream	Scope
Travel and transport	• Patient transport and reducing journeys • Staff travel and shifting modes of transport • Flexible working
Estates and facilities	• Redeveloping buildings and estates • Sustainable energy and water • Reducing waste • Food catering and nutrition
Sustainable procurement	• Medicines procurement and use, including anaesthetics and inhalers • NHS purchasing • Supply chain
New models of care and health delivery innovation	• Digital and low carbon healthcare delivery • Reducing health inequalities

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

The Trust Board keeps a monthly review of the Trust's use of resources through the integrated performance report in addition to the monthly finance report, which allows the Trust Board to maintain a 'grip' on financial performance, cost-effectiveness and allows the triangulation of quality, performance, workforce and financial data.

During 2021/22, the Trust has continued to use various benchmarking sources and the improvement board to identify efficiency and productivity opportunities. Where the Trust Board identifies key risks and issues in relation to the Trust's use of resources, it will instruct the Finance and Investment Committee to undertake deep dive reviews of such concerns to ensure that a sufficient degree of assurance can be obtained.

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

The governance structure below the executive management Board provides opportunities through the divisional boards for divisional and operational performance to be reviewed, and monthly reviews with the chief financial officer and divisional triumvirate teams allow for regular oversight of the performance within the respective clinical services they provide. The cost improvement programme is monitored through the improvement board, and this is further supplemented by specialty deep dives, which is in addition to the internal audit work undertaken throughout 2021/22.

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

Review of effectiveness

As 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 performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and the Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

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

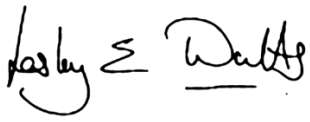
internal auditors, identify high, medium and low priority recommendations within their audit reports, which are monitored in an internal audit recommendations tracker, and reviewed frequently by the executive team.

In 2021/22 there were seven high-risk recommendations identified by our internal auditors.

The overall head of internal audit opinion for the period 1 Apr 2021–31 Mar 2022 is: *Moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently*.

Conclusion

In conclusion, to the best of my knowledge, no significant internal control issues have been identified within 2021/22.



Lesley Watts
Chief Executive Officer

21 June 2022

SECTION 3

AUDITOR'S REPORT

Independent auditor's report to the Council of Governors and Board of Directors of Chelsea and Westminster Hospital NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Chelsea and Westminster Hospital NHS Foundation Trust (the 'foundation trust') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2022 and of the group's and foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting 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.

We have audited the financial statements which comprise:

- the group statement of comprehensive income;
- the group and foundation trust statements of financial position;
- the group and foundation trust statements of changes in equity;
- the group and foundation trust statement of cash flows; and
- the related notes 1 to 35.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement—Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for the group and the foundation trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement—Independent Regulator of NHS Foundation Trusts, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the foundation trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

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

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

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

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

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

- accruals and deferred income recorded at 31 March 2022 and the timing of their recognition at year-end is subject to potential management bias: we tested the design and implementation of controls over the year-end accruals and deferral of income processes; we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2022; we tested a sample of deferred income items to supporting documentation and evaluated management's assessment as to whether the criteria for revenue recognition had been met as to 31 March 2022.

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

In our opinion:

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

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

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

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

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

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

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

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

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in December 2021, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of

resources for the year ended 31 March 2022 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

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

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

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

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

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

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

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

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

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of this matter.

Delay in certification of completion of the audit

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

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Chelsea and Westminster Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Hall

Matthew Hall
Key Audit Partner

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

22 June 2022

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2022 issued on 7 July 2022 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2022 and of the group's and foundation trust's income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement—Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

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

As at the date of issue of our audit report for the year ended 31 March 2022 on 22 June 2022, we had not completed our work on the foundation trust's arrangements, and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2022 issued on 22 June 2022, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed our work in this area.

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

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

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

Matthew Hall
Key Audit Partner

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

7 July 2022

SECTION 4

FINANCE

ANNUAL ACCOUNTS 2021/22

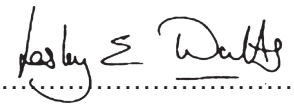
Chelsea and Westminster Hospital NHS Foundation Trust

Annual accounts for the year ended 31 Mar 2022

Foreword to the accounts

Chelsea and Westminster NHS Foundation Trust

These accounts, for the year ended 31 March 2022, have been prepared by Chelsea and Westminster 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 **22.06.22**

Statement of Comprehensive Income

For the year end 31 March 2022

		Group	
		2021/22	**2020/21**
	Note	**£000**	**£000**
Operating income from patient care activities	2	703,160	631,632
Other operating income	3	98,931	121,503
Operating expenses	5, 7	(754,633)	(756,419)
Operating (deficit)/surplus from continuing operations		**47,458**	**(3,284)**
Finance income	10	144	-
Finance expenses	11	(5,177)	(5,759)
PDC dividends payable		(10,908)	(9,674)
Net finance costs		**(15,941)**	**(15,433)**
Other gains/(losses)	12	(934)	(1,472)
Share of profit of associates / joint arrangements	19	-	357
(deficit)/Surplus for the year		**30,583**	**(19,832)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	3,884	(643)
Fair value gains / (losses) on equity instruments designated at fair value through OCI	20	(5,386)	4,416
Total comprehensive (expense)/income for the period		**29,081**	**(16,059)**

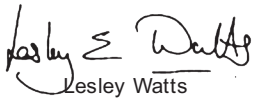
The figures below outline the adjusted financial performance on a control total basis as reported to NHSE/I. This is part of NHSE/I's control purposes, rather than set by the Trust.

Adjusted financial performance (control total basis):		
(deficit)/Surplus for the period	*30,583*	*(19,832)*
Remove net impairments not scoring to the Departmental expenditure limit	*(30,992)*	*24,702*
Remove I&E impact of capital grants and donations	*42*	*(2,482)*
Remove net impact of inventories received from DHSC group bodies for COVID response	*652*	*(798)*
Remove loss recognised on return of donated COVID assets to DHSC	*1,049*	
Adjusted financial performance surplus / (deficit)	*1,334*	*1,590*

Statement of Financial Position

As at 31 March 2022	Note	Group 31 March 2022 £000	Group 31 March 2021 £000	Trust 31 March 2022 £000	Trust 31 March 2021 £000
Non-current assets					
Intangible assets	14	38,484	39,332	38,484	39,332
Property, plant and equipment	15	492,794	454,198	492,794	454,198
Other investments / financial assets	20	387	5,774	3,587	5,774
Receivables	22	1,322	1,933	1,322	1,933
Total non-current assets		**532,987**	**501,237**	**536,187**	**501,237**
Current assets					
Inventories	21	8,762	12,960	8,762	12,960
Receivables	22	39,664	45,244	39,664	45,244
Cash and cash equivalents	23	152,817	141,646	149,617	141,646
Total current assets		**201,243**	**199,850**	**198,043**	**199,850**
Current liabilities					
Trade and other payables	24	(104,649)	(103,162)	(104,649)	(103,162)
Borrowings	26	(6,634)	(6,610)	(6,634)	(6,610)
Provisions	28	(12,624)	(7,104)	(12,624)	(7,104)
Other liabilities	25	(20,203)	(22,322)	(20,203)	(22,322)
Total current liabilities		**(144,110)**	**(139,198)**	**(144,110)**	**(139,198)**
Total assets less current liabilities		**590,120**	**561,889**	**590,120**	**561,889**
Non-current liabilities					
Borrowings	26	(73,945)	(80,390)	(73,945)	(80,390)
Provisions	28	(8,711)	(5,698)	(8,711)	(5,698)
Total non-current liabilities		**(82,656)**	**(86,088)**	**(82,656)**	**(86,088)**
Total assets employed		**507,464**	**475,801**	**507,464**	**475,801**
Financed by					
Public dividend capital		279,599	277,017	279,599	277,017
Revaluation reserve		122,812	118,962	122,812	118,962
Financial assets reserve		(4,135)	1,252	(4,135)	1,252
Income and expenditure reserve		109,188	78,570	109,188	78,570
Total taxpayers' equity		**507,464**	**475,801**	**507,464**	**475,801**

The notes on pages 11 to 68 form part of these accounts.



