



**Central and
North West London**
NHS Foundation Trust



**Annual Report
and Accounts
2017-18**

Central and North West London NHS Foundation Trust

Annual Report and Accounts 2017-18

Presented to Parliament pursuant to Schedule 7,
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Performance report

Overview of performance

Chair and Chief Executive's statement

In a year in which the NHS has rarely been out of the headlines for its financial woes, it's been good to have something to celebrate – the 70th anniversary of the NHS; many happy returns.

We have been working in the NHS for many years and during this time have seen many changes, though we have never known such tight times financially.

As a Trust, we have risen to the various challenges thrown our way, continuing to deliver more care for less to around 300,000 people across a variety of services, and we have met our financial target set centrally for all NHS organisations. For this we have to salute our staff for all they do all the time.

It would be remiss of us not to mention Grenfell Tower in this context. This was an appalling and challenging event that will touch the surrounding community for decades to come.

It has been deeply personal for many staff who rose to the occasion in setting up services to provide the immediate support and long term care many people needed. We are so proud of the team and humbled by the community's inner strength.

We have reached a point where, nationally, the importance of good mental health is increasingly recognised. For example, we launched a new perinatal mental health service for residents living in/registered with a GP in the London boroughs of Kensington and Chelsea, Westminster, Hillingdon, Brent and Harrow.

We also received the green light to build and develop a new inpatient unit for adolescents with mental health difficulties in North West London at the Centre for Mental Health in South Kensington, next to Chelsea and Westminster Hospital. This new development comes from the innovative work by the North West London CAMHS New Models of Care programme, which is made up of West London Mental Health NHS Trust and CNWL.

We have achieved much – in spite of rising demand and this has been recognised by the CQC, which has rated CNWL 'Good' after a number of re-inspections since June 2015 when the Trust was rated 'Requires Improvement'. The CQC acknowledged the hard work of the staff that brought the improvement. Our inpatient service for people with a Learning Disability is also now officially 'outstanding', joining our other 'outstanding' ratings in Sexual Health and for 'caring' staff.

This report is very good news for patients, particularly in mental health services, and it's good to see.

Another key area of work for us is to improve access to physical health services for people with mental health issues. The inequality of life expectancy between this group and the rest of the population is not acceptable and is a priority at national level as well as for us in CNWL – and we are making real progress in providing health checks to all our patients. We are also tackling waiting times for children's mental health services – with a pilot showing that we can meet the standards through redesign of services. This will be rolled out to other areas.

We have put in place a strategy around suicide and seen suicide in prisons and immigration removal centres reduced by over 50%. This follows concerns that prior to this, the numbers of suicides had been rising.

We have continued to win addictions contracts, including returning to Hounslow after four years, and seen the rollout of community sexual health services across Surrey.

We are working in partnership to provide integrated models of care with other providers, local authorities and commissioning groups all over our patch. This includes the integrated model in Hillingdon, support to developing programmes in NWL, the Community Independence Service also in NWL and a Home 1st Service in Milton Keynes.

This reflects the importance of the Five Year Forward View, of which the core is partnership and new ways of working with others.

We have made great strides with our workforce, including reducing our use of temporary staff to the level set for us, while recruitment is up, indicating that CNWL is an organisation that people want to work for.

Last year spoke of the start of 'Quality Improvement' QI. This is a proven methodology for working with staff and patients throughout the Trust to identify and deliver improvement in how we deliver care. This has been a feature of our work and transformation this year.

This is not to say that we are always getting it right; things do go wrong; outcomes are not always achieved and sometimes we fail to meet the high standards we set ourselves. We like to make sure we learn from what has not gone well, reflecting on what we could have done better so other people can benefit.

We know that there will be further challenges ahead, and difficult decisions about what we can, and cannot do.

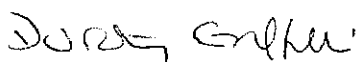
The skills of our staff and services continue to be recognised through awards, accreditations and scholarships from prestigious organisations. We thank them for their continued hard work, dedication and achievements.

We also thank all our Governors who whilst formally appointed are all volunteers; they provide invaluable skilled insight to our work.

Finally, we thank those who are the reason we are here and whose needs must form the very centre of all we do - our patients and their families.



Claire Murdoch
Chief Executive
25 May 2018



Professor Dorothy Griffiths OBE
Chair
25 May 2018

Lead Governor's statement

I am honoured to be Lead Governor of CNWL.

As Governors, our mission is to understand and communicate the views of our members, and I have always found the Trust to be an organisation that welcomes these views - listens and responds - whether these are views from our new Governors or longer-standing ones.

I am particularly pleased that CNWL has achieved a well-deserved 'good' rating from the CQC. The Governors had discussed the progress towards this achievement at every meeting; and so, were involved throughout the journey. I would add the thanks of all the Governors to the staff for their determination to improve and achieve the well-deserved good rating.

I am also pleased to have seen our physical health services, especially in the community, have achieved so much and have helped the whole health economy; this type of work is where the future of the NHS lies and the Governors are fully involved and support it.

Our voice is important in ensuring that members' views are communicated to CNWL - we use these opportunities to voice our members' views on how the Trust can improve the quality of healthcare services for those who need them. With the strong input of our Governors, I believe the Trust is able to develop services that meet the needs of the population as well as they do.

It goes without saying that the NHS has been through an even more challenging time this year than the previous years. As we approach the 70th anniversary of the NHS, the coming year is likely to be even tougher. However, we have made progress this year and we will continue to work with the Trust to make sure this progress continues and are under no illusion about the challenges ahead.

We have made suggestions for next year, particularly relating to the three Sustainability and Transformation Projects (STPs) the Trust is involved in. These are here to stay and it is our job as the Governors to guarantee that these match the needs of the populace and I am pleased with the progress we have made thus far.

CNWL remains focused on quality and the Governors have been involved in developing the Quality Priorities for this coming year. We are pleased that divisional structures mean that the areas are more locally responsible without adverse impact on the quality - as a Trust we promote things being local because community involvement makes the NHS better.

I would like to thank all the Governors for their continued commitment and our Chair, Professor Dorothy Griffiths OBE, who has led the Council of Governors so effectively this year.

We're listening; if you have any comments, ideas and feedback the Governors can, as always, be contacted at: governors.cnwl@nhs.net

Councillor Ketan Sheth
Lead Governor

Strategic report

1 CNWL – our purpose and activities:

CNWL is a large community facing Trust, caring for people with a wide range of physical and mental health needs in a variety of settings (hospitals, clinics, schools, homes, prisons) for every age. We are the eighth largest provider of mental health and community care in England, rated by income.

We have 6,980 staff providing a range of mental health, community, learning disability, substance misuse, sexual health, dentistry and specialised services to a population of around three million in the South East of England, including in North West London, Surrey, Kent, Milton Keynes and Buckinghamshire, treating around 300,000 people either in the community or as inpatients.

During 2017-18 we were rated as 'Good' by the CQC, 'Outstanding' for Learning Disability and Sexual Health services, and our care 'Outstanding'.

CNWL's services are mainly within three of the 44 regional Sustainability and Transformation Programmes (STPs) for England. STPs are catchments or 'footprints' within which all the health and social care community needs to work together with shared objectives and shared financial goals. A major challenge for CNWL in 2017-18, as an organisation, and within our STP areas, is reaching the financial target or 'control total' set by NHS Improvement, one of our governing bodies. We are committed to this, but only where it will not reduce the quality and safety of our services.

In our plan for 2017-19 we set out four Trust objectives for the next two years, each led by an Executive Director. These are Quality, Financial efficiency, Workforce and Partnership. During the year delivery of these objectives has been developed with the nine priority workstreams to be cascaded throughout the organisation from Q4 2017-18 and into the next year. These priorities will provide greater understanding and visibility of what matters to CNWL, from the Board to the frontline and back again. They provide the framework to deliver CNWL's vision, values and objectives as set out in the previous plan. They are grounded in the Five Year Forward View which will shape the NHS to 2021 and beyond.

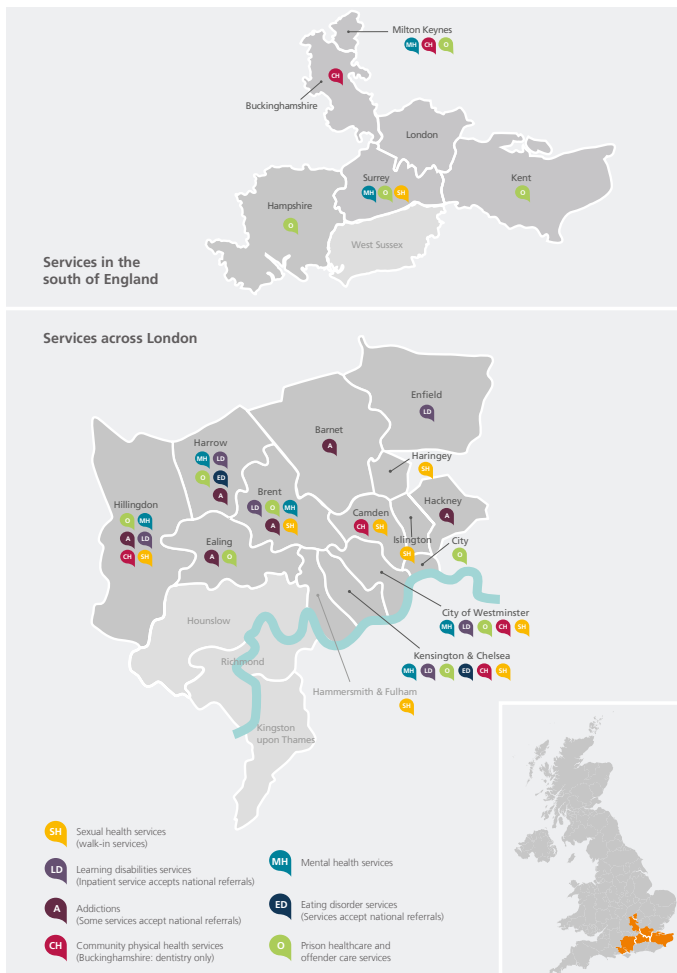


Table 1 –Summary of CNWL vision, values, objectives and priorities:

Five Year Forward View triple aim	
Quality of Care	
Population Health	
Value and Financial Sustainability	
Our Vision	
Wellbeing for life: We work in partnership with local people to improve their health and wellbeing. Together we look at ways of improving an individual's quality of life, through high quality health and social care, and personal support.	
Our Values	
Compassion	Empowerment
Respect	Partnership
Our four Trust objectives for 2017-18 -2018-19	
Quality	Workforce
Partnership and Business Development	Finance and Efficiency
Nine priority workstreams against our four Trust objectives	
Quality	
1. To develop our approach to quality improvement and quality assurance	
2. To improve care pathways and reduce unwarranted variation	
3. To improve patient and carer involvement	
Finance and efficiency	
4. To achieve required savings and ensure value for the money we spend	
5. To improve our corporate services to enable colleagues to work productively	
Workforce	
6. To improve staff engagement	
7. To improve recruitment and retention Partnerships and business development	
8. To develop and grow sustainable services	
9. To take a full part in planning partnerships and new organisational models	

1.2 Meeting the needs of the population

London's population is expected to exceed nine million by 2021 and to be almost 10 million by 2031(ONS). The biggest rise in population across the UK is forecast to be in the over-65 age group. Around 3.3 million of London's population are black and minority ethnic (BAME) and 4.9 million are white.

There are very different levels of wealth and deprivation in CNWL's patch, which we must consider in designing services with local people. Deprivation – with its proven impact on children and longer-term health - is worse than the English average in the boroughs of Westminster, Kensington and Chelsea, Camden, and Brent. Milton Keynes shows a mixed picture – less deprivation and long term-unemployment, but more violent crime and homelessness.

These pressures become more acute with rising numbers of people. The population across CNWL is projected to rise by 8% between 2014-15 to 2020/21. This is slightly higher than the London average at 7% over that period. However, growth across CNWL is uneven. Hillingdon and Milton Keynes will grow by 10% by 2021, while Kensington and Chelsea remains a borough with slow growth – just 2%.

Another factor for which we must plan and deliver services is age – whether that be old age or the needs of children and young people. In Milton Keynes, over 34% of the population is projected to be over 65 by 2021, followed by Kensington and Chelsea at 23%. This older population will require increasing levels of resource and integrated services.

Children and young people have their own health needs and can benefit most from prevention programmes – and we have very high growth in some areas, for example 15% in Hillingdon, followed by 13% in Harrow and Milton Keynes.

Turn to page 21 to read more about the Trust's equality and diversity initiatives.

1.3 Meeting national and local requirements:

Another aspect of our purpose is to deliver on national and local guidance and policy, including what our commissioners want from us.

The Mental Health Forward View:

This national strategy for England has made considerable progress and has gained in stature during 2017-18 – sitting at the centre of national planning guidance. In the last year we advanced a number of the aims of the plan including: establishment of four new perinatal services; changes to the commissioning of CAMHS beds to reduce out of area placements; increase of funding for crisis care liaison services in emergency departments; further funding for Individual Placement and Support Services (IPS) to support employment opportunities for people with mental health issues.

Next steps on the Five Year Forward View:

This builds on the Five Year Forward View (FYFV) 2014 discussed in our previous two plans. Core to the FYFV concept is partnership – one of our four priority areas. We set out our intention in the last report to develop new ways of working with others. We are well on our way to establishing formal accountable care partnerships in Hillingdon, and other North West London boroughs. We continue to support integrated work in Camden and, as above, in Milton Keynes.

The 'Next Steps' document was launched in 2016-17 but has been rolled out throughout 2017-18. It further develops the idea of placed-based Sustainability and Transformation Programmes (STPs).

STPs:

CNWL is engaged in three STPs:

- North West London (NWL)
- North Central London (NCL)
- Bedford, Luton and Milton Keynes (BLMK)

The move is towards STPs becoming legal entities, controlling local finance and performance as Integrated Care Systems (ICS). There are eight pilot ICSs and one of these is Bedford, Luton and Milton Keynes, where CNWL has services.

Brexit – and the increasing pressures on workforce

The Brexit vote was two years ago – 23 June 2016. However, the implications are still emerging. While some clarity in December 2017 around right to remain has provided some reassurance, there is an inevitable impact on new recruitment and retention.

1.5 Key issues and risks

These are identified in our corporate risk register – the highest level register of the Trust and it encompasses risk in delivering our objectives. For each of these, we have plans to manage the risk.

Area	Risk	Managing the risk
Maintaining and improving quality of services	Maintaining the quality of our services while managing the financial and workforce challenges.	Savings plans are checked for impact on quality (Quality Impact Assessment)
		We listen to our staff and patients
		We ensure our governance is strong
		Use of our 'Tableau' data access tool so we can see what we are doing right and wrong.
Workforce	Finding and retaining the right kind of staff	We have a workforce strategy based around the 3 'Rs' – Recruitment, Retention and Redesign
	Particular challenges in London because it is expensive to live there	This has already enabled us to reduce our spend on temporary staff to the target set for us by NHS Improvement - £19m – and we are on track for further reduction next year
	Patients consistently report that they feel safer and more cared for by permanent staff than by temporary provision	We have increased the number of permanent staff and reduced temporary provision, in line with patient feedback
	Brexit - 7% of CNWL staff are EU citizens.	The Government announced in December 2017 that EU citizens living lawfully here before the UK's exit from the EU will be able to stay.
Partnership and governance	Working in partnership is important for improved patient experience. However the regulatory framework around each organisation is not always compatible with joint objectives and pooled resources. This risks barriers being left in place to integration of care.	Our approach is to build trust with partners, and on this basis a lot can be achieved for patient care, in spite of the regulatory challenges which we all face.
		CNWL is engaged in discussion around the legal barriers to partnership and what constructive measures can be taken to address these.

Area	Risk	Managing the risk
Financial health and viability	In 2017-18, we found 6% savings through a rigorous cost reduction programme and one-off savings in-year	We have a robust financial plan in place
	We have another 6% to find next year	Each area of the Trust has its own savings target and plans which are scrutinised at least each month – more often where savings are not being made
	Capital is severely limited across the NHS	The Finance and Savings Groups meets each month to review savings in all areas and report to the Board
	But if we do not achieve our savings target, we will lose important funding for our capital programme including building maintenance.	We report each month to NHS Improvement.
ICT implementation of new clinical system	Much progress made to establish the platform for ICT roll out. Progress to a single patient record system is slow in some areas	There are monthly/weekly/daily and planned meetings between the provider and directors of the Trust
		The clinical engagement lead in place
	There are ongoing discussions with the provider around delivery and cost which must be resolved.	There is strong contract in place
		There are a number of successful implementation sites.

1.6 A brief history of CNWL and its statutory background:

2002: Central and North West London NHS Mental Health Trust was formed, following a merger of three mental health trusts covering the London boroughs of Brent, Kensington and Chelsea, Westminster and Harrow, and addiction services in west London.

2007: CNWL became a Foundation Trust in 2007 –Central and North West London NHS Foundation Trust. In the same year, Hillingdon Child, Family and Adolescent Consultation Service joined the Trust.

2009: Enfield Learning Disability Services joined CNWL.

2010 and 2012: CNWL took on primary care, mental health and substance misuse services within a range of prison services.

2011: CNWL integrated with community health services in Hillingdon (January) and sexual health services in Camden (April). This brought community services into CNWL and enhanced opportunities for integration of mental and physical healthcare for our patients.

2013: CNWL integrated with Milton Keynes community and mental health services (April).

2016: Community Independence Service joined CNWL.

2017: CNWL rated as 'Good' by the CQC.

1.7. Highlights of our achievements:

- The CQC found us to be 'Good' overall and 'Outstanding' in many areas including our care
- We have progressed our work to improve physical and mental health
- We have put in place a strategy around suicide and seen suicide in prisons and immigration removal centres reduced by over 50%
- We are also tackling waiting times for children's mental health services – with a pilot showing that we can meet the standards through redesign of services. This will be rolled out to other areas
- We have managed to reduce use of extra contractual referrals (ECRs) i.e. use of beds outside CNWL where ours are full
- We have reduced use of avoidable restraint by 25% compared with the same period in 2016-17 (April to January).
- We are working in partnership to provide integrated models of care with other providers, local authorities and commissioning groups all over our patch. This includes the integrated model in Hillingdon, support to developing programmes in NWL, the Community Independence Service also in NWL and a pilot in Milton Keynes
- We have made great strides with our workforce, including reducing our use of temporary staff to the level set for us of £19m.

Performance analysis

How the Trust measures performance

CNWL has developed a suite of KPIs in consultation with staff at all levels in the organisation that cover quality and safety measures as well as those KPIs outlined in the Single Oversight Framework. We have made advances in making information and performance available to Staff, teams, Committee and Board through the use of our online Business Intelligence Tool, Tableau. This has given staff throughout the Trust access to dashboards, scorecards, reports and raw data extracts as well as bespoke reporting, trending and benchmarking both internally and externally, all of which are refreshed on a daily basis.

Tableau looks at trends over time and can identify areas of ongoing under-performance or areas that may need some improvement and support to maintain performance. This aids strategic decision making and empowers staff to manage day-to-day services at an operational level.

Single Oversight Framework

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

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

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

Segmentation

The Trust has been placed by NHS Improvement under segmentation one. NHSI in its capacity as Monitor have not taken any regulatory action. They have advised that the rating reflects the CQC rating of 'good'. The Trust has a programme of work to address all remaining CQC concerns.

This segmentation information is CNWL's position as at 31 March 2018. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects

the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2017-18 scores				2016-17 scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	1	3	4	4	1	3
	Liquidity	1	2	2	2	1	3
Financial efficiency	I&E margin	1	3	4	4	1	3
Financial controls	Distance from financial plan	1	1	1	2	1	1
	Agency spend	1	1	1	1	2	2
Overall scoring		1	2	3	3	1	2

Financial performance

The Annual Accounts have been prepared under an accounts direction issued by NHS Improvement under the National Health Service Act 2006. After making enquiries, the Directors have reasonable expectation that CNWL has adequate resource to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the accounts.

The Trust closed on a deficit of £7.4m against a planned surplus of £3m. The variance was largely as a result of an impairment of Intangible Assets (£14.1m) following the revaluation of the Infrastructure Assets which came into use this year. The impact of this impairment was partly offset by the STF Funding received by the Trust which was £3m greater than plan.

Financial Performance	2017-18	
	Actual	Plan
	£m	£m
Surplus/(Deficit)	(7.4)	3.3
Gain on sale of Assets	0.7	0.0
STF Funding Core	3.3	3.3
STF Bonus and Incentive	3.0	0.0
Impairment	(14.1)	0.0
Underlying Surplus/Deficit for year	0.3	0.0

The Trust has submitted a plan for 2018-19 with a surplus of £2.3m, including £4.1m of STF funding for meeting our control total and £5.0m impairment of intangible assets. £0.5m of surplus is planned through asset sales. The Board is acutely aware of the need to ensure very tight financial control and to work with commissioners to redesign services to achieve an affordable model for the future. The Trust still has to save £20.9m to achieve its planned position.

Quality reporting targets

As agreed through consultation, the Quality Account for 2017-18 set out two quality priorities focussing on 'patient and carer involvement' and 'staff engagement'.

These were:

1. Patients and carers feeling involved, supported and taking ownership of the decisions about their care.
2. A workforce which is committed, well-trained, well-supported, and above all, engaged.

We achieved our quality priority indicators. The detail is summarised in the diagram below:

Patient and carer involvement			
Measure	Method	Target	Outcome
1. Patients report feeling involved as much as they wanted to be in decisions about their care or treatment	Patient survey	Minimum 85%	95%
2. Patient report that their care or treatment helped them to achieve what matters to them	Patient survey	Minimum 85%	95%

Staff engagement			
Measure	Method	Target	Outcome
Staff recommend the Trust as a place to work	Staff FFT survey	70%	57%
Staff recommend the Trust as a place to receive care or treatment to a friend or relative	Staff FFT survey	70%	65%
Staff turnover	Internal database	15%	16%

We have completed a wide consultation programme and agreed our quality priorities for 2018-19 continue to be the same as those of 2017-18 to ensure further embedding of quality to 'patient and carer involvement' and 'staff engagement'.

Please see page 58 to view the full Quality Account for 2017-18.

Risk management and quality governance

The Trust's Risk Management Policy sets out CNWL's approach to risk. It defines structures for the management and ownership of risk, and explains the Trust's risk management processes. The development of local risk registers has served to promote awareness and understanding of the identification of risks and their management across the organisation.

Key to the effectiveness of risk management in the organisation is the Executive Board, comprising of all the Executive Directors. This membership recognises the importance and high profile of risk management in the organisation and facilitates senior ownership of the identification and management of risks on a continuing basis. This is important in ensuring that the Trust takes an integrated approach to governance and risk management issues.

Issues that are identified as constituting a significant risk are monitored by the Executive Board, with progress being reported to the Board of Directors at each meeting. Lower graded risks are managed by the relevant service line or directorate.

The Board has a Quality and Performance Committee chaired by a Non Executive Director, with Board [Executive and Non Executive Director] membership. A range of groups, with responsibility for monitoring areas of work relating to clinical quality and governance, report to this committee.

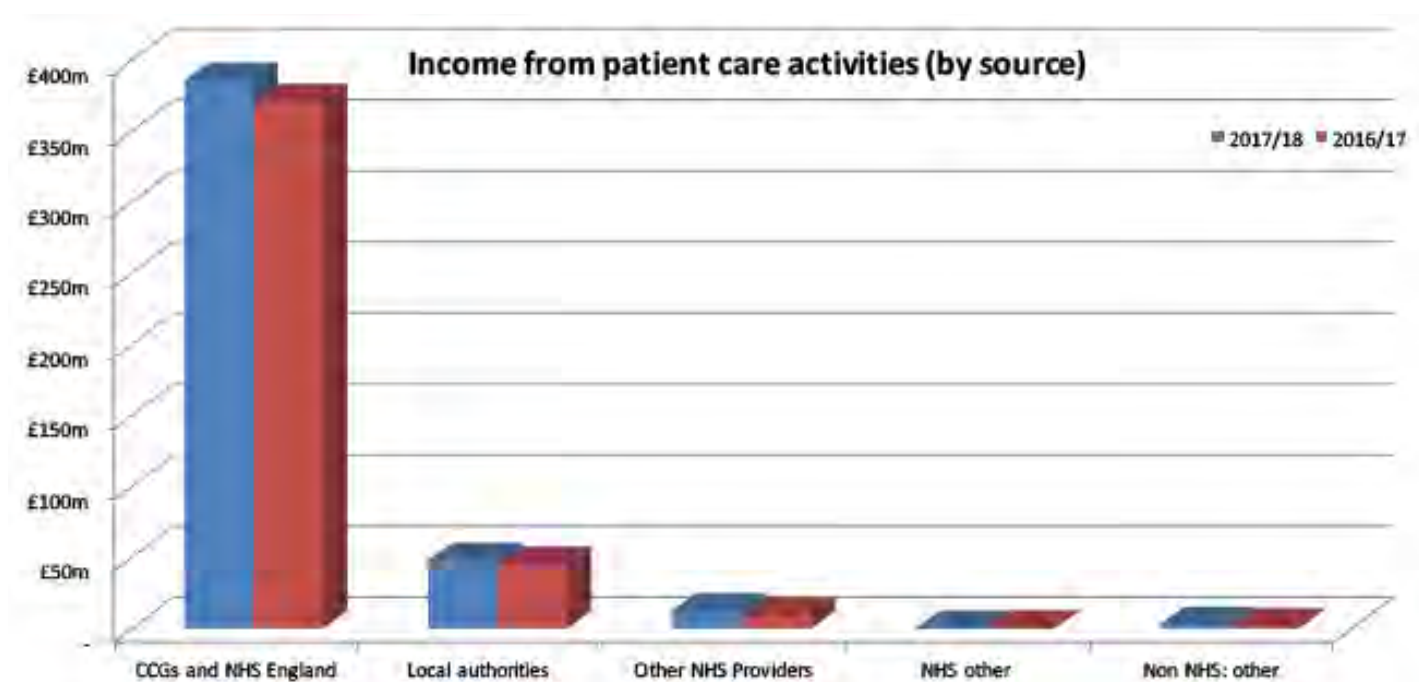
For information on principal risks and uncertainties see the Annual Governance Statement on page 51.

Performance analysis

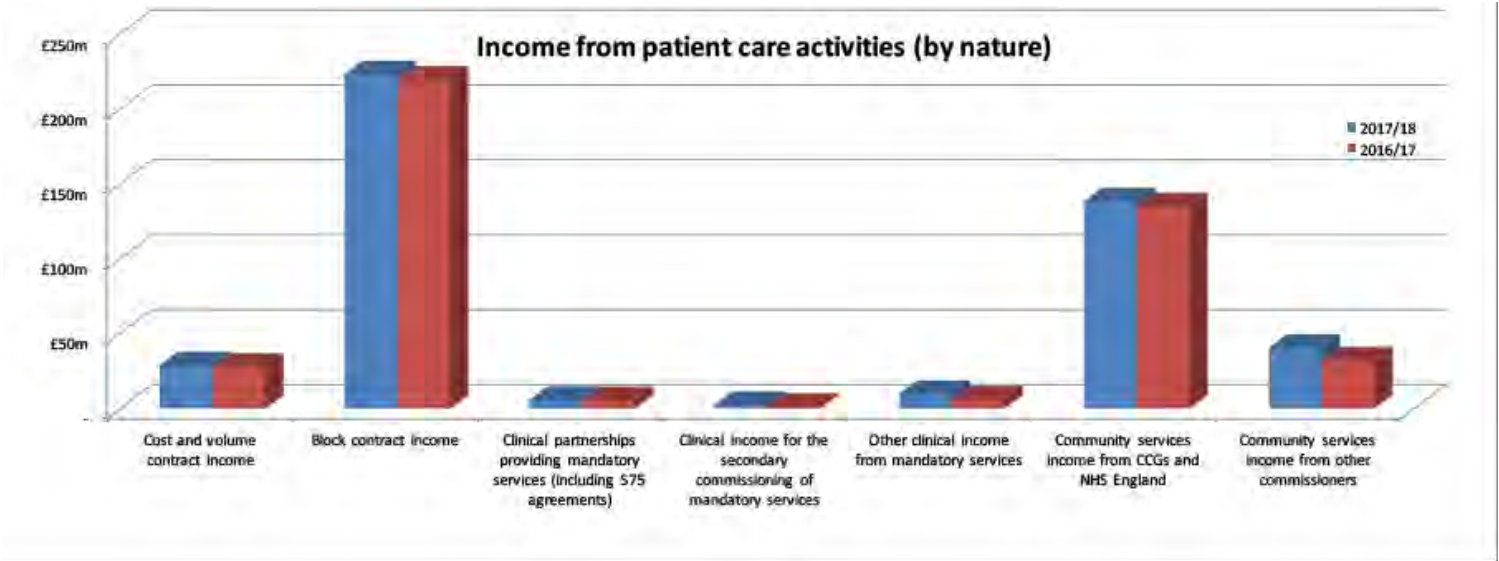
Surplus/(deficit) for the year from continuing operations		
	2017-18	2016-17
	£000	£000
Total operating income from continuing operations	490.0	473.9
Operating expenses	(490.0)	(459.8)
Operating surplus/(deficit) from continuing operations	0.0	14.1
Net finance costs (incl PDC Dividends)	(8.1)	(8.2)
Gains/(losses) of disposal of non-current assets	0.7	5.5
Surplus/(deficit) for the year from continuing operations	(7.4)	11.4

Income from patient care activities (by source)

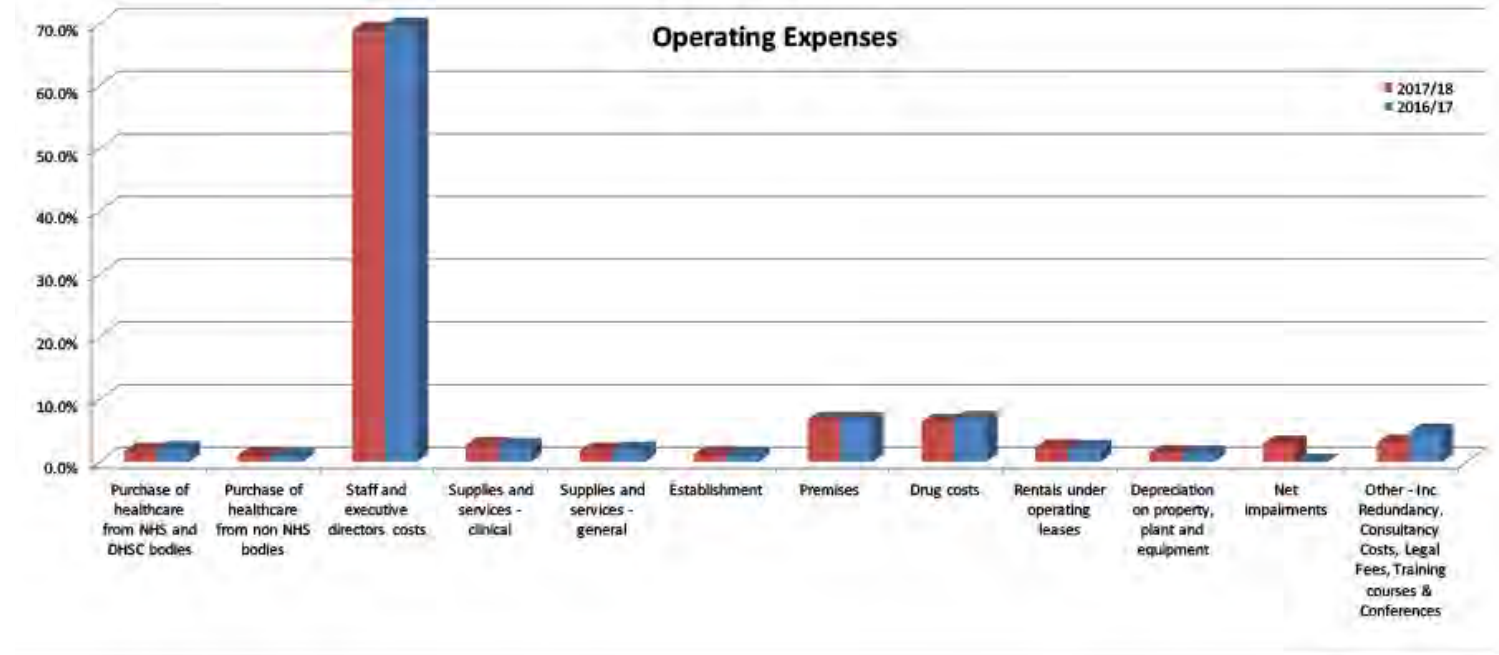
Note 3.2 Income from patient care activities (by source)



Income from patient care activities (by nature)



Operating expenses



Performance analysis – sustainability and environmental

We have embedded sustainability within our daily working lives. The Sustainable Development Management Plan adopted in 2014 sets out key objectives to minimise the impact of our business on the environment.

The Trust's most notable achievement this year has been demonstrated through working collaboratively with our Soft Facilities Management (FM) provider OCS and other independent waste contractors to reduce the environmental impact and improve the sustainability of waste procedures. As a result, all corporately managed waste contracts (clinical waste, domestic waste, feminine hygiene waste and confidential waste) are now completely 'Zero to Landfill'.

Another key area of focus within the estates department this year was to review the building management system (BMS). Low Carbon Europe (LCE), the Trust's specialist adviser in energy and sustainability, undertook a high level BMS review of the Trust premises to provide a better understanding of the current BMS and help create a strategy for BMS investment for energy reduction purposes as well as increased resilience. Following the review, it was identified that the Trust could make annual savings of £159,064 and reduce carbon emissions by 21% of the 13-14 core sites carbon emissions baseline by implementing several recommendations. Furthermore, 87% of the Trust's energy consumption excluding Service Level Agreements (SLAs) would be connected to the BMS enabling more effective monitoring and control. The Trust is currently reviewing options.

LCE have also continued to make sure the Trust has maintained compliance with regards to Display Energy Certificates and Advisory Reports (DEC and AR). The legal requirements for displaying a DEC has now been reduced to premises with a floor area of 250m² and LCE is currently in the process of finalising the last few properties of this size. Those buildings that are greater than 1,000m² are required to have their DEC renewals completed annually. Whilst completing these LCE have been able to review their performance and make energy saving recommendations where appropriate.

Following the de-regulation of the water market in April 2017, the Trust participated in the UK's first aggregated further competition for water and wastewater services for public sector customers using Crown Commercial Services framework (RM3790). Through this, the Trust will achieve annual savings of around £17,000. It is also anticipated that through better account management by the successful supplier consumption should decrease.

Upgrading to smart meters is part of a national commitment to reducing the UK's energy use and means that only energy used is invoiced, rather than having estimated invoices. As such, the Trust has upgraded to smart meters across most of its estate. This year also saw the launch of a dedicated sustainability intranet page to keep all colleagues aware of sustainable activities, news and events across the Trust. This

has helped in raising awareness about sustainability across the Trust. With NHS Sustainability Day (22 March) and this year's first sustainable health and care week (25 to 29 June), our Sustainability Champions Network will be key in helping to develop and organise participatory events to mark the occasions.

Finite resources

If you look at those premises that are not on SLAs or NHS Property Services' buildings (tables below) gas and electricity are decreasing. This is likely to be due to more accurate invoicing through the implementation of Automatic Meter Readings (AMRs), as well as vacating seven premises, (St Mary's Terrace, Yiewsley health clinic, Redford way, Lupus street, Latimer house, Redford Way, West Drayton Physio Centre).

Total invoiced

17/18	KWH	NET (£k)	Gross (£k)	TCO2e
Gas	11,696,138	£300	£342	2,160
Electricity	5,678,563	£699	£825	2,245
Water	56,525	£135		19

16/17	kWh	Net (£k)	Gross (£k)	TCO2e
Gas	13,156,909	£303	£359	2,421
Electricity	7,008,094	£708	£819	2,888
Water	66,422	£155		23

Data excludes SLAs, NHS Property Services and Local Authority premises in both tables.

The Trust’s Estate

Existing Estate

The current estate comprises of 120 buildings within a total of 99 separate sites (48 freehold buildings, 58 leasehold buildings and 14 buildings that we occupy on an informal basis) with a total net internal floor area of 109,254 m2.

Current condition of the Estate

The physical condition profile shows that 91% of the Trust’s estate is in condition A or B (as new or sound and operationally safe). The physical condition of the estate is constantly monitored against nationally agreed assessment criteria.

Estate maintenance

CBRE were awarded the maintenance contract in April 2017.

This was beset by operational issues from the start due to a reduced mobilisation period. This placed the service delivery back by 12 weeks. Also there were a significant number of backlog tasks carried over from the previous provider on top of new tasks being logged by the Trust.

In July an adjustment of both the Trust Facilities Management teams and the CBRE operational management teams allowed a more cohesive approach. A phased improvement plan was implemented and CBRE was supported and directed by the Trust through a transitional period. With the improvement in its helpdesk function and operational engineering scheduling, overall performance began to improve.

January 2018 saw further team adjustments across both the Trust and CBRE, which has made for a leaner and more productive structure.

The maintenance provision contract is a long term joint venture requiring input from not just CBRE, but also from our frontline clinical staff through to the Trust Board to give a successful outcome. Improvements are being realised, sustained and evidenced with work continuing to move this forward. With sustainable and managed investment into the infrastructure the estate will continue to be improved resulting in less reactive maintenance and the contract being brought to a more proactive position.

Soft Facilities Management (FM) Services

The vast majority of Soft FM services within the Trust are provided by Outsourced Client Solutions (OCS) Group UK Ltd as part of a Soft Total Facilities Management (TFM) contract. This includes areas such as cleaning, catering, reception/ security, waste, pest control, linen and laundry and window cleaning. The Milton Keynes part of CNWL has an in-house Domestic Services team. All centrally managed Soft FM contracts and services continue to meet KPI and national standards targets across the Board.

