Honesty Equality Accountability Respect Teamwork

Putting **patients** at the **HEART** of everything we do

NHS
London North West University Healthcare
NHS Trust

ANNUAL REPORT
2017/18




#WeAreLNWH

TEACHING, LEARNING, CARING, RESEARCHING AND INNOVATING

The information in this report is available in large print by calling 020 8869 3552.

If you would like a summary of this Annual Report in your own language please call 020 8869 3552 and state clearly in English the language you need and we will arrange an interpreter to speak to you.

Haddii aad jeclaan lahayd warka ku qoran warbixintaan gacan qabsiga loogu talogalay oo kooban oo luqaddaada ku qoran, fadlan soo wac 020 8869 3552 ka dibna si cad Ingiriis, ugu tilmaan, luqadda aad u baahan tahay waxaan markaas kuu diyaarin doonnaa turjumaan kula hadla.

இந்த ஆண்டறிக்கையில் இடம்பெற்றுள்ள விவரங்களின் தொகுப்பு உங்கள் மொழியில் உங்களுக்குத் தேவைப்படுமானால், தயவுசெய்து 020 8869 3552 என்ற எண்ணை தொடர்பு கொண்டு, ஆங்கிலத்தில், தெளிவாக உங்களுக்குத் தேவைப்படும் மொழியை குறிப்பிட்டால், உங்களுடன் பேசுவதற்கு நாங்கள் ஒரு மொழிபெயர்ப்பாளரை ஏற்பாடு செய்வோம்.

આ વાર્ષિક અહેવાલમાં સમાવિષ્ટ માહિતીનો સારાંશ જો તમને તમારી ભાષામાં જોઈતો હોય તો, કૃપા કરીને 020 8869 3552 પર કોલ કરો અને તમારે જે ભાષાની જરૂર હોય તે સ્પષ્ટ રૂપે અંગ્રેજીમાં જણાવો અને તમારી જોડે વાત કરવા અમે દુભાષિયાની વ્યવસ્થા કરી આપીશું.

إذا كنت ترغب في الحصول على ملخص للمعلومات التي وردت في هذا التقرير السنوي بلغتك، اتصل على رقم 020 8869 3552 واذكر بوضوح، باللغة الإنجليزية، اللغة التي تحتاجها، وسوف نقوم بتوفير مترجم ليتحدث إليك.

چنانچه تمایل دارید که خلاصه اطلاعات موجود در این گزارش سالانه را به زبان خود داشته باشید، لطفا با شماره تلفن 020 8869 3552 تماس حاصل نمود و بطور واضح و با زبان انگلیسی، زبان مورد نیاز خود را اعلام فرمائید. بر این اساس ما ترتیب حضور یک مترجم همزمان را بمنظور صحبت با شما خواهیم داد.

It should be noted that throughout the document there are links to the websites of external organisations and information outside London North West University Healthcare NHS Trust. These are added to provide further background for readers who want to access it. This information should not be interpreted as having been read by our auditors.

LONDON NORTH WEST UNIVERSITY HEALTHCARE NHS TRUST

Annual Report 2017/18

CONTENTS

#WeAreLNWH

TEACHING, LEARNING, CARING, RESEARCHING AND INNOVATING

THE PERFORMANCE REPORT

#WeAreLNWH

TEACHING, LEARNING, CARING, RESEARCHING AND INNOVATING

Introduction from the Chairman and Chief Executive

1

Teaching, learning, caring, researching and innovating

Looking back on the year, 2017/18 stands out as a milestone for London North West University Healthcare, with the organisation awarded university hospital status in December 2017.

Since our creation in 2014 as one of the country's largest integrated healthcare trusts, our teams have striven to be at the forefront of NHS best practice in the way they teach and innovate to provide the best care for patients.

University hospital status from the Association of UK University Hospitals is an endorsement of all that hard work and we should all be very proud. It is recognition that we are making a significant contribution to the teaching of healthcare professionals for the future, alongside playing a vital role in London's NHS research scene.

The annual report is always a good opportunity to take stock on both our achievements and how we rose to the challenges of the previous year. As for many NHS organisations the challenges were significant, with the number of people using our services continuing to rise, especially in relation to emergency care.

Meeting emergency care performance and access targets continued to put real pressure on the organisation but inroads were made, thanks not only to the work of the emergency and urgent care centres, but also importantly by our inpatient and community teams.

A greater focus on the process for patients leaving hospital as safely and quickly as possible after being admitted for care meant that, for many, stays were shortened. Greater collaboration by community and local authority colleagues has contributed to more patients returning home quickly to resume independent or supported living, with all the benefits being back in their local neighbourhood brings.

We also delivered ahead of our financial plans, with a retained deficit of £39.1m, significantly better than the operating plan of £49.5m and aided by £50m of savings. This was no mean feat for staff, who rose to the challenge while continuing to deliver quality for an ever-increasing number of patients.

Our staff are our greatest asset and we continued to invest to improve their working lives and to listen to what matters most to them. Supporting this work was the launch of our culture and values programme HEART, which provides a new behavioural framework for both staff development and the recruitment of new people. More than 2,500 people, including patients, contributed to the development of the HEART values, sharing what it means to work for the NHS and the values and behaviours that underpin the very best patient care.

Creating a new approach for developing the organisation in line with our new values was another major piece of work for the year.

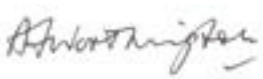
In January we were proud to publish our new clinical strategy (2018-2023), a framework for improving our services and patient experience across the Trust, as well as growing and building our reputation.

Recognising our recent accreditation and membership of the Association of UK University Hospitals, the strategy emphasises our commitment to education and research. Importantly, it draws extensively on the views and experiences of our clinical staff while considering the wider context in which we find ourselves, including national objectives, the financial challenges for the NHS, changes in technology and local demographics.

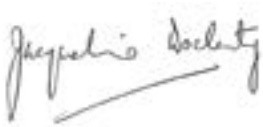
Our 'strategy on a page' (page 12) captures the highlights from the strategy and how we will work in a values-driven way to achieve our vision for excellent patient care, at the right time, and in the right place. The next step is to develop our implementation approach alongside our partners.

From life-saving surgery, such as the work of the West London Vascular and Interventional Centre, to improving access to services such as the new one-stop sexual health clinic in Brent, we hope this report gives you a flavour of the forward-thinking and collaborative work of our teams. Their stories offer insight into how at London North West University Healthcare NHS Trust we always try to live by the values of honesty, equality, accountability, respect and teamwork to put patients' best interests at the heart of all we do.

This year is another important moment in our history as the NHS celebrates its 70th birthday in July. The NHS is a much-loved institution that has contributed so much to so many and we encourage people to join in with the NHS celebrations locally. They will showcase our services and staff's work, plus all the fantastic career opportunities available at the Trust from our multiple sites across the three boroughs we serve and beyond.



Peter Worthington, Chairman



Dame Jacqueline Docherty, Chief Executive

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

I can confirm that the Annual Report and Accounts (ARA) as a whole is fair, balanced and understandable and that I take personal responsibility for the ARA and the judgements required for determining that it is fair, balanced and reasonable.

Dame Jacqueline Docherty, Chief Executive

Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

* there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
* value for money is achieved from the resources available to the Trust;
* the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
* effective and sound financial management systems are in place; and
* annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year, and the income and expenditure, recognised gains and losses, and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Dame Jacqueline Docherty, Chief Executive
29 May 2018

Who we are 2

We are London North West University Healthcare NHS Trust, one of the largest integrated healthcare trusts in the country, providing hospital and community services to the people of Brent, Ealing, Harrow and beyond.

Our team of 9,000 clinical and support staff serve a diverse population of approximately one million people. In December 2017, we were officially named a 'university teaching hospital', in recognition of the important role we also play in training clinicians of the future and bringing the benefits of research to the public.

In 2017/18 alone, we had more than 5,500 patients participating in a series of ground-breaking research programmes.

As well as delivering community services across four London boroughs from multiple sites including community hospitals, hospices and health centres, we run acute hospital services at:

* Northwick Park Hospital: home to one of the busiest emergency departments (A&E) in the country. The hospital provides a full range of services including a regional rehabilitation unit for patients with additional ongoing acute medical needs
* St Mark's Hospital: an internationally renowned specialist centre for colorectal disease, based at Northwick Park Hospital
* Ealing Hospital: a busy district general hospital providing a range of clinical services, as well as a 24/7 emergency department and urgent care centre
* Central Middlesex Hospital: our planned care site, which also offers a range of outpatient services and a 24/7 urgent care centre.

Our vision

Our vision is simple: to provide excellent clinical care in the right setting by being compassionate, responsive and innovative.

Six corporate objectives guided all our work in 2017/18:

1. **Improving our focus on safety and quality**
   - We will work with our patients to ensure that the Trust complies with the recommendations made by the Francis Inquiry into the events at Mid Staffordshire NHS Foundation Trust
   - We will continue to ensure the safety and wellbeing of all patients in our care.

2. **Improving patient experience, satisfaction and engagement**
   - We will work with all our stakeholders to develop a culture of openness, caring and compassion
   - We will actively involve patients and carers in all aspects of care and service delivery, and act on their feedback
   - We will complete our programme to improve our estate, including the operating theatres, emergency department and infrastructure at the Northwick Park site.

3. **Create a sustainable workforce that is engaged in developing and improving services**
   - We aim to become the employer of choice for healthcare staff
   - We will ensure our values are understood and embedded.

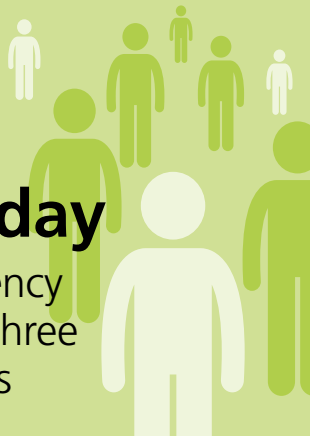
4. **Ensure financial sustainability**
   - We will deliver a financial strategy that supports the merged Trust but does not undermine our focus on patient safety.

5. **Plan for our future**
   - We will support implementation of the Shaping a Healthier Future programme to enable better standards of care for our patients.

6. **Continuing the journey to becoming an excellent integrated care organisation**
   - We will engage front line services in improving acute and community services through transformational change
   - We will promote integration and engage staff and service users in integration.

AT OUR TRUST...

We see
1,000
patients a day
in our two emergency departments and three urgent care centres



We are home to
St Mark's,
an internationally renowned specialist **bowel hospital**

We are one of only three **hyper acute rehabilitation units in the UK,**
for people with complex physical disabilities who are medically unstable

We are a world-renowned centre for the treatment of **sickle cell disease** and **thalassemia**

We provide specialist palliative care at
Meadow House Hospice,
one of London's first NHS hospices

We care for **7,000** children and young people each year in Jack's Place

We deliver more than
5,000
babies every year

We are home to a **specialist centre** for **head and neck surgery**

We are a research-active Trust with more than

5,500 patients taking part in clinical trials each year

Our community healthcare teams have

800,000

contacts with people in Ealing, Harrow, Brent and beyond

We are home to a highly specialised **vascular and interventional surgical centre**

We are home to the country's top-rated **stroke unit**

We play a vital role in the **education and training** of doctors, nurses and other healthcare professionals

We are the country's first hospital pharmacy to introduce **bilingual medication labels**

TO KEEP UP TO DATE:

- Follow us on Twitter @LNWH_NHS
- Like us on Facebook www.facebook.com/LondonNorthWestHealthCare/
- Read our news at www.lnwh.nhs.uk
- Pick up a copy of our free quarterly newspaper from all our sites.

#WeAreLNWH

Our Clinical Strategy 2018-2023

Why do we need a new strategy?

Our clinical strategy sets out our ambitions for the future and is our delivery plan to address a number of challenges facing our organisation. The strategy is designed to improve clinical outcomes and patient experience and ultimately to achieve our vision of excellent clinical care in the right setting, delivered through our values by putting patients at the HEART of everything we do.

Our Vision

To provide excellent clinical care in the right setting

Delivered by:

Putting **patients** at the **HEART** of everything we do

Our Values

Honesty Equality Accountability Respect Teamwork

Our strategic pillars

In developing our clinical strategy with our clinical divisions and leaders, we have identified three key areas of activity (or pillars) around all of our core services which will shape the future of our organisation

Emergency & ambulatory care

End to end integrated care

Specialist services & centres of excellence

Our clinical priorities

We also recognised three overarching priorities that cut across the pillars

Frailty (achieving better outcomes for frail older people)

Cancer Care (providing excellence in delivering integrated cancer care)

A stronger role in **prevention & wellbeing**

Our planned developments

- Expanding critical care facilities
- Creating a respiratory failure unit

- Expanding ambulatory care pathways
- Implementation of North West London frailty model across all sites

- Developing future local hospital model for Ealing
- Open new clinical trials facility

- Expanding endoscopy services
- Greater access and use of digital technology for staff and patients

- Relocate Regional Hyper-acute Rehabilitation Unit to support expansion of capacity
- Expand Trust role in out of hospital network of care

- New community based and cross-pathway roles with focus on nursing and therapy staff

Next steps and implementation

We will be engaging our staff, partners and the wider public in the clinical strategy

1 **Phase one 2017/18 to March 2019**
Improving quality and outcomes across all Trust services and progressing priority projects in the short term

2 **Phase two 2019-2022**
Supporting teams to improve services by working with our partners on system-wide transformation

3 **Phase three 2022-23 and beyond**
Delivering major improvements in estates and digital technology

Enabling strategies

Estates Strategy | **Financial Strategy** | **People Strategy** | **Digital Strategy** | **Business Intelligence** | **Partnership Strategy** | **Academic, Research & Development**

THIRTY YEARS OLD AND STILL GOING STRONG

Our aim is to help each patient maximise the benefits of their treatment and to help them and their families cope.

Meadow House, one of London's first NHS hospices, celebrated its 30th birthday in 2017 which was marked throughout the year with events including a garden party, musical evening, Christmas bazaar and carols.

Opened in the grounds of Ealing Hospital in 1987, Meadow House Hospice provides specialist palliative care services to the residents of Ealing and Hounslow.

Made up of a 15-bed inpatient unit and an active day hospice, patients are admitted to Meadow House Hospice in order to manage their symptoms, including pain control, and to undergo planned respite care and end of life care.

Lead Clinician Dr Jane Cowap said: "Although the majority of our patients have a cancer diagnosis, we care for an increasing number of patients who have non-malignant diseases such as heart disease and dementia. Our aim is to help each patient maximise the benefits of their treatment and to help them and their families cope with the effects of the disease."

Meadow House Hospice also has a team of clinical nurse specialists and other professionals who support patients in their own homes. While it receives funding from the NHS, it relies on donations and fundraisers to bring in extra money.

Voluntary Services Manager Lynne May, who has worked at the hospice for six years, said: "It's not just about the care we provide at Meadow House Hospice. It's also about the extras that we give that are not funded by the NHS. We have a fantastic team of dedicated volunteers who donate their time to the hospice. Their contribution and commitment cannot be underestimated and we are so fortunate to have them."

Find out more about Meadow House:
www.meadowhousehospice.org.uk
Email lnwh-tr.meadowhouse@nhs.net

Quality at the heart

3

Quality first and foremost guides all that we do, and 2017/18 saw teams rise to the challenge to make strong progress in the Trust's three core improvement areas: providing **safer care, better outcomes** and **better experiences** for all who use our services.

Underpinning this work were two key developments, a new Quality and Safety Dashboard and a 'smart inspection' mobile app.

The dashboard is used at a senior level to monitor progress on the quality account improvement plan and other local improvement priorities. The app is used to report real-time feedback from weekly quality walkabouts by matrons and for quarterly ward assessments, which are based on the Care Quality Commission's (CQC) five domains.

Reducing pressure ulcers

Significant progress was made in reducing the number of patients suffering with pressure ulcers both in hospital and the community.

Following a 45 per cent reduction in Trust-attributed grade 3 and 4 pressure ulcers in 2016/17, a further 60 per cent reduction was achieved in 2017/18. These cases are recorded as serious incidents and since July 2017 there have been none reported in our acute units.

We also saw a reduction in patients with Trust-acquired grade 2 pressure ulcers. This progress has been helped by the introduction of a local investigation checklist, our staff's participation in the national 'Stop the Pressure' campaign and membership of the North West London Pressure Ulcer Steering Group.

Nutrition and hydration

Malnutrition and dehydration have substantial adverse effects on health, disease and wellbeing and inpatients are closely monitored to manage any issues in this area.

A new Trust-wide focus saw participation in a learning event by more than 80 members of staff from a wide range of specialties. We also launched the Meal Time Check List and guidelines for nurses and allied health professionals (AHPs), advising them on their role at patients' meal times, which includes a protected meal time 'bell ringing' process.

Another initiative was the compilation of a nutrition and hydration web page to act as a central source of support for staff. So far it includes a new video featuring staff demonstrating a 'gold standard' meal time process, the Trust-approved nutritional screening tool, a standardised food and drinks chart for bedded units, information on the 'Weigh-in Weekend' initiative and a diet board completion guideline.

Medicine optimisation

Medicines are the most common therapeutic intervention and it is important that our teams understand and monitor the impact of medicines on the quality of patient care, safety and experience.

A range of initiatives to improve medicine optimisation was launched including efforts to reduce antibiotic consumption. The pharmacy team also developed a local medication safety dashboard to reflect current medication-related priorities and provide compliance feedback to clinical staff.

The Trust was pleased to see a reduction of medication-related serious incidents with one case recorded during the year, compared to four in 2016/17.

WHO checklist

The introduction of the World Health Organization's Safer Surgery Checklist was a great step forward in

supporting safer care for patients undergoing surgical operations and invasive procedures. This is helping staff to improve outcomes Trust-wide and will help to spread best practice.

The Trust has also collaborated with the Perfect Ward initiative on the development of a safety checklist in mobile app format. Funded by Innovate UK, the app will be piloted in summer 2018.

Deteriorating patients

Patients who are admitted to hospital rightly expect that if their condition deteriorates, they are in the best place for prompt and effective treatment. Early recognition of a patient's deterioration is supported by good education, training and observation tools that support the right escalation and planning of care.

Sepsis is an important condition to both recognise and treat quickly, and to raise awareness the Trust participated in World Sepsis Day. Information stalls, ward-based teaching and a staff quiz have all contributed to a rise in the percentage of patients diagnosed with sepsis receiving IV antibiotics within the 'Golden Hour', up from 88 per cent to 95 per cent in 2017/18.

The 24-hour Fluid Balance Chart has also been standardised across the Trust and was launched during Acute Kidney Injury (AKI) Awareness week. In addition the Trust published a new Adult Admission and Assessment Booklet to incorporate all the forms that are completed daily by doctors, nurses, support workers and AHPs, in one place.