Name Lesley Watts
Position Chief Executive
Date 22.06.22

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

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

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital	Revaluation reserve	Financial assets reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**262,141**	**119,637**	**(3,165)**	**98,370**	**476,983**
Prior period adjustment	-	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2020 - restated	**262,141**	**119,637**	**(3,165)**	**98,370**	**476,983**
Surplus/(deficit) for the year	-	-	-	(19,832)	**(19,832)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(32)	-	32	**-**
Impairments	-	(643)	-	-	**(643)**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	4,416	-	**4,416**
Public dividend capital received	14,876	-	-	-	**14,876**
Taxpayers' and others' equity at 31 March 2021	**277,017**	**118,962**	**1,252**	**78,570**	**475,801**

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

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

Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital	Revaluation reserve	Financial assets reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**262,141**	**119,637**	**(3,165)**	**98,370**	**476,983**
Prior period adjustment	-	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2020 - restated	**262,141**	**119,637**	**(3,165)**	**98,370**	**476,983**
Surplus/(deficit) for the year	-	-	-	(19,832)	**(19,832)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(32)	-	32	**-**
Impairments	-	(643)	-	-	**(643)**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	4,416	-	**4,416**
Public dividend capital received	14,876	-	-	-	**14,876**
Taxpayers' and others' equity at 31 March 2021	**277,017**	**118,962**	**1,252**	**78,570**	**475,801**

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 organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

For the year end 31 March 2022		Group		Trust	
		2021/22	2020/21	2021/22	2020/21
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating (deficit)/surplus		47,458	(3,284)	47,458	(3,284)
Non-cash income and expense:					
Depreciation and amortisation	5.1	24,575	21,309	24,575	21,309
(Reversal)/impairment	6	(30,992)	24,702	(30,992)	24,702
Income recognised in respect of capital donations	3	(1,006)	(3,281)	(1,006)	(3,281)
Decrease in receivables and other assets		7,154	14,742	7,154	14,742
Decrease/(increase) in inventories		4,198	(5,176)	4,198	(5,176)
Increase in payables and other liabilities		1,300	21,234	1,300	21,234
Increase in provisions		8,533	618	8,533	618
Net cash flows from / (used in) operating activities		**61,220**	**70,864**	**61,220**	**70,864**
Cash flows from investing activities					
Interest received		68	35	68	35
Proceeds from sales of investments		-	1,061	-	1,061
Purchase of intangible assets		(5,872)	(3,254)	(5,872)	(3,254)
Purchase of property, plant, equipmen		(24,250)	(38,672)	(24,250)	(38,672)
Receipt /proceeds from sales of PPE		251	36	251	36
Receipt of cash donations to purchase assets		564	1,197	564	1,197
Cash from acquisitions of subsidiaries		-	-	(3,200)	-
Net cash used in investing activities		**(29,239)**	**(39,597)**	**(32,439)**	**(39,597)**
Cash flows from financing activities					
Public dividend capital received		2,582	14,876	2,582	14,876
Movement on loans from DHSC		(3,673)	(3,673)	(3,673)	(3,673)
Movement on other loans		(1,310)	(1,278)	(1,310)	(1,278)
Capital element of finance lease rental payments		(30)	(28)	(30)	(28)
Capital element of PFI, LIFT and other service concession payments		(1,372)	(1,252)	(1,372)	(1,252)
Interest on loans		(1,051)	(1,150)	(1,051)	(1,150)
Other interest		(3)	(77)	(3)	(77)
Interest paid on finance lease liabilities		(15)	(17)	(15)	(17)
Interest paid on PFI, LIFT and other service concession obligations		(4,144)	(4,724)	(4,144)	(4,724)
PDC dividend paid		(11,795)	(9,459)	(11,795)	(9,459)
Net cash used in financing activities		**(20,811)**	**(6,782)**	**(20,811)**	**(6,782)**
Increase in cash and cash equivalents		**11,170**	**24,485**	**7,970**	**24,485**
Cash and cash equivalents at 1 April - brought forward		**141,646**	**117,161**	**141,646**	**117,161**
Cash and cash equivalents at 31 March	23	**152,817**	**141,646**	**149,617**	**141,646**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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

Note 1.2 Going concern
The Trust has a plan for 2022/23 to generate a breakeven position. As at the 31 March 2022 the Trust holds £152.8m of cash reserves and has a forecast cash balance of £143.6m at 31 March 2023.
The directors are confident that there is a reasonable expectation that the Trust will continue to have adequate cash resources to service its operational activities in cash terms for the next 12 months and into 2023/24. The impact of COVID and associated changes to the cash regime over the last two years (with block and top up arrangements) are coming to an end and have been taken into account for the Trust's plans and projections, including cash flows, liquidity and income base.

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

Note 1.3 Interests in other entities

Joint ventures
Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Note 1.4 Consolidation

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

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

Note 1.5 Revenue from contracts with customers
Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

For the whole of 2021/22 payments for contract income were back to be being paid in the month they related to (after the advance payments of 2020/21), these had no material impact on contract balances.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at an Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also received additional income outside of the block payments to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

Revenue from research contracts
Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.6 Other forms of income

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

Apprenticeship service income
The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.7 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Note 1.8 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.9 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.
• items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Subsequent expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement
Valuation
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.
Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.
Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.
Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust’s Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.
Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.
IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

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

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.
Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.
Impairments
In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.
Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.
De-recognition

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

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

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

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.
This includes assets donated to the trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

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

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

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

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

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

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

Services received

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

PFI asset

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

PFI liability

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

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

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

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

Lifecycle replacement

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

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

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

Useful lives of property, plant and equipment
Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	3	52
Dwellings	34	34
Plant & machinery	5	15
Transport equipment	5	5
Information technology	3	10
Furniture & fittings	5	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.10 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are 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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Information technology	2	10
Software licences	3	10

Note 1.11 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.

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.12 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.13 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

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

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

The Trust has irrevocably elected to measure the following equity instruments at fair value through other comprehensive income: Sensyne Health PLC Shares.

Impairment of financial assets

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

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

Credit losses is recognised in line with IFRS 15. Injury costs recovery (ICR) credit losses are recognised as advised by the Compensation Recovery Unit (CRU) at 23.76% for 2021-22. The credit losses for receivables is recognised in line with IFRS 9 of the simplified approach, using probabilities of default applicable to the whole term of the financial assets. In some cases a specific credit losses applied consider the relevant credit quality of relevant financial assets.

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

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

Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The trust as a lessor

Finance leases

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

Operating leases

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

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
Very long-term	Exceeding 40 years	0.66%	1.99%

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

	Inflation rate	Prior year rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 27.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.16 Contingencies

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

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.17 Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.
This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.
In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.18 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.19 Climate change levy
Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.20 Third party assets

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

Note 1.21 Losses and special payments
Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

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

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust has made an estimation of expiry dates for a number of leases, when the lease information was not fully documented.

The Trust has been following the IFRS 16 implementation plan and is ready to adopt the standard from 2022/23. A lease register is maintained and copies of lease agreements are documented. A contract register is created to assess IFRS 16 of existing and new agreements. New account codes and a new hierarchy are also set up for reporting.