Patient Led Assessments of the Care Environment (PLACE)

The 2017 PLACE (Patient Led Assessment of the Care Environment) scores were officially released in August and CNWL continues to perform above the national average across all six of the PLACE domains. Under PLACE, all NHS funded healthcare providers in the UK are required to undertake an in-depth assessment of all qualifying inpatient settings as part of a national programme.

The assessments focus on how the environment supports service provision and patient care, looking at non-clinical aspects such as cleanliness, food, maintenance, as well as the extent to which the environment supports privacy and dignity, dementia and disability compliance. The assessments are undertaken by teams consisting of peer reviewing staff groups and patient assessors provided through independent patient organisations and CNWL user groups.

Included below is a table showing the 2017 Trust average scores in comparison to the national average scores for each of the six PLACE domains.

	Trust average	National average
Cleanliness	99.56%	98.38%
Food	93.51%	89.68%
Privacy, Dignity and Wellbeing	92.43%	83.68%
Condition, Appearance and Maintenance	96.73%	94.02%
Dementia	90.10%	76.71%
Disability	86.31%	82.56%

QTS (Quality Trusted Solutions Limited Liability Partnership)

The creation of a wholly owned subsidiary called Quality Trusted Solutions (QTS) has been undertaken. This is to support CNWL by generating income from third parties in line with the national direction of travel, but also to maximise capital receipts for the Trust. All the main functions of the Trust’s Estates and Facilities Team will transfer to QTS.

QTS is a multi-disciplinary practice, which specialises in delivering and managing quality environments; specialising in community and mental health accommodation, this experience and skills are equally transferable across the public-sector landscape. Historically across the Trust we have typically obtained planning permission on surplus properties for change of use to residential and then sold the building on the open market. A developer then purchases the buildings and develops them out for substantial profit. QTS will instead form partnerships with developers to share in the profit which will be returned to the Trust for reinvestment in the services it provides.

Capital programme

The Trust's capital programme for 2017-18 for investing in its estate was £10.2million

The capital is prioritised and reviewed on a bi-monthly basis at the Estates Strategy Group.

Social, community, human rights and equal opportunities update

During the last year, good progress was made against our work priorities. Achievements include:

- The development and successful launch of three additional staff networks: Lived Experience of Mental Health, Disabled Employee Network and the Carers Network
- The publication of a series of role model booklets which were designed to showcase a cross section of BAME and LGBT+ staff sharing their insights and launch of the career development programme for BAME staff
- An improvement in the protected characteristics data recorded for staff on ESR i.e. 100% data recorded for ethnicity, age and gender
- We have completed our first gender pay gap assessment in accordance with the amended Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which requires us to publish six statutory calculations every year showing how large the pay gap is between our male and female employees. Analysis of pay by mean average indicates women have a pay gap of just over 11.5%. The median average in pay and bonus as a pay gap is approximately 11%. The data has been checked and verified by our Director of Improvement and Workforce
- We have joined the Disability Confident Scheme; this scheme has replaced the Two Ticks initiative. Both initiatives have helped us to raise the profile of disabled staff and prospective employees and will support the Trust in making improvements
- We were the only London based NHS organisation to feature in Stonewall's Top 100 LGBT Friendly Employers for 2018.

In the coming year, the Trust will place more emphasis on:

- Strengthening equality and diversity accountability within the divisional management teams
- Implementing the new Workplace Disability Equality Standard which will help us improve the experience of our disabled staff
- Sustaining improvement against our WRES metrics, notably metric 3 (disciplinary) in collaboration with other London NHS organisations
- Use our gender pay gap analysis to explore progression

rates, better understand the drivers of the pay gap, and to develop our pay strategy using analysis of new starter data to make sure salary decisions on appointment, meet our equality and diversity standards. We will continue to review our clinical excellence awards scheme for medical staff to better understand the drivers for the gap in this bonus scheme.

Important events since close of financial year

There were no important events to report since close of financial year.

Details of overseas operations

The Trust has no overseas operations.



Claire Murdoch
Chief Executive
25 May 2018

Accountability report

This section of the Annual Report provides details on the Trust's activities during 2017 to 18.

Directors' report

The Directors present their report and audited financial statement for the year to 31 March 2018. The Directors are responsible for preparing the Annual Report and Accounts, and consider the report, taken as a whole, to be a fair, balanced and understandable account of the performance of the organisation during the year 2017-18. The information within this report provides details for our stakeholders on the Trust's performance, business model and strategy.

Principal activities

The Trust's principal activity is the provision of mental health, community, substance misuse, and learning disability services to patients.

Business review

The NHS Foundation Trust's activities are reviewed in:

1. The Chair and Chief Executive's Statement on page 6
2. The Annual Governance Statement on page 51
3. The Financial Review on page 15. In addition to this, other information relevant to the Trust's activities is set out in the other sections of this document.

Political donations

The Trust has not made any political donations this year.

Better Payment Practice Code

The Non NHS Trade Creditor Payment Policy of the NHS is to comply with both the CBI Prompt Payment Code and the Government Accounting Rules. The Government Accounting Rules state: "The timing of payment should normally be stated in the contract. When there is no contractual provision, departments should pay within 30 days of receipt of goods and services or on the presentation of a valid invoice, whichever is the later." During the financial year 2017-18, the Trust achieved an average of 52% (prior year 45%) by number of invoices and 80% (prior year 54%) by value of all NHS invoices. For non-NHS, the Trust achieved an average of 61% (prior year 57%) by number of invoices and 47% (prior year 52%) by value. The positive increase in percentage payments is largely due to the continuing efforts made by the Trust in encouraging purchase based ordering, as well as working with suppliers to expedite payment through enforcement of Purchase Orders and electronic registration of their invoices.

Costing information returns

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

Enhanced quality governance reporting

The Trust has had regard to Monitor's quality governance framework in reviewing its own systems and processes and is clear that quality of service delivery underpins all discussions and decisions taken within the Trust. The Assurance Framework sets out internal and external sources of assurance and identifies the responsibilities of the Board and its committees for reviewing that assurance.

The Trust was pleased to receive a rating of 'good' from the CQC in July 2017 although there were still some service areas which required improvement. The Trust has taken action to address these areas. (Further information in the Annual Governance Statement on p51). For more information on our Quality Report go to page 58.

Disclosure of information to auditors

As far as each of the Directors is aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all the steps a Director ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information. For more on our auditors turn to page 27.

Income disclosures

The Trust receives most of its income from clinical commissioning groups and NHS England for patient care activities. It also receives monies for the education and training of clinical staff, research and development and from the sale of manufactured pharmacy products.

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

The income the Trust receives from the provision of goods and services for any other purposes is generated from capacity within the organisation; such work is not given priority over NHS work. Income from such activities are undertaken only where they can demonstrate a positive impact for the Trust, such as a financial contribution to the Trust which can be invested for the purposes of healthcare, or as part of a wider clinical benefit analysis.

How we are organised

Board of Directors

The Board of Directors is chaired by Professor Dorothy Griffiths OBE who also chairs the Council of Governors.

Meetings are held every two months and are open to the public. A quorum of two thirds is needed for the meeting to take place.

Decisions taken by the Board

The Board is responsible for all key strategic decisions. It has established a number of committees with clear terms of reference and levels of delegation to undertake detailed review of areas of Trust business. Currently these are:-

- Audit Committee
- Business and Finance Committee
- Executive Board
- Informatics Committee
- Investment Committee
- Nominations Committee
- Quality and Performance Committee

Decisions delegated to management

The Executive Directors are responsible for the day-to-day running of the organisation and implementing decisions taken at a strategic level by the Board.

Board of Directors' balance

The Board has carefully considered its composition and currently has seven Executive Directors including the Chief Executive, and eight Non Executive Directors including the Chair. The Board will review its composition regularly and believes that this current composition reflects the skills and competencies required for the Trust to fulfil its obligations.

Performance evaluation of the Board of Directors

The Board of Directors has a systematic approach to assessing its collective performance including annual away days to consider its own performance and to set strategic objectives for the Board throughout the coming year. The Board also carries out self-evaluations at the conclusion of each Board meeting, when it decides how to structure its future agenda and ensure the most important items are given the time they deserve. The Committees follow a similar process.

The Chair is appraised annually through a process approved by the Council of Governors. The process requires independent input from each director, which is then considered by the Governors. The process does not require Non Executive Directors to meet separately without the Chair.

Process for appointment of Chair and Non Executive Directors

The Nominations Committee of the Board meets to discuss potential vacancies and to determine the skills and experience most valuable to the Board. The Appointments Committee of the Council of Governors receives these considerations and decides on the job description, recruitment and appointment process.

Process for termination of Chair and Non Executive Directors

The Council of Governors at a general meeting of the Council of Governors can remove the Chair of the Trust and the other Non Executive Directors. Removal of the Chair or another Non Executive Director shall require the approval of three-quarters of the Members of the Council of Governors.

Criteria of Independent Directors

All Non Executive Directors are considered by the Council of Governors to fulfil the criteria of Independent Director.

Conditions of service for Non Executive Directors

The length of appointments of the Non Executive Directors is three years. Appointments beyond two terms can be agreed by the Council of Governors where it is in the best interests of the efficient and effective management of the Trust. Terms of office may be ended by resolution of the Council of Governors following a procedure laid down in the Foundation Trust's constitution.

Conditions of service for Executive Directors

No Executive Director serves as a Non Executive Director in any other organisation.

Executive Directors

The Executive Directors are full-time employees of the Trust and are the most senior managers responsible for its day-to-day running. They decide the future strategy and direction of the Trust, are accountable to independent regulators, and are responsible for ensuring clinical and corporate effectiveness.

Every NHS [Trust Board] must include a medical doctor and a nurse at executive level. Each Executive Director has their own area of responsibility.

Executive Directors



Claire Murdoch, Chief Executive
Appointed: 2007
Qualifications: Registered mental health nurse, honours degree in social policy

As Chief Executive, Claire is the head of the organisation with overall responsibility for the performance of the Trust. This includes the Trust's financial performance and the quality and standards of the clinical services. Claire is a registered mental health nurse and has over 20 years NHS experience.



Robyn Doran, Chief Operating Officer
Appointed: 2008
Qualifications: Registered psychiatric nurse, MSc in Change Agent Skills

Robyn joined the Trust in 1988 and is now responsible for the day-to-day running of all the Trust's services to ensure the highest standards are achieved. She works closely with clinical commissioning groups (CCGs) (the organisations who pay for our services) to ensure the right services are delivered in each area.



Andy Mattin, Director of Nursing and Quality
Appointed: 2010

Andy joined the NHS in 1983 and the Trust in 2010. He works alongside Robyn to manage the day-to-day running of the Trust's services. He is the Lead Nurse, which means he provides leadership for nursing staff, as well as being responsible for the supervision and training of nurses. He also represents the views of service users at the Board of Directors.



Dr Cornelius Kelly, Medical Director
Appointed: 2015

Dr Kelly qualified in Ireland 30 years ago before moving to train in psychiatry in London. Since joining CNWL in 2001 he has been Clinical Director for Older Adults and Acute Services, Divisional Medical Director and is now the Medical Director for the Trust.



Hardev Virdee, Chief Finance Officer
Appointed: 2016

Hardev was appointed in 2016 after previously being Chief Financial Officer at Wandsworth Clinical Commissioning Group. He is responsible for the financial performance of the Trust. He plans the Trust's finances over a long period to ensure the Trust has enough money to deliver high quality services.



John Vaughan, Director of Strategy and Performance
Appointed: 2006

John was appointed in 2006 and oversaw the Trust's application for Foundation Trust status. John is responsible for monitoring and evaluating the Trust's performance and uses this information to plan for the Trust's activities in the future. John also manages the Trust's communications.



Jane McVey, Director of People and Organisational Development
Appointed: 2015
Retired: Dec 2017

Jane headed up the HR Team for Milton Keynes Community Health Services, which transferred into CNWL in 2013. She was appointed as Director of People and Organisational Development in December 2015. She was responsible for the management and development of the Trust's workforce. This included recruiting the very best staff, and then developing their skills. She made sure policies were in place to support managers in getting the very best from their teams.

Non Executive Directors

The Non Executive Directors are not employees of the Trust and are not involved in the day-to-day running of CNWL. They provide valuable external insight to scrutinise and challenge the Trust's processes. Non Executive Directors hold other senior positions outside of the Trust and bring knowledge, experience and expertise from other fields, such as accounting, management and organisations outside of the NHS.

Their responsibilities also include measuring performance against goals, evaluating risk, appointing the senior management, and contributing to the development of the Trust's strategic plans.

Non Executive Directors



Professor Dorothy Griffiths
OBE, Chair

Professor Griffiths has been a Non Executive Director of CNWL since 2000. She has degrees in sociology from London and Bath Universities. Prior to joining CNWL she was Dean of the Imperial College Business School and Professor of Human Resource Management. In 2010 she was awarded an OBE for services to higher education.



David Walker, Non Executive Director and Deputy Chair

David Walker is a communications professional with experience in journalism, research, public affairs and marketing. He is currently chair of Understanding Society (the UK household longitudinal study) and contributing editor of the Guardian's Public Leaders Network. Until 2010 he was Managing Director, Communications and Public Reporting at the Audit Commission.



Tom Kibasi, Non Executive Director

Tom is the Director of the Institute for Public Policy Research (IPPR), a leading progressive thinktank with a strong programme of policy development in health. Prior to joining IPPR, Tom spent more than a decade at McKinsey and Company where he held leadership roles in the healthcare practice in both London and New York. He is an honorary lecturer at Imperial College London, where he has collaborated with Lord Darzi for many years, including on the landmark report High Quality Care for All and Better Health for London, the report of the London Health Commission.



**Amanda Harrison,
Non Executive Director**

Amanda has experience as HR Director for British Gas and Centrica and has led major change across large organisations. Amanda is passionate and committed, intellectually able,

lively and personal. This has led her to obtain awards for carers and eldercare and working families.



Helen Edwards, Non Executive Director

Helen served as Deputy Permanent Secretary and Director General for Local Government and Public Services at the Department for Communities and Local Government from 2013 to 2016.

She was Director General of Criminal Justice in the Ministry of Justice (2008 to 2013), following a number of senior roles at the Home Office. Before that Helen was Chief Executive of Nacro, the national crime reduction charity and began her career as a social worker. Helen was appointed Chair of Recovery Focus (a coalition of mental health charities), Peabody, and Lloyds Bank Foundation in 2016.



Michael Nutt, Non Executive Director

Michael has experience in Finance with his previous roles including working for European Investment Bank and as a Non Executive Director for a tourism business in Canada. Michael is an osteopath

with a personal interest in mental health and community issues. He has strong accountancy and communication skills and is intellectually able to manage complexity and contribute across a wide spectrum of interests.



David Roberts, Non Executive Director

David has over 35 years experience in strategic and financial roles in the private and public sectors. Prior to joining CNWL, David was head of the Remedies, Business and Financial Analysis division

in the Competition Commission and its successor body the Competition and Markets Authority. David also worked for Sainsbury's for 19 years where his roles included Group Treasurer and Director of Corporate Finance. David originally trained as a chartered accountant with Deloitte, Haskins and Sells.



**Dr Reva Gudi,
Non Executive Director**

Dr Reva works as a GP in Hillingdon, where she has practiced for the last 17 years. Up until November 2016, she was also a senior health care commissioner for the borough.

She has been involved in providing health care services to the local population, working with other health and social care organisations, where her focus in particular, has always been delivery of high quality, safe and seamless joined up patient care.

Dr Reva has an interest in social sciences, and is currently studying for an Executive MBA degree at Warwick University.

Non Executives Term of Office

Prof Dorothy Griffiths – 1 January 2019

Helen Edwards – 31 March 2019

Tom Kibasi – 1 June 2019

David Roberts – 30 September 2018

David Walker – 30 April 2019

Amanda Harrison - 30 March 2020

Michael Nutt – 30 March 2020

Dr Reva Gudi – 31 January 2021

The Council of Governors at a general meeting of the Council of Governors can remove the Chair of the Trust and the other Non Executive Directors. Removal of the Chair or another Non Executive Director shall require the approval of three-quarters of the Members of the Council of Governors.

Code of Governance

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

The Board of Directors uses the NHS Foundation Trust Code of Governance as best practice advice to improve governance practices across the Trust. The Trust complies with the code in all aspects but two; the exceptions are that the Executive Directors of the Trust are all on standard employment contracts and they are not entitled to performance-related pay. There is provision for non-pensionable bonus for exceptional performance.

The Council of Governors extended the terms of two Non Executive Directors by two years despite them already having served two, three year terms. They did so to ensure stability on the Board in a period when there will be three new Non Executive Director appointments.

Members of the public can gain access to the register of directors' interests by contacting the Trust Secretary, Christine Baldwinson [on 020 3214 5776] or email Christine.Baldwinson@nhs.net

The Audit Committee

The Audit Committee provides the Board of Directors with an independent review of financial and corporate risk management and governance. With a membership of independent Non Executive Directors, the committee uses independent external and internal audit to provide assurance to the Board. The committee ensures we have the right policies and procedures in place to ensure good governance and effectiveness.

The members of the Audit Committee are all independent Non Executive Directors:

David Roberts – Non Executive Director
(Chair from March 2017)

David Walker – Non Executive Director

Amanda Harrison – Non Executive Director
(from December 2017)

There have been 4 meetings between 1 April 2017 and 31 March 2018.

Member Attendance

Audit Committee*	Total Meetings = 4
David Roberts (Chair)	4 out of 4
David Walker	4 out of 4
Amanda Harrison	2 out of 2

Effectiveness of the Committee

The Committee reviews and self-assesses its effectiveness annually and ensures that any matters arising from this review are addressed.

The Committee is supported by the Trust Secretary who ensured that the Committee received adequate information in a timely manner to facilitate the consideration of all relevant issues. Meetings are scheduled annually to accommodate Trust business. Each meeting is minuted and reported to the Trust Board.

Internal audit and counter fraud services

RSM Risk Assurance Services LLP provide internal audit and counter fraud services to CNWL and attend each meeting of the committee. At these meetings, progress on internal audits and actions taken as a result of the internal audit were reviewed.

Our audit activity ensures effective oversight of our financial reporting and governance processes. The areas focused on arise from the review of our own risks as an organisation. Our internal audit and counter fraud plan included amongst others, a review of Cyber Security, Divisional Financial Management and Financial Reporting, Medical Job Planning, Lease Cars, Location Visits – Incidents and lessons learnt – Jameson Division and Financial Feeder systems.

We incurred audit fees of £100k (excluding VAT) for the accounting period.

External audit

KPMG LLP was appointed in 2014 by the Council of Governors as our external auditors. At our Audit Committees, KPMG present updates regarding accounting and business matters that are relevant to our organisation; including their audit plans and reports, for discussion by the committee. As part of this, the committee considers the implications of new accounting guidance, and whether our financial statements are compliant with the relevant financial reporting standards. KPMG are required to make the case to the committee that they are objective and comply with the technical and ethical standards that apply to them as auditors.

We incurred audit fees of £82k for the accounting period. This was a fee for an audit in accordance with the Audit Code issued by the National Audit Office in 2012. KPMG also perform an independent examination of the charitable fund for a fee of £8k (excluding VAT).

For details of our audit fees please see page 136.

The Committee engages regularly with the external auditor over the course of the financial year. The subjects covered include consideration of the external audit plan, matters arising from the audit of the Trust financial statements, the review of the Trust quality accounts and any recommendations on control and accounting matters proposed by the auditor.

The Committee considered the independence principles set out by the Auditing Practice Board in relation to the work of the external auditor undertaking non audit work. It did not identify any risks in this respect particularly in relation to self-review and familiarity.

Financial reporting

The Committee reviewed the Trust's accounts and Annual Governance Statement. To assist this review it considered reports from management and from the internal and external auditors to assist consideration of: the quality and acceptability of accounting policies, including their compliance with accounting standards;

- Key judgements made in preparation of the financial statements
- Compliance with legal and regulatory requirements
- The clarity of disclosures and their compliance with relevant reporting requirements
- Whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the Trust's performance and strategy.

The Committee has reviewed the content of the annual report and accounts and on behalf of the Board is of the view that, taken as a whole:

- It is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy
- It is consistent with the draft Annual Governance Statement, Head of Internal Audit Opinion and feedback received from the external auditors.

The Nominations Committee

There was one meeting of the Nominations committee during 2017-18. The Committee considered the skills required of the forthcoming Non Executive Director vacancy.

The members of the Nominations Committee are:

Professor Dorothy Griffiths OBE – Chair, Non Executive Director

Claire Murdoch – Chief Executive

Helen Edwards – Non Executive Director

Tom Kibasi – Non Executive Director

David Roberts – Non Executive Director

David Walker – Non Executive Director

Amanda Harrison – Non Executive Director

Michael Nutt – Non Executive Director

Dr Reva Gudi – Non Executive Director

The purpose of the Nominations Committee is to:

- Review the structure of the Board of Directors and make recommendations for change where appropriate
- Prepare a description of the role and capabilities required for a particular appointment in the event of a vacancy
- Agree with the Appointments Committee of the Council of Governors a clear process for the nomination of a chair or Non Executive Director
- Make recommendations to the Board on the appointment of Executive Directors.

Michael Nutt, Amanda Harrison and Dr Reva Gudi were appointed as Non Executive Directors in 2017-18 following national advertisement for the positions, an interview process involving Executives and Governors and approval of these appointments by the Council of Governors. An external search consultancy was not used in 2017-18.

Number of meetings and attendance at the Nominations Committee:

	Total Meetings = 1
Claire Murdoch	1
Professor Dorothy Griffiths	1
Helen Edwards	1
Tom Kibasi	0
David Roberts	0
David Walker	1
Michael Nutt	1
Amanda Harrison	0
Dr Reva Gudi	0

Wider committees

There are three more formal sub-committees, which Non Executive Directors are involved in to ensure the Trust achieves its objectives and adhere to all regulatory frameworks. These are the Business and Finance Committee, a Quality and Performance Committee and an Informatics Committee. In addition an Investment Committee, chaired by a Non Executive Director, oversees any major investments or acquisitions.

Number of meetings and attendance at the Board of Directors

Board of Directors	Total Meetings 6
Prof Dorothy Griffiths (Chair)	6
Claire Murdoch	5
Robyn Doran	6
Con Kelly	6
John Vaughan	6
Hardev Virdee	6
Jane McVey (until Dec 2017)	(4 out of 4)
David Walker	5
Helen Edwards	6
David Roberts	5
Tom Kibasi	6
Amanda Harrison	(3 out of 5)
Michael Nutt	6
**Dr Reva Gudi	(1 out of 2)

** Dr Reva Gudi was a Non-Executive Director from January 2018

The Council of Governors

The Council of Governors plays an essential role in the governance of the Trust, with its main duties being to:

- Appoint or remove the chair and other Non Executive Directors.
- Hold the Non Executive Directors to account for the performance of the Trust.
- Approve the appointment of the Chief Executive.
- Decide the remuneration and allowances of the chair and Non Executive Directors.
- Appoint or remove the external auditor.
- Be consulted in setting the forward business plans of the Trust.
- Review annually the Trust's objective of delivering high quality services.
- Approve any amendments to the Constitution.
- Receive the annual accounts and annual report.
- Represent the interests of members and the public.

There has not been any change to the significant commitments of the Chair in 2017-18.

The make-up of the Council of Governors

CNWL's Council of Governors is made up of elected Governors across four constituencies, plus appointed Governors from our partner organisations. The four elected governor constituencies are listed below:

- Service user – this is open to people over 16 years of age. There are two sub-categories based on a geographical split of the geographical areas served by the Trust.
- Carer – this is open to people over 16 years of age who care for a patient of this Trust.
- Public – this is open to residents in England and Wales.
- Staff – all staff are automatically members unless they choose to opt-out. Membership is also open to employees of our partner organisations where they are managed within our services and have been in post for more than 12 months.

Meetings of the Council of Governors

The Council of Governors meets quarterly and meetings are open to the public. Individual attendance by Governors is shown in the table on page 31.

Governors were satisfied with the attendance of Directors and Non Executive Directors at their meetings.

The Register of Interests of the Council of Governors is available any time through the Trust Secretary, Christine Baldwinson Tel. 020 3214 5776 or email christine.baldwinson@nhs.net.

Communication

The Council of Governors has a good working relationship with the Board of Directors and Directors regularly attend Council of Governor meetings to be available to answer questions and participate in discussions. There is regular communication with individual Governors and questions regarding the performance of any individual Directors would be channelled through the Chief Executive or Chair, as appropriate.

The Governors Annual and Strategic Planning working group looks in detail at annual planning.

Performance evaluation of the Council of Governors

The Council of Governors regularly reviews its operation to ensure its effectiveness. We have focused in the year on developing a greater understanding of our Community Services. The Chair meets with Governors informally prior to each Council meeting and discusses training needs with them and there is an opportunity at the conclusion of each meeting to reflect on the effectiveness of the meeting. There will be a new intake of Governors in May 2018 and a full induction programme will be provided. A full performance evaluation will be undertaken once these new Governors are in post.

Lead Governor

Ketan Sheth was re-appointed lead Governor in November 2015 and an election is due in spring 2018.

Conditions of service for Governors

The length of appointments of Governors is three years. Terms of office may be ended by resolution of the Council of Governors following a procedure laid down in the Foundation Trust's constitution.

Terms of office and summary attendance by individual Governors at meetings of Council of Governors 2017-18

There were five Council of Governors meetings in 2017-18.

Constituency	Name	Meetings attended	End of appointment
Service user Governors			
Hillingdon, Harrow, Brent, Ealing Hounslow	John Clark	4	May 2018
Hillingdon, Harrow, Brent, Ealing Hounslow	Mike Norton	1	May 2018
Hillingdon, Harrow, Brent, Ealing Hounslow	Angela Hook	3	May 2019
Hillingdon, Harrow, Brent, Ealing Hounslow	Colin Hurst	3	May 2019
Hillingdon, Harrow, Brent, Ealing Hounslow	Ushma Soneji	3	May 2019
Westminster Kensington and Chelsea, Hammersmith and Fulham, Camden, Enfield and the rest of England	John Parkinson	0	May 2018
Westminster Kensington and Chelsea, Hammersmith and Fulham, Camden, Enfield and the rest of England	Elvira De Souza	3	May 2018
Westminster Kensington and Chelsea, Hammersmith and Fulham, Camden, Enfield and the rest of England	Lina Christopoulou	5	May 2019
Westminster Kensington and Chelsea, Hammersmith and Fulham, Camden, Enfield and the rest of England	Richard Drummond	2	May 2019*
Westminster Kensington and Chelsea, Hammersmith and Fulham, Camden, Enfield and the rest of England	Gloria Goldring	2	May 2019
Carer Governors			
Carer	Myrna Hayter	0	May 2018
Carer	Chandu Shah	5	May 2019
Carer	Ponniah Rasanesan	2	May 2019
Public Governors			
Brent	Stephen Chamberlain	2	May 2018
Harrow	Irene Leeman	3	May 2019
Hillingdon	Kurt Morlese	2	May 2018
Kensington and Chelsea	Larry DaSilva	0	May 2018
Westminster	Cheryl Prax	5	May 2018
Ealing, Hounslow, Hammersmith and Fulham	Howard McFarlane	3	May 2019
Camden			
Milton Keynes	Lorraine Calcott	0	May 2019***
Rest of England and Wales	Henry Arthurs	4	May 2018

Constituency	Name	Meetings attended	End of appointment
Staff Governors			
Nursing	Carina Sheridan	5	May 2019
Nursing	Emmanuel Musendeki	0	May 2019**
Medical	Karim Dar	3	May 2018
Allied Health Professionals	Geraldine Vacher	2	May 2018
Social care	Ann Sheridan	5	May 2018
Other staff			
Appointed Governors			
Brent Local Authority	CLlr Ketan Sheth	4	Appointed
Harrow Local Authority	CLlr Margaret Davine	0	Appointed
Hillingdon Local Authority	CLlr Nick Denys	0	Appointed
Kensington and Chelsea Local Authority	CLlr Charles Williams	1	Appointed
Westminster Local Authority	CLlr Iain Bott** (from June 2015)	0	Appointed
Camden Local Authority	CLlr Angie Mason	0	Appointed
Milton Keynes Local Authority	CLlr Nigel Long	0	Appointed
Imperial College	Mike Crawford	3	Appointed
NHS Commissioning Collaborative	Currently vacant	N/A	N/A
Mencap	Currently vacant	N/A	N/A
Terrence Higgins	Currently vacant	N/A	N/A
Age UK	Currently vacant	N/A	N/A

**Richard Drummond was a Governor until December 2017

** Emmanuel Musendeki was a Governor until December 2017

*** Lorraine Calcott was a Governor until September 2017

Expenses

Directors and Governors Expenses Disclosure - Annual Report 2017-18				
	Directors 17-18 16-17		Governors 17-18 16-17	
Total number in office	7	7	34	36
Number receiving expenses in reported period	6	6	1	5
Aggregate sum of expenses paid in period	£5,600	£3,100	£100	£300

Membership

Foundation Trusts are not for profit organisations mutually "owned" by members. They have greater freedom to develop services that meet the specific needs of local communities. Local people are invited to become members of CNWL, where they can help ensure the Trust is providing the most suitable services when and where they are needed. Members' views are represented at the Council of Governors by the 34 Governors listed previously. The Governors' constituencies cover patients, carers, staff, partner organisations and public members.

Since becoming a Foundation Trust in 2007, the membership has grown to 15,498 members.

Building our membership

This year we have continued to not seek to increase our membership, but to ensure that it remains stable and engaged. We have held learning events on "Exploring Learning Disabilities and Eating Disorders". The learning events were held for members of the public to showcase some of our services and engage with members. The positive feedback from this event have led us to introduce further learning events for members for the public in 2018-19.

Keeping members informed

The Trust's Body and Mind magazine, continues to be published to ensure all our interested members and stakeholders are kept in informed of CNWL's activities. Body and Mind magazine provides updates on key issues for the Trust, news and dates of upcoming meetings. This year it has included features on Governors and their work in and around their community.

[Members can contact Governors and directors through the CNWL website: www.cnwl.nhs.uk/have-your-say/members/become-a-member/]

Membership figures 2018

Constituency	Members at March 2018
Patient / Carer	2,321
Public	6,527
Staff	6,650
Total	15,498

The Council of Governors agreed the recommendation of the Appointments Committee meeting to extend the appointment of Non Executive Directors Helen Edwards and David Walker for a further two years to ensure the Board had experienced Non Executives Directors following vacancies that arose during 2017-18. The Council of Governors considered both Non-Executive Directors to be independent.



Claire Murdoch
Chief Executive
25 May 2018

Annual report on remuneration

Remuneration Committee

The Remuneration Committee determines the salaries of the Chief Executive and Executive Directors by considering market rates. All Executive Directors are appointed on permanent contracts with the Chief Executive having a six month notice period and Executive Directors three months. There is no performance-related pay and no compensation for early termination is provided.

The members of the Remuneration Committee are all Non Executive Directors:

Professor Dorothy Griffiths OBE – Chair, Non Executive Director

Helen Edwards – Non Executive Director

Tom Kibasi – Non Executive Director

David Roberts – Non Executive Director

David Walker – Non Executive Director

Amanda Harrison – Non Executive Director

Michael Nutt – Non Executive Director

Dr Reva Gudi – Non Executive Director

There was one meeting of the Remuneration Committee in 2017-18.

The remuneration for Non Executive Directors is set by the Council of Governors.

This was considered by the Council of Governors in 2010/11 and it was decided that the remuneration remain unchanged. No 'golden hellos', compensation for loss of office or other remuneration from the Trust was received by any of the above during 2017-18. All benefits in kind payments relate solely to the provision of cars. As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

Number of meetings and attendance at the Remuneration Committee:

	Total Meetings = 1
Professor Dorothy Griffiths	1
Helen Edwards	1
David Walker	0
David Roberts	1
Tom Kibasi	1
Amanda Harrison	0 out of 0
Michael Nutt	0
Dr Reva Gudi	0

Annual statement on remuneration

The Remuneration Committee determines the salaries of the Chief Executive and the other Executive Directors by considering market rates. All Directors are on permanent contracts with the Chief Executive having a six month notice period and other Directors having a three month notice period. There is no performance related pay and no compensation for early termination.

The Council of Governors determines the pay for the Chairman and Non Executive Directors and in so doing take into account comparative remuneration of other Foundation Trusts. They are on fixed term, renewable contracts. There is no performance related pay and no compensation for early termination.

Major decisions on senior managers' remuneration

There were no substantial changes relating to senior managers' remuneration made during the year. The Council of Governors have not been asked to review the salaries for the Chair and Non Executive Directors as these are still in line with those offered across the sector.



Prof Dorothy Griffiths OBE
Chair

25 May 2018

Senior Managers Remuneration Policy

Set out below are the main components of the remuneration package for senior managers

Component	How that component supports the Trust short and long term strategy	How it operates	Maximum payable	Performance framework
<p>Senior managers are entitled to a basic salary which is determined by the Remuneration Committee. The rates paid to individual directors are determined by the remuneration committee who take into account:</p> <ul style="list-style-type: none"> • Qualifications required for the role • Spans of responsibility and accountability • Performance • Market forces 	<p>The Trust believes that its senior managers should be well remunerated for their work. Trust salaries should be competitive and enable the Trust to attract high calibre staff. However salaries should not be overly high and should be positioned in the top quartile of salaries for similar organisations. The Remuneration Committee will therefore reference its salaries to the NHS Providers survey of executive salaries.</p>	<p>Salaries are reviewed against external NHS benchmarking and set at the lower end of the upper quartile for similar organisations, taking into a other factors including performance and qualifications. A report is presented to the Remuneration Committee</p>		<p>Subject to annual appraisal as for all staff</p>
<p>There is provision for providing a bonus in exceptional circumstances</p>	<p>Provides an opportunity to provide appropriate reward when an Executive Director delivers against a significant additional responsibility.</p>	<p>At the discretion of the Chief Executive in consultation with the Chair. No individual could receive more than one such increase in any year and the Chief Executive would not award such increases to more than two individuals in any given year. Any awards made will be reported to the Remuneration Committee.</p> <p>These payments will be non-consolidated. However where it is felt that the individual performance is being sustained the Remuneration Committee may consider consolidating them</p>	£5000	
<p>Allowance for Lease car</p>	<p>This is to support certain directors who require their own transport to fulfil their role</p>	<p>This is taken into consideration when looking at the whole package</p>		

Note: Annual Appraisal follows the same process as for all staff in the organisation and includes

- Achievement of agreed objectives (set annually in consultation with the Chief Executive and the Chair)
- Completion of statutory and mandatory training
- Behaviour compatible with the Trust's vision and values
- Strong financial management

No bonus payments are attached to satisfactory appraisal.

Each contract for directors gives the Trust the right to deduct from a director's salary, or any other sums owed, any money owed to the Trust. If on termination of the appointment the director has taken in excess of their accrued holiday entitlement the Trust shall be entitled to recover by way of deduction from any payments due

The Trust's policy on senior managers' remuneration and its general policy on employees' remuneration differs only, in so far as other staff are on the Agenda for Change or Medical and Dental, while Directors pay is determined outside of this framework.

The Remuneration Committee of the Trust has set salaries with reference to comparative remuneration of other foundation trusts and market rates.

Non Executive Directors Policy on remuneration

The Non-Executive Directors remuneration is set by the Appointments Committee of the Council of Governors.

The remuneration is reviewed in light of benchmarking undertaken of NHS organisations. The payments have been reviewed on an annual basis

There are three levels of remuneration based on the level of commitment expected of the post holder: Chair; Chair of Audit Committee; and other Non-Executive Directors.

Service contracts obligations

There is one standard contract for all Directors. This puts the following obligations on the Trust:

- Review Performance annually
- Give reasonable notice of any variation to salary
- To determine redundancy pay by reference to Part XI of the Employment Rights Act 1996. Any redundancy payment will be calculated in accordance with paragraphs 16.8 and 16.9 of the NHS terms and conditions of service handbook
- To pay appropriate expenses incurred in the course of duties in accordance with the Trust's Travel and Expenses policy
- Annual Leave follows standard NHS terms, likewise sickness
- Notice period for all Executive Directors except Chief Executive 3 months; Chief Executive 6 months

No Executive Director is on a fixed term contract.

Policy on Loss of Office

- Notice periods as above for resignation all directors bar Chief executive 3 months; Chief Executive 6 months
- Payments in lieu of notice are at the discretion of the Trust
- Senior manager's performance is relevant for loss of office when a material element of the Business Plan has not been delivered and then it can be dismissal without notice.

Setting senior managers remuneration policy

- This has been a matter solely for the remuneration committee

High paid off-payroll arrangements

The Trust has a policy on off-payroll arrangements whereby there are a range of checks that are incumbent on the managers to perform and a declaration that the individual has to sign-off. The tables below analyse the high paid off-payroll staff by the length of their engagement with the Trust.

For all off-payroll engagements as of 31 Mar 2018, for more than £245 per day and that last for longer than six months

	2017-18
	Number of engagements
No. of existing engagements as of 31 March 2018	-
Number that have existed for less than one year at the time of reporting	-
Number that have existed for between one and two years at the time of reporting	-
Number that have existed for between two and three years at the time of reporting	-
Number that have existed for between three and four years at the time of reporting	-
Number that have existed for four or more years at the time of reporting	-

For all new off-payroll engagements as of 31 Mar 2018, or those that reached six months in duration, between 01 April 2017 and 31 Mar 2018, for more than £245 per day and that last for longer than six months

	2017-18
	Number of engagements
No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	4
Of which...	
No. assessed as caught by IR35	1
No. assessed as not caught by IR35	3
No. engaged directly (via PSC contracted to the entity) and are on the departmental payroll	1
No. of engagements reassessed for consistency / assurance purposes during the year.	-
No. of engagements that saw a change to IR35 status following the consistency review	-

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2017 and 31 Mar 2018

	2017-18
	Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	-

Exit packages

Reporting of compensation schemes - exit packages 2017-18.