Baby Friendly Initiative

Infant feeding practices have a real impact on the nutrition and health of children under two, which is a strong motivator for our staff to encourage and support new mothers with breastfeeding.

The Trust was delighted that the work of maternity staff was recognised with a rise in breastfeeding initiation rates at Northwick Park and consequent reaccreditation from UNICEF in their Baby Friendly Hospital scheme. The Baby Friendly Hospital is a mark of quality, showing that our staff are committed to providing parents with the best possible support to build close and healthy relationships with their babies.

Allied health professionals

After nursing and midwifery, AHPs form the biggest clinical workforce in the Trust and play a vital role in relation to patients' speedy recovery, reducing their lengths of stay and reducing inappropriate inpatient admissions. To that end, demand and supply of AHP services started to be monitored centrally via a safer staffing template, to ensure that we have the right level of resource in the right place, at the right time, to support the best possible patient care.

Dementia

Dementia is a significant challenge for the NHS with an estimated 25 per cent of acute beds occupied by people with the condition. Patients with dementia often stay in hospital longer than others, have more complicated discharge plans and are more likely to come to harm.

To support this vulnerable group and provide the best possible care, there was a training push for staff with strict compliance targets. This has been supported by better use of a comprehensive Confusion Care Pathway (CCP) and roles such as activity coordinators on the elderly wards. Activity coordinators have successfully increased the use of Reminiscence Interactive Therapy Activity (RITA) at Northwick Park Hospital and this is now being rolled out for patients at our other acute sites as part of the Trust-wide quality improvement plan.

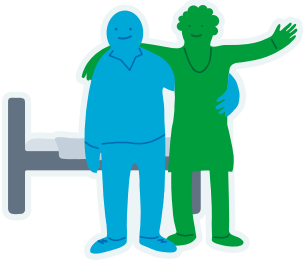
End of life care

How we care for the dying is an indicator of how we care for all sick and vulnerable people. End of life care helps people with advanced, progressive and incurable illnesses to live as well as possible until the moment of death.

In 2017/18, we increased staff compliance with training and also acknowledged that further improvements were needed in this important area.

Additional staff were recruited in the Palliative Team and a Last Day of Life Care Agreement (LDLCA) booklet was launched across bedded units to offer all groups of staff extra guidance on caring for a dying patient.

End Pyjama Paralysis campaign



We know that if patients stay in their pyjamas for longer than they need to they will have a higher risk of infection, lose mobility, fitness and strength, and can stay in hospital for longer. Helping patients get back to their normal routine as quickly as possible supports quicker recovery and helps to maintain their independence.

To support staff's efforts we signed up to the national End PJ paralysis campaign and piloted the initiative on selected wards. We also participated in the 70-day challenge for the NHS to get one million patients dressed and mobilised in line with the NHS's 70 year anniversary. We aim to extend the project as part of the 2018/19 quality improvement plan.

Infection control

During the year, two cases of MRSA blood stream infection were reported. This is a significant improvement on the previous year when a total of 10 cases were reported.

In relation to Clostridium difficile cases, a total of 47 cases were reported against an objective set by NHS Improvement of no more than 37 cases. This was a slight increase over the previous year, however an additional 100-plus beds were also opened and consequently more patients cared for. While we exceeded the target, all cases are reviewed by our commissioners and none of the cases were attributed to any lapse in care.

PIONEERING NEW MEDICINE LABELLING

A pioneering scheme to make medicine information more accessible to all has seen the Trust become the first in the country to embrace a multilingual approach to medicine labelling.

Using specialist software from 'Written Medicine', the pharmacy team has introduced bilingual labels which translate medical information and instructions into a patient's preferred language.

The work began at Ealing Hospital in July 2016 and has now been rolled out to the pharmacy departments at Northwick Park and Central Middlesex hospitals.

Senior Pharmacist Feroz Mohabuth said: "For most of us the ability to read and understand medical instructions is something we take for granted. However, for others whose preferred language may not be English, it can be an extremely difficult and daunting task, adding unnecessarily to the burden of being unwell.

"When a patient presents at the pharmacy department the interaction between the receptionist and the patient will identify whether they will benefit from the service. We make sure the product is labelled in English, as well as the language chosen by the patient."

The service is currently available in nine languages that reflect the local population, including Arabic, Bengali, French, Gujarati, Hindi, Polish, Punjabi, Somali and Tamil.

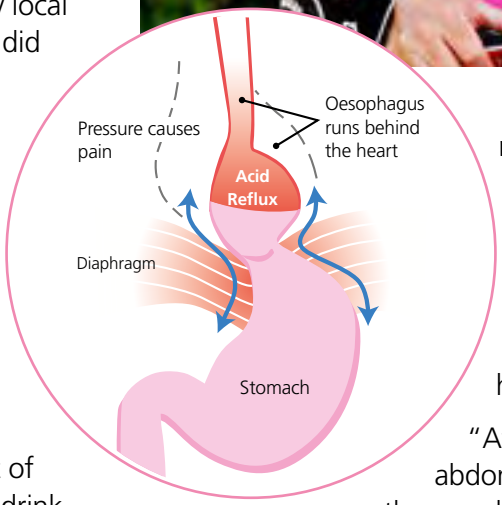
There are many benefits to this work, including:

* improved compliance and safety by increasing patients' understanding of written instructions
* helping to reduce the risk of administration errors
* better patient experience as pharmacy staff are able to provide a more personalised service
* empowering patients to take control of their own health.

THEY HAD TO UNTANGLE MY STOMACH FROM MY LUNGS

A man whose stomach and bowel were wrapped around his heart thanked the Northwick Park Hospital surgeon who changed his life.

Paul O'Reilly was diagnosed with a hiatus hernia after years of complications. The 59-year-old from Egham in Surrey said: "I had symptoms going back a few years, including reflux issues which I was controlling with antacid tablets. Eventually things got so bad that I needed an operation at my local hospital. Unfortunately, this did not go well and I felt even worse.



"I was petrified of going near a hospital again but I was very lucky that my GP referred me to Northwick Park Hospital because by this point it was becoming hard even to breathe. I couldn't walk upstairs without getting out of breath and I couldn't eat or drink properly."

Paul was referred to laparoscopic upper gastrointestinal surgeon Mr Alberto Isla who sent him for a range of scans and tests.

Paul said: "Mr Isla was absolutely brilliant, so different to my previous experience. It was like being a private patient in the NHS. He showed me the results of all the scans and said we needed to get it sorted very quickly."

Paul's scans showed that his stomach and part of his colon were stuck in the chest. Paul underwent keyhole surgery in November 2016 at Northwick Park Hospital, which Mr Isla describes as one of the most complex procedures he had ever done.

He said: "We had to deflate both of Paul's lungs in order to untangle his stomach from them and then untwist his intestine which was stuck to his heart.

"After placing the organs back into the abdomen we were left with a large hole in the muscle that separates the chest from the abdomen. This had to be fixed and we used a special mesh to close the hole."

Paul spent five days in hospital following the operation before being discharged home. He is now back at work and on the golf course again. "My life has now changed completely," he said.

"I've been told it'll take a year or so for everything to completely settle down but I appreciate Mr Isla being upfront about what to expect and I'm getting better and better each day.

"I've even managed to keep off the stone and a half I lost, although I can't say I would recommend a hiatus hernia as the best way to do it!"

Quality recognised

Our teams and individuals won a number of awards this year in recognition of the quality care and support delivered to our patients. Some highlights include:

RHRU director honoured for services to rehabilitative medicine

Professor Lynne Turner-Stokes, Director of the Regional Hyperacute Rehabilitation Unit (RHRU), was awarded an MBE for services to rehabilitation medicine in the 2018 New Year's Honours List. Lynne has been with the Trust since 1992, when she was appointed as a consultant to set up the new RHRU at Northwick Park Hospital. The unit provides a tertiary specialist rehabilitation service for younger adult patients with severe complex disabilities, mainly resulting from acquired brain injury.

Education and Development Team achieve Gold Standard accreditation

In early 2018, the Education and Development Team achieved the Work Experience Quality Gold Standard accreditation. Based on national standards, the accreditation demonstrates the Trust's commitment to offering high quality work experience and employability provision.

Length of Stay project highly commended

A project to reduce the time patients wait in hospital was highly commended at the 2017 Health Service Journal Value in Healthcare Awards. The project identified delays being experienced by patients awaiting services such as radiology, specialist advice or transport, and involved a move from paper-based systems to electronic whiteboards to reduce delays.

Patient safety finalists

The emergency departments at Northwick Park and Ealing hospitals were named finalists in the Patient Safety Awards 2017. The teams have been shortlisted in the Best Patient Safety Initiative in the A&E category for their work improving the screening and management of sepsis.

A couple of MBEs

Dr Kofie Anie and Patricia Black were awarded Members of the Order of the British Empire (MBE) in the Queen's Birthday Honours. Dr Anie, a Consultant Psychologist at the Brent Sickle Cell and Thalassaemia Centre, was recognised for his services to people with Sickle Cell Disease and Thalassaemia. Patricia, a Senior Lecturer at St Mark's Hospital, was recognised for her services to stoma nursing.

Clinically excellent

Nina Barnett, Consultant Pharmacist, was presented with an award for Excellence in Clinical Leadership at the Clinical Pharmacy Congress Awards 2017. Nina received the award in collaboration with Consultant Pharmacist Lelly Oboh from Guy's and St Thomas' NHS Foundation Trust for their work in the care of older people.

Ealing matron is Britain's best nurse

Eliza Mathew, Matron for Specialist Medicine at Ealing Hospital, was presented with the Best Nurse Award at the British Malayali Awards. Eliza was one of five finalists in this category and took home

the award after receiving 6,644 votes from readers of British Malayali's online news portal. Eliza was recognised for her nursing achievements, including her work to reduce the length of stay in a care of elderly ward, as well as introducing an e-rostering system.

A UK first for St Mark's dietitian

Dr Alison Culkin, Specialist Intestinal Failure Dietitian, was the first UK dietitian to qualify as a supplementary prescriber. This means Alison can now prescribe medication after a doctor has made a diagnosis and drawn up a clinical management plan for the patient.

Nursing Times finalists

The Trust was shortlisted in two categories at the 2017 Nursing Times Awards. The Intensive Care Unit at Northwick Park was shortlisted in the Infection Prevention and Control category and our Stroke Research Team at Northwick Park was shortlisted in the Clinical Research Nursing category.

Maternity student receives prestigious award

Student Midwife Claire Fitzsimons was presented with the prestigious Claude Osborn Award. Claire, who is based at Northwick Park Hospital, was chosen from the three maternity units in North West London. Dr Osborn was a surgeon and GP who became the first black member of any of the then 70 Rotary clubs within the district. He was well known for his service to the local community until his passing in April 1976. The award, named in his honour, is presented annually by the Rotary Club of Greenford to encourage the best midwifery student of the year to emulate Dr Osborn's vocational example of the Rotary motto: 'Service above self'.

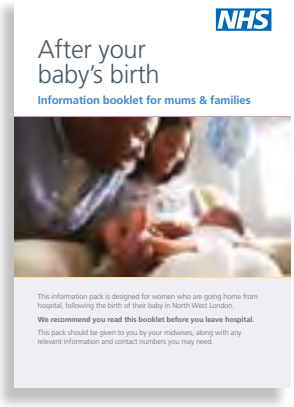
Performance against our priorities

An overview of quality performance against all our targets for 2017/18 can be found in our separate Quality Account.

INFORMATION BOOKLET LAUNCHED FOR NEW MUMS AND FAMILIES

Mothers leaving hospital with their new babies are now being given a new information booklet 'After your baby's birth'.

The booklet was developed following feedback from mums, midwives and maternity specialists that previous information was inconsistent, out of date and often poorly explained.



Often, when a woman leaves hospital, she is given information verbally or on poorly photocopied sheets of paper. This new booklet allows new mums to take home expert advice in a clear format, to read when it suits them.

The content is based on the latest evidence and research in maternity care, and is set to be used nationally.

Elizabeth Duff, Senior Policy Adviser for the National Childbirth Trust (NCT), said: "'After your baby's birth' has some great stuff in it for parents' early days. Our 'Support Overdue' report (2017) showed that the postnatal period can be difficult for many mums and dads. New mothers described being 'on the receiving end of conflicting advice or information' on things like feeding, caring for their baby and caring for themselves."

A copy of the booklet can be found on the Healthier NW London website, and is also available in Arabic and Guajarati with further translations to follow.

Operational performance

4

In common with other hospitals, we experienced significant pressure on emergency care throughout the year. Almost 339,000 patients attended our emergency departments and urgent care centres, with more than eight out of 10 people being treated within four hours.

More than 55,000 patients arrived by ambulance, which is on average 150 per day. Northwick Park Hospital's emergency department continues to receive more ambulances than any other hospital in London.

Our hospitals have seen a significant increase in cancer referrals over the past year and we have improved our waiting times for cancer patients receiving their first treatment within 62 days. Patients who waited longer are often on complex pathways, involving a number of healthcare providers and multiple diagnostics. However, we did not achieve the standard for patients with suspected cancer being seen within two weeks following an urgent referral from their GP.

The overall waiting time standard for patients from referral to treatment was not achieved, mainly owing to capacity and booking issues. A total of nine patients waited longer than 52 weeks throughout the year and we have been working to reduce this.

Despite the pressures on our services, staff worked extremely hard to respond and continue to remain focused on the delivery of high quality patient care across all our hospital and community sites.

Performance against targets

Performance area	The standard	Our results: 2016/17	Our results: 2017/18
Emergency access	95% of all patients attending our emergency departments to be treated, admitted or discharged within a maximum of four hours	Not achieved: 86.3%	Not achieved: 84.7%
Ambulance handovers: <30 mins	Number of patients waiting over 30 minutes from time of arrival to handover between ambulance crew and ED	5,786 of 54,680 arrivals (10.6%)	7,779 of 55,220 (14.1%)
Ambulance handovers: <60 mins	Number of patients waiting over 60 minutes from time of arrival to handover between ambulance crew and ED	2,006 of 54,680 arrivals (3.7%)	2,148 of 55,220 (3.9%)
Cancer: urgent referrals	93% of our patients to be seen in two weeks following an urgent referral from their GP	Achieved: 94.2%	Not achieved: 91.7%
Cancer: 31 days	96% of our patients to have a diagnosis and first treatment within 31 days of the decision to treat	Achieved: 97.1%	Achieved: 97.6%
Cancer: 62 days	85% of patients to receive first treatment within 62 days of the date of GP referral	Not achieved: 77.5%	Not achieved: 81.5%
Referral to treatment: 18 weeks	92% of patients should wait no longer than 18 weeks from GP referral to treatment	Achieved: 92%	Not achieved: 81.6% (at year end)
Referral to treatment: 52 weeks	No patient should wait longer than 52 weeks for treatment from receipt of referral	Not achieved: 6 breaches	Not achieved: 9 breaches
Stroke: stroke unit stay	90% of eligible patients to spend 90% of their stay on a stroke unit	Achieved: 97.2%	Achieved: 96.8%
Stroke: transient ischaemic attack	90% of high risk stroke patients to be treated within 24 hours	Achieved: 100%	Achieved: 100%

Performance area	The standard	Our results: 2016/17	Our results: 2017/18
Maternity	90% of mothers-to-be to be given one-to-one care in active labour	Achieved: 98.7%	Achieved: 99%
Inpatient care: venous thromboembolism (VTE)	95% of patients to receive an assessment for VTE	Achieved: 95.8%	Achieved: 95.6%

ONE-STOP-SHOP FOR SEXUAL AND REPRODUCTIVE HEALTH SERVICES

now on offer in Harrow, Brent and Ealing

The Trust was delighted to be awarded a new five-year contract to deliver sexual health services across the three boroughs of Brent, Ealing and Harrow, including sex education, contraception, testing and treatment for sexually transmitted infections, including HIV.

The contract is part of the London Sexual Health Transformation Programme (LSHTP), a London-wide programme to transform sexual health services and improve access and outcomes for residents.

This new service takes a system-wide approach to ensuring people are seen in the right place, avoiding unnecessary referrals or people dropping out of the system.

London North West University Healthcare is developing a new local sexual health system with a strong focus on partnerships with GPs, pharmacists and the voluntary sector. The Trust will also forge strong links with abortion services, gynaecology, midwifery, urology, children and young people's services and voluntary groups, as well as schools and colleges.

Voluntary sector organisations such as Brook, the Terrence Higgins Trust, Spectra and Naz will also work with the Trust to provide improved prevention in the community for groups with higher sexual health needs, including young people, gay and bisexual men, and minority ethnic groups.

Dr Gary Brook, Clinical Lead for Genitourinary Medicine (GUM)/ HIV, said: "This new service takes a system-wide approach to ensuring people are seen in the right place, avoiding unnecessary referrals.

"We will provide services where there is greatest need. Our new services will also be easier to access with better transport links and extended opening hours, including evenings and weekends."

Financial summary

5

The Trust delivered a retained deficit of £39.1m for the financial year 2017/18 which was significantly better than the operating plan (£49.5m deficit) agreed with NHS Improvement (NHSI). See 'statement of comprehensive income' in the annual accounts.

From 2009/10 onwards, NHS trusts have been required to account and report financial information in accordance with International Financial Reporting Standards (IFRS). This requires trusts to revalue their assets periodically and the impact of this was a charge for impairment and reversal of impairment of £6.3m in 2017/18. A change of accounting treatment for donated and government grant reserve adjustment of £0.3m was also adjusted from the adjusted retained deficit.

These two adjustments have been applied to the reported £45.7m income and expenditure account deficit, resulting in an adjusted retained deficit of £39.1m which is used to measure the Trust's financial performance.

The table below shows the financial performance of the Trust over the last two years:

Summary of results	Period ended 31 March 2018 2017/18 £000s	Period ended 31 March 2017 2016/17 £000s
Income	701,443	681,059
Expenditure	(735,137)	(756,021)
Operating surplus/(deficit)	(33,694)	(74,962)
Net finance costs including dividends payable	(12,012)	(14,434)
Surplus/(deficit) for the year	(45,706)	(89,396)
Donated / Government Grant Reserve and impairments	6,620	28,298
Adjusted (deficit) re statutory breakeven duty	**(39,086)**	**(61,098)**

Our deficit in the current year was achieved after delivering £50m of efficiencies (6.7% of total expenditure including finance costs) in 2017/18 through a combination of recurrent and non-recurrent savings. Sustainability and Transformation funding of £26m is included in the position which also includes the finance and incentive bonus earned but not received at the end of the financial year of £12m. The Trust has not met its cumulative statutory breakeven duty target. The Trust plans to achieve its statutory duty through continued efficiencies, continual planned service changes and implementation of the Sustainability and Transformation Plan and Shaping a Healthier Future strategy.

Income

The Trust's income was £701.4m in 2017/18 compared to £681.1m in 2016/17.