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	13,541
Additional lease obligations recognised for existing operating leases	(12,839)
Net impact on net assets on 1 April 2022	**702**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(3,261)
Additional finance costs on lease liabilities	(87)
Lease rentals no longer charged to operating expenditure	3,323
Estimated impact on surplus / deficit in 2022/23	**(25)**

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to retail price index (RPI). The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

The Trust do not believe believe there are any other standards, amendments and interpretations issued but not adopted or not effective will have a material impact on the accounts

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Montagu Evans were instructed to carry out a full valuation of all land and buildings at the Chelsea and West Middlesex sites as at 31 December 2021, as part of the first year of their new three year contract with the Trust. The valuation was prepared under the requirements of the DHSC Group Accounting Manual and the RICS Valuation – Global Standard 2020 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). Specialised assets such as hospitals for which no market exists are valued at Depreciated Replacement Cost (DRC) valuation method to arrive at the Modern Equivalent Asset. Other assets are valued at Existing Use Value (EUV) in Current Use.

A majority of the buildings owned by the Trust are specialised assets which have been valued on a Modern Equivalent Asset basis. This requires assumptions to be made about the design of a modern asset with equivalent service potential to the existing asset:

- reviewing the Useful Economic Life of the asset and the residual value at the end of that life;
- revising the areas excluded from the valuation of the Chelsea site (as used by Imperial College rather than the Trust) to reflect current usage, and reassessing the overall layout of an equivalent modern asset;
- excluding recoverable VAT when revaluing PFI buildings on the West Middlesex site reflecting the cost at which the service potential would be replaced by the PFI operator; and
- adopting an “alternative site” basis of valuation for the Chelsea site, and at West Middlesex reducing the area of the site required for the modern equivalent asset on the basis that it would be more efficiently arranged as part of a single holistic design.

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

Note 1.26 Sources of estimation uncertainty

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

Disputes with Commissioners

As set out in note 27.1, Management considers the extent to which contractual revenue can be collected. Where the Trust considers there is a risk of non-payment of monies owed Management has made an assessment of the potential recoverability and where it believes there is a risk of dispute it records a provision for contractual dispute. Provisions for the disputes are £3.6m at 31 March 2022 (31 March 2021 £0.4m). Disputes relate to challenges on activity recording and charging that it has not been possible to settle by reference to the contract, under which the Trust has been entitled to the income. The Trust has recognised the income in relation to the disputes in its Statement of Comprehensive Income. The Trust has determined the level of provision on a basis that reflects settlement of the issue for the financial year in which the issue was raised and any subsequent years. Given the Trust has a contract in place the Trust is legally owed the money the Trust has chosen to provide a contractual dispute provision.

Recoverability of NHS and Local Authority Debt

The Trust has £7.9m of debt with NHS bodies at 31 March 2022 (2021 £5.0m) and £6.9m of debt with Local Authorities (2021 £8.0m). Management has considered the recoverability of this debt as at 31 March 2022 and has established a level of bad debt provision which is felt adequate to cover the risk of non-recovery.

The Trust has signed contracts with Local Authorities within London which it accounts for under IFRS 15. For contracts with Local Authorities outside of London the Trust also recognises income in accordance with IFRS 15 as it has an implied contact albeit not a signed explicit one.

Note 2 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.5

Note 2.1 Income from patient care activities (by nature)	2021/22 £000	2020/21 £000
Acute services		
Block contract / system envelope income	587,012	556,402
High cost drugs income from commissioners (excluding pass-through costs)	41,184	19,675
Other NHS clinical income	1,347	-
Community services		
Block contract / system envelope income	2,210	2,210
All services		
Private patient income	16,343	10,588
Elective recovery fund	8,904	-
Additional pension contribution central funding*	16,050	15,159
Other clinical income	30,110	27,598
Total income from activities	**703,160**	**631,632**

*For 2020/21 the employer contribution rate for NHS pensions is 14.38%. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 2.2 Income from patient care activities (by source)

Income from patient care activities received from:	2021/22 £000	2020/21 £000
NHS England	153,889	171,560
Clinical commissioning groups	501,471	423,434
Other NHS providers	1,347	1,285
NHS other	1	8
Local authorities	27,549	22,952
Non-NHS: private patients	16,343	10,588
Non-NHS: overseas patients (chargeable to patient)	1,271	537
Injury cost recovery scheme	1,036	866
Non NHS: other	253	402
Total income from activities	**703,160**	**631,632**
Of which:		
Related to continuing operations	703,160	631,632

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

	2021/22	2020/21
	£000	£000
Income recognised this year	1,271	537
Cash payments received in-year	1,207	1,082
Amounts added to provision for impairment of receivables	796	-
Amounts written off in-year	1,617	893

Note 3 Other operating income (Group)

	2021/22			2020/21		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	4,049	3,124	**7,173**	4,952	3,566	**8,518**
Education and training	29,124	846	**29,970**	24,605	601	**25,206**
Non-patient care services to other bodies	12,420		**12,420**	12,093		**12,093**
Reimbursement and top up funding	18,241		**18,241**	49,525		**49,525**
Income in respect of employee benefits accounted on a gross basis	9,248		**9,248**	8,279		**8,279**
Receipt of capital grants and donations		1,006	**1,006**		3,281	**3,281**
Charitable and other contributions to expenditure		2,320	**2,320**		7,128	**7,128**
Support from the Department of Health and Social Care for mergers		-	**-**		424	**424**
Rental revenue from operating leases		693	**693**		710	**710**
Other income	17,860	-	**17,860**	6,339	-	**6,339**
Total other operating income	**90,942**	**7,989**	**98,931**	**105,793**	**15,710**	**121,503**
Of which:						
Related to continuing operations			98,931			121,503

Other income of £17.9m (2020/21 £6.3m) includes the release of £4.4m PPE income deferral, car parking income £2.0m (2020/21 £1.4m), staff accommodation rental £1.7m (2020/21 £1.7m), Sexual Health E-Services £1.8m (2020/21 £1.4m), maternity funding for modular building £1.5m (2020/21 £1.5m), Clinical Excellence awards £0.9m (2020/21 £0.4m) and various departmental schemes. 2020/21 included a deferral of PPE income for stock held at year end £4.6m, resulting in a £9m movement in the current year.

Note 4 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2021/22	2020/21
	£000	£000
Income from services designated as commissioner requested services	655,360	594,994
Income from services not designated as commissioner requested services	47,800	36,638
Total	**703,160**	**631,632**

Note 5.1 Operating expenses (Group)

	2021/22	2020/21
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,943	2,850
Purchase of healthcare from non-NHS and non-DHSC bodies	9,818	9,550
Staff and executive directors costs	449,714	420,914
Remuneration of non-executive directors	142	156
Supplies and services - clinical (excluding drugs costs)	82,728	75,776
Supplies and services - general	44,619	56,654
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	69,886	62,769
Inventories written down	548	1,232
Consultancy costs	1,594	386
Establishment	3,186	3,506
Premises	15,339	16,147
Transport (including patient travel)	3,189	5,022
Depreciation on property, plant and equipment	18,221	14,809
Amortisation on intangible assets	6,354	6,500
Net impairments	(30,992)	24,702
Movement in credit loss allowance: contract receivables / contract assets	1,736	130
Movement in credit loss allowance: all other receivables and investments	(143)	7
Increase/(decrease) in other provisions	10,841	1,230
Fees payable to the external auditor		
audit services- statutory audit	155	156
Internal audit costs	246	186
Clinical negligence	36,270	30,672
Legal fees	273	281
Insurance	325	287
Research and development	3,795	3,549
Education and training	3,655	1,901
Rentals under operating leases	2,618	2,609
Redundancy	-	27
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	14,036	11,577
Car parking & security	1,100	1,034
Hospitality	22	3
Losses, ex gratia & special payments	599	1,122
Other services, eg external payroll	671	422
Other	145	253
Total	**754,633**	**756,419**
Of which:		
Related to continuing operations	754,633	756,419

Note 5.2 Limitation on auditor's liability (Group)

There is no limitation on auditor's liability for external audit work carried out for the financial years 2021/22 or 2020/21.