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

Redundancy and other departure costs have been paid in accordance with Agenda for Change. Exit costs in this note are the full costs of departures agreed in the year. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

Exit packages agreed in the year are largely as a result of restructuring.

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	-	-	-
£10,001 - £25,000	1	-	1
£25,001 - £50,000	1	-	1
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	3	-	3
Total resource cost (£)	£149,513		£149,513

Exit packages 2016 - 17

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Reporting of compensation schemes - exit packages 2016-17			
<£10,000	4	-	4
£10,001 - £25,000	4	-	4
£25,001 - £50,000	-	-	-
£50,001 - £100,000	6	-	6
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	14	-	14
Total resource cost (£)	£532,949		£532,949

Statement of consideration of employment conditions elsewhere in the Foundation Trust

The pay and conditions of employees (including any other group entities) were not taken into account when setting the remuneration policy for senior managers except in so far as senior managers were subject to the same financial restrictions as other staff and were awarded a cost of living increase in line with that received by other staff;

The Trust did not consult with employees when preparing the senior managers' remuneration policy.

The Remunerations Committee of the Trust utilised the NHS Providers annual survey of salaries as a remuneration comparison for setting senior managers' pay.

Table of Senior Managers' remuneration

Salaries and Allowances:

Name and Title	2017-18				
	Salary	Other Remuneration	Benefits in Kind	Pension Benefit	Total
	(bands of £5000) £000	(bands of £5000) £000	Rounded to the nearest £100	(bands of £2500) £000	(bands of £5000) £000
Chairman					
Prof Dorothy Griffiths	50 - 55	0	0	0	50 - 55
Chief Executive					
Claire Murdoch	185 - 190	0	0	5 - 7.5	190 - 195
Executive Directors					
Jane McVey Director of People and Organisational Development (Up to 31st Dec 2017)	65 - 70	0	0	NA	65 - 70
Dr Cornelius Kelly Medical Director (Up to 15th Dec 2017 & from 19th Dec 17)	105 - 110	70 - 75	0	NA	175 - 180
Hardev Virdee Chief Finance Officer	125 - 130	0	0	0 - 2.5	125 - 130
John Vaughan Director of Strategy and Performance	110 - 115	0	0	0 - 2.5	115 - 120
Robyn Doran Chief Operating Officer	120 - 125	0	1,900	0 - 2.5	125 - 130
Andrew Mattin Director of Operations & Nursing	110 - 115	0	10,200	2.5 - 5	120 - 125
Maria O'Brien Deputy Chief Operating Officer and Board Director for Community Services (From 1st Jun 2017)	95 - 100	15 - 20	0	0	110 - 115
Grant Macdonald Director of Improvement	30 - 35	90 - 95	0	0	120 - 125
Non-Executive Directors					
David Walker Deputy Chair	10 - 15	0	0	0	10 - 15
David Roberts Non Exec Director	15 - 20	0	0	0	15 - 20
Tom Kibasi Non Exec Director	10 - 15	0	0	0	10 - 15
Helen Edwards Senior Independent Director	10 - 15	0	0	0	10 - 15
Michael Nutt Non Executive Director (From 24th Apr 2017)	5 - 10	0	0	0	5 - 10
Amanda Harrison Non Executive Director (From 1st Jun 2017)	5 - 10	0	0	0	5 - 10
Dr Reva Gudi Non Executive Director (From 12th Feb 2018)	0 - 5	0	0	0	0 - 5

No 'Golden Hellos', compensation for loss of office or other remuneration from the Trust was received by any of the above during 2017-18. All benefits in kind payments relate solely to the provision of cars.

Name and Title	2016-17				
	Salary	Other Remuneration	Benefits in Kind	Pension Benefit	Total
	(bands of £5000) £000	(bands of £5000) £000	Rounded to the nearest £100	(bands of £2500) £000	(bands of £5000) £000
Chairman					
Prof Dorothy Griffiths	50 - 55	0	0	0	50-55
Chief Executive					
Claire Murdoch	180 - 185	0	0	2.5 - 5	185-190
Executive Directors					
Jane McVey Director of People and Organisational Development	85 - 90	0	0	2.5 - 5	90-95
Dr Alex Lewis Joint Medical Director	5 - 10	5 - 10	0	0 - 2.5	15-20
Dr Cornelius Kelly Joint Medical Director	85 - 90	105 - 110	2,000	7.5 - 10	205-210
Hardev Virdee Chief Finance Officer	125 - 130	0	0	0 - 2.5	125-130
John Vaughan Director of Strategy & Performance	110 - 115	0	0	2.5 - 5	110-115
Robyn Doran Chief Operating Officer	130 - 135	0	1,500	0 - 2.5	130-135
Andrew Mattin Director of Nursing & Quality	110 - 115	0	10,500	2.5 - 5	120-125
Non-Executive Directors					
Laks Khangura Non Executive Director	10 - 15	0	0	0	10-15
David Walker Deputy Chair	10 - 15	0	0	0	10-15
Carl Powell Non Executive Director	0 - 5	0	0	0	0-5
Amanda Rowlatt Non Executive Director	15 - 20	0	0	0	15 - 20
David Roberts Non Executive Director	10 - 15	0	0	0	10-15
Ian Peters Non Executive Director	10 - 15	0	0	0	10-15
Tom Kibasi Non Executive Director	10 - 15	0	0	0	10-15
Helen Edwards Senior Independent Director	10 - 15	0	0	0	10 - 15

Pension entitlement of senior managers

Name and title	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 1 April 2017	Cash Equivalent Transfer Value at 31 March 2018	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000
Chairman								
Prof Dorothy Griffiths	0	0	0	0	0	0	0	0
Chief Executive								
Claire Murdoch	5 - 7.5	20 - 22.5	100 - 105	310-315	2,000	2275	255	27
Executive Directors								
Jane McVey Director of People and Organisational Development (Up to 31st Dec 2017)	NA	0 - 2.5	45 - 50	140 - 145	1,038	0	NA	10
Dr Cornelius Kelly Medical Director	NA	0 - 2.5	80 - 85	270-275	2,026	0	NA	17
Hardev Virdee Chief Finance Officer	0 - 2.5	0 - 2.5	25 - 30	80 - 85	417	440	18	18
John Vaughan Director of Strategy and Performance	0 - 2.5	5 - 7.5	40 - 45	125 - 130	885	978	84	16
Robyn Doran Chief Operating Officer	0 - 2.5	2.5 - 5	20 - 25	65 - 70	447	483	32	18
Andrew Mattin Director of Operations & Nursing	2.5 - 5	7.5-10	50 - 55	160 - 165	933	1060	118	16
Maria O'Brien Deputy Chief Operating Officer and Board Director for Community Services (From 1st Jun 2017)	NA	NA	45 - 50	135-140	0	862	NA	16

	2016-2017					
Name and title	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2017	Lump sum at age 60 related to accrued pension at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2017	Real Increase in Cash Equivalent Transfer Value
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000
Chairman						
Prof Dorothy Griffiths	0	0	0	0	0	0
Chief Executive						
Claire Murdoch	2.5 - 5	12.5 - 15	95 - 100	285-290	2,000	150
Executive Directors						
Jane McVey Director of People and Organisational Development	2.5 - 5	12.5 - 15	45 - 50	135 - 140	1,038	122
Dr Alex Lewis Joint Medical Director	0 - 2.5	0 - 2.5	0 - 5	0 - 5	0	0
Dr Cornelius Kelly Joint Medical Director	7.5 - 10	27.5 - 30	85 - 90	265-270	2,026	265
Hardev Virdee Chief Finance Officer	0 - 2.5	7.5 - 10	25 - 30	80 - 85	417	60
John Vaughan Director of Strategy & Performance	2.5 - 5	7.5 - 10	40 - 45	120 - 125	885	92
Robyn Doran Chief Operating Officer	0 - 2.5	5 - 7.5	20 - 25	60 - 65	447	70
Andrew Mattin Director of Nursing & Quality	2.5 - 5	7.5 - 10	45 - 50	145 - 150	933	74

Expenses

In addition to the Remuneration Report, the Companies Act 2006 requires disclosure, in a note to the accounts, of the aggregate of remuneration and other benefits receivable by directors during the financial year. This information is required even where entities prepare a Remuneration Report, although in such cases the disclosure requirements in the accounts are correspondingly fewer. The requirements for disclosing directors' remuneration are set out in section 412 of the Act and in Regulation 8 and Schedule 5 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410). In summary, the disclosures comprise the aggregate amounts of each of the following:

- Total remuneration paid to directors for the year ended 31/03/2018 (in their capacity as directors) totalled £1.14 million (2016-17 £1.08 million);
- Employer contributions to the NHS Pension Scheme for Executive Directors for the year ended 31/03/2018 totalled £138k, (2016-17 £132k);
- The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was 6.
- No other remuneration was paid to directors in their capacity as directors and there were no advances or guarantees entered into on behalf of directors by the Trust.

No 'Golden Hellos', compensation for loss of office or other remuneration from the Trust was received by any of the above directors during 2017-18. All benefits in kind payments relate solely to the provision of cars.

The HM Treasury Financial Reporting Manual (FReM) requires disclosure of the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director (as defined as a senior manager in paragraph 7.28 and paragraphs 7.34 to 7.38 of the Annual Reporting Manual whether or not this is the Accounting Officer or Chief Executive). The calculation is based on permanent staff of the reporting entity (excludes Agency or Bank staff) at the reporting period and date on an annualised basis.

The highest paid director earns approximately 6.47 times the median staff salary figure of £28,793/annum (2016-17 calculated at 6.31 times the median salary of £31,073/annum).

The Trust's accounting policy for pensions and other retirement policies can be found in Note 1.4 of the notes to the accounts.

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

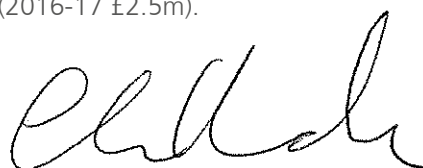
A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Expenditure on Consultancy

The total expenditure on consultancy was £2.3m in 2017-18 (2016-17 £2.5m).



Claire Murdoch
Chief Executive
25 May 2018

Staff Report

Average staff numbers

Average numbers of employees (WTE basis)

Staffing Group	Total 2017-18	Permanent 2017-18	Other 2017-18	Total 2016-17	Permanent 2016-17	Other 2016-17
Medical and dental	431	261	170	440	238	202
Administration and estates	1,327	1,210	117	1,293	1,165	128
Healthcare assistants and other support staff	1,151	1,045	106	1,145	992	153
Nursing, midwifery and health visiting staff	2,079	1,879	200	2,022	1,777	245
Nursing, midwifery and health visiting learners	48	30	18	38	28	10
Scientific, therapeutic and technical staff	1,149	959	190	1,062	889	173
Social care staff	71	60	11	68	64	4
Other	0			2		2
Total average numbers	6,256	5,444	812	6,070	5,153	917
Of which:						
Number of employees (WTE) engaged on capital projects	6	6		24		24

FTE by Contract Type

Sum of FTE	
Assignment Category	Sum of FTE
Fixed Term Temp	572
Locum	13
Permanent	5,470
Grand Total	6,055

FTE by Gender Job Role

Sum of FTE		
Gender	Pay Band	Sum of FTE
Female	Director	4
	Other	4,455
	Senior Manager	85
Female Total		4,544
Male	Director	5
	Other	1,460
	Senior Manager	46
Male Total		1,511
Grand Total		6,055

Staff sickness absence

	31 Mar 2018	31 Mar 2017
	2017-18	2016-17
	No.	No.
Total days lost	40,679	39,456
Total staff years	5,944	5,672
Average working days lost (per WTE)	7	7

Staff sickness absence

Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
2.44%	3.02%	3.04%	3.11%	3.31%	3.11%

Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
2.90%	3.05%	3.32%	3.61%	3.39%

Staff policies and actions applied during the financial year

The Trust has applied its recruitment and selection policy to the assessment of disabled persons' job applications and as a disability symbol user the Trust does ensure that all applicants with a disability and who meet the minimum criteria for the role are guaranteed an interview.

With regard to the continuing employment, training, career development and promotion of disabled persons the Trust has applied the following policies: sickness absence equality, diversity and human rights (employment), disability (employment). In addition, staff have been referred to Occupational Health who advise managers and staff on disability and fitness to work including reasonable adjustments such as accessing access to work support.

The Trust emails all staff on a weekly basis to provide information on matters of concern to them in addition to ensuring that staff have access to appraisals and supervision. In addition, information is made available to staff in team meetings and via the intranet 'Trustnet'. Through such measures staff are involved in discussions regarding the Trust's performance.

Where staff will be materially affected by decisions they and their representatives are under the change management policy by line managers with support from HR.

The FT provides support to staff on health and safety matters such as the control of substances hazardous to health (COSHH), manual handling, pregnancy and work, working with computers and occupational dermatitis and latex allergy. The Occupational Health service provides managers with support on fulfilling their duty of care, sickness absence and return to work, disability and adjustments to work and promoting a safe, healthy workplace. The service also assists employees to stay fit and protect their health at work as well as to handle illness or disability with minimum effects on their health and performance at work.

The FT is committed to tackling Fraud and applies an Anti-Fraud Policy which makes clear the reporting lines and support available to employees wishing to raise concerns of fraud or corruption. The Trust provides access to an independent person to advise staff who wish to raise concerns and all new staff are introduced to this person during their induction to the Trust.

1. Staff Survey

1.1 This section provides an overview of the key findings from the 2017 NHS staff survey. Comparisons have been made with the previous year's findings where possible as well as comparisons with the national averages for other Mental Health and Learning Disability Trusts (CNWLs nationally ascribed benchmark group).

1.2 A full census was carried out using a mixed mode of delivery; online and paper based. Full time and part time staff directly employed by CNWL on 1st September 2017 were eligible to take part. The survey ran between early October and early December 2017.

2. 2017 National Picture for the NHS

2.1

Summary of results



- 11 Key Findings improved since 2016
- 21 Key Findings declined since 2016
- 36 questions improved since 2016
- 58 questions declined since 2016

31% of staff were satisfied with their level of pay (q5g | 2016: 37%)

68% say their immediate manager takes an interest in their health & wellbeing (q7f | 2016: 67%)

58% of staff worked additional unpaid hours (q10c | 2016: 59%)

Staff are reporting **lower** satisfaction with the quality of work and care they are able to deliver (KF2 | 3.90 vs 3.93 in 2016)

38% of staff reported feeling unwell due to work related stress in the last 12 months (KF17 | 2016: 37%)

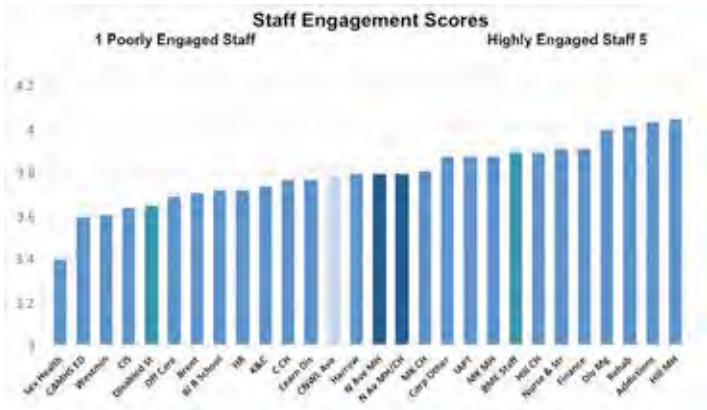
87% of staff reported having an appraisal in the last 12 months (KF11 | 2016: 86%)



Chart 1

1.3 The official sample size for CNWL was 6485 and 2997 staff took part in the 2017 survey. The response rate was therefore 46% which compares to a 41% response rate in 2016.

1.4 The survey findings are analysed by ‘Key Findings’ scores on a scale of one to five or percentages, which comprise data gathered from a number of questions. For some key findings high performance is denoted by a low percentage or ranking score and for others it is denoted by a high percentage or ranking.



3. Overall Staff Engagement Score in CNWL

3.1 The overall staff engagement score is the headline score in the NHS staff survey and is calculated by combining scores across three Key Findings:

- KF1 which includes questions concerning staff recommendation of the organisation as a place to work or receive treatment
- KF4: which includes questions concerning staff motivation at work
- KF7: which includes questions concerning staff’s ability to contribute towards improvement at work.

3.2 Chart 1 below shows the composite engagement score by service area alongside the average for CNWL, the mental health benchmark group, and the mental health and community health benchmark group. Data is also provided for staff describing themselves as Black and Minority Ethnic and Disabled.

4. Analysis of CNWLs Results across the Key Finding Areas

4.1 Table 1 below summaries CNWLs performance in the 32 Key Finding Areas (KFAs) against CNWLs benchmarking group and against CNWLs 2016 results.

4.2 To support identification and prioritisations of required improvement action the results were analysed systematically.

4.3 The first phase of analysis was to identify the KFAs that demonstrate a statistically significant negative variation in comparison to both CNWLs benchmarking group and against CNWLs 2016 results (denoted throughout with a *). The KFAs that were identified were 7*, 8*, 9* and 11*.

4.4 The second phase of analysis identified areas where CNWL had a negative statistically significant variance from the benchmark group. The KFAs that were identified were 5, 10, 15, 19, 20, 21, 26 and 27.

4.5 These KFAs were then grouped into thematic areas and a suggested prioritisation of areas for action is proposed:

1. Managers and Job Satisfaction KFAs 5, 7*, 8*, 9*, 10, 11*, 15, 19
2. Equality and Diversity KFAs 20 and 21
3. Bullying and Harassment KFAs 26 and 27

4.6 The third phase of analysis was to identify the service lines and demographic groups that had the lowest scores for the prioritised thematic areas. This excluded service lines with less than 50 respondents.

Table 1 – CNWLs 2017 results



4.7 Managers and Job Satisfaction

4.7.1 The thematic area of managers and job satisfaction is proposed as the first priority for improvement action across the CNWL. The four service lines that consistently score poorly in the area of managers and job satisfaction should be prioritised for an enhanced level of improvement action and Executive Board monitoring. Alongside these service areas the analysis identified that the demographic group with similar scores is the group who describe themselves as Disabled (470 colleagues). Together the aforementioned service areas account for just under a quarter of the responses to the survey at 22% of all responses; and they are:

- 1 Sexual Health
- 2 CAMHS and ED
- 3 Offender Care
- 4 Westminster MH

KF	Lowest	2nd Lowest	3rd Lowest	4th Lowest	5th Lowest	CNWL Highest	^All Bmk Highest
5	Sexual health 3.21	Offender Care 3.31	Westminster 3.32	CAMHS and ED 3.35	HR, Brent, CCH 3.39	Addictions 3.8	3.85
7*	Sexual health 50%	CAMHS and ED 63%	Westminster 66%	IAPT, HR 67%	CCH, KandC 69%	Addictions 84%	79%
8*	Sexual health 3.5	CAMHS and ED 3.63	Westminster 3.64	Offender Care 3.66	HR 3.72	Hillingdon MH 4.06	4.03
9*	Sexual health 3.46	Offender Care 3.5	HR 3.54	KandC 3.69	CAMHS and ED 3.72	Hillingdon MH 3.98	3.93
10	CAMHS and ED 3.53	Westminster 3.6	Offender Care 3.64	Sexual health 3.66	HR 3.7	Addictions 4.23	4.05
11*	Offender Care 69%	CAMHS and ED 76%	IAPT 76%	Westminster 76%	HR 79%	Hillingdon CHS 96%	95%
15	Addictions 43%	Sexual health 46%	Westminster 47%	KandC 49%	Hillingdon CHS 50%	IAPT 66%	74%
19	CAMHS and ED 3.33	Westminster 3.37	Sexual health 3.44	Offender Care 3.46	KandC 3.69	Hillingdon MH 4.00	3.94

^All Bmk Highest is the highest score achieved by a Trust nationally in the benchmark group

4.8 Equality and Diversity

4.8.1 The thematic area of equality and diversity is proposed as the second priority area. As there are fewer KFAs compared to management and job satisfaction further analysis is undertaken in the context of the Workforce Race Equality Standard (WRES) in section five below.

KF	Lowest	2nd Lowest	3rd Lowest	4th Lowest	5th Lowest	CNWL Highest	All Bmk Highest
20 Low better	Brent 31%	KandC 28%	Westminster 26%	Rehabilitation 24%	Offender Care 23%	MK CHS 9%	10%
21	Brent 56%	HR 66%	Westminster 67%	Offender Care 71%	Corporate 73%	MK CHS 95%	92%

4.8.2 However, analysis at a question level indicates that the primary issue in these KFAs is in relation to question 16 (KF 21) that concerns the percentage of staff who said that their organisation acts fairly with regards to career progression/ promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age. Alongside the service line analysis above for KF 21, the scores for certain demographic groups should also be noted. The lowest 3 being staff who prefer not to describe their gender at 59%; staff who describe themselves coming from a BME background at 69% and staff who describe themselves as disabled at 72%.

4.8.3 It is therefore proposed that an enhanced level of improvement action and Executive Board monitoring is taken for:

1 BME staff in the 5 areas that scored lowest in KF 21

2 Disabled staff in the 5 areas that scored lowest in KF 21

3 BME staff across CNWL

4 Disabled staff across CNWL

4.9 Bullying and Harassment

KF	Lowest	2nd Lowest	3rd Lowest	4th Lowest	5th Lowest	CNWL Highest	All Bmk Highest
26 Low better	Brent 42%	Westminster 34%	HR 34%	Camden Community Health/ Offender Care 31%	Rehabilitation 30%	IAPT 11%	16%
27	Corporate 30%	HR 31%	MK CHS 43%	IAPT 43%	CAMHS and ED 47%	Rehabilitation 77%	71%

4.9.1 The third area proposed for prioritised improvement action is bullying and harassment. Further analysis points to KF 26 as the area required for prioritisation as it has deteriorated against other Trusts and against CNWLs 2016 score (if not statistically significant). KF 26 refers to the percentage of staff who, in the previous 12 months, had experienced harassment, bullying or abuse from colleagues or managers and includes questions 15b-c. Analysis indicates that this is more prevalent between colleagues than by managers but both scores are noteworthy. Alongside the service line analysis above the demographic groups of disabled staff at 36% and staff who prefer not to describe their gender at 35% are particularly high.

4.9.2 It is therefore proposed that an enhanced level of improvement action and Executive Board monitoring is taken for:

- 1 Disabled staff in the 5 areas that scored lowest in KF 26
- 2 Disabled staff across CNWL
- 3 All staff across CNWL

Statement of Accounting Officer's Responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Central and North West London NHS Foundation Trust

The National Health Service Act 2006 (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.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require [name] 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 [name] NHS Foundation Trust and of its income and expenditure, items of other comprehensive income 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 Group Accounting Manual and the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and
- use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

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 them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The accounting officer is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from

material misstatement, whether due to fraud or error, and 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. The accounting officer is also responsible for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance.

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

A handwritten signature in black ink, appearing to read 'Claire Murdoch', followed by a period.

Claire Murdoch
Chief Executive
25 May 2018

Central and North West London NHS Foundation Trust Annual Governance Statement 2017-18

Scope of Responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Central and North West London NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Central and North West London NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

As Chief Executive I have overall responsibility for risk management within the Trust, for meeting all statutory requirements and adhering to the guidance issued by NHS Improvement and the Department of Health in respect of governance.

The Executive Board, which I chair, has the remit to ensure the adequacy of the structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to discussion at the Board. The Board has considered its risk appetite and has been clear that it does not tolerate risks to the quality of service provision.

Day to day management of risks is undertaken by operational management, who are charged with ensuring that risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. There is a process of escalation to Executive Directors, relevant committees and governance groups for risks where there are difficulties in implementing mitigations.

To ensure all staff are aware of their responsibilities for risk, training is provided incorporating aspects of risk management and senior staff have been trained in the identification and management of clinical risk. In particular the training provides guidance for staff on the actions they can take once they identify a risk from tolerating a risk through to deciding it is so significant that immediate action is required. Staff are advised on how to escalate but are also reminded that this does not lessen their personal ownership. The development of local risk registers has served also to promote awareness and understanding of the identification of risks and their management across the Trust. The Internal Auditor's review the Trust's risk management processes annually and advise developments of our practice in accordance with best practice.

Many of the risks in service line risk registers also appear on the top risk register, reflecting that the issues local services are facing are being recognised and captured corporately and concurrently that local services are recognising the main difficulties being discussed corporately. All services review their risks regularly in their management meetings, which are jointly led by a Divisional Director and Divisional Medical Director and Divisional Nursing Director. The Executive Board reviews each Division quarterly and assessment of their ongoing risks is an integral part of these reviews.

The Risk and Control Framework

The Risk Management Policy sets out the organisation's approach to risk management, describes the structures for the management and ownership of risk.

Key to the effectiveness of risk management in the Trust is the Executive board, comprising all the Executive Directors. This membership recognises the importance and high profile of risk management in the organisation and facilitates ownership at that level of the identification and management of risks on a continuing basis. Each Division is reviewed on a quarterly basis and the Executive Board considers the key risks identified within the division and the actions in place to mitigate them. This facilitates an integrated approach to governance and risk management issues.

Every year the Board of Directors reviews its key objectives for the coming years in the context of its appetite for risk and these are included in its Annual Plan. The Trust has an Assurance Framework, which provides it with a simple but comprehensive oversight of the management of the principal risks to meeting its objectives. This ensures the Board is sighted through its performance management framework on the areas that represent the greatest threat to its strategic objectives. The Audit Committee reviews the Assurance Framework and underlying sources of assurance.

Local services are responsible for identifying local risks and these are assessed and recorded in Trust-wide risk registers. The risk registers contains details of risks including those relating to clinical, financial, health and safety and organisational risks.

Top risks are identified by Executive Directors and reported at every meeting of the Board of Directors. They are graded, in accordance with the process set out in the Risk Management Policy and an action plan developed to address them.

Awareness of the top risks facing the organisation enables the Board to review the operation of the Trust and potential business opportunities in a way that helps them determine the level of risk appetite they have at any time. The Board is mindful of the need to consider its risk appetite when taking strategic decisions and the Audit Committee looks at risk appetite in the context of the Assurance Framework.

During 2017-18 the top risks facing the Trust included a range of business, quality and financial risks, all of which were considered at the Board's bi-monthly meetings. The Business and Finance Committee, the Quality and Performance Committee and the Informatics Committee review, at their monthly meetings, key risks identified by services relating to their particular spheres of interest.

The Trust has strong quality governance in place. This starts with the Trust strategy which aims to put the patient at the heart of everything we do. This Board itself starts each meeting with a patient's story and spends a significant proportion of Board time on quality. The Trust has an integrated dashboard which is used from team level up to the Board. Performance is assessed against national standards, previous performance and against benchmarking where this is available. Where performance dips against any of these indicators it will be scrutinised at local level, by the Divisional management and by the Quality and Performance Committee who will keep the Board informed of any significant variations.

The Care Quality Commission re-inspected the Trust through a number of staged inspections from February to November 2017 and gave it an overall rating of 'Good'. This validated the work undertaken across the Trust since the initial inspection in 2015 but the Trust was disappointed that the CQC found some services to still require improvement. Actions were immediately taken to address the issues raised. Progress is monitored by the Executive Board and the Quality and Performance Committee. The Trust is therefore compliant with our registration requirements but is committed to continuous improvement of our services. The Trust has engaged a QI partner, the scoping phase of the programme took place in June 2017 and the opportunity to engage in local improvement projects has been welcomed by staff across the Trust. There are currently over 40 projects in process and arrangements are in place to measure both the achievement of initial objectives and their sustainability.

The CQC as part of their inspection undertook a well led review and rated the Trust as good. They made no recommendations for action. The Trust has also engaged Deloitte to undertake a well led review in line with NHSI requirements. This review will be completed in June 2018 and the Trust will use it to both provide assurance of its continued compliance but also as a tool to further develop leadership through the organisation.

Workforce is on our top risk register and the recruitment, retention and training of our staff remains our top priority. Services have bespoke action plans to deal with particular service issues and there is an overarching Trust initiative on recruitment and retention. It continues to be a significant priority to ensure that all our staff have regular training on key policies and procedures. We have been successful in our efforts, including introducing recruitment incentives and making our bank proposition more appealing, to reduce reliance on agency staff and are now consistently within the NHSI target for agency. There are some remaining hotspots where recruitment remains difficult including our prison services but we are now making sustained progress in these areas. We are reviewing the shape of our workforce and considering new types of roles and employment models to enable us to meet future demands. This includes physician associates, apprenticeships, nurse rotations and peer support workers. The Operations Board and the Executive Board will monitor both the achievement of workforce targets and the outcomes associated with them. For instance the percentage of staff trained and the patient feedback on their experience. The Quality and Performance Committee will regularly scrutinise workforce information and will also check on how far this information is being utilised by front line teams. The Executive Board will continue to drive the workforce agenda as the programme board for workforce.

The financial and business risk presented by the health economy nationally and locally is an ongoing one, and is being addressed through significant senior management time being invested in relationship management and engagement with the Trust's main commissioning partners and other stakeholders. 17-18 has, as expected, been a very challenging year but we have achieved the NHSI control total. We knew that our CIP target, one of the highest in the NHS, would be very difficult to achieve. Despite strong financial management it has not been possible to deliver this level of recurrent savings and we have had to achieve our financial position by additional non recurrent savings. We acknowledge that this will add to the pressure in 18/19. We have a monthly executive scrutiny process and the Business and Finance Committee monitors financial performance monthly and reports to the Board. NHS Improvement are assured that the Trust is doing all it can to effectively manage its financial position while meeting quality priorities.

The Board is mindful of the changes in the NHS landscape and is committed to the Trust working in partnership with other agencies to develop approaches to integrated care which best meet the needs of the population it serves. This includes working collaboratively with other providers to deliver contracts, being an active partner in Accountable Care Partnerships and working with STPs to design and deliver care systems. The Board is also mindful of its responsibility to maintain clear lines of accountability particularly in respect of governance, quality governance and financial control.

The Trust has established a wholly-owned subsidiary to manage its estates and facilities as we believe that this will be the most effective way to ensure that we can continue to provide high quality environments for our patients and staff. Our service will also be available to other service providers particularly those within our STP areas.

The Trust is still engaged in a major ICT programme which includes replacing the overall infrastructure and introducing a new clinical system across the Trust. The infrastructure programme completed in 2017 and the change to clinical system is now expected to go live in September 2018. There have been significant complexities with both programmes. The Informatics Committee meets monthly to review progress and report issues to the Board. Once both the infrastructure and clinical system programmes are successfully delivered attention will be focused on utilising our new equipment and the additional capacity it provides to deliver better patient care. We have a Chief Clinical Information Officer in post to ensure that developments are clinically led. Many of our services already use leading edge technology and we intend to spread such innovation across the Trust. One of the drivers behind the major ICT programme was to put the Trust in a position where it is using leading edge equipment including high standards of data security. The Trust was not affected by the major cyber security breach suffered by many other trusts in year and we conducted an Internal Audit review of cyber security as part of this year's audit programme. We also intend to take up the offer of an NHSE Cyber health check or an equivalent. We continue to ensure that all staff undergo annual IG training and routinely share learning across the Trust on any IG breaches that take place. The number of IG incidents is used to assess the success of the training and learning. We have appointed a Statutory Data Protection Officer to ensure that we are fully compliant with the requirements of GDPR.

The Trust is able to assure itself of its compliance with the NHS Improvement licence as regards governance through having a well-established Board committee structure, schedule of matters reserved to the Board and its committees and a scheme of delegation explaining its corporate governance arrangements, roles and responsibilities, reporting lines and accountabilities throughout the organisation. Operational and financial performance and effectiveness and compliance with healthcare and other regulatory standards are monitored monthly by the Executive Board and bi-monthly by the Board. The remit of the Board, its committees and the Executive Board includes oversight of Trust business planning processes and risks to their achievement, quality standards and risks to their achievement and there are systems in place for escalating and resolving issues of concern, which include incident reporting and management of serious incidents, near misses, complaints and concerns. The Board is assured about the effectiveness of these systems through regular review by the Trust's internal auditors.

Prior to agreeing its annual governance statement the Board reviews evidence against the NHSI code of Quality Governance and the NHSI code of governance. It also reviews its scheme of delegation including the terms of reference of its committees. The Board reviews the accountability framework which sets out the way divisional governance operates within the Trust and receives assurance from the divisional directors that the framework is being applied. The Board also annually reviews its own performance.

The Trust has a Divisional Structure in place. All Divisions operate in line with the Accountability Framework which sets

out clear expectations for how quality is managed at team/ward level and how issues are then escalated to the Divisional Board. Operational, Clinical and Nursing management are working closely together at each level in the organisation. The Divisions report in detail on their performance to the Executive Board on a quarterly basis. Non Executive Directors are welcome at these sessions.

All major changes and any savings proposals are required to include a quality impact assessment. These are reviewed by the Medical Director and the Director of Nursing and Quality and are then reported to the Quality and Performance Committee.

Public stakeholders are involved in managing risks which impact on them through a range of different means. The regular service user surveys produce a large amount of data that illustrate service user experiences, which contribute to the formation of actions to drive up quality and ultimately reduce risk. The Board of Directors receive a report on service user experience at each meeting held in public. A Carer Council, has also been established.

Service users and carers have been involved in monitoring key quality indicators as part of the Quality Account through involvement in local care quality groups. The Trust holds regular meetings with its CCGs where performance against quality indicators is monitored. Some of these are directly connected to risk in terms of ensuring that our services are provided with clear attention to patient safety and active management of risk. Local Implementation teams/partnership groups are coordinated by our commissioners and feed into the prioritisation of services.

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

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

The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to review the Trust's obligations under the Climate Change Act and the Adaptation Reporting requirements.

In conjunction with our own specialist external consultants and the NHS Sustainable Development Unit we have developed a Sustainable Development Management Plan. We are aware of our obligations under the Climate Change Act and Adaptation Reporting and are currently working towards full compliance.

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

The Trust has a range of processes to ensure that resources are used economically, efficiently and effectively. This includes clear and effective management and supervision arrangements for staff, regular reporting to the Board on quality, operational performance and finance, with further review and scrutiny on a monthly basis at meetings of the Quality and Performance Committee and Business and Finance Committee of the Board of Directors.

The Trust has an agreed risk-based annual audit programme with the Trust's internal auditors. These audit reports are aimed at evaluating our effectiveness in operating in an efficient and effective manner and are focused on reviewing our operational arrangements for securing best value and optimum use of resources in respect of the services we provide.

The Trust continues to make an active contribution to the pilot phase of Lord Carter's efficiency work with mental health and community trusts. Learning from the Carter pilot work alongside our drive to improve the efficiency of our back office has delivered a significant cost reduction. Our ongoing work to improve the efficiency of the back office and enable productivity in its customers is drawing on NHSI's Corporate Services Productivity programme. We have put in place additional governance systems to both challenge and support operational and corporate staff in identifying and delivering the required level of savings. The Executive Board monitors progress on delivery of all our savings plans.

Information Governance

The Trust has an Information Governance Programme Board, chaired by the Director of Strategy and Performance, which is the principal body overseeing the management of information risks. This group has a reporting line into the Executive Board. It oversees the Trust's Information Governance Toolkit action plan. Exception reports and serious incidents relating to information management are reported to the Information Governance Programme Board.

The following level 2 incidents were reported to the Information Commissioner in 2017-18. No action has been taken by the ICO at the time of writing.

5 June-2017 - Appointment letters containing confidential information. Appointment letters relating to 9 patients sent to 1 individual in error.

The ICO has not taken any action in respect of the incident reported in the last financial year.

Annual Quality Report

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

The following steps have been put in place to assure the Board that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of data:

- The Board has a Quality and Performance Committee chaired by a Non Executive Director with Board Director membership. The annual quality report is considered by the Quality and Performance committee and includes input from a wide range of internal and external stakeholders to ensure it presents a balanced view.
- The Quality and Performance committee reviews its performance against the NHS Improvement Quality Governance framework.
- The Trust employs a range of staff that possess the skills, experience and capability to deliver the quality priorities.
- Quality priorities are identified both externally by key stakeholders and internally within the Trust. Key performance indicators and targets are set to measure delivery, which are reported to and monitored by the Quality and Performance committee in the joint quality and performance report which is published quarterly. This is also considered by the Council of Members and made public via the Trust website.
- There is ongoing investment in information technology to deliver better patient care and provide performance and management information. Improving our use of data is a priority workstream to enhance data quality and provide real time management reporting which will in turn support our commitment to continuous improvements in the quality of services.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of

the effectiveness of the system of internal control by the Board, the Audit committee and Quality and Performance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by internal and external audit reports, the core standards self assessment declaration and a review of the risk management arrangements conducted on behalf of the NHS Litigation Authority. This is in addition to the work of executive managers within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework.

The Assurance Framework has been reviewed by the Trust's internal auditors. They have confirmed that an Assurance Framework has been established which is designed and operating to meet the requirements of the 2017-18 Annual Governance statement and provides substantial assurance that there is an effective system of internal control to manage the principal risks identified by the organisation.

The Board maintains continuous oversight of the effectiveness of the Trust's risk management and internal control systems. It meets every other month, with all of the meetings being open to the public. It has as a standing item on the agenda reports on the areas of financial management, risk management and performance management. It regularly receives the minutes of meetings or reports of its committees and an update on progress against its strategic objectives.

The Audit Committee oversees the effectiveness of the overall system of integrated governance, risk management and internal control. On behalf of the Board, it independently reviews the effectiveness of risk management systems in ensuring all significant risks are identified, assessed, recorded and escalated as appropriate. Responsibility for risk management rests with the Executive Board. The Audit Committee regularly receives reports on internal control and risk management matters from the internal and external auditors.