The chart below shows 58% of the Trust's income is derived from three main clinical commissioning groups (CCGs) - Ealing CCG (20%), Brent CCG (20%) and Harrow CCG (18%). The Trust also provides services to Hillingdon and Barnet patients, who account for 5% of our income.

NHS England accounts for 15% of the Trust's income and this largely relates to specialist patient healthcare. Research and education make up 4% of our income. The category of 'Other' income has reduced from 10% to 8% since last year, as a result of funding support for Central Middlesex Hospital (£11m) coming to an end, an increase of £3.5m from the previous year.

The Trust derives only a small level of income from private patient activity, at less than 1% of total income.

Expenditure

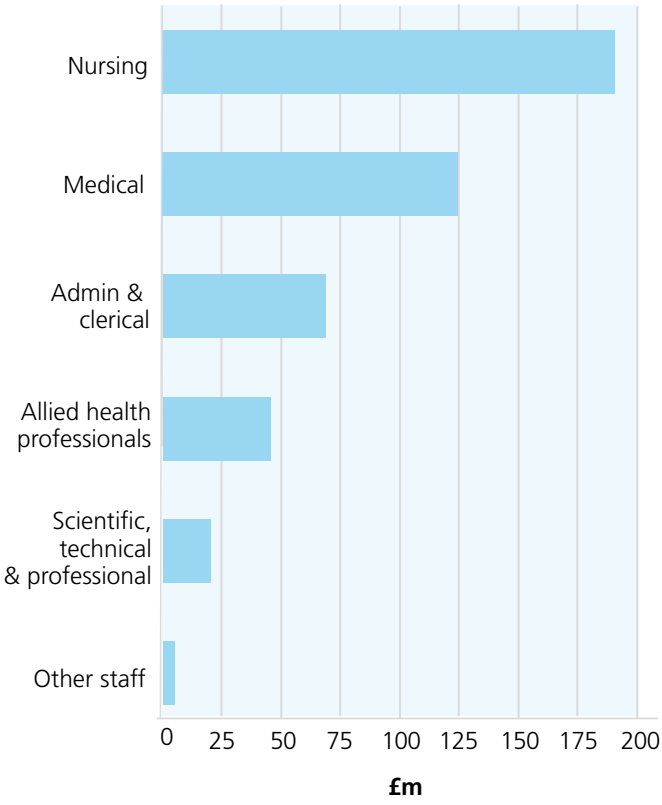
The Trust's total operating expenditure for the year was £735m compared to £756m in 2016/17.

Pay expenditure

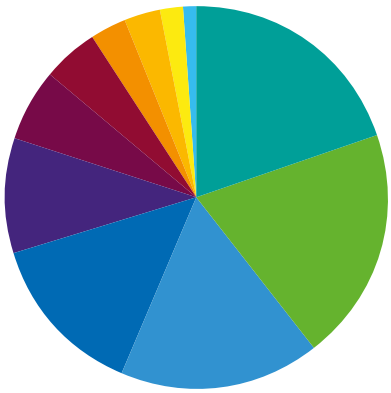
The Trust spent £461.4m on pay in the year, of which 71% was spent directly on doctors and nursing staff.

The chart below shows the total pay spend across all staff groups:

How much we spend on staff



Where the money comes from



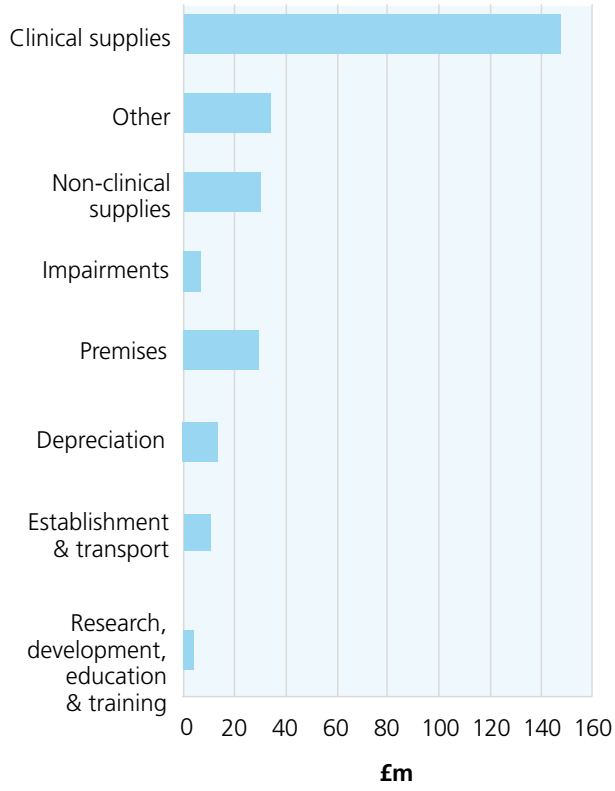
- NHS Ealing CCG **20%**
- NHS Brent CCG **20%**
- NHS Harrow CCG **18%**
- NHS England **15%**
- Other **8%**
- Other CCG **6%**
- Education & research **4%**
- NHS Hillingdon CCG **3%**
- Local authorities **3%**
- NHS Barnet **2%**
- Private patients **1%**

Non-pay expenditure

Non-pay expenditure was £273.8m, the make-up of which is illustrated by the chart below. The largest category of non-pay spend was on clinical supplies which support direct patient care on our wards and within our services.

Impairments in the year were £6.8m as a result of the revaluation of the Trust's estate assets based on an alternative site valuation methodology. This is excluded from the Trust's reported deficit relevant to the Trust's breakeven duty.

Non-pay expenditure breakdown



Capital investment

The Trust invested £20.5m in its capital programme in 2017/18. This investment has helped us to continue with our programme to improve facilities and equipment for patient care and address some of the risks inherent in our asset base. The capital programme was financed by £11.3m of internally generated funds, a £2m PFI allocation, £4.7m Public Dividend Capital (PDC) and a £2.4m Interim Capital Investment Loan from the Department of Health and Social Care (DHSC).

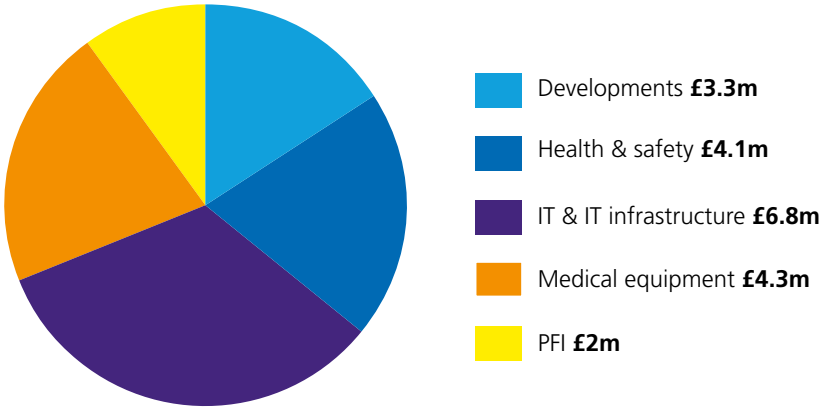
The Trust has maintained capital expenditure within the Capital Resource Limit (CRL) agreed with NHSI for the year.

The chart below shows how our capital was spent, comprising the following larger schemes:

* Fire safety works across Trust sites, including the provision of new fire doors, fire breaks in ceiling voids and emergency lighting along fire exit routes
* Investment in IT infrastructure to minimise existing and future cyber-attack vulnerability
* Medical equipment including diagnostics equipment such as ultrasounds and mobile X-ray units, theatre equipment, a pharmacy dispensing system and endoscopes within the Trust
* A GP facility at Central Middlesex Hospital as part of the Shaping a Healthier Future strategy for a Health and Wellbeing Hub with a focus on primary care.

The balance of remaining capital spend consisted of smaller schemes under the following categories – infrastructure, IT, equipment, health and safety and PFI (lifecycle replacement cost).

Capital spend 2017/18



Cash and liquidity

The Trust received in cash an Uncommitted Revenue Term Loan of £49.5m and a Capital Investment Loan to the value of £2.3m in 2017/18 from the DHSC to support the financing of the Trust's planned deficit.

The Trust also received Sustainability and Transformation Funding (STF) to the value of £26.0m, made up of core payments of £14m received in the year and a bonus incentive payment of £12m to be paid in 2018/19.

The Trust retained £1.9m cash in the bank at the end of the year and has managed its cash within its External Financing Limit (EFL) with a small undershoot of £0.4m.

The Better Payment Practice Code (BPPC) requires the Trust to aim to pay 95% of undisputed invoices by the due date or within 30 days of the receipt of goods and services or a valid invoice, whichever is later. The Trust paid 95.2%, an increase from 85.2% in 2016/17, by value of its non-NHS suppliers within 30 days.

The table below shows the Trust's BPPC performance.

Better payment practice code 2017/18

	2017/18 number	2017/18 £000	2016/17 number	2016/17 £000
Non-NHS payables				
Total non-NHS trade invoices paid	134,103	371,004	158,841	415,628
Total non-NHS trade invoices paid within target	116,717	353,331	116,999	354,265
Percentage of non-NHS trade invoices paid within target	87.04%	95.24%	73.66%	85.24%
NHS payables				
Total NHS trade invoices paid	3,380	15,990	3,598	25,807
Total NHS trade invoices paid within target	2,765	14,177	2,103	17,179
Percentage of NHS trade invoices paid within target	81.80%	88.66%	58.45%	66.57%

Challenging financial environment

The major financial concern for the Trust was to deliver a challenging savings programme and maintain financial stability while also meeting the demands of increased activity and the national operational performance targets.

The Trust has delivered in full the efficiency target of £50m in 2017/18, of which £40m was through cost reductions and a further £10m in increased income. However, the efficiency plan included a number of non-recurrent savings which will need to be recovered in 2018/19.

Even though significant progress was made in reducing our costs in 2017/18 it is expected that the coming year will be another very challenging year in terms of our finances. The Trust has been set a control total deficit of £31.4m and this requires the delivery of a £34.0m savings and efficiency plan. The Trust has an agreement with the DHSC for the necessary funding to cover the cash impact of its

expected deficit position, to be provided through an uncommitted revenue loan facility.

Notwithstanding the ongoing challenges, the Trust has a plan to achieve financial sustainability through further realisation of transformational savings and synergies as well as a fundamental review of its cost base for delivering services and working across the STO to deliver the Shaping a Healthier Future strategy for North West London.

The Trust has forecast a deficit of £31.4m for the financial year commencing 1 April 2018, after a savings requirement of £34.0m. This plan has been agreed with NHS Improvement (NHSI) and requires additional cash support through PDC and/or loan funding. Unlike previous years the Trust does not have a Revolving Working Capital Facility in place for 2018/19 as a result of changes centrally by the DHSC, however the Trust does have access to an Uncommitted Term Loan on a monthly basis for up to £31.4m of the planned deficit agreed within the Trust's plan. This funding will be required for the financial year 2018/19 whilst a permanent financing solution is progressed. NHSI has supported the Trust's application for cash deficit support in 2016/17 and 2017/18; therefore the Board of Directors anticipates that NHSI will continue to support the Trust's application for deficit funding support in 2018/19, subject to the monthly application approval process.

The Trust has a working capital facility of £76.9m which will reach its full term in February 2019. Arrangements for repayment or refinancing will need to be agreed with NHSI and DHSC. The maturity of this facility and the process to refinance generates material uncertainty.

The Sustainability and Transformation Plan provides an opportunity for health and local government organisations in North West London to work in partnership and sets out clear plans for the health and care system for the next five years whilst increasing local accountability. It is an opportunity to radically transform the way we provide health and social care for our population and to maximise opportunities to provide excellent quality care in the right place and when it is needed. The Sustainability and Transformation Plan process also provides the drivers to close the funding shortfalls and develop a balanced, sustainable financial system.

Although these factors represent material uncertainties that may cast significant doubt about the Trust's ability to continue as a going concern, the directors, having made appropriate enquiries, still have reasonable expectations that the Trust will have adequate resources to continue in operational existence for the foreseeable future. As directed by the 2017/18 DHSC Group Accounting Manual the directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the Trust will continue to be provided in the foreseeable future. On this basis, the Trust has adopted the going concern basis for preparing the financial statements and has not included the adjustments that would result if it was unable to continue as a going concern.

Financial accountability

Grant Thornton UK LLP is the appointed external auditor to the Trust. During 2017/18, the fees payable to Grant Thornton for its statutory external audit, including Quality Accounts audit, were £69k excluding VAT. There were no other fees paid to Grant Thornton in 2017/18.

Counter fraud and corruption

The Trust is committed to promoting and maintaining an absolute standard of honesty and integrity and to eliminating fraud and illegal acts committed within the Trust. The Trust has adopted best practice, as recommended by the NHS Counter Fraud Authority (NHSCFA), and is also involved in the National Fraud Initiative.

We have widely publicised our procedure for staff to report any concerns about potential fraud and corruption. Any concerns raised are investigated by our local counter-fraud specialists or the NHSCFA as appropriate and all investigations are reported to the Audit Committee.

Jon Bell, Chief Financial Officer

29 May 2018

CHIEF NURSING OFFICER'S BLACK AND MINORITY ETHNIC STRATEGIC ADVISORY GROUP CONFERENCE

October marked the 30th anniversary of Black History Month and across the Trust we held a series of events to celebrate the contribution our black and minority ethnic staff make to the NHS.

The month culminated with the Trust hosting the Chief Nursing Officer for England's annual BME Conference at the Brent Civic Centre in Wembley, with over 200 delegates attending from across the NHS in London and beyond.

Chief Executive Dame Jacqueline Docherty opened the event saying: "London truly is 'the world in one city' and its richness in diversity is one of our greatest strengths. We see this reflected day in day out 24/7, 365 days a year in the NHS within our dedicated and diverse workforce.

"At London North West University Healthcare, we are committed to promoting equality and diversity in all that we do and this is reflected in our HEART values. Our Trust serves some of the most ethnically diverse populations in the London boroughs of Brent, Harrow and Ealing and 60% of our Trust's workforce is from a BME background.

"We are a prominent employer and service provider in North West London, drawing our staff from diverse ethnic backgrounds and life experiences. The diversity of our workforce and people who access our services bring a richness of cultures and lifestyles to our organisation."

We were also proud to see that Ealing's Miss Samantha Tross was once again named one of Britain's most influential black people in the 2018 Powerlist. Miss Tross, the first black female orthopaedic surgeon in Britain, has worked at Ealing Hospital since 2005.

STAFF PROTECT VULNERABLE YOUNG LIVES IN AFRICA BY GETTING THEIR FLU JAB

A total of **5,084** members of staff had their flu jab, which meant the Trust donated **50,840** tetanus vaccines.

An innovative **'Get a Jab, Give a Jab'** campaign saw the Trust support children in the world's poorest communities, while encouraging staff to protect themselves from flu.

The Trust paid for 10 tetanus vaccines for each staff member that received the flu jab last winter.

Purchased through Unicef, the world's leading organisation working for children in danger, the vaccines protect children in Africa against neonatal tetanus, a deadly disease affecting populations with little or no access to basic healthcare services and education.

The disease, which was eliminated in the industrialised world as far back as the 1950s, is still a major killer of infants in the developing world.

Chief Nurse Amanda Pye said: "With over 8,000 people dying in England each year, flu is a nasty and potentially life-threatening virus, especially for the vulnerable people we care for at our hospitals and community services.

"As healthcare professionals we have a responsibility to do all we can to protect ourselves, our families and our patients, and I am really proud of all our staff who have had their flu jab to date. They are not only protecting themselves and those close to them in this country; they are also protecting vulnerable young lives across the world."

The flu jab is not compulsory for NHS staff but getting vaccinated is the best way to stop the spread of influenza and prevent deaths. It can also ease pressures that a heavy flu outbreak would place on health services, like those seen recently in Australia and New Zealand.

Our people

6

With care and compassion at the heart of our agenda, we know that having committed and engaged staff is the way to making sure that patients receive the best care. As demand for our services rises we are asking more and more of our people, which is why investing in their development and wellbeing continues to be a major priority for the Trust.

At the end of March we employed 8,625 staff (7,947 whole time equivalents) from 11 different professional groups. We continued to deliver our pledge to be a flexible employer with family friendly policies on offer and 15 per cent of our staff working part-time.

A concerted drive to fill our vacancies and retain existing staff meant that we finished the year with a vacancy rate of 7.9 per cent. This was the lowest figure for a number of years, down from 11.3 per cent in the previous period.

The drive to reduce our agency staff bill also continued, with what we spent equivalent to 6.2 per cent of our staff pay bill against 7.6 per cent last year. Staff sickness remained below the national target of 4 per cent at 2.9 per cent.

We continued to invest in staff wellbeing with the launch of a single occupational health service in February 2018. The service offers a comprehensive, central and easy to access service for all staff regardless of where they are based. Key highlights from the year included a series of drop-in health promotion events at the main Trust sites where staff were offered blood glucose checks, cholesterol checks, blood pressure checks, height and weight measuring, and general healthy living advice by a team of dietitians, stop smoking advisors, manual handling advisors and nurse specialists to name but a few.

A new harmonised stress policy and a sickness absence policy were also launched, and 'Schwartz Rounds' continued. These sessions provide a structured forum where all staff, clinical and non-clinical, come together regularly to discuss the emotional and social aspects of working in healthcare. They were well attended, giving a wide range of staff a without-prejudice opportunity to discuss issues and feelings related to their work.

Putting patients at the HEART of everything we do

May was an important month for the Trust as it marked the launch of our new HEART initiative – a set of values and behaviours to guide all that we do.

Developed together by more than 2,500 staff and patients, the new values and associated behaviours capture how our teams aspire to interact with each other and patients. They are:

* **Honesty**: we are open and honest in everything we do
* **Equality**: we value all people equally and treat them fairly, whilst recognising their individuality
* **Accountability**: we will provide excellent care and ensure the safety and wellbeing of all patients
* **Respect:** we treat everybody the way we would like to be treated
* **Teamwork**: we work together to make improvements, delivering consistent high quality, safe care.

To spread the word, launch events took place at Northwick Park, Ealing and Central Middlesex hospitals, as well as community sites in Harrow, Brent and Ealing. Board members, staff and patients came together to hear how the values were developed and how they will be embedded into everything we do and say.

The launch events included the premiere of a new film that features staff and patients, and aims to bring alive the importance of embracing the HEART values in everyday practice.

Chief Executive Dame Jacqueline Docherty said at the time of the launch: "Our new HEART values come from a strong desire to provide the best experience possible for our staff and patients across our hospital and community settings.

"These values describe how we interact with each other and our patients and will underpin everything we do to achieve our vision of providing excellent clinical care in the right setting. They are the golden thread that brings consistency to 'the way we do things' at London North West University Healthcare NHS Trust."

Learning and development

We continued to invest in training and development with the launch of two new in-house management and leadership programmes. For first line managers and senior leaders, the Trust now offers a comprehensive selection of both internal and external programmes to equip our senior clinical staff to deliver excellent care.