Note 6 Impairment of assets (Group)

	2021/22 £000	2020/21 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(30,992)	24,702
Total net impairments charged to operating surplus / deficit	**(30,992)**	**24,702**
Impairments charged to the revaluation reserve	(3,884)	643
Total net impairments	**(34,876)**	**25,345**

* The position includes impairement of £0.80m and reversal of Impairments of £31.79m arising from the annual valuation exercise of the Trust's estate (based on industry standard indices). This has improved the Trust financial performance, but the gain does not impact the control total, which the Trust is measured against.

Note 7 Employee benefits (Group)

	2021/22 Total £000	2020/21 Total £000
Salaries and wages	350,945	331,398
Social security costs	38,183	35,274
Apprenticeship levy	1,718	1,577
Employer's contributions to NHS pensions	52,470	49,809
Pension cost - other	43	38
Temporary staff (including agency)	13,522	9,071
Total gross staff costs	**456,881**	**427,167**
Recoveries in respect of seconded staff	-	-
Total staff costs	**456,881**	**427,167**
Of which		
Costs capitalised as part of assets	2,799	2,704

Note 7.1 Retirements due to ill-health (Group)

During 2021/22 there were 2 early retirements from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £133k (0k in 2020/21).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports.

NEST is the workplace pension set up by the Government. The Trust offers employees the NEST pension scheme alongside the two NHS Pension Schemes. NEST is a defined contribution workplace pension scheme backed by the UK Government. In 2021/22 the Trust paid £43k into NEST. Staff are automatically enrolled into the NHS pension scheme or the NEST scheme unless staff opt out.

Note 9 Operating leases (Group)

Note 9.1 Chelsea and Westminster NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Chelsea and Westminster NHS Foundation Trust is the lessor.

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).

	2021/22	2020/21
	£000	£000
Operating lease revenue		
Minimum lease receipts	693	710
Total	**693**	**710**

	31 March 2022	31 March 2021
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	693	710
Total	**693**	**710**

Note 9.2 Chelsea and Westminster NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Chelsea and Westminster NHS Foundation Trust is the lessee.

The Trust 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.

	2021/22	2020/21
	£000	£000
Operating lease expense		
Minimum lease payments	2,618	3,010
Less sublease payments received	-	(401)
Total	**2,618**	**2,609**

	31 March 2022	31 March 2021
	£000	£000
Future minimum lease payments due:		
- not later than one year;	2,618	2,795
- later than one year and not later than five years and	4,884	5,798
- later than five years.	3,663	3,889
Total	**11,165**	**12,482**

Note 10 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2021/22	2020/21
	£000	£000
Interest on bank accounts	144	-
Total finance income	**144**	**-**

Note 11.1 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2021/22	2020/21
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	853	915
Other loans	191	223
Finance leases	15	17
Interest on late payment of commercial debt	3	2
Main finance costs on PFI and LIFT schemes obligations	2,034	2,373
Contingent finance costs on PFI and LIFT scheme obligations	2,081	2,154
Total interest expense	**5,177**	**5,684**
Unwinding of discount on provisions	-	-
Other finance costs	-	75
Total finance costs	**5,177**	**5,759**

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2021/22	2020/21
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	436	295
Amounts included within interest payable arising from claims made under this legislation	3	2

Note 12 Other gains / (losses) (Group)

	2021/22	2020/21
	£000	£000
Gains on disposal of assets	148	39
Losses on disposal of assets	(1,082)	(1,511)
Total other gains / (losses)	**(934)**	**(1,472)**

The disposal of assets relates to disposal of medical equipment. Within the disposal £1,049k relates to the return of DHSC Covid equipment received in prior year.

Note 13.1 Intangible assets - 2021/22

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	**6,951**	**61,013**	**481**	**68,445**
Additions	-	-	5,506	**5,506**
Reclassifications	960	3,522	(4,482)	**-**
Valuation / gross cost at 31 March 2022	**7,911**	**64,535**	**1,505**	**73,951**
Amortisation at 1 April 2021 - brought forward	**4,372**	**24,741**	**-**	**29,113**
Provided during the year	876	5,478	-	**6,354**
Amortisation at 31 March 2022	**5,248**	**30,219**	**-**	**35,467**
Net book value at 31 March 2022	**2,663**	**34,316**	**1,505**	**38,484**
Net book value at 1 April 2021	**2,579**	**36,272**	**481**	**39,332**

The Trust implemented an Electronic Patient Record (EPR) system in 2018/19 at the West Midd Site and in 2019/20 at the Chelsea Site. This was capitalised for a 10 years useful life. At the end of the financial year, the West Midd site EPR had a total net book value of £9.9m and a remaining useful life of 6.25 years; whilst at the Chelsea site, there is a net book value of £14.6m and remaining useful life of 7.75 years.

Note 13.2 Intangible assets - 2020/21

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**6,408**	**57,523**	**1,345**	**65,276**
Additions	76	-	3,093	**3,169**
Reclassifications	467	3,490	(3,957)	**-**
Valuation / gross cost at 31 March 2021	**6,951**	**61,013**	**481**	**68,445**
Amortisation at 1 April 2020 - as previously stated	**3,595**	**19,018**	**-**	**22,613**
Provided during the year	777	5,723	-	**6,500**
Amortisation at 31 March 2021	**4,372**	**24,741**	**-**	**29,113**
Net book value at 31 March 2021	**2,579**	**36,272**	**481**	**39,332**
Net book value at 1 April 2020	**2,813**	**38,505**	**1,345**	**42,663**

Note 14.1 Intangible assets - 2021/22

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	**6,951**	**61,013**	**481**	**68,445**
Additions	-	-	5,506	**5,506**
Reclassifications	960	3,522	(4,482)	**-**
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Note 14.2 Intangible assets - 2020/21

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	£000	£000	£000	£000
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Additions	76	-	3,093	**3,169**
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Net book value at 31 March 2021	**2,579**	**36,272**	**481**	**39,332**
Net book value at 1 April 2020	**2,813**	**38,505**	**1,345**	**42,663**

Note 15.1 Property, plant and equipment - 2021/22

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	**104,033**	**291,384**	**13,137**	**18,525**	**84,196**	**121**	**21,940**	**3,670**	**537,006**
Additions	-	-	-	23,024	102	-	-	-	**23,126**
Impairments	(10,413)	(10,608)	-	-	-	-	-	-	**(21,021)**
Reversals of impairments	1,216	52,737	1,944	-	-	-	-	-	**55,897**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Reclassifications	-	18,711	-	(26,822)	7,511	-	605	(5)	**-**
Disposals / derecognition	-	-	-	-	(3,913)	-	-	-	**(3,913)**
Valuation/gross cost at 31 March 2022	**94,836**	**343,250**	**14,777**	**14,727**	**87,896**	**121**	**22,545**	**3,665**	**581,817**
Accumulated depreciation at 1 April 2021 - brought forward	**-**	**4,186**	**76**	**-**	**61,142**	**121**	**14,006**	**3,277**	**82,808**
Provided during the year	-	10,045	337	-	5,042	-	2,647	150	**18,221**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Disposals / derecognition	-	-	-	-	(2,728)	-	-	-	**(2,728)**
Accumulated depreciation at 31 March 2022	**-**	**5,257**	**109**	**-**	**63,456**	**121**	**16,653**	**3,427**	**89,023**
Net book value at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**-**	**5,892**	**238**	**492,794**
Net book value at 1 April 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**-**	**7,934**	**393**	**454,198**