There is a full programme of clinical audit which is agreed by the Quality and Performance Committee. The Trust has been the subject of a review by the CQC and has been rated as 'Good'. The Trust has actions in place to address areas of residual underperformance identified by the inspectors.

The Trust reviews growth opportunities as they arise and continues to acquire discreet services, as they are put out to tender. We look for services which complement our existing portfolio and where we feel that the Trust has the skills and experience to provide for the service user group. Once new

services are acquired, policies and procedures are safely aligned and although the NHSLA no longer operates the regime of assessing trusts against Levels 1 2 and 3 the Trust continues to aspire to having systems and processes in place which would have been consistent with Level 2. All new services will have a 100 day plan to ensure that all quality and governance issues are addressed until the service is safely integrated into a divisional structure.

Conclusion

No significant control issues have been identified but the Trust is committed to the continuous improvement of its governance and assurance arrangements to ensure that systems are in place which ensure risks are correctly identified and managed and that serious incidents and incidences of non-compliance with standards and regulatory requirements are escalated and subject to prompt and effective remedial action so that the patients, service users, staff and stakeholders of Central and North West London NHS Foundation Trust can be confident in the quality of the services we deliver and the effective, economic and efficient use of resources. I am satisfied that the systems outlined in this statement provide assurance and that we have effective systems of internal control. The Board recognises that the coming year is likely to be exceptionally challenging and in that environment it will be more important than ever to ensure that our governance and control systems are in place and actively utilised.



Claire Murdoch
Chief Executive
25 May 2018

**Quality Account
2017-18**

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Glossary of terms

QAP	Quality account priorities
CNWL	Central and North West London NHS Foundation Trust
CPA	Care Programme Approach
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
FFT	Friends and family test
GP	General Practitioner
LD	Learning Disability services

MDT	Multi-disciplinary team
NHS	National Health Service
NICE	National Institute for Health and Care Excellence
OSC	Overview and Scrutiny Committee
POMH	Prescribing Observatory for Mental Health
Q3	Quarter 3
POMH	Prescribing Observatory for Mental Health
YTD	Year-to-date; an aggregation of performance data over 2017/18

Part 1. Letter from our Chief Executive

I am very pleased with the progress we have made this year but we are aiming higher. Our commitment to delivering high quality care and our focus on continuous improvement has led to our Trust being rated good by the Care Quality Commission (CQC) following a series of inspections between 2017/18. I am particularly pleased that our Learning Disability Service was rated as outstanding by the CQC.

The CQC's inspection report published in August 2017 acknowledges that our organisation is outstanding for caring, good for Responsive, Effective and Well-led CQC domains but further work is needed in relation to the Safety domain. I acknowledge the findings of this report and know the work we have to do to improve the safety domain but also to become Outstanding across the board.

With this in mind, we launched our Quality Improvement Programme this year. This programme gives staff the freedom and skills to take local initiatives to improve the quality of care and to continuously learn and share learning. Our staff are best placed to know what works in their areas of work and therefore, by empowering them to think differently, to take quality improvement initiatives and to learn and share learning, we will be well on our way to achieving an 'outstanding' rating.

This year, our actions to improve patient and carer involvement yielded improvements and I am pleased that we have achieved our indicator targets for this quality priority. It is especially pleasing that our mental health services have improved their performance when compared to last year. We know we are making good progress because our patients are giving us feedback, which we use to test how well we are doing. We will continue to focus on embedding our actions and to continue on the improvement path we are on.

The key is staff. We will improve our performance for the staff engagement quality priority. Staff told us that the IT infrastructure could be better, so we undertook a transformation of our ICT network so staff could work more flexibly and efficiently.

We implemented a series of staff wellbeing initiatives including a service that focuses on the mental wellbeing of our staff-SW@W (staying well at Work), we ran a number of staff engagement and listening events and tested the impact of our actions. We received more staff feedback last year and while we have not met our internal staff survey targets, we know that the rich feedback we have received from staff will help shape and focus our actions in the coming year and we have started formulating actions to deliver improvements.

For the coming year (2018/19), we have set ambitions and know we must consolidate our achievements of last year. Our focus will be on local improvements, partnership and delivering across systems. This will be underpinned by our Quality Improvement approach to improvements.

Lastly, I would like to reflect on our work supporting the North Kensington community affected by the Grenfell Tower fire. This terrible event in June 2017 is the biggest humanitarian disaster in Europe in many years with levels of traumatisation that are hard to comprehend and the treatment for which requires years of skilled work by what is now the largest Trauma Service in the UK.

I take this opportunity to reiterate how proud I am of our staff who do such a tremendous job there. Our teams provide a 24/7 service, delivering an integrated emotional and physical health service, combining four different providers under a single NHS banner. Whilst incredibly challenging for staff in multiple ways, the delivery of this important work has shown our staff to be truly committed, responsive and compassionate in their work.

 23/05/18.

Claire Murdoch
Chief Executive
May 2018

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF CENTRAL AND NORTH WEST LONDON NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Central and North West London NHS Foundation Trust to perform an independent assurance engagement in respect of Central and North West London NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the following two national priority indicators (the indicators):

- early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral
- improving access to psychological therapies (IAPT): waiting time to begin treatment (from IAPT minimum dataset): within six weeks of referral

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2017/18* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the *Detailed Requirements for external assurance for quality reports for foundation trusts 2017/18*.

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

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2017 to May 2018;
- papers relating to quality reported to the board over the period April 2017 to May 2018;
- feedback from commissioners, dated 09 May 2018;
- feedback from local Healthwatch organisations, dated 09 May 2018;
- feedback from Overview and Scrutiny Committee, dated 09 May 2018;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 12 July 2017;
- the latest national patient survey, dated 15 November 2017;

- the latest national staff survey, dated 06 March 2018;
- Care Quality Commission Inspection, dated 18 August 2017; and
- the 2017/18 Head of Internal Audit's annual opinion over the trust's control environment, dated 16 May 2018.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Central and North West London NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Central and North West London NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Central and North West London NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicator in the Quality Report subject to limited assurance has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

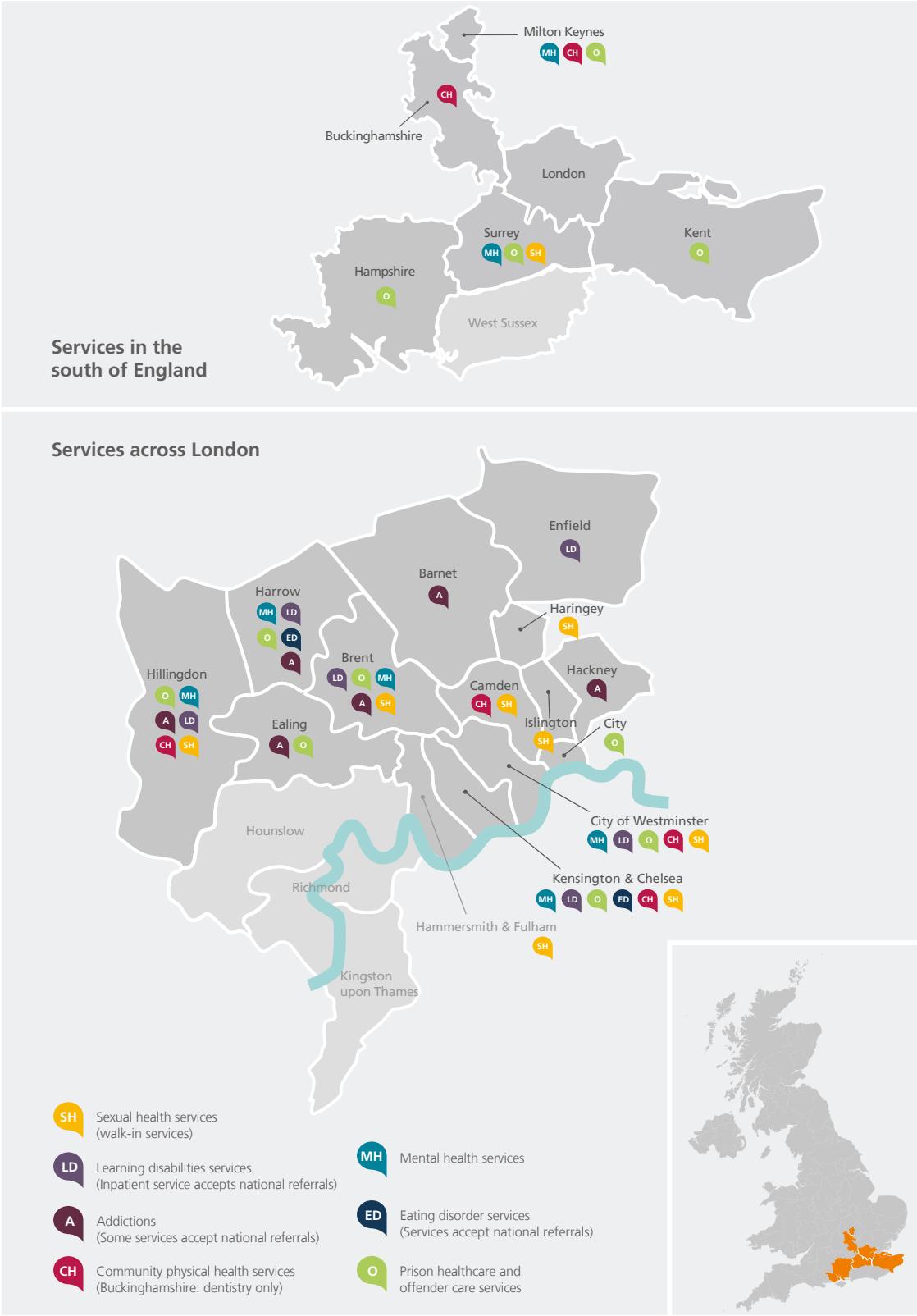
ILPMG LLP

KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL

25 May 2018

Overview of our services

The map below provides a useful visual summary of the services CNWL offers and in which boroughs and counties these services are located.



PART 1.1 - Our priorities for improvement

A review of our performance in 2017-18 against our quality priorities; in this section of our quality account, we look back at 2017-18 and provide an update on key highlights and the progress we have made against our priorities for improvement.

We are committed to delivering safe and high quality care with compassion and respect in an environment where staff, patients, service users and carers work in partnership and feel empowered to do so. The quality of our services is uppermost in our strategic objectives and is central to decisions taken at every level in our organisation from our community and ward teams to the Board.

Last year, we recognised that sustaining quality means that we have to plan over longer periods and together with our stake holders, we agreed to continue focusing on the two quality priorities which we started the previous year. These priorities are:

1. Patient and Carer Involvement
2. Staff Engagement

By continuing with these two quality priorities, we knew we would build on the foundations we laid in the previous year and would continue to embed the actions we were taking.

So what actions did we take in relation to our two quality priorities?

Quality Priority 1 (Patient and Carer Involvement)

We wanted patients and carers to feel involved and supported in taking ownership of the decisions about their care and took make sure a co-production and involvement approach. Below we highlight some of the work that was undertaken to support the delivery of this quality priority.

Patient Reference Group (PRG)

In line with our values of partnership and empowerment, we established a Trust wide Patient Reference Group towards the end of the last financial year. This group brings together patient representatives, Governors and staff across the Trust. This year, the group gained momentum due to the expertise, commitment and dedication of its members. Some of the highlights of the work of PRG in the last year include:

- Reviewing the Trust wide Patient and Carer Involvement strategy. The group highlighted achievements, gaps and identified our key priorities for the renewed strategy
- Taking part in the Trust's Quality Diagnostic Workshop in May 2017 to help decide priorities for the Trust's Quality Improvement work programme
- Establishing a Joint Feedback Review Group, which reviews all patient and carer feedback on a quarterly basis

and helps co-produce the quarterly patient and carer feedback report for the Trust Board

- Taking part in a consultation to review and update the CNWL Complaints, Compliments and Comments information booklet and Policy
- Agreeing the priorities for the CNWL volunteering programme to inform our new volunteer service recruitment and programme plan

Triangle of care (TOC)

Last year we committed to working with our Carers' Council to rollout the Triangle of Care programme. The concept of TOC aims to make sure that carers are active and equal partners within the care team and represents partnership working between the physical or mental health professional, service user and carer.

It will take careful planning to implement TOC across all our inpatient units and with this in mind we started with a pilot in two Mental Health Inpatient units in Milton Keynes (the Campbell Centre and Topas). Together with local service user and carer groups, these units worked together using a self-assessment tool and a rating system to identify where they are doing well and areas that required improvement.

The pilot showed that the units routinely identified carers and kept them involved throughout the assessment and treatment process, that they had good protocols in place for information sharing and confidentiality, that they had identified carers' champions, and that they introduced carers to the service offering a good range of information. Following the success and learning from the pilot in Milton Keynes, the Triangle of Care will be rolled out across the remaining Inpatient units within CNWL.

#Hellomynameis... Campaign

The importance of making a human connection with people we care for is acknowledged as an important part of caring and can aid recovery. Following a visit from the late Dr Kate Granger MBE in 2016, we rolled out a campaign with a plan of getting all our teams sign up to the values that underpins this campaign by the end of 2017. We introduced a number of initiatives to help us achieve this. These included:

- Daily tweets of the campaign
- Induction book for all new starters with information on the campaign
- Spotlight on Trustnet signposting to an intranet page
- Staff stories about how the campaign has had an impact on CNWL website and in Trust magazine (ongoing)

We deliberately took a bottom up and light touch approach to sign up to the campaign as we know this is just not about

achieving a target but inspiring teams to live the values of this campaign. By the end of quarter four 2017-2018 this year's fourth quarter, 89% of all teams have signed up. In the previous year 26% had signed up. Boroughs and services will monitor their performance against this campaign and their performance will be reflected in local quality account action plans, which will be shared with local commissioners.

Some examples of service user involvement in our different services

Service user involvement in Offender Care

- Our teams at HMP Coldingley and HMP Downview started new service user involvement initiatives focused on enabling service users to work alongside our teams. At Coldingley, Mental Health Champions were recruited and trained and are working alongside the team. In Downview, two paid jobs were established for prisoners as Healthcare Workers. These roles facilitate user feedback initiatives and support new prisoners by speaking to them at induction and informing them about the services available to them. They are also getting more involved in reviewing group materials and assisting in co-production of information in relation to mental health for women across the prison. We plan to roll out this project across all our Surrey prisons following its impact review in June.
- Over the last year, our teams at Cookham Wood led by one of our Psychologists successfully set up the Health and Wellbeing Team (HWBT) Service User Representative Scheme. This was achieved by recruiting several young people who are serving prison sentences to act as representatives for the teams. These HWBT Service User Representatives are young people from diverse backgrounds, who have been involved with the team and are keen to promote its work by being available to talk about mental health and sources of help with the other boys. Two of the service user representatives accompanied by the psychologist and colleagues attended Parliament, where they appeared before the Parliamentary Joint Committee on Human Rights. They were asked about their experiences in prison and particularly about the respect given to their human rights, and their access to mental health services. Additionally, they delivered a session on "Finding a Voice in Custody" At this year's Youth Justice Convention.

Patient and service user involvement in our Community Physical Health Services

- The Tissue Viability Service in Hillingdon started an initiative to invite patients or carers to their team meeting during the course of their treatment to get live feedback around their experience of the service. This initiative made sure that any necessary actions in response to feedback was taken in a timely manner during the course of the treatment. At one such team meeting in December a patient gave feedback on how their fears were alleviated following a positive experience at their first appointment. This feedback boosted staff morale and reinforced their belief that a positive experience enhances the quality of care.

- Our team in Milton Keynes Community Health Services saw an increase in referrals for people with Motor Neuron Disease who were in their 40s with young families and wanted to take action to improve their experience. Led by our Neurological Conditions Clinical Specialist, they organised an informal event that brought together children from these families to meet staff and to share their experiences, while also having fun. This took place in December and was supported by our local partners in Milton Keynes. This event was well received by the families and the children.
- A hugely successful Joint Learning event was held in December for both Milton Keynes Community and Milton Keynes Mental Health Services. The Sensory Advisory Resource Centre (SARC) team came to present to staff from all disciplines and grades about the challenges faced by profoundly deaf and / or visually impaired people when accessing our services. The event included an overview of common visual impairments and things to consider when communicating with a deaf person via an interpreter; with a visually impaired person and with a hard of hearing person (wearing a hearing aid). Following the learning event, staff in services were provided with a resource pack, including links to a variety of tools that could be used to support people with a visual or hearing impairment.

Service user involvement in Rehabilitation Services

- Two years ago, working with the Brent User Group we started meeting with service users and staff to listen to feedback and take actions to improve. To further develop our responsiveness, we are working together with service users to develop a Quality Improvement pilot project at Westfield House. The project is still at scoping stage and a project meeting is to be held in June, when the project should start. The goal for the project is to develop a better way of obtaining and responding to patients' feedback in a meaningful way.

Service user involvement in our Mental Health Service

- Our team at Kensington and Chelsea have worked with services users as partners to build a café at St Charles Mental Health Centre. Designed and developed by service users, this will be a space that helps rehabilitate them back into the community. A space away from the ward with its own distinctive personality, the idea is that this becomes a community space not just for service users and staff, but friends, family and members of the local community that helps to break down the stigma of mental ill health.

Friends and Family work in Brent;

- We know that working with friends and family can have a positive impact on a patient's recovery. We also know that working together with families can help us understand patients or service users better and this can sometimes prevent admissions and facilitate early discharges. In line with this, our teams in Brent offer Carers Assessments to family and friends of patients on their wards. The team

has built close links with Brent Carers Centre and carers are invited to multidisciplinary team meetings to discuss progress that their loved ones are making.

Responding to feedback

Across the Trust we do four things in response to feedback. Firstly, in response to complaints, actions and lessons learned are logged on datix (a risk management system) so that we are able to track these and assure ourselves that actions are being taken. Secondly, a linked action function on Optimum Meridian (the system we use to collate surveys) automatically alerts a team to negative feedback letting them address such concerns in a timely manner. Thirdly, we have implemented the "You made a difference campaign" where positive feedback to staff is shared with them. Lastly, we continuously analyse feedback from patients and service users to understand and act on their experience of our service. One of the ways we feed back to patients and service users is via "You said We did" posters. Below is one example of the impact of feedback.

Learning and listening - 'You said, we did'

Pall Mall – North Kensington CMHT

What you told us

- I would like to avoid spending ages waiting to receive my depot injections
- I would like to see more refreshment options in the patient waiting area

What we did

- Appointment slots in the depot clinic have now been introduced to aid time keeping
- Vending machine and water cooler now installed in the reception area. Hot drinks machine a possibility in the future

Pall Mall – North Kensington CMHT

What you told us

- Sometimes when I attend planned appointments to see my care coordinator I have to wait longer than necessary to see them after the allocated time
- I would like to compliment the warm and welcoming attitude of the reception staff in the unit

What we did

All staff reminded of good diary management and importance of attending planned appointments promptly

Other highlights from 2017-18

The CQC returned to inspect some of our core services, which required improvement in the previous inspection. They also looked at the Kingswood Centre, a Learning Disability service that was previously rated Good. Following this re-inspection, the Trust was re-rated by the CQC as Good overall, while the Kingswood Centre was rated as Outstanding. We know that further work is required in our community mental health services for adults of working age and we have already started focused work to enable continuous improvement in this service as well as under the Safety CQC domain.

Dementia friendly older adult ward environments

The dementia friendly environment project was set up in response to feedback from the CQC that older adult mental health wards were not focused enough on the particular needs of people with dementia. From the outset, the project group was determined to include all CNWL's wards providing for older adults, not just the mental health wards. A nationally recognised checklist was used to identify where the "gaps" were on each ward, following which the steering group was able to identify common priorities, and direct what work needed to happen in which location.

Two particular factors underpinned the success of this project.

- The first major asset was the involvement of carers from the outset – they made sure at all times that the project stayed real and relevant.
- The second was its inclusiveness – involving all our wards in a way which emphasises that dementia is "everybody's business".

Examples of the changes brought in include better signs, which make sense to people with dementia, more effective use of colours, eating utensils which encouraged eating and drinking, easily identifiable name badges, safer walkways and better bathrooms. The steering group believed that a dementia friendly environment goes well beyond physical "fittings" – it includes the information that is available to people with dementia and their family, and activities that add to their sense of wellbeing. A longer term ambition is to test out new technology, which can host personal photos, music and family messages with the aim of providing reassurance and pleasure to people at whatever time of day they need it. The next steps in achieving this longer term ambition and a review of the impact of this project will be discussed at the Dementia Friendly Group review meeting in May 2018.

We implemented the "Stop the pressure campaign" leading to significant reduction in Avoidable Pressure Ulcers in Hillingdon nursing homes and one of our inpatient rehabilitation units at St Pancras Hospital. We had noticed an increased number of referrals from care homes with skin damage at stage 2 and above and we knew that with early intervention we could preserve skin integrity in the majority of cases. To

address this, we implemented the NHSI challenges and worked closely with care home staff. Our staff delivered pressure ulcer prevention and management teaching and education in those care homes and inpatient units. We are pleased to report significant reductions in avoidable pressure ulcers in the care homes and inpatient units we worked with.

As at the end of January, we achieved the following.

- We had had no new incidents of pressure in the 15 nursing homes for a period of over 100 days
- In 11 out of 15 nursing homes, had no new incidents of pressure ulcer for over 250 days
- Inpatients unit at St Pancras Rehab Unit- all three had no incidents of new pressure ulcers for over 100 days

As a result of this work one of our tissue viability nurses and the tissue viability service were shortlisted for the Health Service Journal awards in 2017. This work is a true example of our commitment to our value of "partnership".

What else did we do?

This year, the Grenfell Tower fire in North Kensington caused the biggest humanitarian disaster in Europe for many years. From the outset, our staff contributed to supporting people in the immediate aftermath. This included liaison and coordinating with individuals and groups in the immediate vicinity, providing emotional support and reaching out into the community.

Our services worked 24 hours a day, delivering an integrated emotional and physical health service, combining four different providers under a single NHS banner - including adult and CAMHS mental health staff, GPs and District Nursing staff. Our School Nurses were also on the ground offering and providing support. Our staff provided a walk-up clinical service; they reached out in to the community, and to hotels where residents and survivors from the Tower and surrounding area had been displaced. Over the past nine months, our Grenfell Health and Wellbeing Service has evolved, and includes outreach teams of more than 20 staff, adult trauma services - the largest trauma service in Europe with 50 trauma-trained therapists, CAMHS services for children and a school nursing team who are working proactively with local schools.

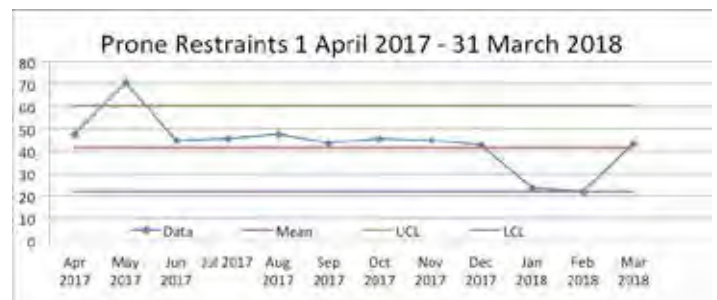
The enormity of the impact of the Grenfell Tower fire is still being measured, and we continue to respond in a proactive, flexible and adaptable way, with learning in response to developments. Whilst incredibly challenging for staff in multiple ways, the delivery of this important work has shown that our services and particularly our staff are committed, responsive and compassionate in the way they work.

Reducing prone restraint:

Last year, we committed to reducing the use of prone restraint across our mental health services. Following detailed analysis of the use of prone restraint, it was identified that around 80% of prone restraints were to deliver IM (Intra muscular) medication. A technique to administer IM medication in the supine position was developed by our training providers; we subsequently delivered this technique to all appropriate staff initially in the acute services and more latterly in Rehabilitation, Learning Disabilities and for bank staff. The training was delivered via locally delivered workshops. This project was implemented using Quality Improvement (QI) methodology, and was awarded a QI award at the Spring QI event. The learning from delivering this training locally led to the development of assigning a tutor from the Prevention and Therapeutic Management of Violence and Aggression (TMVA) team to each of the acute services to provide locally based guidance and support.

The delivery of the supine IM technique across the acute services has had a positive impact on the use of avoidable prone restraint (where the prone restraint was to administer IM medication) - during Q4 there were no avoidable prone restraints across the Trust.

Graph 1: Statistical Process Chart – Prone Restraints 1 April 2017 to 31 March 2018



When implementing QI we use SPC charts to take into account the mean data set over a period of time to be able to add upper and lower control limits. This allows us to analyse when the data set is outside expected deviation.

In 2017-18 the mean average number of prone restraints across the Trust was 59 per month, in 2017-18 this has reduced to 44 per month. This shows a year-on-year reduction of 28%. The length of time in prone restraints has also been analysed: 92% of all prone restraints ended within four minutes. This indicates that if prone restraint occurs staff are able to work with the individual to end the restraint or transfer to an alternative restraint position.

Next steps:

The Restrictive Interventions Working Group is overseeing the development of a Violence Reduction Strategy. This will support our aspiration to end the use of prone restraint. It increases our focus on primary and secondary interventions to support a wider reduction in the types of incidents that may result in the use of any type of restrictive intervention. The strategy will support services to establish locally owned QI projects increasing the potential success of these interventions.

Quality priority 2: staff engagement

We wanted staff to feel well supported, trained, committed and engaged. Building on our work from the previous year, we wanted to continue to engage, support and develop staff to be the best they can be. We know that staff wellbeing is central to an engaged, efficient and stable workforce. We also know that prioritising wellbeing helps staff reach their professional goals. Below, we highlight some of the actions we have taken:

Staying Well at Work (SW@W)

This year, we wanted to focus on the mental wellbeing of our staff. To this end, we launched a "Staying Well @ Work Service with roadshows at 12 main CNWL sites in May 2017. About 1,000 staff were spoken to during the launch fortnight. The Service Coordinator also delivered a promotional presentation to four management teams. Over the last year SW@W supported people returning to work, carried out suicide prevention work, offered support to staff on medication or those without permanent homes, as well as redeployment support. The work of SW@W has been so successful that our executives have signed it off as a permanent service, which will enhance our staff wellbeing.

Engaging with our staff

Across the year, we run a number of events within divisions to facilitate job swaps and to provide a chance for staff to have conversations about finding alternative roles within the Trust. The turnover of Band 5 Nurses was identified as an area that required further focused work and we have undertaken specific engagement work with them including an online survey and focus group to help us understand why they might consider leaving. This has enabled us to address this issue in a timely manner to improve our retention. During the year we also ran several staff engagement events in each division to help us further understand what matters to our staff. We have carried out quarterly internal staff surveys to supplement the annual staff survey. As at the end of Q4 over 5,000 staff had given us feedback. This feedback is a useful tool that helps us test our staff experience so we can respond appropriately. Details of how we have performed together with the actions we are taking are reported in the section "reporting on core indicator" under the subheading of "patient & staff experience"

Listening to our staff

Having signed up to be a carer friendly organisation, we continue to implement family friendly policies such as flexible working. This year, we refreshed and updated our flexible working policy to give greater senior oversight.

Responding to staff feedback

Last year we committed to addressing IT issues raised by staff in the national staff survey and other local surveys. We want to improve this area of our infrastructure to enable staff do their jobs more efficiently. We undertook a major transformation of our ICT network and while this undoubtedly brought some challenges, the benefits are now starting to be felt across the organisation. A list of some of the improvements is shown below; since the transformation began, we have delivered more than 8,000 PCs and laptops to staff. In many cases, these devices replaced old or obsolete machines. All devices currently in use are now up to date. We are running modern, industry-standard versions of software, with strong security and anti-virus systems in place. Laptop users have been provided with dongles, so that they can connect into Trust systems from anywhere. This supports our commitment to flexible working.

A number of staff networks are in place to facilitate engagement with various staff groups. For example:

Carers at work network

We have partnered with the organisation 'Employers for Carers' who provide advice, information and assistance to employers to help them retain and manage employees with caring responsibilities. The organisation is providing training to managers, and signposting employees to sources of workplace and external support. The network continues to provide support to staff who identify as carers.

BAME (Black Asian Minority Ethnic) Network

The BAME network continues to support the Trust with the Workplace Race Equality Standard action plan. Members of the BAME committee are volunteering to sit on recruitment panels for appointments to Band 8a and above. A BAME mentoring programme was launched and applications were received from BAME staff, who were matched with mentors in the organisation. All mentees reported that they found the mentoring scheme very useful. Based on this positive feedback, we will relaunch the scheme in the coming year and formally track the experience of mentees against our Staff Survey indicator for career progression. The Aspiring Leaders Programme aimed at BAME staff from Band 3-6 who would like to the next level in their careers ended on 12 April with an achievement day. Two cohorts were brought together to present their learning from the programme, and projects to help improve local services. At the end of the programme the feedback indicates that more than half of the 35 participants were offered new jobs, and reports of increased confidence was a theme across all participants.

LGBT+ (lesbian, gay, bisexual, transgender) network

The LGBT+ Network is working closely with the Trust on this year's Stonewall Workplace Equality index. Staff are also preparing for their annual summer event, 'Bring yourself to work day'. Reverse mentoring with Board members continues to feature as part of the network's awareness

raising programme, in addition to LGBT+ awareness training being delivered to sites across the Trust by Committee members.

Disability Network

The Disabled Employees' Network has gone from strength to strength. The Trust has recently partnered with 'Purple Space', an organisation that helps build disability networks, and leaders to support disabled employees. The Trust is working with the Network on a guidance document to support managers who are supervising staff with a disability, and a new disability awareness presentation has been developed together with HR, Recovery College, and Occupational Health, and will be delivered across the organisation. The Trust is a Disability Confident Employer, and has worked with 'Disabled Go' to provide information to the public about the accessibility of all sites. The Network continues to work with a subgroup of staff with lived experience of mental health, seeking ways to support them at work. On 9 May the Trust observed National Staff Networks Day. Both the executive sponsors, the HR Director and Chief Operating Officer met with Network Chairs and Committee members to talk about the achievements of each network, governance, roles responsibilities, support, and future plans.

Other highlights

It was great to receive the news that we were in the top 100 for 2017-18 (95th place). The Trust has been a member of Stonewall's Diversity Champions Programme for a number of years. We are the only London based NHS organisation to feature in top 100 and one of five NHS organisations nationally to be recognised. It is a great accomplishment given that the assessment process continues to get more stringent each year.

What else did we achieve?

We wanted to keep our staff and patients safe from the flu virus. We know that winter is a season for the influenza (flu) virus. We also know that the flu is a transmissible infection that can be fatal to most people specifically those with long term conditions and the elderly. We care for most people in these categories and wanted to make sure that they and our front line staff who are at greater risk of this infection are given a chance of protection against this virus. We are pleased to report that this winter staff engaged wholeheartedly in the campaign and just over 70% of our frontline staff stepped up to be vaccinated. We are proud to be the best performing mental health and community Trust in London.

How did we do?

Measuring and testing our actions

To track and monitor the effect of the above actions, we measure and monitor eight quality indicators:

- Five quality indicators which relate specifically to the achievement of the two Quality Account Priorities
- Two quality indicators carried over from last year as these are areas where the Trust needs to show sustained improvement.

These indicators help us test whether our actions are having the desired impact. Our indicators are outlined below under each quality priority;

Patient and Carer Involvement - Indicators for measuring the impact of our actions

- We wanted at least 85% of our patients to report feeling (definitely and to some extent) involved in their care or treatment
- We wanted at least 85% of our patients to report that their care or treatment helped them achieve what mattered to them

Staff Engagement- Indicators for measuring the impact of our actions

- We wanted at least 70% of our staff to report they would recommend the Trust as a place to receive care or treatment to a friend or relative
- We wanted at least 70% of our staff to report that they would recommend the Trust as a place to work
- We wanted to reduce our Trust wide staff turnover to 15%

With the exception of the indicator for staff turnover, all the other indicators are collated from feedback from our patients, carers and staff through various surveys. For staff turnover, we regularly review our internal systems to track this indicator.

Our performance against the five quality priority indicators

We are pleased that we continue to meet our patient reportable indicators. Table 1 below shows our performance against the Patient and Carer Involvement Indicators year to date (as at Quarter three)

Table 1 Overall Trust performance against patient reportable indicators

	Quality account priority Indicators for patient and carer involvements	Target	2017-18	2016-17
	Patients and carers report feeling involved in care & treatment (definitely)	75%	81% n=17575	80% n=11197
1	Patients report feeling involved in care and treatment (definitely and to some extent)	85%	95% n=17,585	94% n=11,197
	Patients report their care and treatment helped them achieve what matters to them(definitely)	75%	75% n=13742	75% n=10643
2	Patients report their care and treatment helped them achieve what matters to them(definitely and to some extent)	85%	95% n=16,288	94% n=10,643

What else did we measure?

From previous years, we identified and carried forward three quality indicators as these relate to areas that we need to show sustained improvement. The three indicators carried forward from previous years were;

- We wanted at least 95% of our patients to report feeling treated with dignity and respect
- We wanted at least 90% of our patients to report that they would recommend the Trust as a place to receive treatment
- We wanted audits of inpatient and community patient records to show that risk assessment were being completed and linked to care plans in at least 95% of the records audited.

The first two indicators carried forward from previous years are patient reported and the last indicator is measured through regular audits.

Table 2

	Indicators carried over from previous years	Target	2017-18	2016-17
1	Percentage of patients who report being treated with dignity and respect (Yes always + yes sometimes)	95%	97% n=13211	98% n=9096
2	Patient FFT: How likely are you to recommend CNWL services to family or friends if they needed similar care or treatment? (extremely likely + likely)	90%	92% n=15718	91% n=12,696
3	Inpatient and community risk assessment completed and linked to care plans audit	95%	88% n=2120	89% n=1711

We achieved our target for the patient reportable indicators. In the coming year, we will be taking a different approach to improving the risk assessment and care planning indicator. We recognised that to make sure sustainable improvements on this area, we need to apply the quality improvement methodology, which engages and empowers individual teams to deliver improvements. This indicator will not be reported in next year's quality account and in line with the quality improvement methodology will be monitored at team level and reported in the monthly CQC compliance report.

Table 3: Local performance against our patient reportable indicators (Patient and Carer involvements) 2017-18

Measure	Target	Mental Health Services						Specialist services						Community physical Health services			
		Brent	Harrow	Hillingdon	K&C	Westminster	Milton Keynes	CAMHS	Eating Disorder	Learning Disability	Rehabilitation	Addictions	Offender care	Camden	Hillingdon	Milton Keynes	Sexual Health
Patients report feeling involved in care and treatment (definitely)	75%	66% n1101	69% n481	76% n200	56% n241	71% n225	76% n1364	75% n207	75% n191	93% n54	53% n188	71% n850	50% n591	81% n1942	83% N2617	90% n2847	89% n4476
Patients report feeling involved in care and treatment (definitely and to some extent)	85%	88% n1101	93% n481	94% n959	80% n241	87% n225	96% n1364	96% n207	95% n191	89% n121	90% n188	92% n850	83% n591	96% n1504	95% n2239	99% n2847	99% n4476
Patients report their care and treatment helped them achieve what matters to them(yes, definitely)	75%	61% n776	52% n461	77% n191	45% n245	68% n228	61% n1327	58% n193	63% n185	92% n52	52% n185	61% n853	45% n585	77% n1560	79% n1367	84% n1327	87% n4207
Patients report their care and treatment helped them achieve what matters to them (definitely & to some extent)	85%	88% n776	88% n461	90% n191	80% n245	86% n228	95% n1327	91% n193	94% n185	94% n52	90% n185	90% n853	79% n585	97% n1560	98% n.2537	97% n2703	98% n4207
Patients who report being treated with dignity and respect (Yes always + yes sometimes)	95%	94% n1091	98% n464	96% n196	93% n248	93% n232	99% n1379	98% n199	99% n194	96% n53	98% n190	94% n846	96% n589	99% n1864	99% n2612	99% n2754	100% N300
Patient FFT: How likely are you to recommend CNWL services to family or friends if they needed similar care or treatment? (extremely likely likely)	90%	83% n1153	87% n524	84% n285	79% n292	79% n435	90% n1179	86% n620	94% n717	85% n271	93% n580	93% n733	83% n784	96% n2286	96% n2383	97% n2517	93% n959

Overall Trust performance against staff indicators

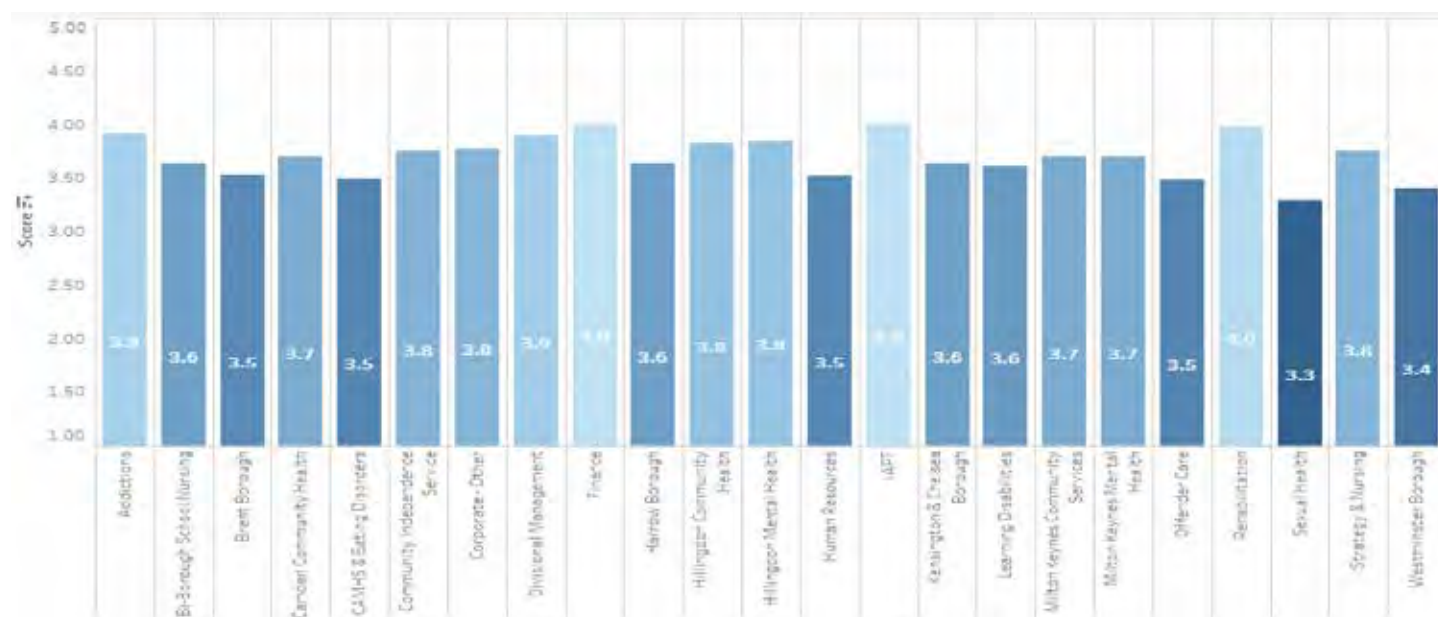
With regards to staff engagement quality priority indicator, we tracked the following three indicators; staff turnover, staff reporting that they would recommend the Trust as a place to receive care or treatment to a friend or relative and staff reporting that they would recommend the Trust as a place to work. Table 4 shows our performance against the staff engagement quality priority.