With university partners we also play an active part in developing the next generation of newly qualified healthcare professionals, which for the first time included paramedics in our placements programme.

In September we welcomed the first cohort of participants to the Capital Nurse Programme, an

ANOTHER SUCCESSFUL OPEN DAY

More than 600 visitors of all ages attended the Trust's second annual Open Day at Ealing Hospital in July.

The free event saw local health partners, including Ealing Healthwatch and Ealing Clinical Commissioning Group (CCG) in attendance and NHS staff, including consultants, surgeons, doctors and nurses, were on hand to talk to the public about our full range of services from over 50 stalls.

In addition to hearing about our work there was information on job opportunities, tours inside our hospital theatres and free entertainment for all the family.

Thank you to London North West Healthcare Charity and other sponsors and all those people behind the scenes, whose hard work made the day possible.

innovative new approach that allows foundation nurses to rotate through different specialty areas. This supports nurses to expand their skills and experience. We currently have six nurses on the programme – five in adult care and one in paediatrics – who will complete the rotation in 18 to 24 months.

The Trust is proud to report that, year on year, staff say we provide an excellent quality of training and development opportunities.

Engaging with the local community

Our learning and organisational development team works closely with the local community to promote NHS careers and in 2017 their work was rewarded with the 'Fair Train' Work Experience Quality Gold Standard accreditation award.

We are the first acute Trust in North West London to achieve the award, which recognises our efforts to promote work experience opportunities among young people.

We are particularly proud of our involvement in creating internships for students enrolled on the Project SEARCH scheme which saw 12 recruits join us in September.

Delivered in collaboration with the West London Alliance, Harrow College and Kaleidoscope Sabre, Project SEARCH aims to prepare young people with learning disabilities and those with autistic spectrum conditions for employment. During their 12-month stint at the Trust, the interns will experience three different areas of employment to gain valuable experience from our staff.

Northwick Park nurse is new chair of THE BRITISH MENOPAUSE SOCIETY

One of our senior nurses has been named Chair of the British Menopause Society. Kathy Abernethy is the first nurse to hold this post since the society was founded over 25 years ago.

As Chair, Senior Nurse Specialist Kathy will lead the multidisciplinary society for two years, increasing awareness about post-reproductive health and promoting good clinical practice.

She said: "I look forward to the challenge that chairing a multidisciplinary society will bring and am sure that my expertise from working in the award-winning menopause service at Northwick Park Hospital will stand me in good stead."

Kathy has worked in the field of menopause for more than 25 years and has published widely on the topic. She currently works in the Multidisciplinary Menopause Service at Northwick Park Hospital assessing, treating and monitoring women with complex menopause needs, including young women, those who have had cancer and those with complicated medical needs.

"I aspire to see all women, wherever they are in the UK, have access to the great menopause care that we offer."

Kathy has also initiated a menopause education programme for nurses and regularly visits workplaces to discuss the impact of menopause on women at work.

Kathy added: "During my career I have advised many women about menopause, ranging from 15 years old to over 80, while also educating health professionals in the need to offer women good information and evidence-based treatment choices in line with NICE Guidance. I aspire to see all women, wherever they are in the UK, have access to the great menopause care that we offer."

What our staff told us

Results from the 2017 Staff Survey, in which 3,828 staff participated, provided valuable insight into the experience of working for the Trust. Whilst there is always more to do, overall there was good progress in a number of areas.

The survey response rate increased by 12 per cent from the previous year, with more staff engaged and saying that they feel motivated and able to contribute to improvements at work. There was also an improvement in the score for the number of staff willing to recommend the Trust as a place to work or to be cared for.

More staff reported satisfaction with the quality of work and care they are able to deliver, and the number reporting having high quality appraisals and training also rose.

Disappointingly, there was a rise in the number of staff reporting violence from patients and the public, and in the number of staff who reported witnessing potentially harmful errors, near misses or incidents. The survey also highlighted staff concern over working extra hours, and that black, Asian and minority ethnic staff feel they have a less positive experience in the workplace than their white colleagues.

These are all areas for which robust action plans have been developed, alongside an overall push to improve staff health and wellbeing.

Equality and diversity

We are constantly working to ensure everyone is treated fairly and equally. This includes work to refresh our Equality and Diversity Strategy.

We also updated our Workforce Race Equality Standard (WRES) to incorporate the 2017 Staff Survey findings, and for the first time published a Gender Pay Gap Report with associated actions.

The Gender Pay Gap Report highlighted that the Trust has a mean gender pay gap of 6.6 per cent and a median gender pay gap of 4 per cent. Our gender pay gap is impacted by the fact that the Trust has a greater proportion of men in the upper pay quartiles of the organisation compared with the lower pay quartiles, and a greater proportion of women in the lower pay quartiles compared with the upper pay quartiles.

Overall, the gender gap within non-medical professions is 1-2 per cent, compared to the medical workforce where there is a mean difference of 16.4 per cent. We are investigating further to understand better the reasons for the differences and plan to develop an action plan to work towards bridging the gap.

Grateful to our volunteers

We remain indebted to the 542 volunteers who support the work of our substantive staff by helping to improve the experience of our patients. Overall, they contribute in excess of 700 hours a week in a wide range of areas throughout the Trust, adding value to ensure all our patients have the best experience possible in the Trust.

During National Volunteers' Week (1-7 June), we once again hosted an annual awards and thank you event for our volunteers. The event was attended by members of the Board, and long service awards were presented to 30 volunteers who have served a combined total of 430 years.

Celebrating success

We continue to celebrate our staff and their contributions to improving patient care. This year's Staff Excellence Awards were the biggest yet, with more than 330 nominations received from grateful patients, family members and staff – the highest number of nominations received since the awards began in 2015.

Voted for by patients, staff and members of the public, the awards showcase and celebrate the vital work of the almost 9,000 staff who work at the Trust.

A total of 13 awards were handed out during the ceremony, which was hosted by Radio Harrow presenter Hansa Varsani and funded by London North West Healthcare Charity, as well as external sponsors.

In the NHS's 70th year, a special lifetime achievement award was introduced to recognise the outstanding contribution made by a member of staff who has served more than 15 years in the Trust.

Microbiologist Dr Sayyed Adnan Aali, who has worked at Ealing Hospital for more than 20 years, was announced as the winner on the night.

The winners were:

* *Emergency and Ambulatory Care Divisional Award:* Integrated Care Coordination Service, Brent community
* *Integrated Clinical Services Divisional Award:* Harvey Tortusa, Matron, Radiology, Trust-wide
* *Integrated Medicine Divisional Award:* Angela Whittaker, Ward Sister, Discharge Lounge, Ealing Hospital
* *Surgery Divisional Award:* Bowel Cancer Screening Team, St Mark's Hospital
* *Women's and Children's Services Divisional Award:* Judit Kopas, Administrator, Paediatric Day Care Unit, Northwick Park Hospital
* *Unsung Hero Award:* Jayant Thakeria, Senior Clinical Coder, Northwick Park Hospital
* *HEART Hero:* Catherine Calnan, Laundry Assistant, Northwick Park Hospital
* *Research and Development Excellence Award:* Claire Fitzgerald, Clinical Specialist Respiratory Physiotherapist, Trust-wide
* *Volunteer of the Year Award:* Neal Patel, Ealing Hospital League of Friends, and Samantha Kind, Northwick Park Hospital volunteer
* *Fundraiser of the Year Award:* Riyah Talati, St Mark's Trusts and Foundations Manager, St Mark's Hospital
* *Learner of the Year Award:* Dr Alison Culkin, Dietitian, St Mark's Hospital
* *Team of the Year Award:* Medical Day Care Team, Central Middlesex Hospital
* *Lifetime Achievement Award:* Dr Sayyed Adnan Aali, Associate Specialist, Microbiology, Ealing Hospital.

Our patients' perspective

7

The launch of our new values is helping all areas of the Trust to put patients at the HEART of everything we do. We are encouraging more feedback than ever before, because we know that it is only by learning directly from patients' experiences that we will make meaningful improvements to their care.

From the Board to wards, patient feedback is now being shared and collected in many ways, for example through the Friends and Family Test, numerous websites (NHS Choices and Care Opinion, for example), the Trust's social media accounts, and letters.

A key support service is PALS (the Patient Advice and Liaison Service) which provides a drop-in resource for patients, carers and families. PALS deals with everything from complaints and concerns to compliments and comments, resolving a large number of issues without the need for formal intervention.

During the year, PALS received 4,900 enquiries from patients and visitors, compared to 2,868 enquiries in 2016/17 and 3,464 enquiries in 2015/16. Some of these additional enquiries were due to difficulties with accessing services while changes were made to reception areas, and to appointment bookings.

The increase can also be attributed to better access to the PALS service, which started to provide longer opening hours, better telephone access and the improved recording of contacts.

Most frequent PALS concern themes

2017/18	2016/17	2015/16
Communications (written & verbal)	Communications (written & verbal)	Communications (written & verbal)
Outpatients	Delays	Delays
Signposting	Clinical	Clinical
Clinical	Nursing care	Outpatients
Delays	Outpatients	Staff attitude

NAMED AS FORCES-FRIENDLY

The Trust was delighted to be celebrated by the **Defence Employer Recognition Scheme** for its continuing support for members of the Armed Forces.

As a Bronze award holder, the Trust can promote itself as Armed Forces friendly, supporting those who serve or have served the country. Many Bronze holders employ members of the Armed Forces such as Reservists.

The Trust actively promotes the contribution of Reservists and offers them flexibility and paid leave to take time out of their civilian role for training and deployment.

Chief Executive Dame Jacqueline Docherty said: "We are delighted to have achieved Bronze level in the Defence Employer Recognition Scheme. It demonstrates our longstanding commitment to Reservist staff members and the Armed Forces as a whole.

"We consistently find that the skills and experience developed by our Reservists during their training and mobilisation helps them to be even more effective when they return to our hospitals. The unique contribution of those who combine a career in the NHS and the Reserves is a valuable one and we are lucky to have them."

Senior Sister Annette Bodden-Whisker is one of three Reservists who work at London North West University Healthcare. Annette has worked at the Trust since 2008 and has been a Reservist nurse for ten years.

She said: "I joined the Army so that I could learn new skills, travel to new places, meet new people and work in a disciplined environment. Being a Reservist means that I can transfer skills I've gained in the Army into my job - skills such as leadership, communication, management skills, team building, resourcefulness and perseverance. Being a Reservist also helps me to be disciplined, organised and assertive."

The Employer Recognition Scheme was launched in 2014 and there are currently 120 employers in London with Bronze certificates.

"Being a Reservist means that I can transfer skills I've gained in the Army into my job; skills such as leadership, communication, management skills, team building resourcefulness and perseverance."

Compliments

We are always pleased to be able to pass on positive feedback to our teams, and received 296 formal compliments praising their work. This was in addition to the many cards, letters and tokens of appreciation that went direct to wards, departments and individual members of staff.

More and more people are also engaging with the Trust through social media, with Facebook, Twitter and Care Opinion increasingly becoming important platforms for monitoring how people feel about the organisation. A selection of social media comments include:

* I have always had excellent treatment at Northwick Park Hospital. I had two of my three children in the maternity unit there and had numerous investigations and procedures. My husband has also been treated successfully there. I feel very fortunate to have access to such excellent expertise at this hospital

* Just want to say what a fantastic experience we had on taking my 11yr old son for his first trip to A&E for an injured ankle on Saturday night. We were dreading sitting all night in the waiting room. We arrived at 10:45pm - checked in, sat down for 2 mins, called to desk to do quick assessment, went straight to x-ray, went straight in. Went back to waiting room to be called, before we even sat down, back to nurse to be told it was just a sprain! At all times staff were lovely and smiley. We were out of hospital back in car by 11:15pm on a Saturday night!

* Thank you for an absolutely brilliant service at cardiology department at Ealing Hospital twice this month. Consultants totally engaged with me and explained in detail. All tests done with dignity. Keep up the good work

* Thanks to all the amazing staff at Northwick Park Hospital who got my dad out of a coma and out of ICU in less than a week

* Very grateful to staff at Ealing Hospital A&E, was seen to in less than 5 minutes last night

* I want to thank staff, nurses, doctors of Central Middlesex Hospital for handling my urgent and routine care.

Complaints

We know that there are times when we don't always get it right and place a high importance on ensuring that there are robust processes in place to properly investigate and respond to patient complaints.

This year we received 1,119 complaints, an 11 per cent increase on the previous year. Three-quarters of this increase was attributed to Ealing Hospital, where the figure grew by 51 per cent on the previous year. By contrast, complaints for Northwick Park sites grew by more than 4 per cent.

The large discrepancy in site reporting can be attributed to improved data capture processes for complaints associated with services at Ealing. Since May 2017, the number of complaints has been stable with monthly average growth of less than half a per cent.

Most frequent complaint themes

2017/18	2016/17	2015/16
Clinical treatment	Clinical treatment	Clinical treatment
Appointments, delays/ cancellations	Attitude of staff	Attitude of staff
Attitude of staff (values & behaviour)	Delays	Verbal communications
Communications (written & verbal)	Verbal communications	Delays

If complainants are unhappy with the outcome of their complaint, the next step is for them to ask the Parliamentary Health Service Ombudsman (PHSO) to consider their case for review.

During the year the PHSO carried out 13 investigations of which none have been fully upheld so far. Four cases were partially upheld, four were not upheld and we await the outcome of a further five investigations that are being undertaken.

MY LIFE WAS SAVED THANKS to a quick response, lifesaving surgery and an iPad

A man who collapsed on a plane at Heathrow Airport was saved thanks to a speedy response from emergency services and lifesaving surgery at Northwick Park Hospital.

Glyn Danks, 68, had boarded his 9.35am Etihad Airways flight home to Australia on 22 August, after five weeks visiting family in the UK.

He said: "I went on the plane as normal and as I sat down there was a vacant seat beside me. I thought it was nice that I had a spare seat and I didn't feel ill at all."

The plane was about to push back from the terminal when Glyn lost consciousness, collapsed and stopped breathing. The flight crew began CPR, called emergency services and had the Heathrow Passenger Experience team on board in under two minutes to manage the response.

Glyn had suffered a ruptured abdominal aortic aneurysm, a swelling in the main blood vessel (the aorta) that runs from the heart down through the chest and tummy.

"The next thing I remember is waking up on the floor of the plane," said Glyn. "I could see lots of feet and I could hear lots of different people shouting and giving lots of advice."

Glyn was rushed to Hillingdon Hospital and underwent a CT scan to review the severity of his condition. The images were sent electronically to Dr Rakesh Patel, Consultant Interventional Radiologist at Northwick Park and Hillingdon hospitals. Dr Patel reviewed the images on his iPad and immediately identified that Glyn needed lifesaving treatment.

He said: "I work at Hillingdon and Northwick Park, which are two separate trusts. I have an iPad, provided by Hillingdon, which allows me to access patient information and CT scans. Fortunately I had it here at Northwick Park when the registrar came in and said, 'we have got this referral from Hillingdon'.

"I took the iPad out, saw that the patient had a ruptured aneurysm and said, 'The patient needs to be transferred now.'"

Windsor resident and Heathrow Passenger Experience Manager Taj Dhaliwal said quick thinking and a co-ordinated response by the operations team ensured Glyn was in the care of Hillingdon Hospital not a moment too soon.

Taj said: "The safety of our passengers and colleagues is our top priority and, due to the nature of the role, my team is in place to respond at a moment's notice. An ambulance request came through while I was having lunch with my colleague Jim Leahy and we both ran to the gate – part of our role is emergency first response.

"I took the iPad out, saw that the patient had a ruptured aneurysm and said, 'The patient needs to be transferred now.'"

"We were able to help with CPR and brought emergency services to the scene as quickly as possible."

Following the CT scans at Hillingdon, Glyn was taken by ambulance to Northwick Park Hospital, a specialist vascular and interventional radiology centre an 11-mile drive away in Harrow. He arrived shortly after 1pm and was transferred to the hybrid operating theatre for lifesaving surgery.

Glyn said: "The next thing I remember was waking up in a hospital and being advised that I had to have a major op. If I didn't have the operation it would be the end - there was no option but to have it."

Glyn, who is originally from Abbey Wood in London, was discharged on 28 August, six days after he collapsed. He has since flown back to his home in Perth, Western Australia.

He said: "I feel very privileged and grateful to be here - 99 people wouldn't be! I will make my life as good as possible for the however many years I've got left."

Glyn and his lifesaving team at Northwick Park Hospital

Friends and Family Test

A total of 70,114 patients completed the Friends and Family Test survey during the year, with 94 per cent saying they would recommend our services to their friends and families.

	Responses	Recommended
A&E	14,013	92.34%
Outpatient	19,153	93.83%
Inpatient	21,732	94.44%
Maternity	3,196	90.74%
Community	2,609	95.67%

Another new initiative was the more detailed reporting of patients' feelings behind the ratings. Not all patients are asked every question, but overall those contributing gave a 95 per cent rating for feeling safe, being treated with dignity and respect, and with kindness and compassion.

Less positively, patients report that they would like to feel more involved in decisions about their care and receive more information, which are two areas we will now address.

Research and development

8

Research and development has long been a fundamental part of our work, contributing to new treatments and improvements for the many thousands of patients in our care. We were delighted to receive recognition for these efforts with the award of university hospital status, which also takes into account our important teaching role across North West London.

The status recognises the high level of work that we publish, higher degree awards and our research collaborations with universities. It has meant a change to our title and, most importantly, recognises the Trust as a forward-thinking organisation committed to the continuing education of our teams and improving outcomes for patients.

Exceeding expectations

During the year we continued to exceed expectations with both study recruitment targets and our contribution to research. This resulted in:

* 103 research studies and the recruitment of 5,309 patient participants
* 30 service evaluations
* 26 quality improvement projects.

Our performance puts us in the top 10 per cent of research-active NHS organisations, with the large number of quality improvement and service evaluation projects also highlighting the continuing enthusiasm of staff to improve the day-to-day care we provide.

Commercial research

Our researchers continue to work collaboratively with commercial partners and saw increased recruitment in this area. There were 318 participants recruited into research programmes in 2017/18, compared to 211 in 2016/17. This is a great achievement and fits in with the National Institute for Health Research's (NIHR) strategic drive to support more commercial research.

We have also expanded research into new key disease areas, one of which is ophthalmology. We are now part of the first commercial diabetic macular oedema study, becoming the highest recruiting site in the UK.

Local research networking

We worked closely with the Local Clinical Research Network (LCRN) to encourage new specialties and also encourage staff to get involved with research, for example in women's health and hepatology.

The Trust's collaborative approach supported more studies being set up and the improved recruitment of participants, resulting in our top 10 placing in the NIHR league table, and recognition in July 2017 of our continuing contribution to high quality research in the region.