Note 15.2 Property, plant and equipment - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**95,749**	**302,957**	**12,645**	**25,761**	**77,559**	**121**	**14,401**	**3,635**	**532,828**
Additions	-	-	-	33,499	2,084	-	7,539	-	**43,122**
Impairments	-	(38,967)	-	-	-	-	-	-	**(38,967)**
Reversals of impairments	8,292	4,326	1,004	-	-	-	-	-	**13,622**
Revaluations	-	(11,890)	(528)	-	(158)	-	-	-	**(12,576)**
Reclassifications	(8)	34,958	16	(40,735)	5,734	-	-	35	**-**
Disposals / derecognition	-	-	-	-	(1,023)	-	-	-	**(1,023)**
Valuation/gross cost at 31 March 2021	**104,033**	**291,384**	**13,137**	**18,525**	**84,196**	**121**	**21,940**	**3,670**	**537,006**
Accumulated depreciation at 1 April 2020 - as previously stated	**-**	**6,152**	**312**	**-**	**58,212**	**121**	**13,669**	**3,105**	**81,571**
Provided during the year	-	9,924	292	-	4,084	-	337	172	**14,809**
Revaluations	-	(11,890)	(528)	-	(158)	-	-	-	**(12,576)**
Disposals / derecognition	-	-	-	-	(996)	-	-	-	**(996)**
Accumulated depreciation at 31 March 2021	**-**	**4,186**	**76**	**-**	**61,142**	**121**	**14,006**	**3,277**	**82,808**
Net book value at 31 March 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**-**	**7,934**	**393**	**454,198**
Net book value at 1 April 2020	**95,749**	**296,805**	**12,333**	**25,761**	**19,347**	**-**	**732**	**530**	**451,257**

Note 15.3 Property, plant and equipment financing - 2021/22

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022								
Owned - purchased	94,836	271,032	14,668	14,618	22,952	5,892	238	**424,236**
Finance leased	-	241	-	-	-	-	-	**241**
On-SoFP PFI contracts and other service concession arrangements	-	52,764	-	-	-	-	-	**52,764**
Owned - donated/granted	-	13,956	-	109	1,488	-	-	**15,553**
NBV total at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**5,892**	**238**	**492,794**

Note 15.4 Property, plant and equipment financing - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021								
Owned - purchased	104,033	219,674	13,061	18,125	20,281	7,934	393	**383,501**
Finance leased	-	1,497	-	-	-	-	-	**1,497**
On-SoFP PFI contracts and other service concession arrangements	-	53,913	-	-	-	-	-	**53,913**
Owned - donated/granted	-	12,114	-	400	2,773	-	-	**15,287**
NBV total at 31 March 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**7,934**	**393**	**454,198**

Note 16.1 Property, plant and equipment - 2021/22

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	**104,033**	**291,384**	**13,137**	**18,525**	**84,196**	**121**	**21,940**	**3,670**	**537,006**
Additions	-	-	-	23,024	102	-	-	-	**23,126**
Impairments	(10,413)	(10,608)	-	-	-	-	-	-	**(21,021)**
Reversals of impairments	1,216	52,737	1,944	-	-	-	-	-	**55,897**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Reclassifications	-	18,711	-	(26,822)	7,511	-	605	(5)	**-**
Disposals / derecognition	-	-	-	-	(3,913)	-	-	-	**(3,913)**
Valuation/gross cost at 31 March 2022	**94,836**	**343,250**	**14,777**	**14,727**	**87,896**	**121**	**22,545**	**3,665**	**581,817**
Accumulated depreciation at 1 April 2021 - brought forward	**-**	**4,186**	**76**	**-**	**61,142**	**121**	**14,006**	**3,277**	**82,808**
Provided during the year	-	10,045	337	-	5,042	-	2,647	150	**18,221**
Revaluations	-	(8,974)	(304)	-	-	-	-	-	**(9,278)**
Disposals / derecognition	-	-	-	-	(2,728)	-	-	-	**(2,728)**
Accumulated depreciation at 31 March 2022	**-**	**5,257**	**109**	**-**	**63,456**	**121**	**16,653**	**3,427**	**89,023**
Net book value at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**-**	**5,892**	**238**	**492,794**
Net book value at 1 April 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**-**	**7,934**	**393**	**454,198**

Note 16.2 Property, plant and equipment - 2020/21

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**95,749**	**302,957**	**12,645**	**25,761**	**77,559**	**121**	**14,401**	**3,635**	**532,828**
Additions	-	-	-	33,499	2,084	-	7,539	-	**43,122**
Impairments	-	(38,967)	-	-	-	-	-	-	**(38,967)**
Reversals of impairments	8,292	4,326	1,004	-	-	-	-	-	**13,622**
Revaluations	-	(11,890)	(528)	-	(158)	-	-	-	**(12,576)**
Reclassifications	(8)	34,958	16	(40,735)	5,734	-	-	35	**-**
Disposals / derecognition	-	-	-	-	(1,023)	-	-	-	**(1,023)**
Valuation/gross cost at 31 March 2021	**104,033**	**291,384**	**13,137**	**18,525**	**84,196**	**121**	**21,940**	**3,670**	**537,006**
Accumulated depreciation at 1 April 2020 - as previously stated	**-**	**6,152**	**312**	**-**	**58,212**	**121**	**13,669**	**3,105**	**81,571**
Provided during the year	-	9,924	292	-	4,084	-	337	172	**14,809**
Revaluations	-	(11,890)	(528)	-	(158)	-	-	-	**(12,576)**
Disposals / derecognition	-	-	-	-	(996)	-	-	-	**(996)**
Accumulated depreciation at 31 March 2021	**-**	**4,186**	**76**	**-**	**61,142**	**121**	**14,006**	**3,277**	**82,808**
Net book value at 31 March 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**-**	**7,934**	**393**	**454,198**
Net book value at 1 April 2020	**95,749**	**296,805**	**12,333**	**25,761**	**19,347**	**-**	**732**	**530**	**451,257**

Note 16.3 Property, plant and equipment financing - 2021/22

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022								
Owned - purchased	94,836	271,032	14,668	14,618	22,952	5,892	238	**424,236**
Finance leased	-	241	-	-	-	-	-	**241**
On-SoFP PFI contracts and other service concession arrangements	-	52,764	-	-	-	-	-	**52,764**
Owned - donated/granted	-	13,956	-	109	1,488	-	-	**15,553**
NBV total at 31 March 2022	**94,836**	**337,993**	**14,668**	**14,727**	**24,440**	**5,892**	**238**	**492,794**

Note 16.4 Property, plant and equipment financing - 2020/21

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021								
Owned - purchased	104,033	219,674	13,061	18,125	20,281	7,934	393	**383,501**
Finance leased	-	1,497	-	-	-	-	-	**1,497**
On-SoFP PFI contracts and other service concession arrangements	-	53,913	-	-	-	-	-	**53,913**
Owned - donated/granted	-	12,114	-	400	2,773	-	-	**15,287**
NBV total at 31 March 2021	**104,033**	**287,198**	**13,061**	**18,525**	**23,054**	**7,934**	**393**	**454,198**

Note 17 Donations of property, plant and equipment

The Trust has received donation of £1,006k in the year
- £340k donation of physical goods for construction of property from CW+.
- £102k donation of physical plant and equipment received from DHSC.
- £564k cash donation, including £276k for building construction (various), £231k for development of intangibles (various) and £57k for plant and equipment (CW+).

Note 18 Revaluations of property, plant and equipment

The Trust instructed Montagu Evans to carry out a revaluation of its property portfolio as at 31 December 2021. The revaluation was predominantly based on modern equivalent asset values using the alternative site approach where appropriate. This exercise resulted in an increase in the value of the relative assets of £34.9m, this represents £31.0m reversal of impairment charged to the I&E and £3.9m increase in revaluation reserves in accordance with the Trust's accounting policies and NHS Improvement guidance.