Table 4

	Quality account priority Indicators for staff engagement	Target	2017-18	2017-18
1	staff report they would recommend the Trust as a place to receive care or treatment to a friend or relative	70%	65% n=5083	74% n=3682
2	staff reporting that they would recommend the Trust as a place to work	70%	57% n=5089	60% n=3662
3	We wanted to reduce our Trustwide Staff turnover.	15%	16%	16%

n=internal staff survey + National survey

This year, we wanted to get feedback from as many staff as possible. We wanted to focus on this as we know that more feedback enhances the validity of the messages we receive from staff and this in turn provides us with a clear direction for the positive actions we need to take.



Source: National staff survey 2017 (This information does not include internal staff surveys).

We reduced retention from 19% to 16% and have maintained this position this year. We know we still have

work to do to get to our 15% target and we have focused our retention plans to address this. The areas with high turnover are being addressed at a local level through Senior Management Teams and in some areas focused recruitment and retention plans have been developed. Each of the three divisions has a localised recruitment and retention action plan that feeds into the broader divisional board.

In table 5 below, we provide a breakdown of staff turnover in each borough and each specialist service.

Table 5

Measure	Target	Mental Health Services						Specialist services						Community physical Health services			
		Brent	Harrow	Hillingdon	K&C	Westminster	Milton Keynes	CAMHS	Eating Disorder	Learning Disability	Rehabilitation	Addictions	Offender care	Camden	Hillingdon	Milton Keynes	Sexual Health
Staff turn over	16%	17% n1022	13.8% N992	9% n982	19.8% n1738	13.5% n1418	15% n1453	21% n933	22.7% n200	19% n379	10% n1010	20% n358	23% n1211	21.5% n2236	17% n2140	17% n2033	16.9% n1012

n denotes cumulative total Q1 to Q4 (2017-18)

Part 2. Looking ahead

2.1 Quality Priority Plans for 2018-19

In this section we look forward to the coming year, describe our priorities for the coming year, provide rationale for selecting them and show how we will measure them.

As part of our commitment to deliver high quality care, we are aligning out quality priorities with our strategic objectives and values. These are

Priorities

Quality

- To develop our approach to quality improvement and quality assurance
- To redesign/transform care pathways and reduce unwarranted variation
- To improve patient and carer engagement

Finance

- To achieve the required savings and ensure value for the money we spend
- To simplify and standardise corporate support services

Workforce

- To improve staff engagement
- To improve recruitment and retention and to redesign roles as appropriate

Partnership

- To take a full part in system wide planning partnerships and new organisational models
- To develop and grow sustainable services

Our values

Compassion

Respect

Empowerment

Partnership

For the year ahead, we agreed our quality priorities based on wide consultation and engagement with our stakeholders. We held a consultation event on 9 March 2018, where we discussed our priorities with our patients, carers, staff, governors, Healthwatch, commissioners, and Local Authority

representatives. We reviewed the three year roadmap we developed last year and agreed that it was still relevant and that our continued focus had to be on:

1. Patient and carer involvement

2. Staff engagement

By carrying these forward, we will continue to embed the actions we are currently taking. Below is a visual representation of our three year road map highlighting what we have focused on in each year.

With this road map in mind, below in table 6 and 7, we explain what we will be aiming for and how we will measure that in the year ahead.

Year 1 (2016-17)

In year 1, we focused on what we needed to do and how we needed to do it

Year 2 (2017-18)

This year has been focused on reviewing our actions, evaluating their impact and taking corrective actions where needed

Year 3 (2018-19)

In the coming year, we will focus on maintaining and sustaining improvements, innovating and creating value as well as celebrating our achievements

Table 6

Quality Priority 1: Patient and Carer Engagement and Involvement				
<p>What do we want to achieve?</p> <p>We want to build on the work we have undertaken over the last year to continue to strengthen patient, carer and family engagement and involvement. We want our patients, service users and carers to feel involved not just in their care at an individual level but at service and organisational delivery level. We want them as partners to help us deliver improvements to services, and we want our staff to know how best to engage with patients and carers to help deliver improvement.</p>				
<p>What will we do? Our plans for the year:</p> <p>Feedback from our patients, carers and staff is that we need to focus on local improvement in patient and carer involvement. To do this we need to develop our staff knowledge and skill set in involving and engaging effectively and we need to widen our engagement effectively beyond mental health. To do this we will:</p> <ul style="list-style-type: none"> ✓ Roll out the implementation plan that is linked to the refreshed patient and carer involvement strategy ✓ Review and strengthen patient and carer governance structures ✓ Ask Boroughs and services to review, develop and report on their local plans ✓ Continue to make sure patient engagement in our QI approach and we will publish a best practice guide to involvement and engagement ✓ Continue the roll out of the Triangle of Care and Carers thematic review. ✓ Set up the Volunteers Service 				
<p>How we will know?</p> <p>Our outcome measures which will test the impact of our actions quarterly</p>				
Measure	Method	Target	Roll-forward from 17/18?	Rationale
1. Patients and carers report feeling involved as much as they wanted to be in decisions about their care or treatment	Patient survey	85%	yes	Directly tests the achievement of our objective and provides rich information to inform improvement. This indicator is also used in the national patient surveys and so we can compare ourselves to other organisations.
2. Patient report that their care or treatment helped them to achieve what matters to them	Patient Survey	85%	yes	Tests the overall effectiveness of the care or treatment, and follows the same rationale as the measure above.
3. We will report on the measures in the Triangle of Care Programme	Carer rated	6 Triangle of Care standards achieved	yes	Will test the impact of the implementation of the Triangle of Care.

Table 7

Quality Priority 2: Staff engagement				
<p>What do we want to achieve?</p> <p>We want our staff to continue to work in a way that demonstrates our Trust values of compassion, respect, empowerment and partnership and to do so with confidence, motivation and resilience. We want each individual member of staff to have space and support to be the best they can be; to have opportunities to learn and grow in their profession, to be in an environment where they feel able to speak up and raise concerns and continually improve the service they provide.</p> <p>Why are we doing this?</p> <p>An engaged workforce is one that feels committed to organisational objectives and goals. Improving staff engagement will help us to continuously improve the quality of all our services. We know that engaging with staff helps us focus our improvement actions through responding to their feedback and this in turn improves staff retention.</p> <p>As we implement the Quality Improvement (QI) methodology to improvements across the organisation, staff engagement is fundamental to this piece of work. We will be engaging with our staff to build QI capacity and capability across the organisation and through this we will empower staff to feel engaged and motivated to take improvement initiatives at a local level. This engagement aims to bring about a shift in the workforce to make improvement part of everyone's job and ultimately improve the quality of the services we provide.</p>				
<p>What will we do? Our plans for the year:</p> <ul style="list-style-type: none"> ✓ We will focus our efforts on reducing the turnover of band 5 clinical staff from the current high of 25% to at least the average turnover of 16% within two years ✓ We will continue to broaden our accommodation offer and support to new starters as well as our staff benefits offer which is all part of our retention programme. ✓ We will hold trust-wide QI Learning Events to engage staff in QI ✓ We will deliver a QI Training and Development Programme for staff to increase their QI capacity and capability ✓ We will run more Trust-wide staff engagement and listening events in partnership with staff side to enable staff to provide clear feedback on their experiences at work and to make sure that there is a structure for considering issues and responding to them in a timely fashion ✓ We will strengthen our work on development and leadership and in particular the development of our BAME staff through mentoring programmes ✓ We will continue with the delivery of our Health and Wellbeing Plan in line with the national CQUIN. ✓ We will continue our focused work on the mental wellbeing of our staff through a "staying well at work programme which we launched last year ✓ We will continue the implementation of family friendly policies such as flexible working 				
<p>How we will know?</p> <p>Our outcome measures which will test the impact of our actions quarterly</p>				
Measure	Method	Target	Roll-forward from 17-18?	Rationale
Staff recommend the Trust as a place to work	Staff FFT survey	70%	yes	The staff Friends and Family Test was introduced as an overall marker of quality and provides an indication of the outcomes of our work through the year.
Staff recommend the Trust as a place to receive care or treatment to a friend or relative			yes	
Staff turnover	Internal database	15%		This indicator demonstrates whether or not our actions are having the desired effect with regards improving staff turnover.

2.2 Monitoring and sharing how we perform

Reporting our performance and achieving our targets

The measuring and monitoring of the clinical safety, effectiveness and experience of our patients, carers and staff is a top priority.

This work is monitored and scrutinised by the Quality and Performance Committee (chaired by a non-executive director, and made up of executive and other non-executive directors) and the Quality section of the Operations Board (chaired by the Director for Nursing & Quality), who in turn provide assurance and recommendations to the Board of Directors.

CNWL services are governed locally by three Divisions, Jameson, Goodall and Diggory. These divisions are locality and specialist service based; which means better accountability and closer local relationships with our local public, commissioners, local authorities, Healthwatch and other local health and social care partners.

Divisions have the responsibility to monitor and report on their key quality and performance indicators and put in place improvement action where necessary. This is overseen by monthly Divisional Boards, which report to the Executive Board.

The Quality and Performance Committee and Divisions have a variety of tools and information streams to effectively triangulate intelligence, and monitor and facilitate their achievement of safe and high quality services. For example:

- An integrated dashboard which brings together key performance indicators from NHSI targets, Quality Priorities, complaints, incidents, workforce and finance information
- Our organisational learning themes which are extrapolated from the analysis of our incidents, complaints, claims, audits, feedback and other information streams
- Divisional Quality Governance Reports which assess their compliance against the CQC's standards or 'key lines of enquiry' and
- Our learning walks, internal Quality Inspections and visits by the CQC and their findings.

Benchmarking

We are a member of the NHS Benchmarking Network. The Network's purpose is to perform nationwide comparisons across all mental health and community services across a variety of performance measures, such as 're-admission rates'. We are also a member of HQIP and the Prescribing Observatory for Mental Health (POMH-UK), and participate in their national programme of audits and enquiries.

PART 2.3 - Statements of assurance from the Board

Review of services

During 2017-18 CNWL provided and/or sub-contracted seven healthcare services.

These included:

- Mental health (including adult, older adult, CAMHS, and forensic services)
- Offender care services
- Sexual health/HIV Services
- Eating disorder services
- Community physical health services (Camden, Hillingdon and Milton Keynes)
- Learning disabilities services
- Addiction services

CNWL has reviewed all the data available on the quality of care in all of these healthcare services. The income generated by the NHS services reviewed in 2017-18 represents all of the total income generated from the provision of NHS services by CNWL for 2017-18.

Participation in clinical audit

During 2017-18, CNWL participated in 14 National audits and three national confidential enquiries, which covered health services that Central and North West London provides.

During that period, CNWL participated in all (14/14) of the national clinical audits and all (3/3) of the national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that CNWL participated in during 2017-18 are as follows:

- Falls and Fragility Fractures Audit Programme (FFFAP) – National Audit of Inpatient Falls (NAIF)
- Learning Disability Mortality Review Programme (University of Bristol)
- National Audit of Intermediate Care
- National Clinical Audit of Psychosis
- National Clinical Audit of Psychosis – Early Intervention in Psychosis
- National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme (Royal College of Physicians)
- National Diabetes Audit – Diabetic Foot Care Audit (NHS Digital)
- POMH-UK 1g & 3d: Prescribing high-dose and combined antipsychotics

- POMH-UK 15b: Prescribing for BPAD – the use of sodium valproate
- POMHUK 16a: Rapid tranquilisation
- POMH-UK 17a: Use of depot/LA antipsychotic injections for relapse prevention
- POMH-UK 6: Assessment of the side effects of depot antipsychotics
- Sentinel Stroke National Audit (Royal College of Physicians)
- UK Parkinson's Audit

National Confidential Enquiries (NCEPOD) into patient outcome and death:

- National Confidential Enquiry into Patient Outcome and Death (NCEPOD) Child health outcome review programme – Chronic Neurodisability
- National Confidential Enquiry into Patient Outcome and Death (NCEPOD) Child health outcome review programme – Young People's Mental Health
- National Confidential Enquiry into Suicide and Homicide by people with Mental Illness (NCISH)

The national clinical audits and national confidential enquiries that CNWL participated in, and for which data collection was completed during 2017-18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National Audits	Cases submitted
Falls and Fragility Fractures Audit Programme (FFFAP) – National Audit of Inpatient Falls (NAIF)	All 30 eligible cases were submitted for the participating unit.
National Audit of Intermediate Care	Of 20 eligible services, 19 submitted data to the audit (95%).
National Clinical Audit of Psychosis	All 300 cases requested were submitted by the deadline.
National Clinical Audit of Psychosis – Early Intervention in Psychosis	All 785 eligible cases were submitted. This consisted of: Brent – 237 KCW – 234 H&H – 199 MK – 115
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Numbers of consenting patients audited and submitted: Milton Keynes – 27 (100%) Camden – 45 (100%) Total – 72 (100%) Hillingdon did not take part as there is no Respiratory Team.
National Diabetes Audit – Diabetic Foot Care Audit	Data is submitted to the partner acute Trust for each CNWL service and becomes part of their submission. Camden – 64 cases contributed. Hillingdon – 23 cases contributed. Milton Keynes – although signed up, no data is collected at the moment as waiting on hospital side to be ready to collect data too.
POMH-UK 1g & 3d: Prescribing high-dose and combined antipsychotics	A total of 292 patients were submitted to the audit.
POMH-UK 15b: Prescribing for BPAD – the use of sodium valproate	The total sample submitted was 325 from 6 clinical teams.

National Audits	Cases submitted
POMHUK 16a: Rapid tranquilisation	A total of 58 episodes were submitted to the audit.
POMH-UK 17a: Use of depot/LA antipsychotic injections for relapse prevention	CNWL submitted data for 175 patients from 18 different teams (refer to table 1), predominantly from Jameson division (145 patients), followed by Goodall division (20 patients) and Diggory division (10 patients). No teams from MK agreed to participate.
Sentinel Stroke National Audit	A total of 65 cases were submitted to the 2016-17 audit, reported in November 2017.
UK Parkinson's Audit	<p>Milton Keynes Neurology at Bletchley Community Hospital – 20 cases submitted</p> <p>Hillingdon SLT – 10 cases submitted.</p> <p>Hillingdon Community Adult Rehabilitation Service (Physiotherapy) – 20 cases submitted.</p> <p>Hillingdon Neurology – Mount Vernon Hospital – 20 cases submitted.</p> <p>Camden did not participate – because the service does not meet the criteria for the audit.</p>
National Confidential Enquiries	Cases submitted
National Confidential Enquiry into Patient Outcome and Death (NCEPOD) Child health outcome review programme – Chronic Neurodisability	One out of one Organisational forms was returned (100% - two versions sent of the Community Paediatrics, one for each service in the Trust, counted as one form in returns)

National Audits	Cases submitted
National Confidential Enquiry into Patient Outcome and Death (NCEPOD) Child health outcome review programme – Young People's Mental Health	<p>Two out of two Organisational forms returned (100%)</p> <p>17 out of 19 Clinical forms returned (89.5%)</p> <p>19 out of 19 case notes returned (100%)</p>
National Confidential Enquiry into Suicide and Homicide by people with Mental Illness (NCISH)	All eligible cases were submitted.

The reports of seven national clinical audits were reviewed by CNWL during 2017-18 and the Trust intends to take the following actions to improve the quality of healthcare provided

Falls and Fragility Fractures Audit Programme (FFFAP) – National Audit of Inpatient Falls (NAIF) – Actions taken in parallel with and as a result of the audit include:

- Completion and launch of a revised Trust Falls Policy
- Creation of a Quality Improvement Action Plan based directly on the recommendations of the NAIF report, which is being taken forward by the Trust Falls Group

- The Trust was also represented at a National Falls Workshop at the Royal College of Physicians in February. The potential for QI methods to improve falls care was discussed.

National Audit of Intermediate Care

There were no report recommendations requiring local implementation. Reports have been reviewed at Divisional level and Quality Improvement Plans are being constructed for local implementation.

POMH-UK 1g and 3d: Prescribing high-dose and combined antipsychotics

Aspects of practice in CNWL to improve via Divisional action planning include:

- Documentation in care plans for patients prescribed regular high-dose antipsychotics and the need for ongoing physical health monitoring
- Physical health monitoring in respect to movement disorders and ECG monitoring
- Certain wards performed less well in recording antipsychotic medication or acknowledging high-dose prescribing in the care plan
- Significant proportion of patients are prescribed a combination of antipsychotics resulting in high-dose prescribing

POMH-UK 15b: Prescribing for BPAD – the use of sodium valproate

As at April 2018 the final report has not yet been received from POMH-UK.

POMHUK 16a: Rapid tranquilisation

Aspects of practice in CNWL to improve via Divisional action planning include:

- A patient-debrief was recorded in the notes in less than half of the cases; although this rate is still better than average, and of these de-briefs most happened within 24 hours.
- Rates of recording of physical health parameters (or refusal of monitoring) were poorer; this was done in about two thirds of cases. Patterns varied across wards.
- Documentation of a MH review after RT was low on one ward.
- Certain wards performed less well in reviewing care plan documentation after RT.

POMH-UK 17a: Use of depot/LA antipsychotic injections for relapse prevention

At the time of writing this report, the audit report was being reviewed by relevant teams.

Sentinel Stroke National Audit

The report was internally reviewed and Trust improvements were noted in the most recent four-monthly report.

Trust wide audits:

The Trust undertook a number of Trust-wide audit programmes. Outcomes from all of these audits are reported at Divisional level to the Divisional Quality Boards and action plans agreed, implemented and monitored as appropriate. These audits included the following:

- Quarterly Controlled Drugs Audit
- Quarterly Antimicrobial Audit
- Safe and Secure Handling of Medicines
- F10 prescriptions Audit
- Audit of compliance with Point of Care Haematological Instruments (PocHI) Standard Operating Procedures
- Care records annual audit
- Quarterly Mental Health Act audits of risk assessments completed and reflected in care plan
- Infection and Prevention Control audits – Essential Steps
- Physical health check monitoring following administration of rapid tranquilisation

Local Clinical Audit Programmes:

The reports of more than 200 local clinical audits were reviewed by CNWL in 2017-18 and local services have taken action following audit outcomes to both sustain and improve the quality of healthcare provided. Local quality governance structures are in place across the organisation to monitor, and take action on the results of audits. Through these groups, the results of clinical audit reports are discussed, and any actions required to improve practice are identified.

Research

The number of patients receiving relevant health services provided or sub-contracted by CNWL in 2017-18 that were recruited during that period to participate in research approved by a research ethics committee was 711.

Goals agreed by commissioners

A proportion of CNWL's income in 2017-18 was conditional on achieving quality improvement and innovation goals agreed between CNWL and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2017-18 and for the following 12 month period are available by contacting Head on Quality Assurance.

In 2016-17, CNWL's CQUIN income equated to approximately £5,665,440. CNWL achieved 92%. For 2017-18 CNWL's CQUIN income equates to about £5,997,054. At the time of writing this report, achievement had not been confirmed for this financial year. The key aim of the CQUIN framework is to support improvements in the quality of services and the creation of new, improved patterns of care.

CQC Reviews of Compliance

CNWL is required to register with the Care Quality Commission (CQC) and our current registration status is 'unconditional registration'. CNWL has no conditions on its registration. The CQC has not taken enforcement action against CNWL during 2017-18.

In line with their new re-inspection methodology, the CQC completed the re-inspection of the core services that in the last inspection Required Improvement with the addition of the well led domain and one service previously rated Good service. Additionally, the CQC inspected some of our offender care services.

Following these inspections, the trust was rated Good overall. In terms of domains, CNWL is rated Outstanding for Caring, Good for Responsive, Effective and Well-led. The Safety domain remains requires improvement and our action plan is focused at delivering improvements in this area.



Outcome of CNWL's CQC inspection in August 2017

CNWL has participated in special reviews or investigations by the CQC relating to the following areas during 2017-18: below is a list of services/areas inspected by the CQC in 2017/18;

- Community Mental Health services for adults of working age (CMHTs)
- Well led inspection
- HMP Woodhill was re-inspected
- HMPYOI Cookham Wood
- HMP and YOI Downview
- IRC Harmondsworth

Outcome of the inspections in 2017-18

Inspections of our community mental health services for adults of working age

Following the CQC inspection of our adult community mental health services for adults of working age, CNWL intends to take the following action to address the conclusions or requirements reported by the CQC;

- We are developing robust clinical risk assessments and safety plans in co-production with patients and carers as matter of priority. Work is underway to formulate a training package to refresh staff skills and knowledge in relation to risk and safety planning. The training will be delivered at local level to all relevant CMHT staff. In the meantime, we are monitoring Risk Assessments and Safety Plans using existing performance systems including supervision and audits to make sure that any issues are identified and addressed in a timely manner.
- We working to improve our basic life support and fire safety training for staff working in our Community Mental Health Services for adults of working age. We are currently at 90% working to our target of 95%.

- We are committed to delivering recovery focused, person centred care through personalised care plans and we are currently working on a quality improvement initiative to further improve in this area. A workshop in April brought together the views of key stakeholders to enable a robust project plan. We continue to monitor and test how we are doing using our internal patient surveys that gives an indication on whether our patients feel they were involved as much as they wanted to be in decisions about their care. This gives us an indication of where action needs to be targeted.
- We continue to monitor contacts with patients allocated a care coordinator and are working to this being at least once a month. Our business intelligence system (Tableau) helps us to track how we are doing in ensuring we maintain contact with relevant groups of service users.
- Plans for future delivery of psychological therapies are being reviewed in relevant services and we continue to monitor and work through the current waiting lists.
- Our teams in Milton Keynes CMHT now have access to hand held alarms to make sure their safety.

Our action plan is robust and is regularly reviewed to make sure it remains fit for purpose and on track. Our progress is reported to both the CQC and our commissioners.

Well Led inspection outcome

- The Well led inspection took place in May 2017 and the Trust was rated Good. It was acknowledged that we have robust governance structures that made sure that from Board to ward, we had an understanding of the challenges facing us and this puts us in a position to tackle them. Our staff engagement scores were above the national average which is positive but we know we have further work to do with regards to staff experience and wellbeing. We have responded to this by aligning the CQUIN work on staff wellbeing and our quality priority which is all about staff engagement. We continue to monitor outcomes of our action to assure ourselves that we are improving. Details of this have been reported elsewhere in this report.

Outcomes to inspections in offender care

HMP Woodhill was re-inspected during September 2017. This was a focused inspection under section 60 of the Health and Social care Act 2008. The inspection was a follow up on a Requirement notice issued following the visit in September 2016. This follow up report was positive and noted the following;

- Staff felt supported by management. They felt involved and were consulted in regard to day to day delivery of the service
- Governance arrangements made sure there was consistency of service delivery including the identification and management of risk through regular internal audits.

HMPYOI Cookham Wood was inspected in August 2017. The feedback was positive for CNWL services and the two recommendations made were as follows;

- The regime should support sustained attendance by boys at therapeutic group sessions.
- Boys who need a secure mental health bed should be transferred as soon as possible.

Both recommendations were in relation to the CNWL Health and Wellbeing team. These two recommendations have been incorporated into the Health Improvement Plan and are being progressed in bi-monthly Health Quality Board meetings with prison governors.

- HMP and YOI Downview was inspected in August 2017. This inspection found the service had made good progress since opening 15 months earlier and one of these recommendations was made regarding medication storage arrangements. This was addressed immediately.
- IRC Harmondsworth was inspected in October 2017; the inspection found that while there was adequate healthcare provision, further work was required to meet the mental health needs of patients. The final inspection report was received in March and an action plan in response to the recommendations is in development.

Data quality

NHS number and General Medical Practice Code Validity

CNWL submitted records during 2017-18 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was:

- 96 % for admitted patient care
- 98 % for out-patient care
- N/A for accident and emergency care.

The percentage of records in the published data which included the patient's valid General Medical Practice code was:

- 96% for admitted patient care
- 100% for out-patient care
- N/A for accident and emergency care.

Information Governance Toolkit attainment level

CNWL information Governance Assessment Report overall score for 2017-18 was 86% and was graded as satisfactory.

Clinical coding error rate: CNWL was not subject to the Payment by Results clinical coding audit during 2017-18 by the Audit Commission.

CNWL continues to take the following actions to maintain and improve data quality:

The Trust Business Intelligence Tool Tableau was rolled out with full implementation and went live in April 2017. This has improved staff access to data, and provides analysis in a clear and user friendly format. Reports are available on Tableau that highlight areas where there are issues with data quality, and this has enabled staff to more easily identify and address any issues. Data quality is monitored at all levels of the Trust – including Trust Board, QPC, Divisional Board, local Senior Management Team meetings, Care Quality team meetings as well as staff supervision sessions. Business rules for all indicators are published and are available to staff members on intranet. Divisional performance teams work closely with clinical services to improve data quality. This includes increased scrutiny and analysis of areas, and targeted training for teams and staff members.

A full review of any new services into the trust is undertaken to make sure they are fully compliant with business rules and follow the same processes for data entry as current services. This has included the establishment of Data Quality Forums with the new services where necessary.

Part 3-Other information

3.1 Learning from Death

Following the publication of the independent review of deaths of people with a Learning Disability or Mental Health problem in contact with Southern Health NHS Foundation Trust, learning from deaths has now become a key area of work under the quality/safety agenda in CNWL.

In December 2016 the CQC published its review of the way in NHS Trusts review and investigate deaths. "Learning, Candour and Accountability" was following which the "National Guidance on Learning from Deaths" was issued by the National Quality Board in March 2017. The Trust has undertaken an exercise to identify potential gaps in our arrangements and an action plan was put place to monitor the delivery of these.

Since January 2016, the following key achievements have been made:

- We have strengthened the Trust's governance arrangements and established the Trust wide Mortality Review Group (MRG) in January 2016
- The MRG is chaired by the Medical Director and attended by clinicians, commissioners and user and carer governors; it reports to the Quality and Performance Committee
- A new process for reporting and reviewing deaths has been developed and implemented across the Trust
- This includes a system whereby all deaths of patients under Mental Health, Learning Disability and associated services are reviewed using a framework adapted from the

Confidential Enquiry into Stillbirth and Deaths in Infancy (CESDI)

- This complements existing patient safety incidents reporting arrangements
- A pilot using the CESDI framework to review a sample of deaths within Community Health Services was undertaken and has now been implemented across these services
- Each month the MRG reviews mortality data and has themed discussions on areas where there are opportunities for learning to be shared
- The CQC reviewed the Trust's progress as part of its Well Led inspection, verbal feedback from the Inspectors was positive and no issues were flagged within the report provided by the CQC
- A range of national and regional events have been attended by the Medical Director and Head of Safety including those delivered by NHS Improvement
- A new policy "Responding and Learning from Deaths" has been developed and was approved by the MRG before being ratified by the Board of Directors in September 2017. The policy has been shared with staff and other stakeholders including Commissioners
- A range of learning events have taken place where learning from deaths has been included and presented to front line clinical staff, this has included a conference on bereavement which took place in September 2017
- Following discussion at the MRG the Trust has now developed a Clinical Message of the Week. This is a weekly email sent to all staff which is then used in handover and team meetings to strengthen learning opportunities and discussion on the topic covered.

The Trust is encouraging more work across the health and social care system so that a system wide approach can be taken to reviewing and learning from deaths. Examples of this include:

- The Learning Disabilities Mortality Review (LeDeR) programme, which supports local areas to review the deaths of people with learning disabilities, following a new consistent review process. This will take forward the lessons learned from reviews to make improvements to service provision, whether health or social care. The Trust is fully engaged in this process and are reporting relevant deaths via this process
- The Liaison Psychiatry Clinical Network are looking at the learning opportunities available with our Acute Trust partners
- Through the Mental Health Trust Medical Director Forum in London, the Trust has also been sharing processes and learning across London.

Table 8 shows the number of deaths and case reviews in 2017/18

Table 8

Measure		Data source	2017-2018			
1	The number of patients who have died during the reporting period, including a quarterly breakdown of the annual figure.	Datix / Clinical Systems	Q1	Q2	Q3	Q4
			Community Health Services	Community Health Services	Community Health services	Community Health Services
			858	876	982	855
			Mental Health and Specialty Services	Mental Health and Specialty Services	Mental Health and Specialty Services	Mental Health and Specialty Services
			149	138	127	131
2	The number of deaths included in Number 1 above which were subjected to a case record review or an investigation to determine what problems (if any) there were in the care provided to the patient, including a quarterly breakdown of the annual figure.		139	157	179	174
3	An estimate of the number of deaths during the reporting period included in number 2 above for which a case record review or investigation has been carried out which is judged as a result of the review or investigation were more likely than not to have been due to problems in the care provided to the patient (including a quarterly breakdown), with an explanation of the methods used to assess this.	Datix / Clinical Systems	CESDI Grade 3 0	CESDI Grade 3 0	CESDI Grade 3 0	CESDI Grade 3 0
			CESDI Grade 2 3	CESDI Grade 2 3	CESDI Grade 2 3	CESDI Grade 2 0
						CESDI Grade 2 0
4	The number of case record reviews or investigations finished in the reporting period which related to deaths during the previous reporting period but were not included in item number 2 (above) in the relevant document for that previous reporting period.		As the national Learning from Deaths requirements were not introduced until March 2017, there is not a requirement for trusts to respond to these questions in their 2017-18 quality accounts.			
5	An estimate of the number of deaths included in Number 4 (above) which the Trust judges as a result of the review or investigation were more likely than not to have been due to problems in the care provided to the patient, with an explanation of the methods used to assess this		As the national Learning from Deaths requirements were not introduced until March 2017, there is not a requirement for trusts to respond to these questions in their 2017-18 quality accounts.			
6	A revised estimate of the number of deaths during the previous reporting period stated in item 3 (above) of the relevant document for that previous reporting period, taking account of the deaths referred to in item 5 (above)		As the national Learning from Deaths requirements were not introduced until March 2017, there is not a requirement for trusts to respond to these questions in their 2017-18 quality accounts.			

During 2017-18 a total of 4,116 CNWL patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 1,007 in the first quarter
- 1,014 in the second quarter
- 1,109 in the third quarter
- 986 in the fourth quarter.

It is important to note that 87% of these patient deaths occurred in our Community Health Services and Primary Care. Most of these deaths were what are sadly called ‘expected’ and not from a patient safety incident e.g. deaths following palliative care. Deaths under Community Health Services where there are no concerns about care and treatment are not formally investigated by the Trust. The Trust recognises that while the patient’s GP will undertake a local review, there may still be opportunities for wider learning. To make sure there is an appropriate review and learning a sample of deaths in Community Health Services are reviewed every month using the CESDI framework.

During 2017-18, 630 case record reviews and 450 investigations were carried out. In 398 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 139 in the first quarter
- 157 in the second quarter
- 179 in the third quarter
- 174 in the fourth quarter.

No patient deaths during the reporting period were judged to be more likely than not, due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

- 0 representing 0% for the first quarter
- 0 representing 0% for the second quarter
- 0 representing 0% for the third quarter
- 0 representing 0% for the fourth quarter.

These numbers have been estimated using the CESDI framework and Trust serious incident policy. In writing this report we have understood the NHS Improvement definition of “those deaths which were judged as a result of the review or investigation to more likely than not to have been due to problems in the care provided” as equivalent CESDI Grade 3. Our data shows no CESDI Grade 3; to aid transparency we have also presented the number of cases where we believe that the death might have been as a result of problems in the care provided i.e. CESDI Grade 2 and the data below reflects this.

In relation to each quarter, this consisted of:

- 3 representing 0.3% for the first quarter
- 3 representing 0.3% for the second quarter
- 3 representing 0.27% for the third quarter
- 0 representing 0% for the fourth quarter.

The table below provides an overview of the CESDI grade classifications as per the CNWL Policy.

CESDI grades	
Grade 0	Unavoidable death, no suboptimal care
Grade 1	Unavoidable death, suboptimal care, but different management would not have made a difference to the outcome
Grade 2	Suboptimal care, but different care MIGHT have affected the outcome (possibly avoidable death)
Grade 3	Suboptimal care, different care WOULD REASONABLY BE EXPECTED to have affected the outcome (probable avoidable death)

Learning from case record reviews and investigations this year;

1. Case record reviews highlighted a need to improve the quality of our documentation. Our reviews found that while patient records contained necessary information, they often lacked sufficient details.

We have taken the following actions to improve the quality of documentation;

- ✓ We identified a quality Improvement Project to help drive improvement in this area
- ✓ We run workshops in Community Mental Health Teams to support staff in all areas of clinical practice, covering communication, risk, mental capacity, safeguarding and care delivery
- ✓ We have just concluded our annual care records audit and findings will be reported and shared across the Trust in May. Services will then be required to develop service-specific actions which will be subject to ongoing monitoring via our divisional governance structures
- ✓ Relevant staff are receiving ongoing support via clinical and managerial supervision where any identified issues can be addressed individually or where applicable in groups

2. **Through our Trustwide Mortality Review Group meetings, we have identified learning relating to the importance of** physical healthcare within Mental Health and Learning Disability Services and the need to reduce instances where the death of a person is suspected to be suicide.

We have taken the following actions in response to point 2 above;

- ✓ The Physical Health Implementation Group continues to drive this important work stream and is supporting the implementation of the minimum standards for physical health monitoring and associated pathways
- ✓ Work to support improvements in the application of the Clinical risk assessment and risk management policy is underway across all CMHTs. This is being complemented by a focused Quality Improvement Project in the Brent CMHT
- ✓ Key interventions to enhance patient safety include the delivery of an evidenced based training programme to support staff to develop therapeutic relationships, identify key risk and protective factors and enhance decision making with patients and their carers. This improvement work is of significant importance in the management of risk where suicide may be a factor
- ✓ CNWL has also engaged in the LeDeR process and is using this support wider learning across all of its Learning Disability Services.

An evaluation of the success of this work is underway and will be reported to the Board of Directors via the Trust's Annual Report which covers Learning from Deaths.

PART 3.2 – Reporting against Core Indicators

The following section describes how we have performed against core indicators required by NHS England, NHS Improvement (our regulator) and our current and previous Quality Priorities from previous years. The indicators are grouped in tables as per the three care quality dimensions of patient safety, clinical effectiveness and patient and carer experience. Our measures are reported year-to-date as at end of Q3. This will be refreshed to include Q4 in the final version of this report.

Our national priorities and Quality Priorities (current and historical) performance tables

Table 9; Patient Safety;

Measure		Data Source	Target	2017-18	2016-17	2015-16	2014-15	Benchmark (where available): National average; and highest and Lowest Scores
1.CPA 7-day follow-up	What percentage of our patients, who are on Care Programme Approach, did we contact within seven days of them leaving the hospital?	Clinical systems	95%	98%	97.6%	96.7%	97%	National Average: 97%
2.Infection control	a) The number of cases of MRSA (MRSA bacteraemia) annually (YTD M12)	Internal database	N/A	0	0	0	0	Not available
	b) The number of cases of Clostridium Difficile annually	Internal database	N/A	8	6	5	5	Not available
3.Incidents	a) Number of patient safety incidents for the reporting period	Datix	N/A	20,148	18,556	16,635	18,210	Not available
	b) Percentage of patient safety incidents that resulted in severe harm or death	Datix	N/A	141 (0.70%)	157 (0.85%)	141 (0.85%)	129 (0.70%)	Not available

Measure 1 Care Programme Approach 7-day follow up

Evidence suggests that people with mental health problems are particularly vulnerable in the period immediately after they have been discharged from a mental health inpatient ward. This measure is in place to make sure our patients remain safe and have their needs cared for after discharge from hospital to community care, and reduce risk of relapse or incident. Year to date, 98% of CPA patients received a follow-up contact within seven days of discharge, achieving the target.

CNWL considers that this percentage is as described for the following reasons: Performance is monitored locally via the Trust's Business Intelligence Systems which reports all discharges so that local performance teams can track patients who have or have not been followed up. Clinicians are alerted to patients requiring follow up, so that they are able to take focused and informed action. The CPA policy supports operational delivery of follow up contacts, and the business rules are published and shared across the Trust to make sure data captured is representative of activity. This indicator is also published monthly via an internal integrated dashboard, which is reported to the Quality and Performance Committee and is discussed at local management and team meetings. CNWL has taken these actions to improve this percentage, and the quality of its services, and will continue to do so through the coming year to aid compliance.