Collaboration for Leadership in Applied Health Research and Care (CLAHRC)

The Trust has continued to work with CLAHRC to support local projects. CLAHRC is the local collaboration of academics, clinicians and managers focused on translating research benefits into frontline patient care.

I LOST 50 KILOS WITHOUT SURGERY

A woman who was considering bariatric surgery has reduced her body weight by half with the support of a specialist community dietitian from Brent.

Judith Simmons embarked on her dietetics group programme two years ago to lose weight due to a spinal condition. The 73-year-old grandmother from Ruislip said: "I'm less than five foot two tall and at that time I weighed 105 kilos (16.5 stones).

"Originally I thought that I would have to have bariatric surgery, as I had not been successful over many years at losing weight through dieting. However, the operation I would have needed sounded so horrible to me that I felt I could not go through with it. Then I felt that it was even more important to lose the weight to save my spine."

Judith came to an appointment with dietitian Helen Davies, who works as part of a metabolic and bariatric team at Central Middlesex Hospital, and started a six-week group dietetics programme which encourages participants to be more conscious about their eating. Judith said: "Helen's course was so helpful. Every time I was reaching for food, I thought: "What would Helen think of this?"

"So many other times on diets I was told, 'You should be doing this,' or, 'You should not be eating that'. This was not like that – it was more about being conscious of what you were eating. I found it invaluable."

Specialist Dietitian Helen explained that the Trust's programme encourages a conscious eating philosophy rather than a dieting approach: "In other words, it helps patients think about their relationship with food as well as 'what' they are eating."

It is designed to meet both the needs of patients who are considering bariatric surgery and as an alternative to those who do not want surgery, and is now provided in a community setting. Every year, about 50 patients complete the programme, which is very successful in supporting weight loss, reduction in blood pressure, heart rate and an improved relationship with food.

Judith has now weighed 55 kilos for over five months, and is aiming to lose one more kilo.

"There are problems with losing weight at my age, but it's a small price to pay – when I look after my granddaughters, even just moving around is easier. The difference to my quality of life has been tremendous," she finished.

Our Heart Failure project has been praised by CLAHRC for its sustainability and commissioning for quality (CQUIN) positive outcomes. This model has drawn attention from other NHS organisations which are looking to roll it out for their patients via the Pan London Network for Heart Failure and North West London Heart Failure Forum. The project features in the local Sustainability and Transformation Plan and is supported by the British Heart Foundation.

The 100,000 Genomes Project

Aiming to study 100,000 genomes from patients and their relatives with rare diseases and cancers, the genomes programme has now evolved into a research project, accepted by the Clinical Research Network portfolio in January.

The project has now been embraced by most specialties in the Trust, with more and more patients being referred to our Genetics Department to join. As part of the North Thames consortia we also lead patient recruitment across the whole of England for the project, which is well on the way to meeting its targets.

Enhancing treatment techniques

Our specialist bowel hospital St Mark's has long been extensively involved in research, education and specialist care, leading the way in creating a future free from the fear of the disease. In 2017 the Academic Institute associated with the hospital offered over 30 training courses covering a wide variety of areas including CT colonography reporting, GI nursing, intestinal failure management, colorectal surgical techniques, anal fistula and aspects of inflammatory bowel disease.

Patient Research Forum

Our Patient Research Forum has worked hard to provide support and assistance to researchers. Forum members have participated by helping with the compilation of high quality applications and by providing early advice to researchers seeking grant funding. Researchers are now more proactive about asking advice from patients before submitting their research applications to ethics committees, evidencing genuine patient involvement in the application process.

We have become a UNIVERSITY HOSPITAL TRUST

London North West University Healthcare NHS Trust has been granted membership of the Association of UK University Hospitals (AUKUH). As a member, the Trust can now add the word 'University' to its title.

Chief Executive Dame Jacqueline Docherty said: "Membership of the AUKUH and recognition as a university hospital by our peers formally acknowledges the important role that we play in training clinicians of the future and bringing the benefits of healthcare innovations to the public.

"A strong, positive signal of this kind will help us considerably in our efforts to strengthen relationships with partners, to build trust with the communities we serve and to recognise the impact of our outstanding clinical workforce within London, nationally and beyond."

To become a member of the AUKUH, the Trust had to demonstrate strong involvement in research and a commitment to undergraduate teaching. London North West University Healthcare works in partnership with Imperial College London to promote discovery and adoption of emerging innovations and best practice in healthcare.

NHS
London North West University Healthcare
NHS Trust

#WeAreLNWH **TEACHING, LEARNING, CARING, RESEARCHING AND INNOVATING**

Creating the right environment 9

We know that the quality of environment we provide impacts on both our patients' and staff's experience of the Trust. Home to a diverse and ageing estate, our continuing challenge is to ensure that the physical environment and support services match the high standards of patient care we expect from our teams.

One of the ways we monitor quality is through annual patient-led assessments of the care environment called PLACE, with PLACE teams comprising fifty per cent patient representation. Between February and June, PLACE teams visit wards and departments unannounced, with their feedback on a range of non-clinical services feeding into an annual scorecard.

In 2017/18 we saw improvements at our three acute hospital sites – Northwick Park and St Mark's, Central Middlesex and Ealing. At Central Middlesex there were across the board improvements in all scorecard areas covering cleanliness, the quality of food, privacy and dignity provision, the appearance and maintenance of areas, dementia and disability criteria.

We were disappointed to see a poorer performance at Clayponds Hospital and the Willesden Centre for Health and Care. These areas are a special focus in our annual PLACE Improvement Plan 2018.

PLACE Overview of 2017 scores

Site name	Site type	Cleanliness	Food			Privacy, dignity & wellbeing	Condition, appearance & maintenance	Dementia	Disability
			(Overall)	(Organisation)	(Ward)				
National average		**98.4%**	**89.7%**	**88.8%**	**90.2%**	**83.7%**	**94.0%**	**76.7%**	**82.6%**
Northwick Park and St Mark's	Acute/ specialist	*97.97%*	*87.66%*	90.41%	*86.85%*	*69.97%*	95.07%	*74.43%*	*75.45%*
Central Middlesex Hospital	Acute/ specialist	98.41%	91.17%	90.41%	91.51%	*74.79%*	94.38%	*72.55%*	*69.12%*
Ealing Hospital	Acute/ specialist	*96.79%*	94.40%	94.46%	94.58%	*65.21%*	*91.22%*	*59.07%*	*64.05%*
Willesden Centre for Health and Care	Acute/ specialist	98.86%	*86.34%*	*79.50%*	90.93%	*74.73%*	*92.57%*	*75.79%*	*74.76%*
Clayponds Hospital	Community	*88.49%*	90.59%	94.14%	*87.88%*	84.39%	*89.01%*	80.83%	85.72%

Key

More than 5% fall in score from previous year

Less than 5% fall in score from previous year

Improved score on previous year

Italics Below national average

Year one of new facilities management contract

2017/18 was the first full year of Medirest's new facilities management service to the Trust. Specific PLACE responsibilities and key performance indicators are included in the five-year contract which is now being delivered by around 600 staff.

New ways of working in cleaning – including supervisors with responsibility for designated areas working collaboratively with matrons, ward managers and service heads – have contributed to steady improvement in this area.

Patient catering services are also provided by Medirest and it was disappointing to see a fall in PLACE scores at Northwick Park and St Mark's Hospital. The cause has been identified as non-conformance with protected mealtimes on wards and in response a Task and Finish Group, led by the Chief Nurse, has initiated a structured development plan.

Amongst other improvements, the plan has resulted in the standardisation of nutritional screening tools and food charts, new monitoring initiatives such as 'Weigh-in Weekends', an annual Nutrition and Hydration Study Day and more peer and external reviews of patient nutrition and hydration.

Non-emergency patient transport services

Our five-year contract with Private Ambulance Service (PAS) to provide Non-Emergency Patient Transport Services (NEPTS) came to an end in September 2017 when the organisation ceased trading. This situation had an impact on a number of organisations including the Royal Brompton and Harefield NHS Trust and NHS trusts in Bedfordshire and Hertfordshire.

In order to minimise disruption to patients we implemented a business continuity plan and contracted new provider Bears ATL Healthcare LLP (BAH). BAH were already providing some top-up services in response to a growing number of complaints about PAS, and moved swiftly to implement a number of improvements. These include the introduction of a Team Leader on each acute site to provide better liaison between the control centre, crews, the discharge lounges, wards and departments; a new 'call-ahead' service to patients; journey delay notifications; a 24/7 telephone helpline; geographical knowledge training for control, and user surveys.

The Trust is currently carrying out a re-procurement exercise for a new service provider in close collaboration with patient representatives and clinical commissioning group (CCG) colleagues.

Sustainability

As for all tax payer funded organisations we have an obligation to work in a way that has a positive effect on the communities we serve, both by spending public money wisely and by using natural resources smartly. Demonstrating that we consider the social and environmental impacts of our actions guides our efforts to contribute to a healthier local environment and helps us meet legal requirements in the Public Services (Social Value) Act (2012).

Part of this duty is contributing towards the health and social care system's 2014 target to reduce the carbon footprint by 34 per cent from a 1990 baseline figure. Using technologies such as combined heat & power (CHP), as well as photovoltaic solar panels, we are working towards these reductions along with continuing to invest in more energy-efficient technology Trust-wide.

Further sustainability progress included an extra push on recycling with new facilities and an information campaign encouraging everyone using our sites to do their bit. Our new waste management supplier Grundon Waste Management Ltd has supported these efforts which are leading to improvements in recycling rates and meeting waste management targets.

To contribute towards addressing London's air quality challenge we have also promoted greener travel, with advice to all our users on greener travel alternatives. Northwick Park's EU Emissions Trading Scheme (EU ETS) report has been submitted, once again showing compliance.

Climate change brings new challenges, both in relation to patient health and negative impacts on our estate. Examples of recent years – the effects of heat waves, extreme temperatures, prolonged periods of cold, floods and droughts – have led the organisation to developing a Trust Board-approved plan to manage the associated risks.

Fire and health and safety

The Trust operates within a diverse estate and we recognise the fire safety challenges that this can present.

We were one of the first London NHS trusts to enter into a Memorandum of Understanding (MoU)

agreement with the London Fire and Emergency Planning Authority – a scheme designed to promote inter-agency cooperation and partnership working to monitor and enhance fire safety throughout the capital's hospitals. This guides our ongoing fire safety agenda, both in terms of the physical precautions we take across sites and the way we monitor and manage risk. Our progress is shared with London Fire Brigade fire safety inspecting officers in regular site meetings, and last year included ongoing refurbishments within the wards of Northwick Park Hospital and the upgrade of fire alarm and fire containment systems within air handling systems at Ealing Hospital.

The Trust is dedicated and committed to keeping people safe and healthy at work and this is reinforced by our membership of the British Safety Council.

Our response to Grenfell

Following the Grenfell Tower tragedy, NHS Improvement required all hospital trusts to make an immediate high-level review of fire safety provision within their estates.

Trusts were required to report back on any significant risks pertaining particularly to higher-rise buildings that may have combustible elements on or within their elevations, and to then request supporting reviews from the inspecting or testing authority where applicable.

We participated fully in this process, in full liaison with the London Fire Brigade, and were able to confirm that there were no significant risks arising due to the elements of structure of our buildings that required either remediation works or warranted further testing for performance.

Following final publication of Dame Judith Hackitt's inquiry into fire safety and building regulations, the Trust has again reviewed its fire safety measures in accordance with the fifty recommendations made in the report, and will actively monitor any further changes to regulation as the wider implications to design standards and the approvals process take effect.

VISITING TIMES EXTENDED

In response to patient feedback we extended visiting times across all inpatient wards at the Trust.

Friends and family are now able to visit patients from **11am to 9pm at Northwick Park, Ealing and Central Middlesex hospitals**. Visiting times on most wards were previously restricted to separate afternoon and evening sessions.

Visiting times for specialist wards, such as maternity, neonatal, critical care and children's wards, will remain the same. Community hospitals, including Clayponds and Willesden Rehabilitation Unit, as well as the Denham Unit at Central Middlesex Hospital also remain unchanged (11am-8pm).

Chief Nurse Amanda Pye said: "We know that being in hospital can be a stressful experience for our patients and their loved ones. For most patients having their family and friends visit them while in hospital is the highlight of their day and can enhance their recovery.

"Visitors also tell us that by extending our visiting times and being more flexible it makes visiting much easier to fit around their work and other commitments."

> For more information about visiting times, please visit www.lnwh.nhs.uk/patients-visitors/visitors/visiting-times/

THE ACCOUNTABILITY REPORT

#WeAreLNWH

TEACHING, LEARNING, CARING, RESEARCHING AND INNOVATING

The directors' report

10

Our Board

Peter Worthington
Chairman

Dame Jacqueline Docherty
Chief Executive

Executive directors

Dr Martin Kuper
Medical Director

Amanda Pye
Chief Nurse

Arshiya Khan
Chief Operating Officer

Jon Bell
Chief Financial Officer

Claire Gore*
Director of Human Resources

Gary Munn*
Acting Director of Estates and Facilities

Simon Crawford
Director of Strategy and Deputy Chief Executive

Sandra Adams*
Director of Corporate Affairs

Non-executive directors

Ruwan Weerasekera

Professor David Taube

Andrew Farrell

Dr Vineta Bhalla

Janet Rubin

Andrew van Doorn

Nadia Bukhari*

* Non-voting members

Dr Martin Kuper replaced Dr Charles Cayley on 9 April 2018
Ms Arshiya Khan replaced Mr Lee Martin from 13 November 2017

Mr Gary Munn replaced Mr Nigel Myhill on 26 March 2018
Mr Peter Commins stepped down as Non-Executive Director and Chair of the Audit Committee on 31 March 2018

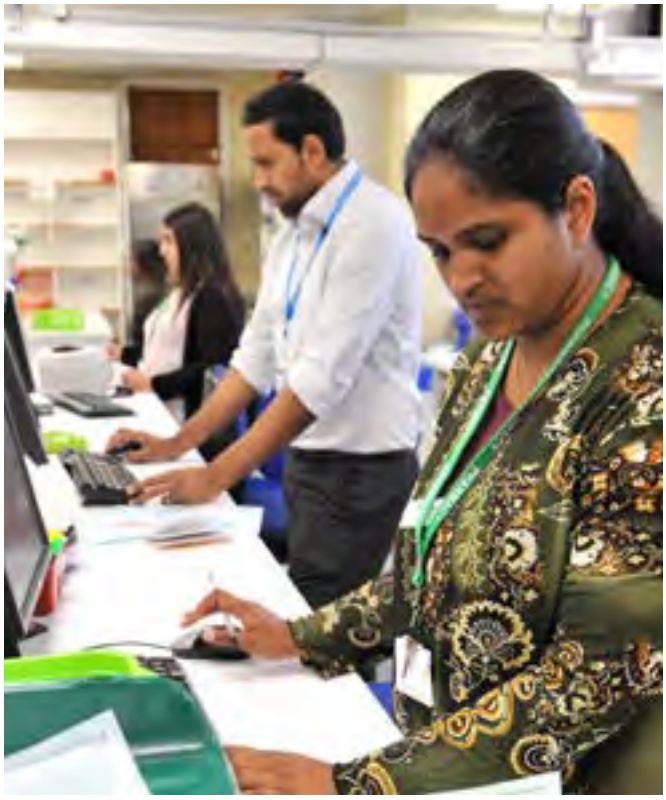
Each of the directors know of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and have taken all the steps that they ought to have taken to make themselves aware of any such information and to establish that the auditors are aware of it.

Declarations of interest

Trust Board members are required to declare any interests. The register is available on the Trust's website (www.lnwh.nhs.uk).

Personal data related incidents

This is described in more detail in the Annual Governance Statement (see page 58).



Statement of directors' responsibilities in respect of the accounts

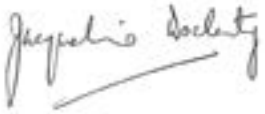
The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, recognised gains and losses, and cash flows for the year. In preparing those accounts, the directors are required to:

* apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
* make judgements and estimates which are reasonable and prudent;
* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board



Dame Jacqueline Docherty, Chief Executive

29 May 2018

Jon Bell, Chief Finance Officer

29 May 2018

Remuneration report 11

Appointments and Remuneration Committee

This Committee oversees the process of appointment, remuneration, suspension, termination and succession planning for all executive directors and any other senior management personnel that report directly to the Chief Executive as delegated by the Board. The committee also considers the recommendations for awards under the Clinical Excellence Awards Scheme to the Advisory Committee on Clinical Excellence Awards.

The Committee met six times during the year and is chaired by a non-executive director with two other non-executive directors as members of the committee. Membership of this committee is made up exclusively of non-executive directors and executive directors, have no involvement in determining their own remuneration.

Senior managers' remuneration policy

The purpose of the pay policy is to:

* support the recruitment, retention and motivation of talented and high performing leaders
* secure value for money for the Trust and its stakeholders.

The remuneration package will normally consist of salary and pension contribution. There will be no other element unless specifically approved by the Remuneration Committee. The Committee will set and review the level of salary to ensure it is competitive and fair for the role, taking account of:

* information about the market rate for jobs of similar type in NHS trusts of broadly comparable size and challenge
* evidence of recruitment difficulty and retention risk
* assessment of the contribution and track record of the individual.

This salary setting and review will be informed by market data from the NHS (and other sources where relevant), and every third year by independent external advice.

The Committee will seek advice and recommendations from the Chief Executive on the salary of directors and other Very Senior Managers (VSMs). The Chief Executive will have no role in setting her/his own salary.

There is no standard provision for performance related pay. However, the Committee reserves the right to award bonus payments for exceptional achievement.

There will also be regular and annual reviews of performance against plans and agreed objectives. In the case of directors, these will be conducted by the Chief Executive, informed by discussion with the Committee. In the case of the Chief Executive, the reviews will be led by the Chair of the Trust, informed by discussion with the Committee and other stakeholders. For VSMs, these will be held by the appropriate Executive Director.