Note 19 Investments in associates and joint ventures

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**-**	**2,185**	**-**	**2,185**
Share of (loss)/profit	-	357	-	357
Disposals	-	(2,542)	-	(2,542)
Carrying value at 31 March	**-**	**-**	**-**	**-**

The joint venture, Sphere, owned by the Trust and Royal Marsden Hospital was dissolved as at 31 March 2021. At the time of termination the Trust had recognised £2.5m in profit sharing.

Note 20 Other investments / financial assets (non-current)

	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**5,774**	**1,357**	**5,774**	**1,357**
Movement in fair value through OCI	(5,386)	4,416	(5,386)	4,416
Carrying value at 31 March	**387**	**5,774**	**387**	**5,774**

The Trust recognises Sensyne Health PLC shares as Fair Value through OCI. As at 31 March 2022 and 31 March 2021 the Trust recognised the shares at the AIM listed valuation.

Note 21 Inventories

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Drugs	4,001	3,778	4,001	3,778
Consumables	4,594	8,965	4,594	8,965
Energy	88	138	88	138
Other	79	79	79	79
Total inventories	**8,762**	**12,960**	**8,762**	**12,960**

Inventories recognised in expenses for the year were £71,844k (2020/21: £65,701k). Write-down of inventories recognised as expenses for the year were £548k (2020/21: £1,232k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2021/22 the Trust received £1,746k of items purchased by DHSC (2020/21: £6,774k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 22.1 Receivables

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Current				
Contract receivables	37,762	39,164	37,762	39,164
Allowance for impaired contract receivables / assets	(8,143)	(8,493)	(8,143)	(8,493)
Allowance for other impaired receivables	(310)	(453)	(310)	(453)
Prepayments (non-PFI)	3,791	5,856	3,791	5,856
Interest receivable	76	-	76	-
PDC dividend receivable	1,156	269	1,156	269
VAT receivable	1,524	1,924	1,524	1,924
Other receivables	3,808	6,977	3,808	6,977
Total current receivables	**39,664**	**45,244**	**39,664**	**45,244**
Non-current				
Other receivables	1,322	1,933	1,322	1,933
Total non-current receivables	**1,322**	**1,933**	**1,322**	**1,933**
Of which receivable from NHS and DHSC group bodies:				
Current	14,150	13,866	14,150	13,866
Non-current	1,322	1,933	1,322	1,933

Following the application of IFRS 15 from 1 April 2018, the Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. The primary changes in the reduction in contract receivables relates to cash collection in year and changes for marginal rate for over performance.

Non-current receivables includes Clinician Pension tax of £1.3m (2020/21 £1.9m) provided by NHSE, using information provided by the Government Actuaries Department and NHS Business Services Authority. A separate provision is recognised in Payables.

Note 22.2 Allowances for credit losses - 2021/22

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2021 - brought forward	**8,493**	**453**	**8,493**	**453**
New allowances arising	3,509	203	3,509	203
Reversals of allowances	(1,773)	(346)	(1,773)	(346)
Utilisation of allowances (write offs)	(2,086)	-	(2,086)	-
Allowances as at 31 Mar 2022	**8,143**	**310**	**8,143**	**310**

The total balance for allowances contract credit losses includes £3,020k for Overseas patients credit losses (2020/21 £3,769k), £1,609k for NHS (2020/21 £1,277k), £1,374k for Local Authorities (2020/21 £1,073k), £349k for Private Patient (2020/21 £189k), £1,324k for Road Traffic Accident (RTA) (2020/21 £1,407k), and £468k for Others (2020/21 £778k). Each year the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the RTA income, for 2021/22 this figure is 23.76%. The total balance for allowances for non-contract credit losses is for salary overpayment of £310k.

Amounts written off in the year that are still subject to enforcement activity is zero.

Note 22.3 Allowances for credit losses - 2020/21

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2020 - as previously stated	**9,691**	**446**	**9,691**	**446**
Allowances as at 1 Apr 2020 - restated	**9,691**	**446**	**9,691**	**446**
New allowances arising	746	7	746	7
Reversals of allowances	(616)	-	(616)	-
Utilisation of allowances (write offs)	(1,328)	-	(1,328)	-
Allowances as at 31 Mar 2021	**8,493**	**453**	**8,493**	**453**

Note 23 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
At 1 April	**141,646**	**117,161**	**141,646**	**117,161**
Net change in year	11,171	24,485	7,971	24,485
At 31 March	**152,817**	**141,646**	**149,617**	**141,646**
Broken down into:				
Cash at commercial banks and in hand	3,240	49	3,240	49
Cash with the Government Banking Service	149,577	141,597	146,377	141,597
Total cash and cash equivalents as in SoFP	**152,817**	**141,646**	**149,617**	**141,646**
Total cash and cash equivalents as in SoCF	**152,817**	**141,646**	**149,617**	**141,646**

Note 24 Trade and other payables

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Current				
Trade payables	14,607	14,390	14,607	14,390
Capital payables	6,362	8,294	6,362	8,294
Accruals	63,621	62,257	63,621	62,257
Social security costs	5,441	5,052	5,441	5,052
VAT payables	-	-	-	-
Other taxes payable	5,466	4,772	5,466	4,772
Other payables	9,152	8,397	9,152	8,397
Total current trade and other payables	**104,649**	**103,162**	**104,649**	**103,162**
Of which payables from NHS and DHSC group bodies:				
Current	11,351	15,339	11,351	15,339

Note 25 Other liabilities

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Current				
Deferred income: contract liabilities	20,203	22,173	20,203	22,173
Deferred grants	-	149	-	149
Total other current liabilities	**20,203**	**22,322**	**20,203**	**22,322**

Note 26.1 Borrowings

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Current				
Loans from DHSC	3,764	3,771	3,764	3,771
Other loans	1,347	1,315	1,347	1,315
Obligations under finance leases	32	30	32	30
Obligations under PFI, LIFT or other service concession contracts	1,491	1,494	1,491	1,494
Total current borrowings	**6,634**	**6,610**	**6,634**	**6,610**
Non-current				
Loans from DHSC	40,831	44,504	40,831	44,504
Other loans	5,707	7,049	5,707	7,049
Obligations under finance leases	186	218	186	218
Obligations under PFI, LIFT or other service concession contracts	27,221	28,619	27,221	28,619
Total non-current borrowings	**73,945**	**80,390**	**73,945**	**80,390**

The Trust has four loans outstanding at the end of the financial year. Three loans are from the Department of Health and Social Care and comprise of one working capital loan and two separate capital investment loans. The working capital loan balance at the end of the year is £31.1m with an interest rate of 1.8%. The capital investment loans have balances of £5.5m, with an interest rate of 1.46%, and £7.8m, with an interest rate of 2.2%.
In 2018/19 the Trust took out a further loan with Natwest Plc for £10.9m, with an interest rate of 2.44% to purchase the Maternity Modular building on the West Middlesex Site. The outstanding loan at end of year is £7.0m.