Measure 2 Infection control

We have a duty of care to make sure that patients do not get any avoidable healthcare associated infections (HCAI's) while in our services. Year to date, we are pleased to report that we did not have any MRSA bacteraemia cases.

Eight cases of *Clostridium difficile* (C.diff) were reported by the end of the year. Lapse in care was not identified following the undertaking of RCA's for the c.diff cases. A lapse in care is indicated through evidence, demonstrating that policies and procedures consistent with local guidance, written in line with national guidance and standards were not met. Each CDI case is discussed at meetings with the relevant clinical teams.

Aspects of care are explored to see what could have been done differently which might have led to a different outcome. In the cases identified, RCA's were undertaken, lessons learnt were shared with the team and shared at the Divisional subgroup meetings, quality governance meetings and at the IPCC. The rationale is to continuously improve patient safety. In some cases C. diff can be deemed unavoidable.

The development of C. diff is a known risk factor in cases such as :

- Patients being treated on Proton Pump Inhibitors (PPI). (PPI's are a group of drugs whose main action is a pronounced and long-lasting reduction of gastric acid production)
- Prolonged antibiotic use (antibiotics may kill some of the normal colonic bacteria. This process disrupts the normal balance of gut bacteria and allows C diff to become activated and infectious)
- Multiple co morbidities
- Known history of c.diff. (CDI colonisation of the gut can remain for an indefinite period)
- Liquid nutritional supplements
- Laxatives

- Patient arriving on a ward already symptomatic from another healthcare setting and unknown to the ward staff. The rationale for undertaking RCA's is to highlight where lessons can be learnt and to improve clinical practice.

It needs to be noted that a national target for C. diff for Provider Community Services and Mental Health Services has not been set nationally. In view of other national targets these single figures are relatively insignificant also given the wide geographical spread of bedded units across the Trust. CNWL adopt a zero tolerance approach to all avoidable HCAI's.

The Infection Prevention and Control Team (IPCT) adhere to national guidelines and strictly scrutinises practices when managing HCAI's. Robust systems, quarterly audits and actions are in place to make sure that avoidable HCAI's within the Trust are kept to a minimum by undertaken the following audits and actions:

- Cleaning and clinical environmental audits
- Essential Steps audit tool: Our services monitor their own practice and provide assurance against the fundamental principles of infection control, for example, hand hygiene, safe disposal of sharps and appropriate use of personal protective equipment
- Antimicrobial auditing and stewardship monitoring
- Alert Organism Surveillance
- Outbreak management investigation
- All IPC policies are reviewed and updated accordingly with best practice and national guidelines
- Mandatory IPC training programme for staff is yearly for clinical staff and three yearly for non-clinical staff.
- Quarterly IPC Link Practitioner meetings are held across all Divisions. The rationale being to encourage best IPC practice locally across CNWL
- Quarterly newsletters are published across all Divisions, to inform staff of recent IPC issues and national updates on IPC surveillance, upcoming events and practical application of best practice in IPC.

Measure 3 Incidents

A decrease in the number of incidents relating to severe harm and death is noted year to date. CNWL considers that this data is as described for the following reasons; there are robust governance arrangements within each Division. This has led to a greater depth of analysis and understanding in relation to severity grading, enabling teams and services to identify where severity has been graded incorrectly.

Where it is clear that care and service delivery has not contributed to the incident, the severity is decreased; this then correctly reflects the incident grading. Additionally, the

Trust's Mortality Review Group (MRG), led by the Medical Director has clinical oversight of all deaths, which have occurred across the Trust. This includes the identification of themes, trends and where indicated the development of key work streams to support learning to enhance patient safety.

3.2.2 Table 10 Clinical Effectiveness

Measure		Data source	target	2017-18	2016-17	2015-16	2014-15	Benchmark (where available): National average; and highest and lowest scores
4.Crisis Resolution Team gate keeping	The percentage of patients admitted to acute adult inpatient beds who were assessed as to their eligibility for home treatment prior to admission?	Clinical system	95%	100%	99.3%	98.9%	99.7%	National Average:100%
5.Re-admission rates	Percentage of patients were re-admitted to hospital within 28 days of leaving	Clinical system	<8.1%	5.5%	4.6%	5%		Not available
	a. For patients aged 0 - 15:			0.0%	1.2%	1.4%	0%	
	b. For patients aged 16 or over			5.6%	4.7%	5.1%	4.2%	
6.Early intervention in psychosis (EIP)	% of people experiencing a first episode of psychosis treated with a NICE-approved care package within two weeks of referral		50%	87.2%	72%	N/A	N/A	National Average: 60.7% (MHSDS)

Measure		Data source	target	2017-18	2016-17	2015-16	2014-15	Benchmark (where available): National average; and highest and lowest scores
7.Improving access to psychological therapies (IAPT):	Proportion of patients completing treatment who move to recovery (From IAPT minimum data set)	IAPTUS	N/A	54%	N/A	N/A	N/A	a) National Average: 49.9% b) min: 23% c) max: 86%
	% of people with common mental health conditions referred to the IAPT programme treated within 6 weeks of referral		75%	93%	94%	N/A	N/A	a) National Average: 89.7% b) min: 38% c) max: 100%
	% People with common mental health conditions referred to the IAPT programme will be treated within 18 weeks of referral		95%	100%	99.9%	N/A	N/A	a) National Average: 98.8% b) min: 67% c) max: 100%
Routine delivery of Cardio metabolic assessment and treatment for people with psychosis	In patient services		n/a	**This indicator is currently monitored through audits**	n/a	n/a	n/a	Not available
	EIP Services		n/a		n/a	n/a	n/a	
	Community Mental health services		n/a		n/a	n/a	n/a	

N/A denotes not applicable

** NCAP & EIP national results will be published May

Measure 4 Crisis resolutions gate-keeping

Our crisis resolution teams assess patients when they are in crisis to quickly determine if they are suitable for home treatment rather than being admitted to hospital. It is important to treat our patients in the most appropriate settings to make sure their safety and that they receive the effective treatment. Our performance against this indicator is over 100% against a target of 95%. CNWL considers that these percentages are as described for the following reasons;

Performance is monitored daily via the Trust's Business Intelligence Systems which identifies all admissions and all associated gate-keeping information. The Crisis Resolution Team (CRT) policy is published and shared with all staff to support operational delivery of gate-keeping activity and the business rules are published and shared across the Trust to make sure that activity is recorded and captured accurately. CNWL has taken the following actions to improve this number, and so the quality of its services, by: Where this target is not met results are discussed and reviewed at local care quality groups, senior management team meetings or the Divisional Board. The CRT Operational Policy clearly indicates the procedure for gate-keeping is widely circulated and published on our staff Intranet. There are clear Business Rules, which are published making sure of accurate data recording across all trust teams. This measure is also reported monthly via the integrated performance dashboard, which is reviewed by the Quality and Performance Committee. The trust plans to continue undertaking these activities to aid in compliance throughout the coming year.

Measure 5 Readmission rates

Readmission rates describe how many patients get readmitted to hospital within 28 days post their discharge. It is important to monitor this as action is required if it indicates patients are being discharged before they are ready or not given the appropriate support in the community. We are pleased to report that our readmission rates are below the 8.1% target at 5.6%. CNWL considers that these percentages are as described for the following reasons:

Performance is monitored locally via the Trust's Business Intelligence Systems which identifies all patients who were re-admitted. The business rules are published and shared across the Trust to make sure that activity is recorded and captured accurately. This indicator is also published monthly via an internal integrated dashboard, which is reported to the Quality and Performance Committee. It is also discussed at local management and team meetings. Performance of this indicator is monitored on a weekly basis by the operational ward teams, using the appropriate business intelligence reports. Where a patient has been re-admitted within 28 days, the local team investigates the causes, looking across the patient pathway and shares lessons learnt at quality and operational management meetings. Exceptions are also reported monthly to the trust board and quality and performance committee. The trust plans to continue undertaking these activities to aid in compliance throughout the coming year.

Measure 6 Early interventions in psychosis (EIP)

This national target measure makes sure that patients with a suspected first episode of psychosis commence treatment with a nice approved care package within two weeks of referral. Performance was above 87.2% against a 50% target in 2017/18. Performance is monitored daily via the Trust's Business Intelligence Systems. This indicator is reported to the Quality and Performance Committee. It is also discussed at local management and team meetings.

Measure 7 Improving access to psychological therapies (IAPT)

This measure monitors the percentage of people with common mental health conditions referred to the IAPT programme treated within six weeks of referral and those treated within 18 weeks of referral. CNWL considers that these percentages are as described for the following reasons: Performance is monitored via the Trust's Business Intelligence Systems. This indicator is reported to the Quality and Performance Committee. It is also discussed at local management and team meetings. Year to date, the service has achieved 93% of patients treated within six weeks and 100% treated within 18 weeks of referral against targets of 75% and 95% respectively.

3.2.3 Table 11 Patient, carer and staff experience

Measure		Source	target	2017-18	2016-17	2015-16	2014-15	Benchmark (where available): National average; and highest and lowest scores
8.CPA 12 month review	What percentage of patients on CPA who received a full CPA review within the last 12 months where appropriate?	Local PAS System	95%	98%	96.4%	96.6%	98%	National Average: 79.8% Source: MHMDS
9. Admission to adult facilities of patients under 16 years old	Number of patients under 16 who were admitted to adult facility	Datix	N/A	0	n/a	n/a	n/a	National Average: 1.7 Upper Quartile: 2.0 Lower Quartile: 1.0 Benchmarking
10. out of area placements	Inappropriate out of area placements		n/a	217	n/a	n/a	n/a	n/a
11.Care/ treatment plans	a. Quality Account Priority 2017/18: Patients report that they were involved as much as they wanted to be in decisions about their care/treatment (definitely and some extent) n=17,585	Local systems	85%	95%	95%	82%	81%	Not applicable
	b. Quality Account Priority 2017/18: Patient report that their care or treatment helped them to achieve what mattered to them (Yes, definitely + Yes, to some extent) n=16,288			95%	95%	91%	n/a	Not applicable
	c. Patients report that they were treated with dignity and respect n=13211		95%	97%	98%	97%	98%	Not applicable

Measure		Source	target	2017-18	2016-17	2015-16	2014-15	Benchmark (where available): National average; and highest and lowest scores
12.Service satisfaction/ Friends and Family Test	Patient FFT: Patients report how likely they are to recommend CNWL services to family or friends if they needed similar care or treatment n=15718	Optimum Meridian	92%	91%	91%	92%	95%	National Avg MH: National Avg CH:
	Staff FFT (internal survey +national survey): Staff report how likely they are to recommend CNWL services to family or friends if they needed similar care or treatment (n=5083)	Internal system	70%	66%	74%	70%	2%	National Avg: 61%
	Staff FFT (national survey): Staff report how likely they are to recommend CNWL services to family or friends if they needed similar care or treatment (score reported out of 5, with 5/5 being the maximum possible)	National staff Survey	5	3.69	3.74	3.71	3.68	National Avg: 3.67 :

Measure 8 CPA 12 month review

This indicator monitors whether patients on CPA (Care Programme Approach) receive a full review at least annually. This enables service provision to be updated as per the patient's changing needs so care provided is most effective. We are pleased that we continue to achieve our target for this measure.

Measure 9 Admission to adult facilities of patients under 16 years old

No child under 16 was admitted to an adult ward in the reporting period. We work proactively in trying to reduce the number of admissions to an adult ward. An adult ward is only used as a last place of safety when all other options have been explored.

Measure 10 Out of area placements

CNWL considers that this data is as described for the following reasons: Demand for acute inpatient admissions has meant that where a service user is assessed as requiring an inpatient admission and there is no bed availability within

the Trust, the Service User may require an Out of Area Placement for a short period of time until a bed within the Trust becomes available. To minimise the need for Out of Area Placements, CNWL has implemented the Reducing Bed Occupancy programme. This has included implementation of the Bed Usage Index reporting methodology to provide transparency and accountability for each borough to manage their bed usage. A Discharge Planning Tool has been embedded within the services, which is completed by wards on a daily basis to drive effective discharge planning with community services and reduce bed occupancy. The Trust has also implemented processes to make sure effective monitoring and escalation of Delayed Transfer of Care (DToC), and processes to make sure effective management of Out of Area Placements – establishing preferred providers, daily reviews and a proficient escalation process.

Measure 11 Care/treatment plans:

- a) Patients report that they were involved as much as they wanted to be in decisions about their care/treatment (definitely and some extent) this was a Quality Account Priority for 2017/18 and is explained in Part 2. We are pleased to report that we have achieved the target for this indicator.
- b) Patient report that their care or treatment helped them to achieve what mattered to them (Yes, definitely + Yes, to some extent: This was a Quality Account Priority for 2017/18 and is explained in Part 2. We are pleased to report that we have achieved the target for this indicator.
- c) **Dignity and respect:** This indicator forms one of our core patient reported outcome measures which we include on all questionnaires as it provides assurance that our patients are being treated with professionalism at all times, and would provide an early warning to where service improvement is needed. We are pleased to report that overall we have achieved 97%, achieving our target.

Measure 12 Service satisfaction/ Friends and Family Test

We monitor whether patients and staff would recommend our services to family or friends if they needed similar care or treatment (known as the 'Friends and Family Test' or FFT) and the reasons that they gave for this. This gives us a good indication of what needs improvement, and a key source of intelligence for the setting of our Quality Account Priorities for the forthcoming year.

- a) **Patient FFT results:** Our year-to-date results show that 92% of our patients would be likely or extremely likely to recommend Trust services, achieving our target.
- b) **Staff FFT results:** Our staff survey showed that 66% of our staff would be likely or extremely likely to recommend Trust services as a place to receive treatment, missing our 70% target.

CNWL's results from the National Staff Survey showed that we achieved 3.69/5, which is slightly above the national average. Our staff survey (both internal and external) showed that 66% of our staff would be likely or extremely likely to recommend Trust services as a place to receive treatment; CNWL considers that this data is as described for the following reasons: Although the result is lower than in 2016 having dropped from 3.75, we are higher than our benchmark group which has an average of 3.67/5. The overall engagement score has slightly dropped for the Trust which explains the reason for this score. Key findings for staff wellbeing have improved since last year although areas related to staff being able to make improvements at work, effective team working, and effective communication with senior management and staff feeling valued by the organisation have all dropped and in most areas are lower than our benchmark group. CNWL is considering the following actions to improve this score: to focus upon upskilling line managers and to focus on the management relationship. We are developing a band 5 development programme to improve retention rates for newly qualified staff as well as supporting front line ward managers and team leaders. All services are focusing on key areas to prioritise in response to the staff survey and this will feed into a wider Trust action plan. Staff and managers will be invited to contribute through a range of pre-arranged listening events in conjunction with Trades Unions.

Annex 1 – Statements provided by our commissioners, Overview and Scrutiny Committees (OSCs) and Healthwatch

Our commissioners

NHS Camden Clinical Commissioning Group

As a co-ordinating commissioner NHS Camden Clinical Commissioning Group (Camden CCG) has welcomed the opportunity to provide this statement for the Central North West London NHS Foundation (CNWL) Trust Quality Account 2017/18.

We confirm that we have reviewed the information contained within the draft Quality Account (provided to the CCG in April 2018). We acknowledge that the document received complies with the required content as set out by the Department of Health, or where the information is not yet available a place holder was inserted.

Camden CCG has worked collaboratively with the Trust clinicians and managers during 2017-18, ensuring that patient outcomes and experiences remain a fundamental part of best practice. The quality and performance of these services are monitored through the Clinical Quality Review Group and Contract Review Group meetings.

It is positive to note the Trust achieved an overall rating of 'Good' from the Care Quality Commission in August 2017 for community Mental Health and Offender services.

Camden CCG were invited to take part in a stakeholder event in March 2018 to reflect on the Trust priorities delivered during 2017/18. CNWL used this opportunity to consider with the stakeholders the priorities to be taken forward as part of the Trust Clinical and Quality Strategy over the next three years.

We are pleased to see that CNWL's chosen priorities include expanding on the work already undertaken to involve patients in decisions about their care and treatment and strengthen patient, carer and family engagement and involvement. The Trust are committed to supporting their workforce and are using Quality Improvement (QI) methodology to empower staff to feel engaged and motivated to take improvement initiatives at a local level.

The Trust has continued to embed improvements in the quality of the care it provides and remain focused on reducing avoidable harm from pressure ulcers. The Tissue Viability service in Hillingdon started an initiative to invite patients or carers to their team meeting, during the course of

their treatment to get live feedback around their experience of the service, which was positively received by patients.

We recognise the challenges faced by the NHS to recruit and retain a high quality workforce especially within London. CNWL have continued to deploy various initiatives to attract staff to work within the organisation. These include ongoing recruitment days, career development opportunities supported by Health Education England and offering employment to current final year student nurses following successful completion of their course.

Overall we are pleased with the Trusts achievements against the Quality Account priorities for 2017/18 and the selected priorities for 2018/19. Camden CCG will continue to work collaboratively with CNWL, to make sure that quality, safety and positive patient experience remain a fundamental component of services commissioned and delivered by the Trust.

Statement from the North West London Federation of Clinical Commissioning Groups (Brent, Harrow and Hillingdon)

The North West London Collaboration of eight CCGs has welcomed the opportunity to review your Quality Account Report for 2017-18. We note in the final version of the report, the Trust has made amendments following the informal feedback from the CCG on the draft version.

We confirm that we have reviewed the information contained within the Account and it is compliant with the Quality Account guidance for NHS Trusts as set out by the Department of Health and NHS Improvement.

We acknowledge the work the Trust has undertaken during 2017/18 to make progress against the identified priorities. We welcome the approach taken by the Trust to consult with the CCG.

The Quality Account provides a generally, balanced report on the quality of services which identifies the areas in which the Trust has achieved success but also where there needs to be improvements. In response to last year's account, we recommended the Trust consider providing locally relevant context to the data and the discussion that will have occurred; so commissioners, members of the public and other stakeholders can identify what impact your work is having locally to them. We are disappointed that this year's account remains generic in the most part. Therefore, we would welcome information on individual borough performance as part of the discussions through the Clinical Quality Review Groups across the contracts the Trust hold.

We are pleased with the Trust being rated good by the Care Quality Commission (CQC) following a series of inspections between October 2016 and May 2017. We commend the Trust on the outstanding rating for the Learning Disability Service and for the overall rating of the 'caring' domain. We support the Trust in its ambition to achieve an overall rating

of outstanding across the domains and services.

The Trust is continuing its focus on the two quality priorities which commenced in 2017/18

- Patient and Carer Involvement; and
- Staff Engagement.

The CCGs endorse the Trust's stance in building on foundations laid down in the previous year and launching their Quality Improvement Programme this year which we envisage will give the Trust the opportunity to sustain the improvements already seen.

The Trust has an established Patient Reference Group. We recognise it has gained momentum this year, which has helped the Trust to enhance the delivery of the patient and carer involvement priority. We support the work of the Trust in the pilot of the Triangle of Care programme and look forward to this being rolled out across all the inpatient units at CNWL. In addition, we are encouraged that the Trust has demonstrated the robust changes to processes and development of services in response to patient and staff feedback. We note the work the Trust has undertaken to promote the wellbeing of their staff and staff groups, listening to them and responding to feedback.

The Trust is commended for implementing the "Hello my name is" campaign and has seen a 63% increase in the number of staff signing up to this. The Trust is currently at 89% and we look forward to continued effort to achieving the Trust's stated target of 100%.

We particularly wish to thank the Trust for supporting the North Kensington community affected by the Grenfell Tower fire. It is clear that CNWL staff have demonstrated commitment, responsiveness and compassion in their work, under quite challenging conditions following this terrible and wide reaching event.

The CCGs look forward to continuing to work with the Trust to monitor progress against the set priorities for 2018/19 to see the continuous improvements to the quality of services provided to the North West London population.

Our local Healthwatch

Statement from Healthwatch Central West London

Healthwatch Central West London (HWCWL) welcomes the opportunity to provide this statement on the draft Central and North West London (CNWL) NHS Foundation Trust Quality Account for 2017-18, and to comment on the quality of the services commissioned locally to meet the needs of residents in Kensington & Chelsea and in Westminster. Our members are pleased to see that the Trust's overall CQC rating is now 'Good', a significant change from 'Requires Improvement'; we acknowledge the work that has gone into making this change happen.

CNWL Quality Account Priorities for improvement

1) Patient and carer involvement and

2) Staff engagement

Our members look forward to the introduction of fortnightly evening support groups between family and friends and CNWL staff at St Charles inpatient unit, preparation has been ongoing for some time. Family and friends support meetings with CNWL have been up and running in the community CMHT at Pall Mall for some time. We also look forward to the reintroduction of 'welcome packs' explaining patient rights and ward protocols etc.

The Carer Conference last year was well attended and productive. Therefore, we recommend that the CNWL Patient Reference Group (PRG) under the guidance of new CNWL Head of Patient & Carer involvement Lucy Palmer should consider organising a service user conference. Now that the Patient and Carer Strategy has been reviewed by the PRG, we suggest that it is redrafted to include input from service users, carers, CNWL staff, Healthwatch, and other stakeholders at the local level. Following this, an implementation plan should be produced.

We welcome the aim to roll out the Triangle of Care (TOC) piloted in Milton Keynes and Topas; this is an important way to identify carers and keep them involved throughout the assessment and treatment process. We look forward to receiving information on when this will happen in our local area, such as inpatient sites at St Charles and the Gordon Hospitals. We would like to suggest that this should also be rolled out to Community Mental Health Teams (CMHT).

However, our members are disappointed that the 'different voices' service user involvement inpatient project covering St Charles and the Gordon Hospitals' Mental Health units is to be de-commissioned in June 2018.

Person-centred care

The QA states that "we are committed to delivering person centred care through personalised care plans". It is useful for

CNWL to note that a 2017 evaluation report by the user led User Focused Monitoring project (UFM) funded by CLCCG & WLCCG showed that since the last evaluation in 2010, awareness of having a care plan has gone up in Westminster by 2% to 75%. However, it had gone down 18% to 58% in K & C. Regarding crisis planning, in the same UFM report, 50% of people interviewed in K & C have a crisis plan (up 13%); in Westminster it has also increased by 13% to 63% of people interviewed.

In addition, the UFM report states that service users' satisfaction with their CPA/ care plan review meeting had risen in Westminster from 73% in 2010 to 75% in 2017; in K & C it had fallen from 76% in 2010 to 58% in 2017.

Staff training and quality improvement

Our members appreciate that CNWL are supporting staff engagement and training, including quality improvement training to equip and encourage staff across CNWL to deliver continuous improvement in their local services and care systems, and to gain pride and pleasure from their work. The upcoming research study by Kings College London on Thames Ward at St Charles Hospital, exploring co-designing solutions to improve the quality of nurse-patient interactions on the ward, called 'the UNITE study' should prove interesting.

Friends and Family Test

Our members noted that positive responses to the Friends and Family Test, 'how likely are you to recommend CNWL services to family or friends if they needed similar care or treatment?' is much lower for staff than for patients and has dropped by 9% from last year for staff to 65%. Patients' responses have remained at 91%. There is a significant difference between staff and patients and we recommend that CNWL follow this up with further investigation into why 35% of staff would not recommend CNWL to friends and family and feed this into service improvement plans.

Patient satisfaction statistics

Our members queried the patient satisfaction statistics. The various Trust wide statistics concerning patient satisfaction are extraordinarily high: the clear majority show patient satisfaction ratings in the 90 percent range. However, patient feedback from the independent Mental Health survey conducted annually by the care quality commission (CQC) carried out with patients using various CMHT services are poor in comparison. This is also the case with all independent local evaluations and research which show much lower levels of satisfaction with services.

Quarterly newsletter for K & C and Westminster

Last year we suggested that it would be helpful if K&C and Westminster CNWL management produced a quarterly newsletter to update stakeholders and residents as to any service updates. This has not yet happened so we would like to repeat this request. We are pleased to see that CNWL Milton Keynes are now producing an update newsletter.

Information on service delivery in K & C and Westminster

Our members would like to see more information on CNWL's service delivery of mental health services, secondary and primary care, the Community Independence Service, Schools Services and sexual health services in K & C and Westminster included in the Quality Account. However, our members are pleased to see that the K & C and Westminster Street Triage Pilot has reduced the numbers of people brought in for a Mental Health assessment under section 136 by 80%; this will reduce the numbers admitted to hospital under section 136. Our members would like to see arts therapies added to the K & C and Westminster Mental Health primary care offer; these are popular with service users and there is evidence that these therapies aid recovery.

CNWL finances

It is currently a very difficult financial climate for health services. The recent CNWL draft operational plan 2017/19 consultation document 'refresh for 2018/19' shows that £29.9 million will be coming out of CNWL contracts for 2018/19. This will be a significant challenge and HW CWL are in the process of finding out how much money will be coming out of K&C and Westminster CNWL 's contracts. We also want to know what patient impact assessments will be undertaken and how this will be communicated to local people.

Looking forward

Our members are looking forward to the upcoming local coproduction workshops on the Urgent (Crisis) Care Pathway that will incorporate the 'alternatives to hospital admission workstream'. The short to medium term implementation of new Care Pathways, e.g. a new Care Pathway for Serious and Long-Term Mental Health Needs, amongst several others, are also due to be presented and debated at the local level.

HW CWL and our members look forward to working closely with CNWL over the coming year, especially in relation to implementation of the 'Improving mental health and wellbeing in North West London Case for Change', and the workshops for local engagement.

Statement from Healthwatch Hillingdon

Healthwatch Hillingdon acknowledge that the Quality Account published by CNWL lies within the requirements framed by the Health Act 2009, the National Health Service (Quality Accounts) Regulations 2010 and the mandatory requirements set out by NHS Improvements for NHS foundation trusts.

Questioning the effectiveness of the Quality Accounts to reflect local quality, in a meaningful way for the public, is a position Healthwatch Hillingdon have taken since the inception of the Quality Accounts.

CNWL provide over 30 services in Hillingdon; community health care; mental health services for both adults and children; and adult addiction services. Healthwatch Hillingdon maintain that for the Quality Account to give the public assurances of the quality of Hillingdon services and drive local quality improvement, it requires a Hillingdon specific section. This should include quality priorities set against local improvement needs and outline how improvement will be achieved and reported.

The CNWL Quality Account 2017-2018 does not provide this and therefore Healthwatch Hillingdon must reluctantly state that the account does not give us, or the public, assurance of the quality of the services provided by CNWL in Hillingdon.

It is stated with reluctance as Healthwatch Hillingdon has a close, valued, working relationship with CNWL in Hillingdon and know the efforts being made by local teams to continually improve services. The Quality Account is a platform for informing the public of this work, but the organisation is currently failing to use this opportunity to its full potential. Both Healthwatch Hillingdon and Hillingdon Council's External Scrutiny Committee have raised this point for a number of years and it was therefore extremely pleasing to see CNWL produce a Hillingdon Services Annual Report for 2016-17. This new initiative provides a combined report of all the CNWL services delivered in the Borough and goes a long way to providing the Hillingdon public with the assurances that the Quality Account fails to provide.

We would strongly recommend to CNWL that this document is replicated for all the geographical areas that CNWL is commissioned to serve and that these form the basis of the future Quality Account.

Statement from Healthwatch Camden

Thank you for the opportunity to comment on your quality account. Healthwatch Camden is pleased to comment on these quality accounts. We note the high levels of patient satisfaction on the community health services you provide in Camden and we would add that we have always found staff to be very responsive whenever we have raised queries on behalf of patients.

We note the high levels of patient satisfaction with sexual health services. We are sure that when people are able to use the service they find it very good. However, we have recently raised concerns about access to services, with some reports of problems in making appointments. We hope that exploring this aspect of patient experience will form part of your engagement with service users."

We are making very short responses this year. This is not a reflection on the trust, just a reflection of the weight of work we are under.

Statement from Healthwatch Milton Keynes

Healthwatch Milton Keynes would like to thank CNWL NHS Foundation Trust for inviting us to comment on the Quality Account 2017-18.

Healthwatch Milton Keynes appreciated the Quality Priorities Workshop organised by CNWL in March 2018, which demonstrated a constructive and positive attitude to stakeholder and patient engagement. We also welcome the continuation of the three-year road map, which we believe represents a sustainable approach to quality improvement.

CNWL's priorities of patient and carer involvement and staff engagement are shared by Healthwatch Milton Keynes, and community mental health is a priority area for the Milton Keynes Health and Wellbeing Board across each of its three main strands of Starting Well, Living Well and Aging Well.

CNWL clearly recognises that, while its work in community mental health is generally rated as good, in one area (that of safety) it requires improvement, and that staff retention and training are major factors here.

We consider that the Quality Account provides a comprehensive and well-balanced review of the range of CNWL's services, and that it is well ordered and clearly presented. There is a coherent philosophy and ethos across CNWL's activities reflected in the report.

We recognise that CNWL has a dispersed clientele, and acknowledge that it is difficult to produce a Quality Account which is specific to its individual stakeholders. There are several references to Milton Keynes, including progress on the implementation of the Triangle of Care programme, piloted in the Campbell Centre and Topaz, in conjunction with local services users and carer groups. Healthwatch Milton Keynes was unfamiliar with the Triangle of Care pilot but are pleased to see that carers are being identified and are being better involved in assessment and treatment processes.

The report also cites assistance given by the team in Milton Keynes Community Health Services to people with motor neuron disease and a Joint Learning event for both Milton Keynes Community & Milton Keynes Mental Health Services, in which The Sensory Advisory Resource Centre (SARC) team briefed staff from all disciplines and grades about the challenges faced by profoundly deaf and / or visually impaired people when accessing services.

It is possible in this year's Quality Account to compare Milton Keynes with other stakeholders and constituencies in relation to patients' feelings of involvement, sense of achievement, treatment with dignity and approval of services, and to note that Milton Keynes performs relatively highly.

What does not emerge from the report, however, is a sense of how CNWL's work in Milton Keynes, especially in the field of community mental health services, links in with the development of a place-based, integrated health and social care system, in the context of the BLMK Sustainability and Transformation Partnership.

We recommended to CNWL in our initial response to the first draft to provide more evidence of the impact of engaging with and involving patients. While we note that Quality priority 1: Patient Engagement and Involvement (Table 6) demonstrates positive survey results, Healthwatch would like to see more evidence of how patient involvement/input has made positive demonstrable changes to the way services have been designed and delivered in the future.

Healthwatch Milton Keynes thanks CNWL for presenting their Quality Accounts for 2017/18 and look forward to strengthening our relationship with CNWL in the year ahead.

Our Overview and Scrutiny Committees

Statement from the Royal Borough of Kensington and Chelsea

We welcome the opportunity to respond to the CNWL Quality Account for 2017-18. We recognise that Quality Account reports are key tools in ensuring that healthcare providers review their services objectively, and identify their shortfalls and successes. The Quality Account is also a means of illustrating their accountability to patients, carers and their partner organisations for the quality of the services provided, therefore we fully support these reports. We acknowledge that this is a draft report.

Priorities for Improvement 2017-18

Patient and Carer Involvement

We share the aspiration of involving and putting patients and carers at the heart of the service development and delivery at every stage and making services more patient focused and personalised, both for NHS services and social care. Therefore, we were pleased to read the co-production approach that CNWL has taken to empower partnership, with their patients to make sure quality and increase patient responsibility in shaping their care.

Evidence shows that person centred care, improves outcomes for the users, potentially delivering efficiencies via personalised commissioning and supporting people to stay well, and actively take responsibility to manage their own care, therefore we welcome the user involvement initiatives. We are particularly inspired by the Service User Involvement in the Offender Care programme, and the different approaches taken to achieve this. We will look forward to hearing more about this initiative and the outcome of the 'Impact Review' in the future.

The Triangle of Care (TOC)

We are in agreement the Triangle of Care (TOC) model is a good tool to involve patients and carers, especially at a time when health services are under pressure, and the organisations are faced with making difficult financial decisions. We understand this is a therapeutic alliance between the carers, patients and the organisation to promote patient safety, support recovery and sustain wellbeing. We will be interested to hear more in the future, in particular how CNWL is making sure the patients are part of the recovery plan, and how the professionals are trained to not only implement but practice this as 'Business as Usual'.

Staff Engagement

With regards to involving staff in organisational business, you report that the sign up to the 'My name is' campaign has increased from 26% to 71%. This is impressive, and from the organisational culture change point of view, we would like to commend this significant achievement. However, by itself, it

is not an indicator of quality improvement, hence we will be interested to see the actual outcomes of staff involvement, its positive impact on recruitment and retention and staff survey outcomes, and how this is reflected in delivery of quality services.

CQC Inspection result

We are pleased to read that CNWL's CQC rating has improved from 'Requires Improvement' from the last CQC inspection to 'Good' overall. We would like to commend the Trust on this achievement. We would like to be reassured that CNWL has systems in place to sustain this achievement, also working towards achieving 'Outstanding' in future inspections.

Grenfell

Last year we saw the tragic events at Grenfell Tower. We would like to thank CNWL for working alongside the council and promptly mobilising all of its resources to support those affected. They continue to work with us, helping to coordinate mental health services across the borough and between different providers.

Achievements and Concerns:

We particularly note the following achievements:

- CNWL achieved a 'Good' overall CQC rating, this is a significant improvement from 'requires improvement' in the previous inspection.
- Establishment of Trust-wide Patient Reference Groups, to bring patient representatives, Governors, and staff together to oversee the workstreams, all for increasing the quality standards.
- The creation of a Café in St Charles Hospital, which is built and developed by the patients and partners of CNWL to create a space for the patients to support their rehabilitation.
- That CNWL is recognised as one of the top 100 organisations by Stonewall's Diversity Champions Programme, and recognised as 1 of only 5 NHS organisations nationally, as a Diversity Champion, employing people from all backgrounds. As an Equal Opportunity employer we commend this.

However, we are equally concerned about the following:

- We are concerned to read that despite the overall 'Good' outcomes, the Local Performance against the patient reportable indicators (Patient and Carer Involvements) for RBKC patients is comparably lower than the other boroughs. This is consistent with all four of the indicators. We would be interested in the reasons why RBKC patients are reporting such disappointing results. We place a huge emphasis on dignity and respect and resident satisfaction, therefore we expect to see improvements in this area in the coming year.

Patient and Carer Involvement - Local performance against patient reportable indicators:

- RBKC Patients report feeling involved in care & treatment - 71% (target 85%) - off target
- RBKC Patients report their care & treatment helped them achieve what matters to them - 77% (target 85%) - off target
- RBKC Patients report being treated with dignity and respect - 87% (target 95%) - off target
- RBKC Patients – how likely to recommend CNWL services to family or friends if they needed similar care - 78% (target 90%) - off target.

Quality indicators for Staff Engagement:

As an employer we welcome CNWL's commitment to prioritising staff health and wellbeing, and the implementation of the Staying Well at work (SW@W) initiative, we note this as a positive initiative. However, we find the figure below significantly concerning.

- Staff report they would recommend Trust as a place of work - 57% (target 70%) - off target.

We will keen to hear the Trust's plans to improve the above indicators in the coming year.

Delayed Transfers of Care (DToC)

The Department of Health identified that bed days lost to DToC in non-acute settings are significant, increasing pressures on precious mental health beds, hence since April 2017 Mental Health Trusts are expected to monitor and officially report DToC on the Unify communications system. We note that, despite DToC having significant national and local high profile and priority there are no comments regarding the Trust's performance. This is one of RBKC priorities for this year, therefore as our provider of mental health services we expect to see how CNWL is embracing and implementing the new Department of Health Guidance and the measures put in place to deliver local targets.

Conclusion

Although Quality Accounts are expected to be objective, we find this document more biased towards achievements. We would like to emphasise the importance of objectivity of the Quality Report, where transparency is a key principle. Nevertheless, we recognise the hard work and achievements in number of areas. We congratulate the Trust on its achievements throughout the year. It is vital that the CNWL Trust flawlessly maintains and improves its quality of services during the times of constant change. I am assuming you will discuss with relevant people here how our teams will be involved in service design and improvement initiatives, encouraging a whole systems approach to health and social care.

We look forward to working with CNWL in the coming year and would like to thank the Trust for giving us the opportunity to comment on this document.

Statement from External Services Scrutiny Committee at the London Borough of Hillingdon

The External Services Scrutiny Committee welcomes the opportunity to comment on the Trust's 2017-2018 Quality Account and acknowledges the Trust's commitment to attend its meetings when requested throughout the year.

In the 2015-2016 Quality Account report, information specific to each of the geographical areas covered by CNWL had been included. Since then, the Committee has been disappointed that the Trust has produced generic reports which fails to provide a more realistic representation of the progress made against the quality priorities in each of the disparate areas that CNWL covers. For example, although sign up to the #Hellomynameis... campaign was at 72% Trust wide at the end on Q3, Members have been advised that all staff in Hillingdon have signed up to the campaign, with just one team left to train. This is an incredible achievement that should be applauded.

The Committee values the information provided in the Quality Account report. However, when the quality priorities change or are reported differently, there is little chance of Members being able to track the trajectory of any progress made in a particular service or area. As such, it is suggested that consideration be given to providing this information as an appendix or as supplementary information annually for each Quality Account report.

Aligning the Trust's quality priorities with its strategic objectives should help CNWL to fully integrate its commitment to deliver high quality care into its day to day running of the organisation. However, as has been mentioned before, in addition to the nationally set targets, the Committee would like to see local targets, particularly in those areas where the national targets are being significantly exceeded.

It is reported that 65% of staff in the year to date would recommend the Trust as a place to receive care or treatment to a friend or relative. Although there has been an increase in the number of staff providing feedback (so the results could be seen to be more representative), the outcomes have worsened. Whilst this figure is down from 74% in 2016/2017, the Committee does not feel that the results provide a realistic reflection of the services in individual areas. For example, in 2015-2016, 82% of staff in Hillingdon would have recommended the Trust as a place to receive care or treatment. As comparative local information has not been provided within the report, it is impossible for Members to establish how Hillingdon is doing.