Remuneration report for year ended 31 March 2018

			A	B	C	D	E	F
			Salary	Expense payments (taxable)*	Performance pay and bonuses	Long-term performance pay and bonuses	All pension related benefits	TOTAL
			(bands of £5000)	(nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
			£000	£00	£000	£000	£000	£000
Executive directors								
Docherty	**Jacqueline**	Chief Executive	230 - 235	0	0	0	0	230 - 235
Martin	**Lee**	Chief Operating Officer (from 01/11/15 - 10/11/17)	85 - 90	0	0	0	57.5 - 60	140 - 145
Khan	**Arshiya**	Chief Operating Officer (from 13/11/17)	45 - 50	0	0	0	0	45 - 50
Pye	**Amanda**	Chief Nurse (from 01/09/15)	150 - 155	0	0	0	57.5 - 60	205 - 210
Cayley	**Charles**	Medical Director	210 - 215	0	0	0	0	210 - 215
Bell	**Jonathan**	Chief Financial Officer (from 5/10/15)	175 - 180	3	0	0	0	175 - 180
Myhill	**Nigel**	Director of Estates and Facilities (from 25/04/15)	120 - 125	0	0	0	52.5 - 55	170 - 175
Gore	**Claire**	Director of Human Resources (from 01/03/16)	125 - 130	3	0	0	47.5 - 50	175 - 180
Crawford	**Simon**	Chief Financial Officer (to 04/10/15); Director of Strategy (from 05/10/15)	180 - 185	0	0	0	35 - 37.5	215 - 220
Non-executive directors								
Worthington	**Peter**	Chairman	20 - 25	2	0	0	0	20 - 25
Rubin	**Janet**	Non-Executive Director (from 15/02/16)	5 - 10	0	0	0	0	5 - 10
Farrell	**Andrew**	Non-Executive Director	5 - 10	0	0	0	0	5 - 10
Van Doorn	**Andrew**	Non-Executive Director (from 01/03/16)	5 - 10	0	0	0	0	5 - 10
Bhalla	**Vinetta**	Non-Executive Director (from 22/02/16)	5 - 10	0	0	0	0	5 - 10
Weerasekera	**Ruwan**	Non-Executive Director	5 - 10	0	0	0	0	5 - 10
Commins	**Peter**	Non-Executive Director (from 01/04/17 - 31/03/18)	5 - 10	0	0	0	0	5 - 10
West	**Martin**	Non-Executive Director (left 31/03/17)	0 - 5	2	0	0	0	0 - 5

Pensions

		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 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension	Total pension entitlement at 31 March 2018
		(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000	(bands of £5000) £000
Executive Director										
Jacqueline Docherty	Chief Executive (from 01/04/2015)	0	0	0	0	0	0	0	0	0
Lee Martin	Chief Operating Officer (from 02/11/15 - 10/11/17)	0-2.5	0-2.5	15-20	10-15	244	198	44	12	20-30
Arshiya Khan	Chief Operating Officer (from 13/11/17)	5-7.5	15-17.5	15-20	40-45	280	0	0	7	60-65
Amanda Pye	Chief Nurse (from 01/09/15)	2.5-5	0-2.5	35-40	80-85	482	420	63	20	115-120
Charles Cayley	Medical Director (13/08/2015)	0	0	0	0	0	0	0	0	0
Jonathan Bell	Chief Financial Officer (from 5/10/15)	0	0	0	0	0	397	0	0	0
Nigel Myhill	Director of Estates and Facilities (from 07/09/15)	0-2.5	5-7.5	40-45	130-135	930	856	66	17	175-180
Claire Gore	Director of Human Resources (from 01/03/16)	0-2.5	0-2.5	5-10	0-5	66	37	29	18	5-10
Simon Crawford	Chief Financial Officer (to 04/10/15) Director of Strategy (from 12/10/15)	0-2.5	2.5-5	75-80	225-230	1,577	1,490	72	11	300-305

Non-executive directors are not members of the NHS pension scheme as part of their role at London North West University Healthcare NHS Trust.

Notes

No lump sum will be shown for senior managers who only have membership in the 2015 scheme or 2008 Section - J Docherty & C Cayley both opted out of pension scheme prior to 2016/17. J Bell also opted out of the scheme just before 2017/18.

No CETV is available for J Docherty and C Cayley as they are over 60.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions.

No CETV is available for A Khan for 2017 therefore real increase in CETV is not available.

Staff report

12

Staff costs

	Permanent £000	Other £000	2017/18 Total £000	2016/17 Total £000
Salaries and wages	352,741	-	**352,741**	349,943
Social security costs	42,831	-	**42,831**	37,569
Apprenticeship levy	1,777	-	**1,777**	-
Employer's contributions to NHS pensions	41,515	-	**41,515**	38,738
Pension cost - other	15	-	**15**	12
Other post-employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	534	-	**534**	393
Temporary staff	-	24,223	**24,223**	34,086
Total gross staff costs	**439,413**	**24,223**	**463,636**	**460,741**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	439,413	24,223	**463,636**	460,741
Of which -				
Costs capitalised as part of assets	2,283	-	**2,283**	2,308

Average number of employees

	Permanent number	Other number	2017/18 Total number	2016/17 Total number
Medical and dental	1,206	114	**1,320**	1,300
Ambulance staff	-	-	**-**	-
Administration and estates	1,460	272	**1,732**	1,869
Healthcare assistants and other support staff	1,323	267	**1,590**	1,547
Nursing, midwifery and health visiting staff	2,600	541	**3,141**	3,201
Nursing, midwifery and health visiting learners	45	-	**45**	46
Scientific, therapeutic and technical staff	877	85	**962**	956
Healthcare science staff	169	2	**171**	158
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**7,680**	**1,281**	**8,961**	**9,077**
Of which:				
Number of employees (WTE) engaged on capital projects	17	25	**42**	38

Fair pay disclosure

	2017/18
Band of highest paid director remuneration (£'000)	230-235
Median total	31,204.45
Ratio	7.44
Reporting bodies are required to disclose the relationship between the salary of the most highly-paid individual in their organisation and the median earnings of the organisation's workforce.	
The banded remuneration (£'000) of the highest paid director in the Trust in the financial year 2017/18 was 230-235 (230-235 2016/17). This was 7.44 (7.43 2016/17) times the median salary of the workforce, which was £31,204.45 (30,950.59 2016/17).	
In 2017/18 no employee received remuneration in excess of the highest paid director.	
Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the CETV of pensions.	

Exit packages

Exit packages 2017/18	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages**
	Number	**Number**	**Number**
Exit package cost band (including any special payment element)			
£50,001 - £100,000	4	-	4
Total number of exit packages by type	4	-	4
Total resource cost (£)	287,000	-	287,000

Reporting of compensation schemes - exit packages 2016/17	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages**
	Number	**Number**	**Number**
Exit package cost band (including any special payment element)			
<£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	2	-	2
Total number of exit packages by type	5	-	5
Total resource cost (£)	450,644	-	450,644

Expenditure on consultancy

In 2017/18 the Trust incurred £1.936m (2016/17 £1.896m) of consultancy costs which included support for delivering the cost improvement programme, operational performance and a number of smaller projects across the Trust.

Off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months

	Number
Number of existing engagements as of 31 March 2018	3
Of which the number that have existed for less than one year at the time of reporting	3

Staff sickness absence

	2017/18	2016/17
Total days lost	58,679	62,700
Total staff years	7,849	7,973
Average working days lost	**7**	**8**

Workforce data

The Trust analysed gender and pay data for its workforce on 31 December 2017 (the snapshot date), when its employees consisted of 6,649 women and 2,100 men. The data indicates that the gender split of the organisation was 76 per cent female and 24 per cent male. The figures show that the Trust has a mean gender pay gap of 6.6 per cent and a median gender pay gap of 4 per cent.

Staff policies

Staff policies for Equal Opportunities and Sickness Absence are in place and have been applied during the financial year:

* for giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities
* for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company
* otherwise for the training, career development and promotion of disabled persons employed by the company.

Annual Governance Statement

13

As Chief Executive and Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the London North West University Healthcare NHS Trust's (LNWUHT) 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 Trust is administered prudently and economically and that resources are applied efficiently and effectively and acknowledge my responsibilities as set out in the NHS Trust Accountable 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 LNWUHT, 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 LNWUHT for the year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

Leadership arrangements for risk management are clearly documented in the Risk Management Strategy, and further supported by the Trust's objectives and individual job descriptions. Leadership starts with the Chief Executive having overall responsibility, with delegation to named executive directors and clinical and divisional directors. The leadership is further embedded by ownership at a local level by managers taking responsibility for risk identification, assessment and analysis. In addition, the risk management system provides a holistic approach to risk, and terms

of reference clearly outline the responsibilities of the overarching committee (Integrated Governance Committee) for risk management and other supporting risk committees and groups including the Corporate Quality and Risk Committee, Clinical Quality and Risk Committee and Clinical Excellence Committee.

All new members of staff are required to attend a mandatory induction that covers key elements of risk management. This is further supplemented by local induction. The organisation provides mandatory and statutory training that all staff must attend, and in addition to this, specific training appropriate to individuals' responsibilities as detailed within the Risk Management Strategy, is also provided. All training courses are available to all staff, and managers are encouraged to support further risk management training for all. There are many ways that the organisation seeks to learn from good practice and this includes incident reporting procedures, complaints and proactive risk assessment. This information is shared across the organisation via training, themed learning sessions, revision to guidance and policy, the intranet, Trust and directorate reports and Team Briefing.

I am accountable to the Chairman of LNWUHT for my performance and to NHS Improvement (NHSI) for the performance of the Trust. I lead the Trust's Executive Team in developing positive relationships with stakeholder partners including clinical commissioning groups, local authorities, other partner organisations across Brent, Ealing and Harrow and other North West London boroughs to provide high quality patient care within the resources available.

As Chief Executive I have overall responsibility for ensuring effective risk management arrangements are in place. I have used the Board Assurance Framework (BAF), Risk Register, internal audit, the Local Counter Fraud Service (LCFS) and external audit to ensure proper arrangements are in place for the discharge of statutory functions, as well as to detect and to act upon any irregularities found and to ensure that the Trust is able to discharge its statutory functions in a legally compliant manner.

As Chief Executive I have delegated key responsibilities to other executive directors as shown in Table 1. All executive directors report to me and the Executive Team is held to account for its performance through regular meetings with me and individual annual performance reviews.

Table 1: Accountable roles

Role	Executive lead	Non-executive director lead
Accountable Officer	Jacqueline Docherty	
Allegations against professionals	Claire Gore	
Caldicott Guardian	Dr Charles Cayley *	
Controlled drugs	Dr Charles Cayley *	
Counter fraud	Jon Bell	Peter Commins
CQC	Amanda Pye	
Doctors in difficulty	Dr Charles Cayley *	Professor David Taube
Emergency planning	Lee Martin*** Arshiya Khan***	
End of life	Dr Charles Cayley *	Professor David Taube
Equality and diversity	Amanda Pye: Patients Claire Gore: Staff	
Fire safety	Nigel Myhill**	
Guardian for safe working	Dr Charles Cayley *	Dr Vineta Bhalla
Health and safety	Nigel Myhill**	Andrew Farrell
Infection prevention and control	Jacqueline Docherty	
Learning from avoidable/preventable deaths	Dr Charles Cayley *	Professor David Taube
Patient safety	Dr Charles Cayley *	Professor David Taube
Responsible Officer	Dr Charles Cayley *	
Safeguarding adults	Amanda Pye	Peter Worthington
Safeguarding children	Amanda Pye	Peter Worthington
Security	Nigel Myhill **	
Senior Information Risk Owner	Simon Crawford	
Whistleblowing/freedom to speak up	Claire Gore	Janet Rubin

*Dr Martin Kuper from 9 April 2018
**Gary Munn, interim Director of Estates and Facilities from 26 March 2018
***Lee Martin to 10 November 2017 and Arshiya Khan from 13 November 2017.

The Trust has worked closely with NHSI, which is responsible for overseeing the performance management, clinical quality and governance of NHS trusts. Performance against the national priorities set out in the Single Oversight Framework for NHS Providers is discussed at the monthly provider oversight meetings held between the Trust and NHSI covering the themes of quality of care; finance and use of resources; operational performance; strategic change; and leadership and improvement quality. Throughout the year, feedback from NHSI has remained positive with agreed actions which have been completed.

The Trust is a partner organisation within the North West London Sustainability and Transformation Plan and is working with others within health and social care to implement key elements of the acute and out of hospital health and social care strategy set out in Shaping a Healthier Future and subsequently reflected in the NWL Sustainability and Transformation Plan. At a more local level the Trust directly participates in the Brent, Ealing and Harrow health and wellbeing boards, health scrutiny committees, safeguarding committees, strategic estates groups and a range of other forums for service planning, performance and contracting.

The Trust is an active member of Imperial Health College Partners (ICHP), supporting sector-wide initiatives and working with ICHP on more specific local projects, such as the Harrow Integrated Care System and a review of the Trust's specialist services.

The Trust is part of The Royal Marsden Partners (RMP) cancer vanguard for NWL and South West London (SWL) which has supported a range of collaborative initiatives across partners to improve cancer services including sharing best practice, piloting initiatives and developing new models of care.

The NHS has a key role in responding to large scale emergencies and major incidents, and throughout the year the Emergency Planning Team has worked to ensure that the Trust is adequately prepared for any such events. We have in place plans that are fully compliant with the requirements of the NHS England Emergency Planning Resilience and Response Framework 2015 and associated guidance.

During 2017/18 we worked with our partner agencies across all three London boroughs (Harrow, Brent and Ealing) to plan for and ensure appropriate management of all types of significant and major incidents. During the year, the Trust participated in and delivered a number of multi-agency major incident exercises, and we have made progress with emergency preparedness, including business continuity arrangements.

The Trust achieved university hospital trust status in December 2017.

1. The governance framework of the Trust

Trust Board committee structure

The Trust has robust governance reporting which is managed through the Board's assurance and accountability committee structure (Appendix 1).

The Board committees are chaired by nominated non-executive directors. The approved minutes of these committees along with chairs' summaries are included in Board papers which are published on the Trust's website, apart from reports and minutes containing confidential information. The executive committees (third tier) are chaired by nominated executive directors who ensure they receive the appropriate reports from the reporting groups to comply with the Terms of Reference of the committee and then report upwards to provide assurance to the Board committees. All committees have a programme of work for the year in the form of a forward planner and each maintains an action schedule that tracks the flow of work from one meeting to the next.

Reporting has improved over the year, with the aim of providing key reports and assurance to the Board on the performance of a range of areas. The range of mechanisms available to provide assurance that systems are robust and effective include utilising internal and external audit reports, peer review assessments, management reporting, clinical audit, and the BAF.

Coverage of Board and Board committee work

The Trust Board

The Trust Board met eight times in the year. There were no meetings held in April, August and December 2017 and in February 2018. The Board comprises the Chairman, seven non-executive directors, the Chief Executive and seven executive directors, two of whom are non-voting. An associate non-executive director joined the Board in January 2018 on secondment through the NExT Director Scheme for NHSI.

Peter Commins joined the Trust as a non-executive director, commencing with the Trust on 1 April 2017 and stepped down from the role for personal reasons on 31 March 2018.

The Trust appointed a substantive Chief Operating Officer, Ms Arshiya Khan, with effect from November 2017. Dr Charles Cayley stepped down from the role of Medical Director on 6 April 2018 to return to consultant clinical duties and Dr Martin Kuper joined the Trust on 9 April 2018 as Medical Director. Dr Anne Mottram was appointed as Transformation Director and joined the Trust in February 2018.

Non-executive directors of NHS trusts are appointed by NHSI. They are not employees of the Trust but receive remuneration for the role at nationally agreed rates. Executive directors are employees of the Trust. Details of directors' remuneration are set out in the Remuneration Report which is included in the Annual Report.

The Board meets routinely in public and also in private session. The Board of Directors meets to consider strategic, operational, and quality matters and to receive assurance on delivery of the strategic and operational objectives and the management of any risks associated with this.

The Trust commissioned an external Well-led Governance Review in February 2018 and the Board received a presentation on the outcome and recommendations at a Board Workshop in April 2018. The actions to address these recommendations will be incorporated into the Board development programme for 2018/19 and beyond.

During the year the Board held a number of development workshops aimed at improving the Board's understanding of a number of key strategy and governance areas, including:

* IT and digital strategy
* winter planning
* estates strategy and configuration of services across Trust acute sites
* St Mark's
* clinical trials facility
* Shaping a Healthier Future
* commercial contracts
* emergency department delivery plan
* liability of directors
* well-led governance review self-assessment
* committee scheduling and the assurance path to the Board.

The formal committees of the Board are as follows and an overview of their work programmes for the year is set out below:

* Appointments and Remuneration Committee
* Audit Committee
* Charitable Funds Management Committee
* Clinical Excellence Committee
* Integrated Governance Committee
* Finance and Performance Committee
* Patient and Staff Committee
* Strategy Committee

Appointments and Remuneration Committee

This committee oversees the process of appointment, remuneration, suspension, termination and succession planning for all executive directors and any other senior management personnel that report directly to the Chief Executive as delegated by the Board. The Committee also considers the recommendations for awards under the Clinical Excellence Awards Scheme to the Advisory Committee on Clinical Excellence Awards.

The Committee met six times during the year and is chaired by a non-executive director with two other non-executive directors as members of the committee. Membership of this committee is made up exclusively of non-executive directors, and executive directors have no involvement in determining their own remuneration.

Audit Committee

The Audit Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the clinical and non-clinical activities that support the achievement of the organisation's objectives. The Committee primarily utilises the work of the internal and external auditors and other assurance functions. It seeks reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control together with indicators of their effectiveness, including the Quality Account.

The Committee has effective relationships with other committees as part of its integrated approach. The Committee monitors the integrity of the financial statements before submission to the Board. The Committee receives regular reports on the work and findings of the internal and external auditors (including considering the appointment and performance of the external auditors, making recommendations to the Board when appropriate) and LCFS.

The Committee met six times during the year. Membership of the Committee comprises three non-executive directors, one of whom acts as the Chair of the Committee, and with at least one member having recent, relevant financial experience. The lead executive director for this committee is the Chief Financial Officer.

Charitable Funds Management Committee

The Trust Board acts as Trustee to the London North West University Healthcare Charitable Fund and has established a Charitable Fund Management Committee with delegated authority to manage the charitable funds on its behalf. The Committee provides oversight, scrutiny and challenge to all aspects of the activities of the fund associated with the Trust and encourages cooperation and optimisation of the use and application of resources wherever practical. The Committee ensures that charitable funds are managed and invested properly in accordance with the Charities Act and with the LNWUHT Standing Financial Instructions (SFIs).

The Committee met three times during the year. It and is chaired by a non-executive director and its membership comprises two other non-executive directors. The lead executive director for this committee is the Chief Financial Officer.

Clinical Excellence Committee

The primary purpose of the Committee is to support the Board in the objective scrutiny and challenge of all aspects of clinical safety, quality and effective performance and patient experience. It provides assurance that the Trust is delivering safe, effective and high quality care. The Committee makes recommendations to clinical teams for formal review/audit where concerns or issues have been identified and makes recommendations to the Audit Committee of areas the committee would like to be reviewed.

The Committee met eight times during the year. It is chaired by a non-executive director and the membership includes two other non-executives. The Chief Nurse and the Medical Director are the lead executive directors for this committee.

Integrated Governance Committee

This committee has an oversight role for the improvement in quality and safety through learning from events, and monitors governance within the Trust, acting on behalf of the Trust Board to make recommendations as a result of the treatment, management and mitigation of risks. It focuses on quality and risk issues including clinical and non-clinical issues and risks, to ensure that appropriate governance structures, systems and processes are in place across the Trust. The committee ensures the implementation of integrated risk management Trust-wide and considers the Trust Risk Register and BAF. This committee works in collaboration with the Audit Committee.