Note 26.2 Reconciliation of liabilities arising from financing activities (Group)

Group - 2021/22	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2021	**48,275**	**8,364**	**248**	**30,113**	**87,000**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,310)	(30)	(1,372)	**(6,385)**
Financing cash flows - payments of interest	(860)	(191)	(15)	(2,063)	**(3,129)**
Non-cash movements:					
Application of effective interest rate	853	191	15	2,034	**3,093**
Carrying value at 31 March 2022	**44,595**	**7,054**	**218**	**28,712**	**80,579**

Group -2020/21	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2020	**51,958**	**9,644**	**276**	**31,562**	**93,440**
Prior period adjustment	-	-	-	-	**-**
Carrying value at 1 April 2020 - restated	**51,958**	**9,644**	**276**	**31,562**	**93,440**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,278)	(28)	(1,252)	**(6,231)**
Financing cash flows - payments of interest	(925)	(225)	(17)	(2,570)	**(3,737)**
Non-cash movements:					
Application of effective interest rate	915	223	17	2,373	**3,528**
Carrying value at 31 March 2021	**48,275**	**8,364**	**248**	**30,113**	**87,000**

Note 26.3 Reconciliation of liabilities arising from financing activities

Trust - 2021/22	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2021	**48,275**	**8,364**	**248**	**30,113**	**87,000**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,310)	(30)	(1,372)	**(6,385)**
Financing cash flows - payments of interest	(860)	(191)	(15)	(2,063)	**(3,129)**
Non-cash movements:					
Application of effective interest rate	853	191	15	2,034	**3,093**
Carrying value at 31 March 2022	**44,595**	**7,054**	**218**	**28,712**	**80,579**

Trust - 2020/21	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2020	**51,958**	**9,644**	**276**	**31,562**	**93,440**
Prior period adjustment	-	-	-	-	**-**
Carrying value at 1 April 2020 - restated	**51,958**	**9,644**	**276**	**31,562**	**93,440**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,673)	(1,278)	(28)	(1,252)	**(6,231)**
Financing cash flows - payments of interest	(925)	(225)	(17)	(2,570)	**(3,737)**
Non-cash movements:					
Application of effective interest rate	915	223	17	2,373	**3,528**
Carrying value at 31 March 2021	**48,275**	**8,364**	**248**	**30,113**	**87,000**

Note 27 Finance leases

Note 27.1 Chelsea and Westminster NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Gross lease liabilities	**266**	**310**	**266**	**310**
of which liabilities are due:				
- not later than one year;	45	45	45	45
- later than one year and not later than five years and	178	178	178	178
- later than five years.	43	87	43	87
Finance charges allocated to future periods	(48)	(62)	(48)	(62)
Net lease liabilities	**218**	**248**	**218**	**248**
of which payable:				
- not later than one year;	32	30	32	30
- later than one year and not later than five years and	145	138	145	138
- later than five years.	41	80	41	80

The Trust had one finance lease arrangement during 2021/22, its MRI building (2020/21 1 arrangement). The outstanding period for this lease is 6 years.

Note 28.1 Provisions for liabilities and charges analysis (Group)

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2021	**1,467**	**1,030**	**1,046**	**-**	**9,259**	**12,802**
Arising during the year	122	58	598	336	14,492	**15,606**
Utilised during the year	(169)	(65)	(212)	-	(1,299)	**(1,745)**
Reversed unused	(101)	(10)	(419)	-	(4,798)	**(5,328)**
At 31 March 2022	**1,319**	**1,013**	**1,013**	**336**	**17,654**	**21,335**
Expected timing of cash flows:						
- not later than one year;	170	66	1,013	336	11,039	**12,624**
- later than one year and not later than five years and	680	263	-	-	4,579	**5,522**
- later than five years.	469	684	-	-	2,036	**3,189**
Total	**1,319**	**1,013**	**1,013**	**336**	**17,654**	**21,335**

Pensions; early departure and Injury benefits. The Trust is responsible for meeting additional costs arising from early departure and injury benefits awards in respect of claims made by employees. The amount disclosed here is discounted to their present value.

Legal claims; this relates to employment tribunals. The amount provided will be subject to tribunal outcomes.

Redundancy; this relates to specific staff, the rate provided are at normal statutory rates.

Other provisions include Contractual disputes, this relate to challenges from Commissioners on pricing, charging and penalties of £3,563k (2020/21 £425k), NHS Resolution LTPS Claims of £86k (2020/21 £88k); Dilapidations £1,468k (2020/21 £1,512k); Contractual pay claims £384k (2020/21 £815k): Clinician pension tax £1,340k (2020/21 £1,933k); Liability for Sphere Joint Venture £2,080k (2020/21 £2,080k); Outsourced record management £3,826k and other Contractual claims £2,407k (2020/21 £2,407k).

Note 28.2 Provisions for liabilities and charges analysis (Trust)

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2021	**1,467**	**1,030**	**1,046**	**-**	**9,259**	**12,802**
Arising during the year	122	58	598	336	14,492	**15,606**
Utilised during the year	(169)	(65)	(212)	-	(1,299)	**(1,745)**
Reversed unused	(101)	(10)	(419)	-	(4,798)	**(5,328)**
At 31 March 2022	**1,319**	**1,013**	**1,013**	**336**	**17,654**	**21,335**
Expected timing of cash flows:						
- not later than one year;	170	66	1,013	336	11,039	**12,624**
- later than one year and not later than five years;	680	263	-	-	4,579	**5,522**
- later than five years.	469	684	-	-	2,036	**3,189**
Total	**1,319**	**1,013**	**1,013**	**336**	**17,654**	**21,335**

Contractual disputes relate to challenges from Commissioners on pricing, charging and penalties. Other provisions include NHS Resolution LTPS Claims of £86k (2020/21 £88k); Dilapidations £1,468k (2020/21 £1,512k); Contractual pay claims £384k (2020/21 £815k): Clinician pension tax £1,340k (2020/21 £1,933k); Redundancy £336k; Liability for Sphere Joint Venture £2,080k (2020/21 £2,080k); and other Contractual claims £2,407k (2020/21 £2,407k).

Note 28.3 Clinical negligence liabilities

At 31 March 2022, £715,185k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Chelsea and Westminster NHS Foundation Trust (31 March 2021: £445,921k).

Note 29 Contingent assets and liabilities

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	(45)	(40)	(45)	(40)
Net value of contingent liabilities	**(45)**	**(40)**	**(45)**	**(40)**

Note 30 Contractual capital commitments

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Property, plant and equipment	6,159	7,501	6,159	7,501
Intangible assets	571	65	571	65
Total	**6,730**	**7,566**	**6,730**	**7,566**

Note 31 On-SoFP PFI, LIFT or other service concession arrangements

Note 31.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Gross PFI, LIFT or other service concession liabilities	**44,412**	**51,108**	**44,412**	**51,108**
Of which liabilities are due				
- not later than one year;	3,352	3,770	3,352	3,770
- later than one year and not later than five years and	12,385	13,160	12,385	13,160
- later than five years.	28,675	34,178	28,675	34,178
Finance charges allocated to future periods	(15,700)	(20,995)	(15,700)	(20,995)
Net PFI, LIFT or other service concession arrangement obligation	**28,712**	**30,113**	**28,712**	**30,113**
- not later than one year;	1,491	1,494	1,491	1,494
- later than one year and not later than five years and	5,802	4,992	5,802	4,992
- later than five years.	21,419	23,627	21,419	23,627

Note 31.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**236,709**	**260,594**	**236,709**	**260,594**
Of which payments are due:				
- not later than one year;	14,598	15,025	14,598	15,025
- later than one year and not later than five years and	61,932	62,998	61,932	62,998
- later than five years.	160,179	182,571	160,179	182,571

Note 31.3 Analysis of amounts payable to service concession operator

The Trust paid £20.9m in the year which represents £5.9m in excess of the contractually committed amount. The Trust expects to incur a comparable spend in addition to the contractual liability presented above for 2021-22. Beyond 2022/23, it is not possible to easily estimate any variances to the contracted amount which might be incurred.

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
Unitary payment payable to service concession operator	**20,902**	**18,585**	**20,902**	**18,585**
Consisting of:				
- Interest charge	2,034	2,373	2,034	2,373
- Repayment of statement of financial position obligation	1,372	1,252	1,372	1,252
- Service element and other charges to operating expenditure	14,036	11,577	14,036	11,577
- Capital lifecycle maintenance	1,379	1,229	1,379	1,229
- Contingent rent	2,081	2,154	2,081	2,154
Total amount paid to service concession operator	**20,902**	**18,585**	**20,902**	**18,585**

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 2019/20. A new contract for soft facilities management services commenced in July 2019, which covers hotel services including building and cleaning. The PFI scheme transferred to the Trust on 1 September 2015 following the merger with West Middlesex University Hospital NHS Trust.

Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a finance lease and payments comprise imputed finance lease charges and service charges.

Note 32 Financial instruments

Note 32.1 Financial risk management

IAS 32 (Financial Instruments: Disclosure and Presentation), IAS 39 (Financial Instrument Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) require disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. The Trust does not have any complex financial instruments and does not hold or issue financial instruments for speculative trading purposes. Because of the continuing service provider relationship the Trust has with healthcare commissioners and the way those healthcare commissioners are financed, the Trust is not exposed to the degree of financial risk faced by non NHS business entities.

The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Liquidity Risk

The Trust's net operating costs are mainly incurred under legally binding contracts with commissioners, which are financed from resources voted annually by Parliament. This provides a reliable source of funding stream which significantly reduces the Trust's exposure to liquidity risk.

The Trust also manages liquidity risk by maintaining banking facilities and loan facilities to meet its short and long-term capital requirements through continuous monitoring of forecast and actual cash flows.

In addition to internally generated resources the Trust finances its capital programme through agreed loan facilities with the Independent Trust Financing Facility. The Trust has a working capital facility as at 31 March 2022 but has not drawn down against it.

Credit Risk

Credit risk exists where the Trust can suffer financial loss through default of contractual obligations by a customer of counterparty.

The policy reflects the position on the causes of debt, the implications of compliance and the need to identify trading counterparties correctly and the varied level of risk associated with them along with the requirement to maintain an adequate bad debt provision. The Trust maintains a bad debt provision rule set which is flexible and reflects the monthly movements on the sales ledger, however it also requires that a line by line review of items to be provided is carried out regularly.

Trade debtors consist of high value transaction with NHS England and 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 22.

Interest rate risk

The Trust's borrowings comprise fixed rate loans or interest free loans; the Trust is not therefore exposed to interest rate risk.

Note 32.2 Carrying values of financial assets (Group)

IFRS 9 Financial Instruments is applied restrospectively from 1 April 2018. Comparative disclosure have been prepared under IAS 39 and the measurement categories is consistent to those in prior year.

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	33,175	-	-	**33,175**
Other investments / financial assets	-	-	387	**387**
Cash and cash equivalents	152,817	-	-	**152,817**
Total at 31 March 2022	**185,992**	**-**	**387**	**186,379**

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	37,195	-	-	**37,195**
Other investments / financial assets	-	-	5,774	**5,774**
Cash and cash equivalents	141,646	-	-	**141,646**
Total at 31 March 2021	**178,841**	**-**	**5,774**	**184,615**

The Trust recognises Sensyne Plc shares as Fair Value through OCI. As at 31 March 2022 the Trust recognised the shares at the AIM listed valuation.

Note 32.3 Carrying values of financial assets (Trust)

IFRS 9 Financial Instruments is applied restrospectively from 1 April 2018. Comparative disclosure have been prepared under IAS 39 and the measurement categories is consistent to those in prior year

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	33,175	-	-	**33,175**
Other investments / financial assets	-	-	387	**387**
Cash and cash equivalents	152,817	-	-	**152,817**
Total at 31 March 2022	**185,992**	**-**	**387**	**186,379**

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	37,195	-	-	**37,195**
Other investments / financial assets	-	-	5,774	**5,774**
Cash and cash equivalents	141,646	-	-	**141,646**
Total at 31 March 2021	**178,841**	**-**	**5,774**	**184,615**

The Trust recognises Sensyne Plc shares as Fair Value through OCI. As at 31 March 2022 the Trust recognised the shares at the AIM listed valuation.

Note 32.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	44,595	-	**44,595**
Obligations under finance leases	218	-	**218**
Obligations under PFI, LIFT and other service concession contracts	28,712	-	**28,712**
Other borrowings	7,054	-	**7,054**
Trade and other payables excluding non financial liabilities	88,442	-	**88,442**
Provisions under contract	5,701	-	**5,701**
Total at 31 March 2022	**174,722**	**-**	**174,722**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	48,275	-	**48,275**
Obligations under finance leases	248	-	**248**
Obligations under PFI, LIFT and other service concession contracts	30,113	-	**30,113**
Other borrowings	8,364	-	**8,364**
Trade and other payables excluding non financial liabilities	88,015	-	**88,015**
Provisions under contract	3,371	-	**3,371**
Total at 31 March 2021	**178,386**	**-**	**178,386**

Note 32.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	44,595	-	**44,595**
Obligations under finance leases	218	-	**218**
Obligations under PFI, LIFT and other service concession contracts	28,712	-	**28,712**
Other borrowings	7,054	-	**7,054**
Trade and other payables excluding non financial liabilities	88,442	-	**88,442**
Provisions under contract	5,701	-	**5,701**
Total at 31 March 2022	**174,722**	**-**	**174,722**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	48,275	-	**48,275**
Obligations under finance leases	248	-	**248**
Obligations under PFI, LIFT and other service concession contracts	30,113	-	**30,113**
Other borrowings	8,364	-	**8,364**
Trade and other payables excluding non financial liabilities	88,015	-	**88,015**
Provisions under contract	3,371	-	**3,371**
Total at 31 March 2021	**178,386**	**-**	**178,386**

Note 32.6 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
In one year or less;	103,842	101,236	103,842	101,236
In more than one year but not more than five years and	33,487	36,077	33,487	36,077
In more than five years.	61,005	70,714	61,005	70,714
Total	**198,334**	**208,027**	**198,334**	**208,027**

Note 32.7 Fair values of financial assets and liabilities

The book value of financial liabilities represents 88% of fair value. The difference is due to future interest costs for loan arrangements.
DH Loans book value £51,678k (fair value £58,852k), Commercial Loan book value £7,510k (fair value £7,971k), PFI book value £44,412k (fair value £60,112k) and finance lease book value £265k (fair value £312k)

Note 33 Losses and special payments

	2021/22		2020/21	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	-	-	26	16
Bad debts and claims abandoned	975	2,599	327	1,106
Stores losses and damage to property	27	547	26	1,065
Total losses	**1,002**	**3,146**	**379**	**2,187**
Special payments				
Ex-gratia payments	34	51	35	120
Total special payments	**34**	**51**	**35**	**120**
Total losses and special payments	**1,036**	**3,197**	**414**	**2,307**
Compensation payments received		39		42

Losses and special payments are charged to the relevant headings on an accrual basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risk.

There was no individual case over £300k in the year (2020/21, 1 case where there was £515k of Trust purchased PPE consumables in quarantine, whilst the quality was assessed and are thus not available stock).

Note 34 Related parties

The Trust is a public benefit corporation and has been authorised pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003. The Department of Health and Social Care is the parent department.

During the year an entity (Travill Construction Ltd) related to a Trust Board member had transactions with the Trust to the value of £31k (£388k 2020/21); an entity (Cerner Limited) related to a Trust Board member had transactions with the Trust to the value of £893k.

During the year the Trust has had a significant number of material transactions with the following Whole Government bodies:
– NHS England
– NHS Clinical Commissioning Groups
– NHS Foundation Trusts
– NHS Trusts
– Department of Health and Social Care
– Health Education England
– NHS Pension Scheme
– NHS Property Services
– Local Authorities
– Ministry of Defence

In addition to the above the Trust has a number of transactions with CW+ (the official charity partner of the Trust) and Imperial College Health Partners {Academic Health Science Network for North West London} (ICHP).

	2021/22	2020/21
CW+	**£000s**	**£000s**
Receivables	72	63
Payables	1	0
Income	1,200	1,631
Expenditure	94	49
ICHP	**£000s**	**£000s**
Receivables	801	274
Payables	0	0
Income	3,159	2,560
Expenditure	97	57

Note 35 Events after the reporting date

None

- end -

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