The Trust should be commended for achieving a 16% staff turnover rate for two consecutive years (against a target of 15%) at a time when recruitment and retention has been

very challenging. However, whilst the staff turnover rate for mental health services is excellent (9.8% in Hillingdon), the rates for specialist services need significant improvement – with the exception of rehabilitation services (11%), turnover in specialist services ranged from 18% to 22.8% in 2017/2018. It is noted that plans are in place to reduce those service areas that are underperforming to at least 16% within two years but no further information has been provided regarding intermediate targets. The Committee looks forward to seeing the outcomes of any action taken to address this performance during the course of the next year.

Whilst soliciting feedback from staff, friends and family is good practice, it is recognised that there has been an increase in the number of surveys that need to be completed. As such, it is felt that survey fatigue is setting in and the responses received will reduce and/or the respondents will not be as detailed in their responses as they would have been previously. Furthermore, the increasing number of goals and targets being set for the Trust by different organisations, whilst admirable in their intent, may detract from the delivery of the service. The Committee is aware that there is little that CNWL can do to change this.

Members look forward to receiving updates from the Trust over the course of the next year on how its priorities are progressing as well as in relation to any positive impact they have on the move to integrate (mental / physical) health and social care.

Statement from Milton Keynes Council

The Central and North West London (CNWL) NHS Foundation Trust's Quality Account for 2017-18 has significantly improved in quality relative to that produced for the 2017-18 period. However the Quality Account still needs to better utilise evidence in a way which shows well informed service actions on the part of CNWL, and justification/explanation of target indicators used to measure performance. The Quality Account also shows that in the area of "safety" including inpatient and community risk assessment, progress in performance is still needed on the part of CNWL. Disappointing is also that the Quality Account does not outline how CNWL will link with the Bedfordshire, Luton and Milton Keynes Sustainability and Transformation Partnership in bringing about an integrated health and social care system.

Milton Keynes Council's Quality Accounts Panel notes that the following had been CNWL's priorities for the period:-

- Patient and Carer Involvement
- Staff Engagement

The Panel is pleased with and supportive of the above priorities, and is of the view that the priorities show that CNWL regards as important, incorporating the experience, desire and needs of the public in informing its service provision and delivery. They also show that invaluable staff input and engagement is considered important to and is being used by CNWL to inform service provision.

The Panel is also heartened that 2017-18 Priorities of Patient and Carer involvement, and Staff Engagement will continue to be part of CNWL's three year road map. This shows that although CNWL's priorities for 2018-19 are different from that of 2017-18, 2017-18 priorities will not be any less important going forward.

Overall, the Quality Account provides:-

1. A clear position of what CNWL has undertaken and achieved during the 2017-18 period.
2. Insight into challenges experienced by CNWL during the 2017-18 period and actions implemented or to be implemented by CNWL to address these challenges.
3. A clear position and justification of CNWL's priorities for the 2018-19 period in going forward.

Letter from CNWL's Chief Executive

The Chief Executive's letter adds much merit to the Quality Account in its clear overview of CNWL's activities, future direction and commitments, and acknowledged areas for improvement. The letter itself was succinct and reader friendly.

Quality account - commendations

The Panel is of the view that there are some things done by CNWL as reflected by and outlined in the Quality Account that have to be especially commended:-

Quality priority 1- patient and carer involvement

1. Triangle of Care (TOC)

CNWL's adoption of TOC is a positive indication that a wholesome approach is being adopted to health service planning and provision. The Panel is pleased that this approach will not be a mere partnership among physical and mental health professionals but will involve carers as "equal partners".

2. Hellomynname is...Campaign

CNWL is congratulated on the remarkable achievement of 89% signup in 2017-18, compared to 26% in 2017-18. The Panel looks forward to monitoring and performance information in future Quality Accounts as committed to by CNWL.

3. Service User Involvement in Offender Care

CNWL's involvement of offenders in its offender care services, demonstrates clearly the fact that all its service users have both rights and opportunities to help shape the quality of services provided by CNWL. This includes individuals detained in the justice and prison system under her majesty's care.

4. Patient and Service Involvement in our Community Physical Health Services

The effort by CNWL to devise initiatives to garner wide user feedback is noted and commended. This is for example evidenced by (i) Tissue Viability Service's initiative to invite patients or carers to the Service's team meeting so as to afford them the opportunity to give feedback on the patient experience in receiving service, (ii) CNWL's Neurological Conditions Clinical Specialist initiative in organising an event to bring together service users (children and their parents) to meet staff in an informal way and to share their experiences, and (iii) Joint Learning event for Milton Keynes Community and Milton Keynes Mental Health Services.

5. Responding to feedback

The Quality Account shows that CNWL does not merely collect and collate feedback, but acts upon feedback received.

6. Other highlights from 2017-18

The Panel notes that for the 2017/18 period the CQC has rated CNWL as "Good" overall. The Panel has also noted that CNWL has started focussed work on its community mental health services and as regards the "Safety" CQC domain. Notwithstanding this achievement, the Panel's hope is that a CQC rating of "Outstanding" will be reported in future Quality Accounts.

7. Older Adult Ward Environments are Dementia Friendly

The Panel supports and commends CNWL's actions in making its older adult mental health wards dementia friendly, and notes the progress made by CNWL in this effort. Especially laudable is CNWL's long term ambition to test out new technology with the aim of providing reassurance and pleasure to dementia patients in its care. The planned use of the Dementia Friendly Group meeting in May 2018 to discuss next steps in its dementia care is noted. This for the Panel shows that CNWL is not complacent with its dementia friendly actions so far, but is determined to make further and long term progress in its care for older adults with mental health challenges.

8. Reducing Prone Restraint

The Panel is of the view that CNWL's successful development of an award winning (QI award) technique to administer IM medication as outlined by the Quality Account is highly commendable, and shows research initiative on the part of CNWL. It is hoped that this technique will be widely shared by CNWL within the NHS as an example of best practice.

Quality priority 2- staff engagement

1. Staying Well at Work

The Panel notes CNWL's focus on the mental wellbeing of its staff, and its launch of a "Staying Well @ Work Service aimed at supporting staff. The reported success of the Service in engaging with over 1,000 staff members is for the Panel indicative that such a service was needed, and it is good that this was realised and acted upon by CNWL.

The Panel is optimistic that the signing off of the Staying Well @ Work Service by CNWL as a permanent service will continuously enhance the wellbeing of CNWL's staff for the foreseeable future. The Panel therefore hopes that this Service will be reported on in future CNWL Quality Accounts.

2. Responding to Staff Feedback

The Panel was encouraged to see evidence in the Quality Account which showed that CNWL was not merely engaging in consultation with staff, but was acting on information/feedback received from such consultation. This was for example the case with CNWL's clearly evidenced transformation of its ICT network following IT issues raised by staff in national and local surveys.

3. Staff Networks to facilitate engagement with various staff groups

The Panel is of the view that the Quality Account clearly shows CNWL's (i) recognition of the diversity of its workforce, (ii) an understanding of their various needs, and (iii) an effort to make CNWL a worker friendly environment for all. The "Carers at Work Network", "Black Asian Minority Ethnic Network", "Lesbian, Gay, Bisexual and Transgender Network", and CNWL's partnership with Purple Space as regards its "Disability Network", is strong and clear evidence of CNWL's commitment to having such an environment.

4. Performance Against Five Quality Priority Indicators

It is noteworthy that for the 2017-18 period as it did in 2017-18, CNWL surpassed its target of 85% for performance against patient reportable indicators. Also commendable is that CNWL achieved 95% for the 2017-18 period, which is an improvement upon its performance in 2017-18 when it achieved 94%.

5. What else did we measure

The Panel commends CNWL for achieving 97% for treating patients with dignity and respect, and 92% for patients being willing to recommend CNWL services to family and friends, surpassing respective targets of 95% and 90% for both indicators.

Quality account- areas for improvement

Quality priority 2- patient and carer engagement

Notwithstanding the above notable achievements by CNWL, information presented in the Quality Account shows that there is still scope for improvement by CNWL in its service delivery, and or in the reporting of such service delivery. This is evidenced by the below:-

1. Patient Reference Group

The Panel notes CNWL's use of a "Patients Reference Group" so as to enable patients, carers and their families to feel involved in CNWL's decision making process about the care they receive. A lack of information however of the Group's specific membership (membership information provided in the Quality Account is inadequate), its structure, frequency of meetings, and the seniority of CNWL staff who directly engage with the Group, meant that the Panel was limited in being able to determine the seriousness with which CNWL took the Group's work.

The Quality Account although highlighting the work of the Group also does not adequately highlight CNWL's action(s) that is directly attributable to the unique and specific work of the Group. Provision of this information would have been useful in strongly evidencing CNWL's actions in relation to Quality Priority 1 (Patient and Carer Involvement).

2. Triangle of Care (TOC)

The Panel recognises the value of CNWL undertaking a pilot to inform how it goes about implementing the TOC programme. However careful construct of such a pilot will determine if it is fit for the intended purpose. The Quality Account outlined (i) the purpose of the pilot, (ii) how it functioned eg through a self-assessment tool and rating system, and (iii) the result of the pilot eg it showed that CNWL had good protocols in place for information sharing and confidentiality. However information as to (iv) the duration of the pilot, would have been helpful in conveying to the Panel an assurance that adequate time had been allowed for the pilot, and the results therefore reliable.

The Panel notes the reported success of the pilot by CNWL, and the resultant decision to roll out the TOC programme across Inpatient units within CNWL. However the Quality Account lacks helpful information as to the time period planned for roll out of the TOC programme. Provision of this information is important to enabling the monitoring and holding to account of CNWL for roll out and performance of the TOC programme in future. The Panel therefore hopes that the TOC programme will be reported on in future CNWL Quality Accounts.

3. Older Adult Ward Environments are Dementia Friendly

The Quality Account reveals that 11 out of 15 nursing homes, had no new incidents of pressure ulcer for over 250 days. By implication, 4 (26%) nursing homes failed this standard, yet the Quality Account fails to outline (i) the reason(s) why these homes failed, and (ii) what if any specific/ targeted measures were implemented to improve their performance. Instead, on this matter CNWL highlights being shortlisted for Health Services Journal awards, which the Panel feels could give the impression of misplaced priorities.

Quality priority 2- staff engagement

1. staying Well at Work

The Quality Account has outlined the launching of a Staying Well @ Work Service. The Panel is however of the view that it would have been useful if the Quality Account had also outlined whether any specific data or information had led CNWL to focus on the mental health and wellbeing of its staff. Had this been done the Quality Account would have demonstrated CNWL's strong awareness of a staff issue, and informed action(s) to address it.

2. What else did we measure- Table 2: Indicators

The Quality Account has outlined as target indicators- (i) 95% for patients treated with dignity and respect", (ii) 90% for patients to recommend CNWL services to family or friends, and (iii) 95% for Inpatient and community risk assessment completed and linked to care plans. The Panel is however of the view that it would have been helpful if it had been made clear as to how these particular percentage targets were chosen by CNWL, for example if it was a health sector standard or regulatory requirement.

In specific relation to Indicators contained in the Quality Account and reported on, the Panel is concerned about:-

- CNWL's continued failure to meet its 95% target for inpatient and community risk assessment, achieving only 88% for 2017-18, and only 89% in 2017-18. Note is made that CNWL's performance against this target has slightly worsened from 2017-18 to 2017-18.
- CNWL's failure to effectively explain what is accounting for its continued failure to meet the 95% target for Inpatient and community risk assessment.

- CNWL having consistently failed to meet its target for inpatient and community risk assessment, and seemingly as a result has opted to not report on this target for the 2018-19 period.

The Panel is also of the view that CNWL's reported application of a new methodology for this indicator does not prevent it from continued reporting on this indicator in future Quality Accounts.

3. Table 4: Quality Account Priority Indicators for Staff Engagement

The Panel is disappointed about:-

- CNWL's failure to meet the 70% indicator target for staff, who "would recommend the Trust as a place to receive care or treatment to a friend or relative". It is noted that CNWL only achieved 65% for this indicator. Also disappointing is that this result reflects a worse performance relative to the 2017-18 period when 74% was achieved.
- CNWL's continued failure to meet its 70% target for "staff reporting that they would recommend the Trust as a place to work". It is noted that CNWL only achieved 57% for this indicator. Also disappointing is that this result reflects a worse performance relative to the 2017-18 period when 60% was achieved.

The Panel considers it concerning that CNWL has failed on indicators for CNWL's own staff to recommend the Trust to family and friends, and as a place to work. The Panel is of the view that CNWL's response to this failure in reporting that it has made definitive "progress in providing better opportunities for staff to tell us their views", contradicts the fact that CNWL not only failed to meet the relevant targets, but its performance for both these targets worsened from 2017-18 to 2017-18.

In light of the above target failures, it would have been helpful to the Panel if some detail had been provided in the Quality Account, as to the reported "focussed action plans in place to respond to staff feedback".

Quality priority plans for 2018-19

in determining Priorities for 2018-19, the Panel was heartened by CNWL's approach in organising a wide stakeholder consultation and engagement event which took place on 9 March, 2018.

The Panel hopes that the below information will be updated on in future Quality Accounts:-

- Learning from Death- Exercise to identify potential gaps in arrangements and an action plan to monitor delivery of these.
- Trust Wide Mortality Review Group- Evaluation of the success of this work.

The Panel also commends CNWL as follows:-

Quality account- commendations

1. benchmarking

The Panel commends CNWL for being a member of the NHS Benchmarking Network, but recommends that in the Quality Account, the abbreviation HQIP be explained for clarity to readers of the Quality Account.

2. Participation in Clinical Audit

The Panel commends CNWL for the 100% participation rate in national clinical audits and national confidential enquiries for the 2017/18 period. Praise is also extended to CNWL for the number of Trust-wide audit programmes undertaken for 2017/18, and the implementation of local quality governance structures.

Audits are a means of inspection and checking for problems with a view to them being solved. Audits are also key to strong governance and accountability frameworks. CNWL's strong Audit participation rate the Panel feels shows CNWL's appreciation of and value for such frameworks.

Notwithstanding the above commendation, the Panel is of the view that what would have been of particular value is if the Quality Account had outlined:-

- Whether the number of Audits undertaken by CNWL for the 2017-18 period reflect an increase relative to the 2017-18 period
- Any re-audit undertaken for 2017-18, for that which what had been audited in 2017-18

3. CQC Reviews of Compliance

The Panel is of the view that the fact that CNWL was not the subject of any CQC enforcement action for the 2017-18 period reflects positively on CNWL. However the Panel hopes, that although CNWL was rated "good" overall by the CQC following an inspection in August 2017, CNWL will actively address the identified shortcoming in "Safe". This shortcoming on the part of CNWL would seem to correspond with CNWL's shortcomings in:-

- Pressure ulcer for over 250 days (4 nursing homes failed this standard).
- CNWL's continued failure to meet its 95% target for inpatient and community risk assessment.

N.B.- The above concerns have already been highlighted by the Panel in review of the Quality Account.

4. Information Governance Toolkit Attainment Level

The Panel congratulates CNWL for the "satisfactory" grade obtained for its information Governance Assessment Report for 2017-18.

The Panel is however of the view that it would have been helpful if the Quality Account had provided a comparative

grade for the regional or national level. This would have helped the Panel to determine whether the "satisfactory" grade received by CNWL is indeed commendable relative to others at the national or regional level.

5. Table 9- Patient Safety

The Panel is pleased to note that CNWL has made progress in achieving a 98% result and surpassing the national average of 97% for the "Care Programme Approach (CPA) 7-day follow up".

The Panel looks forward to similar progress by CNWL in "infection control"; i.e. reducing the number of cases of "Clostridium Difficile" annually which it is noted has trended upward since 2015-16 to the present period.

6. Table 3.2.2- Clinical Effectiveness

CNWL's performance in 2017-18 in surpassing targets, and or improving performance relative to previous periods on several clinical effectiveness indicators is commendable. It is hoped that this will be maintained for the 2018-19 period, and that "Re-admission rates" can be especially improved upon.

Quality account- areas for improvement

1. How We Will Know: Our Outcome Measures

The Panel notes that CNWL has outlined for 2017-18:-

- a target of 85% for measuring the impact of its actions quarterly for "1- Patients and carers report feeling involved, and "2- Patient report that their care or treatment helped"
- a target of 70% for "Staff recommend the Trust as a place to work", and 15% for "staff turnover".

However it would have been helpful if it had been made clear as to how these particular percentage targets were chosen, for example if it was a health sector standard or regulatory requirement.

2. Outcome of the Inspections in 2017/18

The Panel notes that CNWL's action plan is outlined by the Quality Account as being robust and regularly reviewed. The Quality Account would however have benefited from information as to (i) who/which team, has specific responsibility for this review, and (ii) how often it is reviewed. The same critique also applies to CNWL's actions to maintain and improve data quality; i.e. who is the staff member/team responsible for ensuring new services comply with business rules and processes for data entry. It is not enough to merely state that "our action plan is ...regularly reviewed", or "a full review of any new services" is undertaken.

It is noted that teams in Milton Keynes CMHT in particular have been provided hand held alarms. Although supportive of this action by CNWL, the Panel is of the view that the Quality Account could have shown that it was an evidence led informed decision.

Patient Safety

The Panel is extremely concerned that the number of “patient safety incidents” for reporting in 2017-18 has increased compared to previous periods. In addition, although the percentage of safety incidents that resulted in severe harm or death was reduced from 0.85% in 2017-18 to 0.70% in 2017-18, the Panel is of the view that the actual number of incidents (141) is unsatisfactorily high.

The Panel expects that this will be again reported on in the 2018/19 Quality Account, wherein it is hoped that there will be both a percentage and actual reduction in these incidents.

Conclusion

The Panel is of the view that the Quality Account for 2017-18 is an improvement upon previous Quality Accounts. However it is hoped that CNWL will:-

- Build upon successes as outlined and reflected in the Quality Account
- Act upon suggestions made for service improvement and reporting

Annex 2 – 2017-18 Statement of Directors’ responsibilities in respect of the Quality Account

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report. In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2017-18 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2017 to March 2018
 - papers relating to quality reported to the board over the period April 2017 to March 2018
 - feedback from commissioners dated 09/05/2018
 - feedback from local Health watch organisations dated 09/05/2018
 - feedback from Overview and Scrutiny Committee dated 09/05/2018
 - the trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 12 July 2017
 - the 2017 national patient survey
 - the 2017 national staff survey
 - the Head of Internal Audit’s annual opinion of the trust’s control environment dated May 2018
 - CQC inspection report dated 18/08/2017

- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board



Claire Murdoch
Chief Executive
25 May 2018



Prof. Dorothy Griffiths
Chair
25 May 2018

**Annual accounts
for the year ended
31 March 2018**



Independent auditor's report

to the Council of Governors of Central and North West London NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Central and North West London NHS Foundation Trust ("the Trust") for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended; and
- the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2017/18 and the Department of Health Group Accounting Manual 2017/18.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: £9m (2016/17: £9m)
financial statements as a whole 2% (2016/17: 2%) of income from operations

Risks of material misstatement vs 2016/17

Recurring risks	Recognition of NHS and non-NHS income and debtor provisions	◀▶
	Accrued expenditure	◀▶
Event driven	Valuation of intangible assets	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2016/17).

The risk	Our response
<p>NHS and non-NHS income and receivables</p> <p>Income: (£490.7 million; 2016/17: £479.4 million)</p> <p>Provision for doubtful debts: (£4.7 million; 2016/17: £5.1 million)</p> <p>Refer to page 121 (accounting policy) and page 133 (financial disclosures).</p>	<p>2017/18 Income:</p> <p>The Trust largely receives income on a block contract basis so there is certainty in the future forecasts at the start of the financial year but variation can occur. Income from NHS England and CCGs is captured through the Agreement of Balances exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes.</p> <p>Accounting treatment:</p> <p>Income from local authorities presents a greater risk to the Trust as this income can take longer to collect, meaning there is more judgement regarding the level of income to recognise at the year end.</p> <p>The Trust is eligible to receive Sustainability and Transformation Plan funding (STF) based on meeting the control total set by NHS Improvement. The final income from STF may be notified late in the financial year.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> — Tests of details: We undertook the following tests of detail: <ul style="list-style-type: none"> — We reconciled the NHS income recorded in the financial statements to signed contracts and income received in the bank statements for the five largest block contracts and reviewed material variations; — We examined supporting correspondence for any formal disputes or arbitration for consistency with the accounting treatment within the financial statements; — We inspected third party confirmations from NHS counterparties as part of review of the Agreement of Balances exercise; — We inspected other material NHS income and material non-NHS income, including STF, through testing of invoices raised or cash received to determine that income had been recognised in the appropriate period, classified correctly within the financial statements and received in the bank; and — Methodology Choice: We considered the methodology of aged debt calculations and assessed the integrity of the aged debt report.
<p>Accrued Expenditure</p> <p>(£17.4 million; 2016/17: £23.0 million)</p> <p>Refer to page 126 (accounting policy) and page 144 (financial disclosures).</p>	<p>Subjective estimate:</p> <p>The Trust's level of accruals has remained significantly above the mental health Foundation Trust average since 2012/13 - £17.4m for the Trust against an average of £8.7m for mental health Foundation Trusts. The Trust's accruals as a proportion of total improved in 2017/18 (3.6% compared to 5.0% in the prior year).</p> <p>During 2015/16, NHS Improvement issued a communication to Trusts requesting that accruals should be an area of focus for Trusts reviewing the strength of their balance sheets, creating an increased risk of management override of controls over accruals.</p> <p>Accruals require judgement on the level of expenditure relating to the current period which will be incurred in the future.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> — Historical comparisons: We compared the accruals by type to the prior period to understand any significant movements and potential misstatements; — Test of details: We selected a sample of accruals and agreed the sample for reasonableness against supporting evidence whilst ensuring that the expenditure was accounted for in the correct period; — Test of details: We performed searches for unrecorded liabilities by selecting a sample of expenditure items from the general ledger and cash book from April 2018 (after the period-end) to identify if those amounts related to expenditure incurred the 2017/18 period; and — Historical comparisons: We selected a sample of year end 2016/17 accruals to assess how they crystallised at the beginning of 2017/18 to assess the reliability of management estimates.

	The risk	Our response
<p>Intangible Assets</p> <p>Intangible Assets: (£37.2 million; 2016/17: £44.2 million)</p> <p>Impairment /derecognition of intangible assets: (£14.1 million; 2016/17: £2.7 million)</p> <p>Refer to page 124 (accounting policy) and page 138 (financial disclosures).</p>	<p>Subjective valuation</p> <p>As at 31 March 2018, the Trust held £37.2m of intangible assets as a result of the CGI contract to transform the Trust's IT infrastructure and implement a new clinical system.</p> <p>In 2017/18, the IT infrastructure asset became operational as defined by five key criteria set out by the Informatics Committee. This transfer from assets under construction triggered a revaluation of the capitalised asset and an impairment of £14.1m to be recognised.</p> <p>The Clinical Systems asset, which comprised £17.5m of capitalised costs held in intangible assets under construction (AUC), is expected to become operational in 2018/19.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Tests of detail: We selected a sample of intangible asset additions and agreed the sample to supporting evidence to ensure it was accurate and able to be capitalised; — Methodology choice: We compared reported performance of IT programmes against five criteria to determine if operational; — Assessing Valuation specialists' credentials: We assessed the qualifications, objectivity, and expertise of the specialist engaged by the Trust to perform the valuation exercise by considering the credentials of the firm and qualifications and experience of the individuals engaged to perform the work; — Reperformance: We gained an understanding of the basis on which the specialist has performed the revaluation and assessed the completeness of data sent to be reviewed; — Assessing transparency: We agreed that the impairment expense was recorded accurately in the accounts; and — Control observation: We agreed the work performed over valuation of intangibles has been appropriately approved by the Board and it's Committees and reported to those charged with governance.

3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £9 million (2016/17: £9 million), determined with reference to a benchmark of income from operations (of which it represents approximately 2%). We consider income from operations to be more stable than a surplus or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.25 million (2016/17: £0.25 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was performed at the Trust's headquarters in London.



4. We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 49, the Accounting Officer is responsible for the

preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 Trust without the transfer of its services to another public sector entity

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at

www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

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

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
Achieving value for investment in IT	Over recent years the Trust has seen a significant increase in the balance of intangible assets under construction as a result of the CGI contract to transform the Trust's IT infrastructure. In 2017/18, the Trust brought the IT infrastructure asset programme into use and recognised an impairment of £14.1 million on revaluation.	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Disclosure: We considered how any impairment is recognised and disclosed in the Losses and Special Payments note. — Monitoring: We assessed how the delivery of the programme was monitored and reviewed including the quantitative and qualitative outcomes which have been identified for monitoring. We reviewed the most recent reporting against these outcomes to ensure it was being tracked appropriately. — Cost control: We gained an understanding how the Trust has applied appropriate cost control to the programme and considered whether remaining costs to be incurred are well monitored. — Governance: We ensured that programme monitoring has been appropriately escalated through the governance structure, including discussion in public papers such as Board meeting minutes.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Central and North West London NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



Neil Thomas
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
15 Canada Square
London E14 5GL

25 May 2018

Foreword to the accounts

These accounts, for the year ended 31 March 2018, have been prepared by Central and North West London NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed



Name: Claire Murdoch

Job title: Chief Executive

Date:

23/05/18.

Statement of Comprehensive Income

		2017/18	2016/17
	Note	£000	£000
Operating income from patient care activities	3	448,709	427,256
Other operating income	4	41,257	46,663
Operating expenses	5.1	(489,962)	(459,834)
Operating surplus/(deficit) from continuing operations		4	14,085
Finance income	10	51	45
Finance expenses	11	(73)	(83)
PDC dividends payable		(8,033)	(8,152)
Net finance costs		(8,055)	(8,190)
Other gains / (losses)	12	655	5,522
Surplus / (deficit) for the year from continuing operations		(7,396)	11,417
Surplus / (deficit) for the year		(7,396)	11,417
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Other reserve movements		-	(26)
Total comprehensive income / (expense) for the period		(7,396)	11,391

Statement of Financial Position

		31 March 2018	31 March 2017
	Note	£000	£000
Non-current assets			
Intangible assets	14	37,206	44,241
Property, plant and equipment	15	226,359	223,877
Total non-current assets		263,565	268,118
Current assets			
Inventories	17	358	211
Trade and other receivables	18	59,984	50,819
Cash and cash equivalents	20	16,405	20,644
Total current assets		76,747	71,674
Current liabilities			
Trade and other payables	21	(63,328)	(58,656)
Borrowings	23	(719)	(719)
Provisions	24	(1,265)	(2,853)
Other liabilities	22	(10,754)	(7,526)
Total current liabilities		(76,066)	(69,754)
Total assets less current liabilities		264,248	270,038
Non-current liabilities			
Trade and other payables	21	(2,133)	(394)
Borrowings	23	(4,674)	(5,392)
Provisions	23	(1,502)	(1,617)
Total non-current liabilities		(8,309)	(7,403)
Total assets employed		255,939	262,635
Financed by			
Public dividend capital		136,290	135,590
Revaluation reserve		64,157	66,226
Income and expenditure reserve		55,492	60,819
Total taxpayers' equity		255,939	262,635

The notes on pages 121 to 151 form part of these accounts.

Name Claire Murdoch

Position Chief Executive Officer

Date 23/05/18

Name Hardev Virdee

Position Chief Finance Officer

Date 23/05/18.

Statement of changes in Equity for the year ended 31 March 2018

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2017 - brought forward	135,590	66,226	60,819	262,635
Surplus/(deficit) for the year	-	-	(7,396)	(7,396)
Transfer to retained earnings on disposal of assets	-	(1,044)	1,044	-
Other recognised gains and losses	-	(1,025)	1,025	-
Public dividend capital received	700	-	-	700
Taxpayers' equity at 31 March 2018	136,290	64,157	55,492	255,939

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2016 - brought forward	135,540	67,340	48,314	251,194
Prior period adjustment	-	-	-	-
Taxpayers' equity at 1 April 2016 - restated	135,540	67,340	48,314	251,194
Surplus/(deficit) for the year	-	-	11,417	11,417
Transfers by absorption: transfers between reserves	-	-	-	-
Transfer to retained earnings on disposal of assets	-	(61)	61	-
Other recognised gains and losses	-	(1,027)	1,027	-
Public dividend capital received	50	-	-	50
Other reserve movements	-	(26)	-	(26)
Taxpayers' equity at 31 March 2017	135,590	66,226	60,819	262,635

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.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised

in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

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

Statement of Cash Flows

		2017/18	2016/17
	Note	£000	£000
Cash flows from operating activities			
Operating surplus / (deficit)		4	14,085
Non-cash income and expense:			
Depreciation and amortisation	5	7,949	7,508
Net impairments	6	14,123	-
(Increase) / decrease in receivables and other assets		(6,551)	(8,077)
(Increase) / decrease in inventories		(147)	146
Increase / (decrease) in payables and other liabilities		6,689	(5,677)
Increase / (decrease) in provisions		(1,703)	2,464
Other movements in operating cash flows		1	(25)
Net cash generated from / (used in) operating activities		20,365	10,424
Cash flows from investing activities			
Interest received		51	45
Purchase of intangible assets		(6,088)	(10,341)
Purchase of property, plant, equipment and investment property		(10,192)	(6,277)
Sales of property, plant, equipment and investment property		235	7,971
Net cash generated from / (used in) investing activities		(15,994)	(8,602)
Cash flows from financing activities			
Public dividend capital received		700	50
Movement on loans from the Department of Health and Social Care		(718)	(719)
Other interest paid		(73)	(83)
PDC dividend (paid) / refunded		(8,519)	(8,153)
Net cash generated from / (used in) financing activities		(8,610)	(8,905)
Increase / (decrease) in cash and cash equivalents		(4,239)	(7,082)
Cash and cash equivalents at 1 April - brought forward		20,644	27,727
Prior period adjustments			-
Cash and cash equivalents at 1 April - restated		20,644	27,727
Cash and cash equivalents at 31 March	20	16,405	20,644

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 2017/18 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 accounts.

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis.

After making enquiries, the directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Note 1.2 Interests in other entities

For the year to 31 March 2018, NHS Foundation Trusts had the option to consolidate the results of charities in which they hold a controlling interest and for which the transactions involved were considered to be material to the accounts of the Trust. The Trust is the corporate trustee of 'The Central and North West Foundation Trust Charitable

Funds'. The results of this charity have not been consolidated into the results of the Trust on the grounds of materiality. The total unaudited incoming resources for the year to 31 March 2018 were £299k and total net assets were estimated at £6905k.

Quality Trusted Solutions(QTS) is a wholly owned subsidiary of Central and North West London NHS Foundation Trust (CNWL).QTS is a limited liability partnership (LLP) where the CNWL is the predominant partner with 99.99% ownership and CNWL Holdings Limited, set up with no purpose other than acting as the other required partner to the LLP. CNWL Holdings Limited itself is wholly owned by the Trust. The company was incorporated in September 2017 but commenced trading on 1st April 2018. CNWL will produce consolidated financial statement for 18/19 for the group and as required incorporate the trading activities of QTS. Expected turnover is in the process of being determined and is expected to be in the region of £20.0m - £30.0m.

Note 1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Revenue grants and other contributions to expenditure

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.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

Note 1.5 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 1.6 Pooled Budgets

The Trust has entered into pooled budget agreements with the London Borough of Harrow. Under the arrangements, funds are pooled under section 75 of the National Health Service Act 2006 for joint activities. Each of the pools is hosted by the Trust. Payments for services provided by the Trust are accounted for as income from Local Authorities. In

accordance with IFRS12 - the Trust accounts for its share of assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has a cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Note 1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at fair value.

All land and buildings are revalued using professional valuations in accordance with IAS 16. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation manual. The most recent asset valuation was undertaken by external valuers JLL as at 31 March 2016.

The method of valuation used was as follows:

From the gross replacement cost for the building, a valuation judgement is made regarding the physical, functional and external obsolescence factors which can be applied

to depreciate the assumed new gross replacement value of the building. These three factors are then combined and weighted according to how much influence each depreciation type is likely to have according to the type of operation that is run from the property concerned. The depreciated building value is then added to the land value.

Specialised assets:

For specialised assets, the depreciated replacement cost (DRC) method was used to arrive at a fair value. The International Valuation Standards definition of 'specialised property' is; "certain types of properties which are rarely, if ever, sold in the open market...due to uniqueness arising from its specialised nature and design, configuration, size, location, or otherwise".

The cost of the modern equivalent reflects two elements - land and buildings. The land is based on the least price that a prudent purchaser would pay for the land and is based on open market values. This is based on open market transaction evidence. The cost of providing a modern equivalent building is based on market prices that are directly observed. All assumptions follow the RICS Valuation Information Paper 10.

Non-specialised assets:

Assets valued on an existing use basis are non specialised properties which are occupied solely by the Trust for its own purposes. This includes property assets such as office accommodation. The fair values of these assets were arrived at by comparison to transactions of similar property in the market place. A market capital value per square foot was then applied to the net internal area provided to arrive at a total capital value. It is evidence therefore that the existing use values were determined directly by reference to observable market transactions.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets

the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

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

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the DH GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the

carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Note 1.7.3 Derecognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

The income on sale of an asset is only recognised when the actual proceeds due from the sale have been received.

Note 1.7.4 Donated, government grant 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.

Note 1.7.5 Useful economic lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	51	99
Dwellings	-	-
Plant & machinery	5	10
Transport equipment	-	-
Information technology	5	8
Furniture & fittings	7	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic 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 1.8 Intangible assets

Note 1.8.1 Recognition

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

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is

not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Note 1.8.2 Measurement

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

Subsequently intangible assets are measured at fair value. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

CNWL developed an ambitious ICT Strategy several years ago recognising that achieving the Trust's strategic goals were dependent upon the successful delivery of a number of important changes/enablers, one of the most important of which was better ICT. The Trust recognised that the infrastructure provision, developed piecemeal due to the growth of the Trust through acquisition, was not fit for purpose as it does not meet the Trust's future needs as there were significant reliability, security and operational risks inherent in the provision and unable to support the many of its clinical services plans for future development.

The ICT Strategy clearly identified the need for the provision of resilient, reliable and secure ICT infrastructure services to form the foundation for the rest of the ambitious and innovative strategic programme of work that will ultimately enable the delivery of:

- efficiencies across the NHS as reflected in CNWL's internal cost improvement plans. Better ICT infrastructure is seen as a key enabler to greater efficiency across the Trust's services, for example efficiency improvements that the Trust expects to make from the Strategic Clinical Systems;
- drive towards greater integration of services both within CNWL and with other providers in the health and social care community. Integration leads to requirements such as interoperability and the ability to share electronic patient records which in turn can lead to better service quality and further efficiencies across health and social care;

- changes required to support the national ICT strategy;
- ICT infrastructure to provide a firm base to support delivery of the Trust's strategic objectives such as growth and improved engagement;
- address weaknesses in the current ICT infrastructure such as the limited ability to support remote working, limited support for end-user devices and slow response from core ICT infrastructure – this need is essential to enable transformation of clinical service delivery;
- opportunity to improve ICT user experience through improvements such as greater use mobile working and unified communications (direct messaging, presentation sharing in meetings, video conferencing etc.).

The delivery of the IT strategies were underpinned by several work streams; key were the upgrading of the Trust's Strategic IT Infrastructure and Strategic Clinical Systems. The successful delivery of these two strategic programmes were the cornerstone to achieving the objectives set out in the IT Strategy.

The delivery of these programmes not only required significant investment but spanned several years to complete. IT Strategic Infrastructure programme was in development over 4-years and operational across 95% of the Trust in January 2018. The Clinical Systems Programme too has been in development for 4-years and is expected to be fully functional by Q3 of the next financial year (2018/19).

The cost of developing these IT Projects has been reflected in the Trust's financial statements under 'Assets In the Course of Construction' for the past few years. The Strategic Infrastructure Programme, from an accounting point of view, was brought in to use at the end of January 2018 and as such recognised as an intangible asset.

In line with the NHS Foundation Trust Annual Report Manual (ARM) the Trust is required to follow the accounting requirements as set out in the Department of Health Group Accounting Manual (GAM). Intangible assets are initially recognised in the balance sheet at cost. Following the initial recognition of an intangible asset, accounting rules require the Trust to assess a subsequent measurement; whether there is any indication that an asset may be impaired. For subsequent measurement GAM sets out possible options for valuation; and Depreciated Replacement cost was applied as the most appropriate form of measurement for valuation.

The Trust engaged Deloitte IT Valuation team to offer expert independent valuation advice to Trust Management for the IT Strategic Infrastructure Programme and to comment on

the valuation at Replacement cost proposed by the Trust's IT and Finance Teams. Depreciated Replacement Cost Valuation by CNWL IT Management was £13.0m; Deloitte £15.7m. The differential relates to costs associated with the initial discovery phase.

The DRC Valuation of Trust's IT Management has been accepted as the DRC for the IT Platform resulting in an impairment of £14.123m.

Management considered the Useful Economic Lives to be 10 years, this has been based on observation of similar disclosed assets in other provider financial statements, consideration of advice from IT staff within the Trust and professional advice commissions from Deloitte.

Amortisation

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

Note 1.8.3 Useful economic lives of intangible assets

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

	Min life Years	Max life Years
Intangible assets - internally generated		
Information technology	-	-
Development expenditure	8	10
Websites	-	-
Intangible assets - purchased		
Software licences	8	10
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.9 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS Trusts for the provision of services. Where a grant is used to fund revenue expenditure, it is taken to the Statement of Comprehensive Income to match that expenditure.

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method of valuation.

Note 1.11 Financial instruments and financial liabilities

Recognition

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

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

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

De-recognition

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

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

Classification and measurement

Financial assets are categorised as "fair value through income and expenditure", loans and receivables or "available-for-sale financial assets".