The Committee met six times during the year and is chaired by a non-executive director and the membership includes two other non-executive directors. The Committee Chair and the Chief Nurse liaise on agenda planning, and the Chief Financial Officer and the Chief Operating Officer are currently the lead executive directors for this committee.

Finance and Performance Committee

This committee oversees and evaluates the development of the Trust's financial and performance strategy to deliver the service objectives as set out in the Annual Plan, and to ensure delivery of financial and performance targets through a comprehensive financial and performance management control framework.

The Committee provides assurance to the Trust Board that the financial strategy, financial policies and efficiency plans effectively support the organisational strategy and undertakes, on behalf of the Trust Board, objective scrutiny of the Trust's annual financial plans, long-term financial strategy, investment policy, estates strategy and major investment decisions, including those relating to the Trust's estate and IT. The committee also gives consideration to the workforce implications of its financial plans. The committee scrutinises the development of the Trust's contractual regime including contract portfolios and contracting processes.

The committee met 10 times during the year and is chaired by a non-executive director with two further non-executive directors as members. The lead executive directors for this committee are the Chief Financial Officer and the Chief Operating Officer.

Patient and Staff Committee

The Committee's purpose is to ensure that there is a culture of continuous, positive improvement and engagement with patients/users through initiatives including positive engagement with staff and external stakeholders to make a difference to patients/users' experience in receiving high quality care. The Committee ensures the Trust has a robust approach to the recruitment and retention of staff and that the Trust continues to fulfil requirements as determined by the Care Quality Commission and other regulators. The Committee provides oversight, challenge and scrutiny regarding activity relating to equality, diversity, complaints and workforce.

The Committee met seven times during the year and is chaired by a non-executive director and the membership includes two other non-executive directors. The Chief Nurse and Director of Human Resources and Organisational Development are the lead executive directors for this committee.

Strategy Committee

This committee oversees the development of the organisational strategy and supporting strategies, and their periodic review, to ensure they remain aligned to the priorities of the Trust. The Committee provides strategic direction, scrutiny and challenge around strategy development and implementation, including clinical, financial, workforce, estate and IT strategy development. The Committee also raises awareness of issues of strategic importance and encourages engagement in strategy development through facilitating seminars and inviting external subject matter experts to talk to the Trust.

The Committee met four times during the year and is chaired by a non-executive director. The membership includes two other non-executive directors. The lead executive director for this committee is the Director of Strategy/Deputy Chief Executive.

Board and Board Committee membership and attendance

All Board and Board committee meetings have been quorate during 2017/18. Attendance at Trust Board meetings and Board Committee meetings for the period 1 April 2017 to 31 March 2018 is recorded in Appendix 2.

Board and Board Committee effectiveness reviews

All Board Committee terms of reference are currently under review as part of the annual effectiveness review of each Board committee and this process will be completed in June 2018 with a final report to the Trust Board. This process will be informed by the outcome of the external Well-Led Governance Review which is due to report in late April.

Following the Board and Committee effectiveness review undertaken in 2016/17, the Director of Corporate Affairs undertook a desk top review of the Board and Committee governance and this focussed initially on the frequency of meetings. A key outcome from this process was to change the frequency and scheduling of Board and Board committee meetings and to extend this to the reporting committees chaired by executive directors. The aim has been to improve the flow and timeliness of reporting into and out from the Board and its committees. The new schedule was implemented from October 2017 and the impact of this will be assessed through the annual effectiveness reviews that are currently underway. The outcome of the external Well-Led Governance Review will also provide evidence of the impact of this change, and the current Board committee structure will be fully reviewed and any changes implemented during the third quarter of 2018/19. Work is ongoing with regard to managing any overlap between committees.

Highlights of the Audit Committee Annual Report

The highlights of the Audit Committee 2017/18 annual report are described below.

The Audit Committee provides the Trust Board with independent and objective assurance that adequate audit, internal control and assurance, risk management and corporate governance arrangements are in place and working effectively across the clinical and non-clinical activities that support the achievement of the organisation's objectives. It is also responsible for providing assurance on the Trust's Annual Report and Accounts and Quality Account, and the work of internal and external audit and local counter fraud providers and any actions arising from that work. The committee also oversees the work of the Auditor Selection Panel responsible for the appointment of external auditors.

The Committee oversees and seeks assurance that risk management and corporate governance arrangements are effective by undertaking reviews of areas of activity which may expose the Trust to particular risk, and seeks assurance that appropriate management action is being taken.

The Committee reviewed the operation and management of key risks and as such reviewed the BAF and the adequacy of the assurances given at every meeting, except the May meeting which was specifically in relation to the Annual Accounts.

The Committee also reviewed the detailed Corporate Risk Register in June 2017, with summary reports going to every committee meeting thereafter. The Trust has two key oversight committees (Clinical Quality & Risk Committee and Corporate Quality & Risk Committee) which report into the Integrated Governance Committee, a committee of the Board.

The preparation of the Annual Governance Statement (AGS) is an important part of the governance process. To ensure that the AGS could be recommended for inclusion in the Annual Report and Accounts, the committee received regular reports on the control framework and the internal assurance processes from management throughout the year.

Through the governance processes outlined above, the committee requested specific reports during the year:

* Compliance with reference cost guidance (June 2017)
* Electrical work HV/LV project (November 2017).

The HV/LV project report was submitted to the Audit Committee subsequent to management review of the project which highlighted areas of controls that required strengthening, and further work has been commissioned from TIAA.

Internal audit services are provided by TIAA and they attended six meetings of the Audit Committee in 2017/18. RSM UK provide the LCFS and attended five meetings; Grant Thornton provide the external audit service and attended six meetings of the Audit Committee in 2017/18. The Audit Committee met in private with the external auditors on one occasion.

2. Board Assurance Framework and Risk Register

The format of the BAF was revised in parallel with the review of the Trust Risk Register and the implementation of a web-based risk management system. Six high-level strategic risks were agreed at the Integrated Governance Committee and these have been used as the basis for the BAF and to provide a framework that aligns each individual risk on the Trust risk register to the BAF. The six strategic risks are mapped against the strategic objectives as follows:

Table 2: Strategic objectives and risks 2017/18

Ref.	Strategic objective	Ref.	Strategic risk
SO1	Improving our focus on quality and safety	SR1	Failure to improve safety and quality
SO2	Improving patient experience, satisfaction and engagement	SR2	Failure to improve patient experience, satisfaction and engagement
SO3	Creating a sustainable workforce that is led and engaged in developing and improving services	SR3	Failure to maintain an effective workforce
SO4	Ensuring financial stability	SR4	Failure to attain financial stability
SO5	Planning for our future	SR5	Failure to secure the long-term future of the organisation
SO6	Continuing the journey to become an excellent integrated care organisation	SR6	Failure to integrate successfully

The key and high-rated risks on the Risk Register have been mapped to each of the strategic risks along with the key controls, sources of assurance and any gaps these present. The BAF is presented to each meeting of the Board held in public, and to each meeting of the Integrated Governance Committee and Audit Committee. It is updated continually to capture evidence of assurance of controls and any gaps in controls or assurance identified at the Board or Board committees. Where these are found, the BAF is also updated to reflect actions taken to address these gaps. The format of the BAF has been under review during the year and, with the outcome of the top risk identification exercise, will be updated for 2018/19.

The Board and Board committees also play a part in the identification of potential new Trust-level risks. This complements the 'bottom-up' process of risk identification that is in place within the clinical divisions and corporate directorates, from which risks are escalated onto the Trust risk register and to inform the BAF. In this way, a dynamic view of strategic risks is maintained that in turn ensures that the BAF reflects all areas on which the Board should be seeking assurance in relation to the six objectives of the Trust. Each Board committee has been asked to consider its top risks and these will be discussed by the Board for final agreement on the top/key risks facing the organisation in the coming year, therefore shaping the BAF and the Board agenda. This will formalise the 'top-down/bottom-up' process in place for identifying, reporting and managing risks within the Trust, and a more developed understanding of individual managers and members of staff of their responsibility with regard to risk management. The divisional management teams have placed great emphasis on the review of their risk registers during 2017/18 and these are now more up to date and relevant than in previous years.

Routine review and discussion of the BAF and Trust risk register is supplemented and enhanced by regular opportunities for the Board to triangulate information arising from other sources of control, including performance management data such as the monthly Integrated Performance Report. Comprehensive data provided by this report on adherence with regulatory targets, quality indicators, financial delivery and workforce metrics is triangulated with other available sources of information and intelligence.

Corporate objectives

The Trust has six overarching corporate objectives for the organisation with detailed sub-objectives for delivery. These six were developed during 2017/18 as part of the Trust's two-year planning and contract agreement, and progress is monitored routinely through the monthly Integrated Performance Report and the BAF.

During the year the Trust agreed and published its clinical strategy and identified a range of initiatives in February 2018 to be implemented to support delivery of the clinical strategy. The Board will continue to refine and improve the effectiveness of the process for setting challenging but deliverable objectives and monitor their delivery.

Performance, quality and finance reports

The Trust Board has exercised its duty to monitor performance through the integrated performance reports that it receives at each monthly meeting and which are scrutinised in detail in the Finance and Performance Committee. These reports are a product of the revised monthly divisional performance meetings chaired by the Chief Operating Officer that review divisional performance against all key national and local targets as well as performance in respect of incident reviews, complaints and expected services changes.

The Quality and Performance Report is derived from NHSI's Single Oversight Framework to ensure compliance with key reporting indicators which are monitored by the Trust Board and governance systems.

The operational performance section of the Integrated Performance Report has continued to develop throughout 2017/18 and provides a summary report against all key national and locally agreed performance targets as well as more detailed analysis against the key care domains of: safety, caring, effective, responsive and well-led.

The finance section of the Integrated Performance Report includes a full monthly review of financial performance, covering income and expenditure against budget, analysis of the pay, non-pay and income position, and performance against the Cost Improvement Programme target, and also reports the balance sheet, working capital and cash position of the Trust. A Transformation Director and team have assisted the Trust in delivering against the challenging financial savings plans, as well as complying with NHSI caps on use of agency and interims at the same time as delivering on the key national performance targets. The delivery of transformation plans and projects in support of these objectives has been reported through both the Finance and Performance Committee and the Strategy Committee.

The Board takes collective responsibility for the operational and financial performance of the organisation and has maintained a strong focus on patient safety, ensuring that clinical safety has not been compromised by the financial pressures facing the organisation. This included applying a range of measures to access and clinical standards, the output of clinical quality and patient experience surveys, the causes of serious incidents, the reasons for complaints, and the effectiveness of our services.

Quality governance

Oversight of quality takes place through the Integrated Governance Committee of the Board and the two reporting executive committees for clinical quality and risk (chaired by the Chief Operating Officer), and corporate quality and risk (chaired by the Chief Financial Officer). The Executive lead for quality and risk within the Trust is the Chief Nurse. Clinical governance and audit leads are in place for each division. These roles have been fundamental in the divisions bringing together the relevant clinical performance data for review by the divisions and validation into the Trust governance processes. This has facilitated learning from clinical audits, complaints, incidents, serious incidents, patient feedback and operational performance.

Clinical Audit

The Trust has structures and processes in place to ensure that external and internal statutory/ mandatory Clinical Audit requirements are met. Each year the Trust agrees a priority audit programme for the forthcoming year, which includes relevant national, record-keeping, and local policy audits as well as NICE guidance. Results of these audits and their accompanying action plans allow the organisation to assure itself that it is following good practice, implementing new guidance effectively and monitoring outcomes.

The Clinical Standards and Effectiveness Group (CSEG) sets the strategic direction for clinical audit within the organisation and is responsible for monitoring the national priority audits. The CSEG reviews and agrees the Trust priority audit programme before it is submitted for approval at the Clinical Cabinet (executive committee).

The divisions have established governance groups, which are responsible for ensuring standards are achieved within their services. The divisional governance groups receive monthly audit reports to enable them to review the progress of their audits. Each division is required to exception report to the Clinical Quality and Risk Group regarding their audit completion rate and any areas of concern.

The Clinical Audit and Effectiveness Annual Report provides detail on all audits undertaken along with improvement actions taken as a result of the audits. The Clinical Audit and Effectiveness Team provides details of the national audits the Trust is eligible to participate in, and the number of cases submitted and this information is included in the annual Quality Account.

The Audit Committee will review the process for oversight of clinical audit to ensure that the committee is able to fulfil its terms of reference on this point.

Mortality

In line with national guidance[1] the Trust reviewed its mortality review and reporting processes and published its Learning from Deaths Policy in September 2017. The Trust now publishes quarterly data on inpatient deaths in line with the policy and to achieve compliance with external requirements. The Learning from Patient Deaths Group meets monthly and reviews the outcome of mortality and structure judgement reviews undertaken by the divisions.

Serious incidents (SI), reporting and lessons learned

The Trust has an established process for reporting incidents using the Datix system and the process is designed to facilitate the identification and escalation of incidents that trigger the SI category. There is an embedded process for the investigation of these incidents leading to the identification of any contributory and root causes, and subsequent actions that are required to mitigate the risk of reoccurrence. Assurance on the identification of causes, risk and learning is provided by the divisional governance groups to the executive and board committees.

The Trust continues to share learning through the publication of monthly serious incident learning forms and the development of the new Learning from Serious Incident web pages. Within these sources all staff have access to serious incident data, serious incident reports containing learning from the detailed investigations, and to committee level reports.

Review of national publications

An established system is in place to monitor all national publications issued through the Central Alert System (CAS). All publications are logged and monitored by the Governance Team to ensure completion of required actions by the prescribed target dates.

There were 103 publications received through CAS for 2017/18 to which the Trust has responded. Of these, 37 required no action, 63 have actions completed and a further three are being reviewed and have not reached the required completion date.

[1] National Quality Board, National Guidance on Learning from Deaths, March 2017

In addition to the 103 publications through CAS, the Trust has also received an additional 18 notifications directly from manufacturer, or distributors. Of these, 12 required no action and six have had actions completed.

Reporting of and compliance with publications through CAS are reported to the Integrated Governance Committee and the Trust Board.

Revisions to the Never Events Policy and Framework have been made by NHSI. These revisions were introduced in response to public consultation and to further support learning from never events. The main changes to the revised policy and framework are:

* to align the Never Events Policy and Framework with the Serious Incident Framework, to achieve consistency across the two documents (a revised Serious Incident Framework will be published later in 2018)
* the removal of the option for commissioners to impose financial sanctions on NHS trusts reporting never events
* revisions to the list of never events, including two additional types of never event.

Trust policy and guidance has been updated to take into account the revisions by NHSI.

Care Quality Commission

The Trust has made significant improvement in many areas in response to the CQC inspection full report published in June 2016. The Trust monitors the progress of the CQC action plan through the appropriate Trust Board committees which meet monthly/bimonthly to ensure due diligence and progression. In addition, the Trust had a regular meeting with the clinical commissioning groups (CCGs) and NHSI to provide information on progress with the action plan, to ensure that all stakeholders are informed and engaged appropriately.

The Trust received a Provider Information Request (PIR) in March 2018 in advance of the next CQC inspection in 2018/19. The PIR was composed of a Universal PIR and acute and community PIR. These were completed and together with the requested documents, uploaded on time through a secure CQC portal. Following submission of the requested PIR, the Trust has responded to all CQC queries and submitted further additional information.

The CQC Insight Report for acute providers was launched in 2017 and the Trust has utilised the information for monitoring performance on CQC key lines of enquiry (KLOE) and in its five domains. Trust data in the CQC Insight Report is now discussed in the Clinical Quality & Risk Committee, including improvement plans from the relevant divisions and services.

In preparation for the upcoming CQC visit, the Trust has developed a plan that is monitored by the Executive Team.

Quality Improvement Plan

The Trust reviewed its Quality Improvement Plan during 2017/18 and continues to monitor progress against the key indicators monthly through the Integrated Quality and Performance Report to the Trust Board. The Quality Improvement Plan priorities have been developed and consulted on both internally and with external stakeholders, including patient representatives, and at a strategic level with commissioners.

The Trust continues to develop a quality and safety monitoring dashboard that is reported monthly to the Clinical Quality and Risk Executive Committee. The dashboard includes metrics and indicators stipulated in the Quality Account improvement priorities, Sign up to Safety pledges and local improvement plans linked to incidents and complaints. Trends and action plans are monitored by this committee which is attended by the divisional heads of nursing, divisional general managers, divisional clinical directors and the Executive Team.

The Trust will continue to participate actively with Imperial College Health Partners and in other initiatives that foster collaboration, innovation, sharing of good practice and standardisation of care pathways. Some of the initiatives introduced so far include usage of digital technology such as mobile apps for matrons' quality audit and ward assessments, the trial of a NEWS2 mobile app in the community and ongoing development of a mobile app with external partners via funding from Innovate UK (NHS Digital) for a safety checklist in surgery and maternity services. Partnership-working remains central to our aim of providing the best possible care and health outcomes for North West London residents.

Quality Account 2017/18

The Quality Account is developed in accordance with relevant national guidance and best practice. Stakeholder workshops were held on different hospital sites to help shape the Quality Account for 2017/18, which is then developed by the Chief Nurse for review both internally and externally and then given final approval by the Trust Board before publication. Data provided is consistent with reporting during the year and the Quality Account is reviewed by the external auditors.

Safer Staffing

The Trust reviewed its nursing and midwifery workforce in 2017/18 using the Safer Nursing Care Tool, Birthrate Plus tool, case load and clinical staff professional judgement. This has informed a review of nursing and midwifery establishments, roles and budgets. Patients' daily acuity and dependency reviews are in place in bedded units, whilst daily caseload review and safety huddles take place in the community district nursing service. The conduct of a daily safety brief or safety huddle in acute and community settings supports the planning of district nursing visits and the allocation of staff in wards to ensure patient safety is not compromised. Through the daily safety brief, staffing levels are assessed, managed and deployed across the bedded units and district nursing service. This ensures flexible working and allows the allocation of staff to the right place at the right time, to meet patient needs and make best use of available resources. A monthly nursing, midwifery and allied health professional (AHP) safer staffing report is presented by the Chief Nurse to the Patient and Staff Committee and to the Trust Board, whereby staffing level are triangulated with quality indicators, patient experience and budget.

Safeguarding

The Trust continued to strengthen its safeguarding processes in 2017/18. A monthly steering group is in place for both adult and children's safeguarding. During the year a quarterly joint adult and safeguarding meeting was introduced. Each service reports to the Trust Board via the monthly Integrated Quality and Performance Report.