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

Financial assets and financial liabilities at "fair value through income and expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. [Derivatives which are embedded in other contracts but which are not "closely-related" to those contracts are

separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of "other comprehensive income". When items classified as "available-for-sale" are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in "finance costs" in the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts

exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices/independent appraisals/discounted cash flow analysis.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

Provision for bad debts is taken when the Trust judges that there is significant risk regarding the recovery of the debt; only when all avenues to recover debt have been pursued does the Trust write off the debt.

Note 1.12 Leases

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

Note 1.12.1 The trust as lessee

Finance leases

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

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

Note 1.12.2 The trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trusts' 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 1.13 Provisions

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

The Trust commissioned an independent firm of professional actuaries to carry out a valuation of the pension liability relating to injury benefits on the Trusts Statement Of Financial Position. This related to costs arising as a result of staff taking early retirement upon the closure of two of the Trust's hospitals in the late 1990s. This valuation was carried out as at 31st March 2013 by Barnett Waddingham LLP.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 24.1 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 1.14 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 25 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note 25, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

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

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not

revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Note 1.16 Value added tax

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

Note 1.17 Corporation tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.

In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- is the activity an authorised activity related to the provision of core healthcare?

The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;

- is the activity actually or potentially in competition with the private sector?

Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax.

- Are the annual profits significant? Only significant trading activity is subject to tax.

Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trust's activities are related to core healthcare and are not subject to tax. Where trading activities are undertaken that are commercial in nature they are considered insignificant with profits per activity below the £50,000 tax threshold.

Note 1.18 Foreign exchange

The functional and presentational currencies of the trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at “fair value through income and expenditure”) are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. However, they are disclosed in note 20.1 in accordance with the requirements of HM Treasury’s FReM.

Note 1.20 Segmental Reporting

In accordance with IFRS 8 these accounts set out the operating results which are reviewed regularly by the Trust’s chief operating decision maker to make decisions regarding resources.

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, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

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 Charitable Funds

The Charitable Funds have not been consolidated with the accounts of the Foundation Trust on the grounds of materiality; the net total assets of the Charities were valued at £6,905k as at 31 March 2018. The charities involved is Central and North West London NHS Foundation Trust Charitable Fund (Registered Charity No. 1082989) .

Note 1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted

Details of accounting standards in issue but have not yet been adopted are provided in Note 35.

Note 1.26 Critical accounting estimates and judgements

The Trust has provided for the Injury benefit liabilities on the basis of best advice received from Actuaries and to date there is no indication that the amount provided is not sufficient.

Note 1.27 Reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating expenses. 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.

Available-for-sale investment reserve

This reserve comprises changes in the fair value of available-for-sale financial instruments. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure.

Merger reserve

This reserve reflects balances formed on merger of NHS bodies.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the NHS foundation trust.

Note 2 Operating Segments

In respect of the executive decision-making function of the organisation, the Chief Operating Decision Maker (CODM), is the Central and North West Foundation Trust Board.

The Board reviews financial performance on a service by service basis. The table illustrated below shows the actual income and expenditure charged to each of the services over 2017/18 and 2016/17.

Some categories of income are not uniformly credited to individual services, for example some cost per case activity is credited to 'income' and other cost per case activity is credited to the individual service. The same is true of some expenditure categories, for example some rental expenses are charged to 'corporate' whereas other rental expenses are charged to the individual service.

Therefore net expenditure is not an accurate reflection of the direct cost of delivering an individual service; and net expenditure is not comparable across the different services. However, on a Trust level, the total net deficit of £7.4m is the same as the Trust's reported deficit for 2017/18. (2016/17 £11.4m is the same as the Trust's reported surplus for last year).

	2017-18		2016-17	
DIVISION/SEGMENT	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
<i>Jameson</i>				
Brent	35,360	(17,316)	35,959	(18,422)
Harrow	27,413	(21,162)	25,897	(20,599)
K&C	50,128	(28,830)	50,265	(29,202)
Westminster	43,390	(26,754)	44,704	(28,918)
Learning Disability	3,338	(6,068)	3,141	(6,392)
Jameson Management	877	(2,999)	1,562	(3,247)
Sub-total	160,506	(103,129)	161,528	(106,780)
<i>Goodall</i>				
CAMHS & Eating Disorders	11,116	(19,534)	10,017	(17,675)
Rehabilitation	9,091	(15,284)	7,651	(14,133)
Talking Therapies	517	(9,961)	777	(9,999)
Camden Community Health	39,890	(30,030)	40,725	(28,803)
Hillingdon Community Health	34,468	(26,259)	32,376	(25,881)
Hillingdon Mental Health	24,518	(17,071)	23,295	(16,953)
Community Independence Service	9,830	(9,268)	4,975	(4,508)
Bi-Borough School Nursing	2,448	(1,838)	-	(21)
Goodall Management	209	(2,793)	-	(2,614)
Sub-total	132,087	(132,038)	119,816	(120,587)
<i>Diggory</i>				
Addictions	9,087	(7,542)	9,924	(7,971)
Offender Care	32,029	(26,727)	26,264	(23,634)
Sexual Health	53,902	(51,228)	51,998	(44,408)
Milton Keynes Community Services	28,508	(23,792)	29,701	(24,385)
Milton Keynes Mental Health	26,852	(24,701)	26,963	(24,605)
Milton Keynes Management	(3)	27	254	219
Diggory Management	187	(1,639)	527	(1,568)
Sub-total	150,562	(135,602)	145,631	(126,352)
<i>HQ services</i>				
Corporate Services	13,399	(68,867)	8,138	(62,277)
Estates & Facilities	2,318	(44,141)	1,479	(44,699)
Income & Reserves	31,145	(13,636)	37,372	(1,851)
Sub-total	46,862	(126,644)	46,989	(108,827)
Trust Total	490,017	(497,413)	473,964	(462,547)
Net (Deficit)/Surplus for year		(7,396)		11,417

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)

	2017/18 £000	2016/17 £000
Mental health services		
Cost and volume contract income	28,975	27,844
Block contract income	222,987	219,462
Clinical partnerships providing mandatory services (including S75 agreements)	5,820	5,602
Clinical income for the secondary commissioning of mandatory services	2,401	1,253
Other clinical income from mandatory services	9,806	6,014
Community services		
Community services income from CCGs and NHS England	138,299	134,976
Income from other sources (e.g. local authorities)	40,421	32,104
Total income from activities	448,709	427,255

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18 £000	2016/17 £000
NHS England	81,203	76,209
Clinical commissioning groups	304,307	294,611
Other NHS providers	12,398	9,152
NHS other	77	277
Local authorities	47,902	45,122
Non NHS: other	2,822	1,884
Total income from activities	448,709	427,255
Of which:		
Related to continuing operations	448,709	427,255

The income from the provision of goods and services for the purposes of the health service in England of total income has exceeded the income from the provision of goods and services for any other purposes. The other operating income has been mainly from activities related to education, training, research and development which have positive benefits on the provision of services in the NHS.

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18 £000	2016/17 £000
Amounts added to provision for impairment of receivables	128	89

Note 4 Other operating income

	2017/18 £000	2016/17 £000
Research and development	2,951	3,734
Education and training	13,448	14,435
Non-patient care services to other bodies	6,867	5,567
Sustainability and transformation fund income	6,358	9,683
Other income	11,633	13,244
Total other operating income	41,257	46,663
Of which:		
Related to continuing operations	41,257	46,663

Other income of £11,633k includes Training Income £2,180k, Rental income of £1,716k, Condom Income of £623k, Merit Award income of £525k, Drugs recharge income of £1,832k, Transport Income of £401k

Note 4.1 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2017/18 £000	2016/17 £000
Income from services designated as commissioner requested services	397,985	380,249
Income from services not designated as commissioner requested services	50,724	47,007
Total	448,709	427,256

Note 4.2 Profits and losses on disposal of property, plant and equipment

	Belvedere £000	Harefield £000
Sale proceeds	1,365	1,000
Net book value:		
Land- AHFS	210	300
Bldg AHFS	469	665
BLDG depn AHFS	-	-
Net book value total	679	965
Legals	14	16
Agents Fees	18	18
Selling cost	32	34
Profit on sale	654	1

Note 5.1 Operating expenses

	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	8,465	9,384
Purchase of healthcare from non-NHS and non-DHSC bodies	5,486	4,396
Staff and executive directors costs	337,292	319,961
Remuneration of non-executive directors	143	127
Supplies and services - clinical (excluding drugs costs)	13,018	11,443
Supplies and services - general	8,750	8,955
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	31,033	31,319
Inventories written down	21	141
Consultancy costs	2,321	2,462
Establishment	6,039	5,181
Premises	32,771	30,730
Transport (including patient travel)	3,776	3,730
Depreciation on property, plant and equipment	6,733	6,221
Amortisation on intangible assets	1,216	1,287
Net impairments	14,123	-
Increase/(decrease) in provision for impairment of receivables	(405)	963
Increase/(decrease) in other provisions	(1,553)	-
Audit fees payable to the external auditor		
audit services- statutory audit	98	90
other auditor remuneration (external auditor only)	7	21
Internal audit costs	-	129
Clinical negligence	1,068	946
Legal fees	1,327	1,054
Insurance	60	247
Research and development	3,669	1,277
Education and training	928	2,227
Rentals under operating leases	11,302	10,104
Redundancy	(28)	3,268
Hospitality	770	552
Losses, ex gratia & special payments	214	17
Other services, eg external payroll	-	976
Other	1,318	2,626
Total	489,962	459,834
Of which:		
Related to continuing operations	489,962	459,834

Note 5.2 Other auditor remuneration

	2017/18	2016/17
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit Services - Statutory	75	75
2. Audit-related assurance services	7	7
3. Taxation compliance services	-	11
4. Other non-audit services not falling within items 1 to 3 above	8	8
Total	90	101

Note 5.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2016/17: £1m).

Note 6 Impairment of assets

	2017/18	2016/17
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Other	14,123	-
Total net impairments charged to operating surplus / deficit	14,123	-
Impairments charged to the revaluation reserve	-	-
Total net impairments	14,123	-

Impairment above relates to the revaluation of Intangible Assets that have been brought in to use in the current year.

Note 7 Employee benefits

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	263,431	244,293
Social security costs	25,859	23,910
Apprenticeship levy	1,273	-
Employer's contributions to NHS pensions	31,732	29,723
Temporary staff (including agency)	15,679	24,807
Total gross staff costs	337,974	322,733
Recoveries in respect of seconded staff	-	-
Total staff costs	337,974	322,733
Of which		
Costs capitalised as part of assets	682	2,773

Note 7.1 Retirements due to ill-health

During 2017/18 there were 3 early retirements from the trust agreed on the grounds of ill-health (10 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £102k (£833k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 7.2 Directors' remuneration

The aggregate amounts payable to directors were:

	2017/18	2016/17
	£000	£000
Salary	1,141	1,080
Taxable benefits	12	14
Employer's pension contributions	138	132
Total	1,291	1,226

Total remuneration paid to directors for the year ended 31 March 2018 (in their capacity as directors) totalled £1.14 million (year ended 31 March 2017 £1.08 million). No other remuneration was paid to directors in their capacity as directors. There were no advances or guarantees entered into on behalf of directors by the Trust. Employer contributions to the NHS Pension Scheme for Executive Directors for the year ended 31 March 2018 totalled £138k (for year ended 31 March 2017 £132k). The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was 6 (year ended 31 March 2017 - 8). Further details of directors' remuneration can be found in the remuneration report.

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 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 this 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 2018, is based on valuation data as at 31 March 2017, updated to 31 March 2018 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 last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

CNWL offers an additional defined contribution workplace pension scheme - the National Employment Savings Trust (NEST).

Note 9 Operating leases

This note discloses costs and commitments incurred in operating lease arrangements where the Trust is a lessee.

	2017/18	2016/17
	£000	£000
Operating lease expense		
Minimum lease payments	11,302	10,104
Total	11,302	10,104
	31 March 2018	31 March 2017
	£000	£000
Future minimum lease payments due:		
- not later than one year;	10,861	9,961
- later than one year and not later than five years;	20,584	16,827
- later than five years.	40,315	28,670
Total	71,760	55,458

Note 10 Finance income

Finance income represents interest received on assets and investments in the period.

	2017/18	2016/17
	£000	£000
Interest on bank accounts	51	45
Total	51	45

Note 11 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	73	83
Total interest expense	73	83
Total finance costs	73	83

Note 11.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

There was no late payment of commercial debt in 2017-18

Note 12 Gains/losses on disposal/derecognition of non-current assets

	2017/18	2016/17
	£000	£000
Profit on disposal of non-current assets	655	5,522
Net profit/(loss) on disposal of non-current assets	655	5,522

Note 13 Discontinued operations

There were no discontinued operations in the current year.

Note 14 Intangible assets - 2017/18

	Software licences £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	7,662	4,832	36,183	48,677
Additions	-	-	8,305	8,305
Impairments	-	-	(14,123)	(14,123)
Reclassifications	(3,459)	16,349	(12,890)	-
Disposals / derecognition	(305)	-	-	(305)
Gross cost at 31 March 2018	3,898	21,181	17,475	42,554
Amortisation at 1 April 2017 - brought forward	4,161	275	-	4,436
Provided during the year	389	827	-	1,216
Impairments	-	-	-	-
Reclassifications	(2,394)	2,394	-	-
Disposals / derecognition	(304)	-	-	(304)
Amortisation at 31 March 2018	1,852	3,496	-	5,348
Net book value at 31 March 2018	2,046	17,685	17,475	37,206
Net book value at 1 April 2017	3,501	4,557	36,183	44,241

Note 14.1 Intangible assets - 2016/17

	Software licences £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	7,652	4,531	27,950	40,133
Prior period adjustments	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	7,652	4,531	27,950	40,133
Transfers by absorption	-	-	-	-
Additions	10	-	11,229	11,239
Reclassifications	-	301	(301)	-
Disposals / derecognition	-	-	(2,695)	(2,695)
Valuation / gross cost at 31 March 2017	7,662	4,832	36,183	48,677
Amortisation at 1 April 2016 - as previously stated	3,149	-	-	3,149
Provided during the year	1,012	275	-	1,287
Amortisation at 31 March 2017	4,161	275	-	4,436
Net book value at 31 March 2017	3,501	4,557	36,183	44,241
Net book value at 1 April 2016	4,503	4,531	27,950	36,984

The impairment of assets under construction relates to the revaluation of assets being brought into use in year.

Note 15.1 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	71,455	155,910	87	3,404	281	8,055	2,736	241,928
Additions	-	8,663	1,682	167	-	51	365	10,928
Reclassifications	-	(4)	(72)	-	-	66	10	-
Transfers to/ from assets held for sale	(210)	(496)	-	-	-	-	-	(706)
Disposals / derecognition	(300)	(769)	-	(2,278)	(281)	(6,465)	(284)	(10,377)
Valuation/gross cost at 31 March 2018	70,945	163,304	1,697	1,293	-	1,707	2,827	241,773
Accumulated depreciation at 1 April 2017 - brought forward	-	6,646	-	2,669	281	7,549	906	18,051
Provided during the year	-	6,066	-	124	-	294	250	6,734
Transfers to / from assets held for sale	-	(27)	-	-	-	-	-	(27)
Disposals / derecognition	-	(38)	-	(2,278)	(281)	(6,465)	(284)	(9,346)
Accumulated depreciation at 31 March 2018	-	12,647	-	515	-	1,380	872	15,414
Net book value at 31 March 2018	70,945	150,657	1,697	778	-	327	1,955	226,359
Net book value at 1 April 2017	71,455	149,263	87	734	-	506	1,831	223,877

Note 15.2 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	71,455	148,035	42	3,132	281	8,014	2,223	233,182
Prior period adjustments	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	71,455	148,035	42	3,132	281	8,014	2,223	233,182
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	7,968	86	272	-	5	508	8,839
Reclassifications	-	-	(41)	-	-	36	5	-
Transfers to / from assets held for sale	-	(83)	-	-	-	-	-	(83)
Disposals / derecognition	-	(10)	-	-	-	-	-	(10)
Valuation/gross cost at 31 March 2017	71,455	155,910	87	3,404	281	8,055	2,736	241,928
Accumulated depreciation at 1 April 2016 - as previously stated	-	1,340	-	2,527	281	6,984	709	11,841
Accumulated depreciation at 1 April 2016 - restated	-	1,340	-	2,527	281	6,984	709	11,841
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year	-	5,316	-	142	-	565	197	6,220
Reclassifications	-	-	-	-	-	-	-	-
Disposals/ derecognition	-	(10)	-	-	-	-	-	(10)
Accumulated depreciation at 31 March 2017	-	6,646	-	2,669	281	7,549	906	18,051
Net book value at 31 March 2017	71,455	149,263	87	736	-	506	1,831	223,877
Net book value at 1 April 2016	71,455	146,695	42	605	-	1,030	1,514	221,341

Note 15.3 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018							
Owned - purchased	70,944	150,657	1,698	779	326	1,955	226,359
NBV total at 31 March 2018	70,944	150,657	1,698	779	326	1,955	226,359

Note 15.4 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2017							
Owned - purchased	71,455	149,263	87	736	506	1,831	223,877
NBV total at 31 March 2017	71,455	149,263	87	736	506	1,831	223,877

All assets as reported are owned by the Trust and none are attributable to government grants or funded by finance leases.

Note 15.5 Donations of property, plant and equipment - 2017/18

There were no donations received from any parties for any purchase of assets.

Note 16 Disclosure of interests in other entities

Quality Trusted Solutions(QTS) is a wholly owned subsidiary of Central and North West London NHS Foundation Trust (CNWL).QTS is a limited liability partnership (LLP) where CNWL is the predominant partner with 99.99% ownership and CNWL Holdings Limited, set up with no purpose other than acting as the other required partner to the LLP. CNWL Holdings Limited itself is wholly owned by the Trust. The company was incorporated in September 2017 but commenced trading on 1st April 2018. CNWL will produce a consolidated financial statement for 18/19 for the group and as required incorporate the trading activities of QTS. Expected turnover is in the process of being determined and is expected to be in the region of £20.0m - £30.0m.

Note 17 Inventories

	31 March 2018 £000	31 March 2017 £000
Drugs	262	107
Energy	55	55
Other	41	49
Total inventories	358	211

Inventories recognised in expenses for the year were £2,306k (2016/17: £2,324k). Write-down of inventories recognised as expenses for the year were £21k (2016/17: £141k).

Inventories are accounted for on a gross basis.

Note 18 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	41,848	32,579
Capital receivables (including accrued capital related income)	2,129	-
Accrued income	9,247	14,629
Provision for impaired receivables	(4,672)	(5,077)
Prepayments (non-PFI)	9,472	5,556
PDC dividend receivable	852	366
VAT receivable	723	2,336
Other receivables	385	430
Total current trade and other receivables	59,984	50,819
Of which receivables from NHS and DHSC group bodies:		
Current	39,415	34,849
Non-current	-	-

Note 18.1 Provision for impairment of receivables

	2017/18 £000	2016/17 £000
At 1 April as previously stated	5,077	4,114
At 1 April - restated	5,077	4,114
Increase in provision	2,077	3,249
Unused amounts reversed	(2,482)	(2,286)
At 31 March	4,672	5,077

Impairments on receivables are considered on a case by case basis and a determination of impairment is only considered after all efforts have been made to recover the amounts due and no further fruitful action can be taken in pursuit of the amount due.

Note 18.2 Analysis of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	-	-	335	-
30-60 Days	100	-	-	-
60-90 days	-	-	-	-
90- 180 days	208	-	23	-
Over 180 days	4,364	-	4,719	-
Total	4,672	-	5,077	-
Ageing of non-impaired financial assets past their due date				
0 - 30 days	16,172	-	18,236	-
30-60 Days	8,208	-	2,276	-
60-90 days	5,956	-	2,436	-
90- 180 days	4,888	-	1,544	-
Over 180 days	1,585	-	1,571	-
Total	36,811	-	26,063	-

Note 19 Non-current assets held for sale and assets in disposal groups

There were no assets held for sale and no assets in disposal groups.

Note 20 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.

	2017/18	2016/17
	£000	£000
At 1 April	20,644	27,727
At 1 April (restated)	20,644	27,727
Net change in year	(4,239)	(7,083)
At 31 March	16,405	20,644
Broken down into:		
Cash at commercial banks and in hand	89	70
Cash with the Government Banking Service	16,316	20,574
Total cash and cash equivalents as in SoFP	16,405	20,644
Total cash and cash equivalents as in SoCF	16,405	20,644

Note 20.1 Third party assets held by the NHS Foundation Trust

The trust held cash and cash equivalents which relate to monies held by the the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2018	31 March 2017
	£000	£000
Bank balances	641	207
Monies on deposit	800	800
Total third party assets	1,441	1,007

Note 21 Trade and other payables

	31 March 2018	31 March 2017
	£000	£000
Current		
Trade payables	24,805	18,861
Capital payables	8,086	5,135
Accruals	17,418	22,953
Receipts in advance (including payments on account)	5	125
Social security costs	4,003	3,589
Other taxes payable	3,275	2,936
Accrued interest on loans	7	8
Other payables	5,727	5,049
Total current trade and other payables	63,328	58,656
Non-current		
Trade payables	2,133	394
Total non-current trade and other payables	2,133	394

Of which payables from NHS and DHSC group bodies:

Current	16,113	12,171
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Note 22 Other liabilities

	31 March 2018	31 March 2017
	£000	£000
Current		
Deferred income	10,754	7,526
Total other current liabilities	10,754	7,526

Note 23 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Loans from the Department of Health and Social Care	719	719
Total current borrowings	719	719
Non-current		
Loans from the Department of Health and Social Care	4,674	5,392
Total non-current borrowings	4,674	5,392

In 2015/16 the Trust obtained an unsecured borrowing facility of £6.8M from the Department of Health. This was used to invest in/support the IT capital programme. The loan is for a period of ten years ending on 18 August 2025. Capital of 5.25% is repayable in six month tranches on the principal outstanding. The first capital repayment was on the 18 August 2016; the last tranche is scheduled for 18 August 2025. Interest is payable at 1.25%.

Note 24 Provisions for liabilities and charges analysis

	Redundancy £000	Other £000	Total £000
At 1 April 2017	2,711	1,759	4,470
Arising during the year	597	1	598
Utilised during the year	(35)	(115)	(150)
Reversed unused	(2,151)	-	(2,151)
At 31 March 2018	1,122	1,645	2,767
Expected timing of cash flows:			
- not later than one year;	1,122	144	1,266
- later than one year and not later than five years;	-	460	460
- later than five years.	-	1,041	1,041
Total	1,122	1,645	2,767

The other provisions amounting to £1,645k as at 31 March 2018 relate to the estimated liability for injury payments due to former NHS staff.

Note 24.1 Clinical negligence liabilities

At 31 March 2018, £2,100k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Central and North West London NHS Foundation Trust (31 March 2017: £1,798k).

Note 25 Contingent assets and liabilities

	31 March 2018	31 March 2017
	£000	£000
Value of contingent liabilities		
Other	(69)	(109)
Gross value of contingent liabilities	(69)	(109)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(69)	(109)
Net value of contingent assets	-	-

Note 26 Contractual capital commitments

	31 March 2018	31 March 2017
	£000	£000
Property, plant and equipment	461	1,504
Intangible assets	83	52
Total	544	1,556

Note 27 Carrying value of Financial Assets

	Loans and receivables	Total book value
	£000	£000
Assets as per SoFP as at 31 March 2018		
Trade and other receivables excluding non financial assets	48,937	48,937
Cash and cash equivalents at bank and in hand	16,405	16,405
Total at 31 March 2018	65,342	65,342

	Loans and receivables	Total book value
	£000	£000
Assets as per SoFP as at 31 March 2017		
Trade and other receivables excluding non financial assets	42,561	42,561
Cash and cash equivalents at bank and in hand	20,644	20,644
Total at 31 March 2017	63,205	63,205

Note 27.1 Carrying value of Financial Liabilities

	Other financial liabilities	Total book value
	£000	£000
Liabilities as per SoFP as at 31 March 2018		
Borrowings excluding finance lease and PFI liabilities	5,393	5,393
Trade and other payables excluding non financial liabilities	50,514	50,514
Total at 31 March 2018	55,907	55,907

	Other financial liabilities	Total book value
	£000	£000
Liabilities as per SoFP as at 31 March 2017		
Borrowings excluding finance lease and PFI liabilities	6,111	6,111
Trade and other payables excluding non financial liabilities	46,020	46,020
Total at 31 March 2017	52,131	52,131

Note 27.2 Maturity of financial liabilities

	31 March 2018	31 March 2017
	£000	£000
In one year or less	55,906	52,131
Total	55,906	52,131

Note 28 Losses and special payments

	2017/18		2016/17	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	17	10	3	1
Bad debts and claims abandoned	42	190	1	0
Total losses	59	200	4	1
Special payments				
Compensation under court order or legally binding arbitration award	2	1	4	4
Ex-gratia payments	22	13	40	12
Total special payments	24	14	44	16
Total losses and special payments	83	214	48	17
Compensation payments received		-		-

Note 29 Events after the reporting date

There were no events to report after the reporting period.

Note 30 Related parties

NHS Foundation Trusts are public benefit corporations established under the National Health Service Act 2006 (relevant provisions of which replaced the provisions of the Health and Social Care (Community Health and Standards) Act 2003 relating to NHS Foundation Trusts). The Department of Health is regarded as a related party. During the period, the Trust had a significant number of material transactions with the Department of Health and with other entities for which the Department of Health is regarded as the parent department i.e. NHS England, NHS Trusts, Clinical Commissioning Groups, NHS agencies and Special Health Authorities.

The bodies with which the Trust had major transactions with include : NHS England, NHS Property Services, London Specialised Commissioning Hub, Brent CCG, Camden CCG, Harrow CCG, Hillingdon CCG, Central London (Westminster) CCG and NHS West London. In addition the Trust had a number of material transactions with other Government bodies including central and local government bodies.

(1) Professor Dorothy Griffiths is a Non-Executive Director at CNWL. She is also acting as Dorothy Griffiths Associates, offering training and consultancy services to corporates, individuals and NHS trusts. She is a Trustee of the Feminist Review Trust and also its Chair. Through Imperial College, she provides consultancy services on strategy, change management and team working to NHS trusts. She is also a Trustee of Imperial College Student Union. The Trust works with Imperial College on research projects. During the year it has paid £487 k (2016/17 - £448k) to the College, mostly for the recharge of staff time working on research projects. Recharge of staff time is determined based on salary rates and so is considered to be under market conditions. At 31 March 2018 the Trust had an outstanding balance of £0 (31 March 2017 - £0k) payable to Imperial College.

(2) Helen Edwards is a Non-Executive Director at CNWL as well as a Trustee of Lloyds Bank Foundation. She also sits on the Board of Peabody Trust as well as on the Board of Social Finance UK. She is also the Chair of recovery Focus.

(3) Mr Andy Mattin Director of Operations and Nursing at CNWL has declared an interest in Buckinghamshire New University as a Visiting Professor. His wife works as Director of Quality and Integrated Governance and Executive Nurse for Haringey Clinical Commissioning Group. The Trust has incurred approximately £0.6k of expenditure with services from the University; with no balance outstanding at year end 31 March 2018.

(4) CNWL Chief Executive Ms. Claire Murdoch is the National Mental Health Director, and also a Director of Imperial Health Partnership. The Trust has incurred expenditure of £55k with Imperial Health Partners for membership subscription services in the year to 31 March 2018. With no balance outstanding at 31 March 2018.

(5) Mr David Walker is a Non-Executive Director at CNWL. He is also a member of Ethics and Governance Council at UK Biobank. His son is employed in CNWL.

(6) The Central and North West London NHS Foundation Trust Charitable Fund (Registered Charity No. 1082989) is affiliated with the Trust. In the year to 31 March 2018 the Trust received £84k as income for administrative services provided to the Charity. In the year to 31 March 2017 it also received a combined income of £88k from the Charities affiliated to the Trust for the provision of administrative services.

(7) Mr Hardev Virdee Chief Finance Officer, is a Trustee of The Point of Care Foundation charity which focuses on supporting carers and those they care for. This is a voluntary role. He also has a voluntary role as a member of the Health Panel for CIPFA (Chartered Institute of Public Finance and Accountancy) as well as a council member. The role is to review, assess and influence national health policy from the accountancy body perspective. He is also a Director of Quality Trusted Solutions.

(8) Mr Tom Kabasi, a Non executive director is Director of the Institute for Public Policy Research, which is a registered charity.

(9) Dr Cornelius Kelly is the Medical Director at CNWL. He has no other interests to declare.

(10) Mr John Vaughan, Director of Strategic Planning and Community Services is a Director of CNWL Holdings.

(11) Ms Robyn Doran, Chief Operating Officer at CNWL is a Board Member of Listening Place.

(12) Mr David Roberts, Non-Executive Director at CNWL has no other interests to declare. He is also Trustee of a charitable Foundation called Stewards Company.

(13) Mr Michael Nutt, a Non-Executive Director at CNWL is also a Non-Executive Director at Fiddler Lake Resort in Quebec, Canada. He is a Council Member of Your Health CIC in Kingston-Upon-Thames and a Trustee of The Point of Care Foundation in London. He is a Director of Quality Trusted Solutions.

(14) Ms Amanda Harrison is a Non-Executive Director at CNWL and has no other interests to declare.

(15) Dr Reva Gudi, a Non-Executive Director at CNWL is a GP and Senior Partner at the Pine Medical Centre in Hayes, Hillingdon. She is also a shareholder and a part of Clover Health Ltd and Hillingdon Primary Care Confederation (HPCC) Ltd. Both of which are GP led provider organisations. Her husband is a consultant fertility specialist at the Homerton Hospital NHS FT, Hackney, and Director at Fertility Plus Ltd, a private fertility service provider.

Note 31 Fair value and financial risks

Fair Value of financial assets and liabilities

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.

Financial risks are listed below:

Liquidity risk

The Trust's net operating costs are incurred under one- to three-year contracts with local Clinical Commissioning Groups (CCGs), which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds made available from Government generated from its contracts. All fixed assets have been purchased without the need for commercial borrowing. Central and North West London NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

Interest-rate risk

The majority of the Trust's financial assets and financial liabilities carry nil or fixed rates of interest. Central and North West London NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk.

Credit risk

The Trust operates primarily within the NHS and Social Care market and receives the majority of its income from other NHS organisations and Local Authorities.

Bad debt provisions are calculated based on the Trust's bad debt provision policy which prescribes rates of provision on the type of debtor, age of the outstanding debt and knowledge of specific balances.

Note 32 Pension schemes on statement of financial position

The Trust has no on-Statement of Financial Position pension schemes.

Note 33 Third party assets

Note 33.1 Patients monies

The Trust held £1,441k cash at bank and in hand at 31 March 2018 (31 March 2017 - £1007k) which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

Note 34 Critical accounting estimates and judgement

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements and key sources of estimation uncertainty that have a significant effect on the material amounts recognised in the financial statements in the current or next financial year are detailed below:

1. Determination of useful lives for property, plant and equipment - estimated useful lives for Trust's assets are based on common, widely used assumptions for each asset type except where specialist information is available from professional bodies. The Trust reviews these lives on a regular basis as part of the process to assess whether assets have been impaired.
2. Capital expenditure on leasehold assets with short leases – less than 10 years, and those without a formal lease agreement in place, is excluded for valuation services.

The rationale for this methodology is in accordance with paragraph 7.1.14 of the Financial Reporting Manual, which states that Trusts may adopt a depreciated historical costs basis as a proxy for the current value in existing use or a fair value in respect of assets which have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for current value in existing use or fair value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset. Where such a basis is not used, assets should be carried at fair value or current value in existing use and NHS foundation trusts should value them using the most appropriate valuation methodology available.

Where the remaining lease was less than 10 years, the trust has decided to value these at historical cost depreciated over the remaining life of the lease.

For those assets without a formal lease, the trust has opted to maintain the historical cost of its capital expenditure. This will be depreciated over the life of the property; the asset life will be an estimate provided by the Trust's Estates department.

The NBV of those assets with a short term lease and without a formal arrangement is - £2.1m and £6.1m respectively. (Last year was £0.9m and £7m)

3. Income is deferred to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project.
4. Accruals are based on estimates and judgements of historical trends and anticipated outcomes. At the end of each accounting period, management review items that are outstanding and estimate the amount to be accrued in the closing financial statements of the foundation trust. Any variation between the estimate and the actual is recorded under the relevant heading within the accounts in the subsequent financial period.
5. Provisions for pension and legal liabilities are based on the information provided from NHS Pension Agency, NHS Litigation Agency and the Trust's own sources. Pension provision is based on the life expectancy of the individual pensioner as stated in the UK Actuarial Department most recent life tables which change annually. All provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any differences between expectations and the actual future liability will be accounted for in the period when such determination is made.

6. The debtors and intangible assets are shown at fair values and any provisions for impairments in values provided for when it is judged that these are required for adjustment to the fair values.

CNWL developed an ambitious ICT Strategy several years ago recognising that achieving the Trust's strategic goals were dependent upon the successful delivery of a number of important changes /enablers, one of the most important of which was better ICT. The Trust recognised that the infrastructure provision, developed piecemeal due to the growth of the Trust through acquisition, was not fit for purpose as it does not meet the Trust's future needs as there were significant reliability, security and operational risks inherent in the provision and unable to support the many of its clinical services plans for future development.

The ICT Strategy clearly identified the need for the provision of resilient, reliable and secure ICT infrastructure services to form the foundation for the rest of the ambitious and innovative strategic programme of work that will ultimately enable the delivery of:

- efficiencies across the NHS as reflected in CNWL's internal cost improvement plans. Better ICT infrastructure is seen as a key enabler to greater efficiency across the Trust's services, for example efficiency improvements that the Trust expects to make from the Strategic Clinical Systems;
- drive towards greater integration of services both within CNWL and with other providers in the health and social care community. Integration leads to requirements such as interoperability and the ability to share electronic patient records which in turn can lead to better service quality and further efficiencies across health and social care;
- changes required to support the national ICT strategy;
- ICT infrastructure to provide a firm base to support delivery of the Trust's strategic objectives such as growth and improved engagement;
- address weaknesses in the current ICT infrastructure such as the limited ability to support remote working, limited support for end-user devices and slow response from core ICT infrastructure – this need is essential to enable transformation of clinical service delivery;
- opportunity to improve ICT user experience through improvements such as greater use mobile working and unified communications (direct messaging, presentation sharing in meetings, video conferencing etc.).

The delivery of the IT strategies were underpinned by several work streams; key were the upgrading of the Trust's Strategic IT Infrastructure and Strategic Clinical Systems. The successful delivery of these two strategic programmes were the cornerstone to achieving the objectives set out in the IT Strategy.

The delivery of these programmes not only required significant investment but spanned several years to complete. IT Strategic Infrastructure programme was in development over 4-years and operational across 95% of the Trust in January 2018. The Clinical Systems Programme too has been in development for 4-years and is expected to be fully functional by Q3 of the next financial year (2018/19).

The cost of developing these IT Projects has been reflected in the Trust's financial statements under 'Assets In the Course of Construction' for the past few years. The Strategic Infrastructure Programme, from an accounting point of view, was brought in to use at the end of January 2018 and as such recognised as an intangible asset.

In line with the NHS Foundation Trust Annual Report Manual (ARM) the Trust is required to follow the accounting requirements as set out in the Department of Health Group Accounting Manual (GAM). Intangible assets are initially recognised in the balance sheet at cost. Following the initial recognition of an intangible asset, accounting rules require the Trust to assess a subsequent measurement; whether there is any indication that an asset may be impaired. For subsequent measurement GAM sets out possible options for valuation; and Depreciated Replacement cost was applied as the most appropriate form of measurement for valuation.

The Trust engaged Deloitte IT Valuation team to offer expert independent valuation advice to Trust Management for the IT Strategic Infrastructure Programme and to comment on the valuation at Replacement cost proposed by the Trust's IT and Finance Teams. Depreciated Replacement Cost Valuation by CNWL IT Management was £13.0m; Deloitte £15.7m. The differential relates to costs associated with the initial discovery phase.

The DRC Valuation of Trust's IT Management has been accepted as the DRC for the IT Platform resulting in an impairment of £14.123m.

Deloitte concluded the Useful Economic Lives (UEL) to be 10 years, in line with discussions with Management, and in line with observations of concluded disclosed for similar assets.

The cost of developing these IT Projects has been reflected in the Trust's financial statements under 'Assets In the Course of Construction' for the past few years. The Strategic Infrastructure Programme, from an accounting point of view, was brought in to use at the end of January 2018 and as such recognised as an intangible asset.

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The Trust engaged Deloitte IT Valuation team to offer expert independent valuation advice to Trust Management for the IT Strategic Infrastructure Programme and to comment on the valuation at Replacement cost proposed by the Trust's IT and Finance Teams. Depreciated Replacement Cost Valuation by CNWL IT Management was £13.0m; Deloitte £15.7m. The differential relates to costs associated with the initial discovery phase.

The DRC Valuation of Trust's IT Management has been accepted as the DRC for the IT Platform resulting in an impairment of £14.123m.

Management considered the Useful Economic Lives to be 10 years, this has been based on observation of similar disclosed assets in other provider financial statements, consideration of advice from IT staff within the Trust and professional advice commissions from Deloitte.

Note 35 Accounting Standards that have been issued but have not yet have been adopted

Standards issued or amended but not yet adopted in FReM	
IFRS 9 Financial Instruments	Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRS 14 Regulatory Deferral Accounts	Not yet EU-endorsed.* Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.
IFRS 15 Revenue from Contracts with Customers	Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRS 16 Leases	Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Application required for accounting periods beginning on or after 1 January 2018.
IFRIC 23 Uncertainty over Income Tax Treatments	Application required for accounting periods beginning on or after 1 January 2019.

The potential impact of the above standards on the Financial Statements has not yet been determined but it is expected that there will be no material impact except for IFRS 16 Leases.