The appointment of a Head of Children's Safeguarding has strengthened the service. This appointment has enabled the successful integration of past staffing structures and has resulted in better communication and working relationships. In 2017/18 the team focused on the training and development of Trust staff. The children's safeguarding service has become a more active

member of the three local children's safeguarding boards, with improved attendance at all boards and sub-committees. Involvement in national campaigns has included Children's Sexual Exploitation (CSE) Awareness Week and the promotion of the CSE mnemonic. Additionally the team has pushed a back-to-basics campaign across the Trust to increase the awareness of children's safeguarding. A particular success has been the introduction of a single safeguarding children's referral form across all three local boroughs. The Trust also went live with the Child Protection Information Sharing System (CPIS) in March 2018. This enables key staff to access live child protection and looked after children information when children attend unscheduled care settings.

The Adult Safeguarding Team has continued to raise its profile across the organisation. In 2017/18 an improved focus on training has resulted in over 80 per cent of staff receiving their appropriate level of safeguarding adult training. The service has updated the Trust intranet to include an easy use safeguarding page that provides information on all aspects of adult safeguarding. The database introduced in the previous year continues to develop, and the provision of up-to-date information on safeguarding cases is now widely accessed by Trust staff. In December 2017 the team attended the Ealing Safeguarding Adult annual challenge event, where the service was described by the local authority safeguarding Chair as an exemplar provider. The senior nurse for the team has also taken up a prestigious part-time secondment to NHS England to develop and disseminate information nationwide on Female Genital Mutilation (FGM).

The service continues to work positively across the divisions and contributes to a number of related work streams. Attendance at local boards and sub-committees has remained consistent.

In the year ahead, the safeguarding services plan to improve FGM support provision at the Trust. An enhanced domestic violence training plan is under development and will be rolled out during the summer. The adult and children's safeguarding teams also aim to work more closely, thus creating a wider pool of knowledge and improving communication.

Never event incidents

The Trust's processes for the management of SIs adhere to the Serious Incident Framework and the Never Events Policy and Framework January 2018. This ensures the identification of any SI that meets the never event criteria is reported to the Board and commissioners, in addition to the Trust's statutory requirements for the management of SIs.

Complaints

The Trust invested in a new Head of Patient Experience and expanded the Patient Experience Team, which has been entrusted to ensure that the voice of patients and service users is heard from ward to Board. The Patient Experience Team is now fully staffed with substantive members. Each division has an allocated complaints officer who meets weekly with their clinical governance lead. A dashboard has been developed to give better visibility of complaints activity and performance. This has resulted in improved response times and progress towards a target of 80 per cent of complainants receiving a response within 40 working days.

The Patient Advice and Liaison Service (PALS), Complaints and Patient Experience teams have committed to being more accessible and responsive with longer opening hours, same day responses to posts on social media and multilingual posters inviting feedback. To support improved learning and acting on feedback, action plans are now tracked on Datix and will be reported using a 'you said, we did' format.

The Trust Board actively encourages feedback about its services and acknowledges how powerful patients' stories are. Patients' stories are presented to each meeting of the Board held in public and provide a greater understanding of the issues and areas for improvement within Trust services. These stories are also shared in divisional and team meetings where any actions arising are embedded and logged to close the feedback loop.

Staff wellbeing

The wellbeing of staff is of key importance to the Trust, and creating a work environment which supports staff is integral to the delivery of excellent care and to becoming an employer of choice for healthcare staff. The People Strategy and supporting Organisation Development Plan provide a framework through which a Wellbeing Strategy will be developed that is consistent with the Trust's values

and objective to provide a proactive and engaging approach to enhancing the health and wellbeing of staff.

Statutory compliance

Arrangements are in place to ensure effective discharge of statutory duties, for example safeguarding, medicines management, health and safety, and data protection.

In support of statutory items; external audits, internal audits and LCFS audits provide assurance through the Audit Committee to the Trust Board. Internal audits include the WHO Checklist, referral to treatment, diagnostics, community services, serious incidents, A&E, cancer, ICT information governance toolkit, Human Resources - recruitment, Risk Management/ Board Assurance Framework, ICT cyber security, ICT digital systems, safeguarding children, discharge management, financial management – procurement, clinical audit and estates supplier risks. External audits include the accounts audit plan, interim and final accounts audit and a value for money conclusion. LCFS activity included a review of the Trust's processes regarding Procurement (accounts payable), sickness absence, the prevention, deterrence and detection of invoice fraud and procurement to ensure compliance with NHS Protect guidance, and a review of key Trust policies from a fraud risk perspective.

The Trust's Standing Orders and Standing Financial Instructions include the scheme of delegation and decisions reserved for the Board, and these were reviewed in June 2016 with an addendum to the Scheme of Delegation in November 2017.

For legal matters the Trust seeks advice from its current solicitors, Hempsons, for all new cases and Capsticks Solicitors for legacy cases where they are already involved as required.

The Board had a full complement of executive directors and non-executive directors during 2017/18. A substantive appointment was made to the role of Chief Operating Officer in November 2017 and a new Medical Director started with the Trust in April 2018. A substantive Transformation Director commenced in February 2018. Peter Commins, non-executive director and Chair of the Audit Committee left the Trust on 31 March 2018. The position is being filled on an interim basis by Andrew Farrell, and the role will be recruited to in 2018/19.

3. Corporate governance

The Trust Board has overall responsibility for determining the future direction of the Trust and ensuring delivery of safe and effective services in accordance with legislation and the principles of the NHS Constitution. The Trust Board ensures the organisation complies with relevant regulatory standards. During the year workshops, particular topics of focus for Board and Board committees, and the review of Board and Board Committee effectiveness have covered a wide spectrum of Trust activities.

The Trust operates as a unitary Board which means that all Board members work together as equals to act in the best interests of the organisation. The Board has regard to such guidance on good corporate governance as may be issued by NHSI from time to time. In accordance with the Single Oversight Framework the Trust is required to self-certify on compliance with certain conditions equivalent to the NHS provider licence. The Trust Board can confirm that, under Condition FT4(8) it has reviewed the governance systems, as outlined in section 2 of the AGS, and that the Trust Board is satisfied that the Trust has established and implemented:

a) an effective Board and Committee structure

b) clear responsibilities for the Board, for committee reporting to the Board and for staff reporting to the Board and those committees, and

c) clear reporting lines and accountabilities throughout the organisation.

The Trust Board is satisfied that the Trust has established and effectively implemented systems and/ or a process:

a) to ensure compliance with the Trust's duty to operate efficiently, economically and effectively

b) for timely and effective scrutiny and oversight by the Trust Board of the Trust's operations

c) to ensure compliance with health care standards binding on the Trust.

The Trust Board met the criteria set out in the UK Code of Governance in relation to the independence of non-executive directors.

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

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in

place to ensure 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 organisation'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 ensure that the organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Risk and Control Framework

The Risk and Control Framework 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 is based on an ongoing process designed to identify and prioritise the risks to the achievement of the objectives of London North West University Healthcare NHS Trust (LNWUH), to evaluate the likelihood of risks to those objectives being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Trust's Risk Strategy was published in November 2017 and contains details of how risks are identified, evaluated, and controlled. In summary the Trust operates a single and combined risk register which includes local, divisional and Trust risks. The Datix risk management system is used to collate all risks. The Trust ensures that risks to which it is exposed are effectively managed. Any major change at strategic or operational level will be underpinned by an assessment of the risks. This exercise may at times involve other stakeholders such as social care and commissioners. The key elements of the Trust's operational procedures for managing risks are risk identification, risk assessment, risk controls and identifying gaps in control, assurance measures and identifying gaps in assurance, implementing actions, risk review, risk escalation and the Risk Register.

Risks will be identified from both internal and external sources. The Trust aims to be as proactive as possible, as this makes a managed response to risk possible. This avoids the need to make decisions under unnecessary pressure without adequate information or resource.

The Trust deploys a standardised approach to risk evaluation across the entire organisation to ensure consistency. A risk assessment is a careful examination of what in the Trust could cause loss, harm to people or damage to property which enables a decision to be made as to whether adequate precautions are being taken, or if there is a need to do more to prevent harm or damage occurring.

Risk Controls are an existing process, policy, device, practice or other action that acts to minimise negative risk or enhance positive opportunities. As part of the risk management process, risk will be assessed (or scored) at least three times from the time risk is opened and closed. Control measures are implemented to minimise a risk to an acceptable level either by reducing the likelihood of an adverse event or the severity of its consequences or both. Gaps in control measures are clearly identified with actions identified to mitigate the risk.

The overall responsibility for the management of risk lies with the Chief Executive as the Accountable Officer. The Board of Directors, collectively and individually, ensures that systems of internal control and management are in place. The Board sought assurance through scrutiny of the BAF and the receipt of reports to the Board from the eight Board committees. The committees and, in particular, the Audit and Integrated Governance committees, receive exception reports from a number of sub-committees that closely monitor areas of risk. The Trust aims to facilitate a proactive approach to risk

management and learning from incidents and good practice through investigating incidents, and learning from what went wrong, staff training and other awareness raising initiatives.

The Trust Board and its committees have been reviewing the highest level risks that will inform the BAF in 2018/19 and this work will complete in the first quarter of the year, ready to be communicated to staff and to ensure there is a complete process in place for 'top-down/bottom-up' risk identification and review.

Monthly news magazines are published on the Trust intranet and information sharing is encouraged through presentation of performance reports at specialist committees and other meetings. The Medical Director publishes Hot Topics and the Trust continues to share learning through monthly learning from serious incident publications and the development of the new Learning from Serious Incident web pages. Within these sources all staff have access to serious incident data and serious incident reports containing learning from the detailed investigations and access to committee level reports.

The system of internal control is underpinned by compliance with NHSI's Single Oversight Framework and the requirements of regulatory bodies relevant to NHS trusts. These requirements are reflected in the Trust's Risk Management Strategy and Policy.

The Trust involves key stakeholders in risk management processes as appropriate. These include the CCGs, HealthWatch, staff side representatives, voluntary or statutory organisations, patients and the public and others as required.

Risks

Risks rated 15 and above and linked to the BAF

High-rated risks (with a risk score of 15 or above) are reported to the Executive and Board committees for assurance on management and mitigation by the operational risk leads, services and divisions. As at 16 April 2018 there were 25 risks rated 15 and above on the Trust Risk Register. Each risk was mapped across to the BAF and the Trust Board received a report identifying trends and escalating risks. These are summarised in Appendix 3. The mitigation and the current status for each of these risks are described in more detail in the BAF and Risk Register. Although these are current risks to the Trust, they are also expected to continue into the future. The risks associated with financial pressures in the NHS are expected to increase. As a consequence there is a risk that the Trust's planned developments, including new hospital buildings and investment in a new electronic health records system, will not progress to the timescale planned, thereby delaying the delivery of the expected benefits and service improvements. There are also risks associated with the external environment such as the wider health economy, the Sustainability and Transformation Plan and the implementation of Shaping a Healthier Future.

New risks and future risks

The Trust continues to monitor and assess any vulnerability related to its information technology risks. There is an increased focus on the risk to information security and/or system integrity as a result of cyber security threats. The Trust has undertaken a number of steps to invest in increased protection and monitoring capabilities to minimise the risks and has an audit action plan to ensure that there are appropriate protection measures. The Trust will need continued investment into system and infrastructure upgrades to manage and mitigate the risk of any vulnerabilities that could be exploited through running unsupported operating systems, database and application software.

The new EU legal framework that will replace the Data Protection Act (1988) – the General Data Protection Regulation – heightens the controls for data protection for all organisations across the EU, including healthcare. The Board will respectively need to heighten its review and reporting to ensure the additional controls and provisions are being met for the Trust and its citizens, alongside an additional and constituted role in the new legislation for a Data Protection Officer role to ensure probity.

The Trust Board recognises its collaborative role within the Sustainability and Transformation Plan where there is an expectation that service plans, contracts, capital prioritisation and control totals are collaboratively in the interests of the wider health economy and population served. The Board, while supporting this principle, needs to ensure that the governance arrangements around the Sustainability and Transformation Plan and the route used for decisions and assurances by the Trust Board are robust, and do not affect the Board's own statutory duties and responsibilities. The Board will also need to be cognisant of the potential risks presented by developments and changes elsewhere within the local healthcare system, such as the development of new models of care and service delivery including the

Ealing Out of Hospital tender and progress with an Integrated Care System in Harrow, which are not all directly under the control of this Trust.

Information Governance

The Information Governance Toolkit Assessment Report overall score for 2017/18 was 74 per cent, an improvement of 3 per cent points in comparison to last year. The Information Governance Toolkit draws together the legal rules and central guidance set out by the Department of Health and Social Care policy and presents them as a single standard containing a set of Information Governance requirements. The assessment measures compliance, and provides commissioners and the public with assurance that the organisation handles information correctly, protects against unauthorised access, loss damage and destruction of data. This is measured as satisfactory with a score of 66 per cent or above.

Data security incidents relating to information are actively managed and monitored through the Trust's Information Governance Group, which meets quarterly and reports to the Corporate Quality and Risk Committee. The Trust takes a risk-based approach to Information Governance and a risk register is in place for each of the key areas covered by the Information Governance Toolkit including information security, records management and data quality. This approach allows clear and unambiguous day-to-day management with a framework for reporting upwards and escalation. Any risks that are scored 12 or greater using the NHS 5x5 risk matrix are submitted for entry onto the Corporate Risk Register. The Senior Information Risk Owner (SIRO) for the Trust is the Director of Strategy. There is also a Deputy Senior Information Risk Owner with responsibility for information governance, who also works closely with the Trust's Caldicott Guardian (Dr Charles Cayley, Medical Director to April 2018). Incidents are rated according to severity as defined by NHS Digital (0 being the lowest, 2 being the highest). All information incidents rated at a level 2 are notified to the Information Commissioner's Office (the regulator for data protection in England) via the NHS Digital Information Governance Incident Reporting Tool, and are also placed on STEIS, the national incident reporting system.

Table 3: Summary of personal data related incidents in 2017/18 showing the number of Level 2 incidents by defined category for the London North West University Healthcare NHS Trust from April 2017 to March 2018

Category	Nature of Incident	Total
1	Loss of inadequately protected electronic equipment devices or paper documents from secured NHS premises	None
2	Loss of inadequately protected electronic equipment devices or paper documents from outside secured NHS premises	None
3	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	None
4	Unauthorised disclosure	One
5	Other	None

During the year 2017/18 there was one level 2 Serious Incident Requiring Investigation (SIRI) reported. Following investigation this was submitted to the Information Commissioner's Office (ICO). This was reported in May 2017 and related to a complaint received that a staff relative of the complainant had accessed their record. This investigation proved that the access had taken place. The staff member in question admitted this, and subsequently after disciplinary action, had access to systems removed. The Trust then reported this S55 breach to the ICO, which investigated, and decided not to prosecute as the Trust's actions were considered to be appropriate.

As reported last year, an incident was logged in December 2016 and related to the discovery of patient data within a pivot table in a presentation that had been uploaded to the internet by another Trust. The outcome from this investigation was that LNWUH was exonerated, and it appears the presentation had been published by another organisation where the presentation had been delivered.

Waiting time data and risk control

As part of the annual internal audit process the Trust has specifically looked at the key national indicators, these being referral to treatment, cancer and emergency department. The internal auditors have provided an in-depth review to assure that policies, training, reporting and also quality checks are in place for the management of waiting times and waiting

lists. Actions are put in place each year to address the recommendations and assurance is given to the Audit Committee during the year on progress against these.

List of audits and assurance levels

Over the 12 month period, 12 audits were completed of which six 'limited assurance' opinions were issued. They comprised Cancer – Data Quality, WHO Checklist, Diagnostics, Referral to Treatment, Discharge Management and ICT – Cyber Security.

Specific actions and recommendations resulting from the reviews have been agreed with responsible officers and implementation dates have been set for the recommendations. The Audit Committee and the Integrated Governance Committee monitor progress and outcomes of these recommendations.

Counter fraud and bribery

The Trust is committed to promoting and maintaining an absolute standard of honesty and integrity, and to eliminating fraud and illegal acts committed within the Trust. It undertakes rigorous investigation and disciplinary action where appropriate and seeks recovery of any losses where possible. The Trust has adopted best practice, as recommended by NHS Protect, and has an Anti-fraud and Bribery Policy, which was updated in June 2016.

The Trust widely publicises the procedure for staff to report any concerns about potential fraud and corruption. Any concerns raised are investigated by local counter fraud specialists or NHS Protect as appropriate, and all investigations are reported to the Audit Committee and the Integrated Governance Committee. The LCFS completed the Standards Review Tool Kit (SRT) for the Trust for 2017/18 and has submitted the results with an indicative 'green' rating which illustrates compliance. NHS Protect has yet to release the validated results.

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

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control within the Trust.

The Trust Board has overarching responsibility for ensuring that the organisation has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the Trust's principles of good governance.

The Chief Finance Officer has delegated responsibility to determine arrangements to ensure a sound system of financial control. The Trust Board receives regular reports summarising the financial performance of the Trust. In addition, the Finance and Performance Committee and the Audit Committee have important roles to play in assuring the Trust Board on the arrangements in place to secure economic, efficient and effective use of resources:

* The Finance and Performance Committee receives and scrutinises regular detailed reports on the financial and quality performance of the Trust, including updates on the delivery of our Cost Improvement Programme
* The Audit Committee receives and reviews the work and opinions of our internal and external auditors, along with regular reports from our LCFS provider.

Accounts scrutiny and sign-off is via the Audit Committee in May, with recommendation to the Trust Board for approval.

Head of Internal Audit Opinion

The overall opinion of the Head of Internal Audit is that:

"Reasonable assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk."

The Trust received Substantial Assurance for the reviews of Accident and Emergency Data, Financial Management – Procurement, and Serious Incidents and Reasonable Assurance for three reviews.

Limited Assurance was given to the following audits undertaken in 2017/18:

* Cancer – eight recommendations of which two were urgent
* WHO Checklist – nine recommendations of which four were important
* Diagnostics – three recommendations of which one was urgent
* Referral to Treatment – 12 recommendations of which one was urgent and five important
* Discharge Management – 18 recommendations of which one was urgent and 11 important
* ICT Cyber Security – seven recommendations of which one was urgent.

4. Significant issues

Operational performance

The Trust agreed 2017/18 performance trajectories for the national standards with NHSI and has continued to monitor progress against these during the year. Access to emergency care has been challenging for the NHS across the year and the Trust was no exception to this. Over 340,000 patients attended the three urgent and emergency care departments in 2017/18 and 84.7 per cent were treated within the 4-hour emergency access performance standard, breaching the national target of 95 per cent.

The Trust achieved the 14-day standard for urgent cancer referrals in the second and third quarters of the year, but not in the first and last. The Trust did achieve the 31-day standard for first cancer treatment within 31 days of the decision to treat. The 62-day standard for first cancer treatment was not met on seven occasions. The Trust also failed to achieve the 18-week standard for Referral to Treatment. 81.6 per cent of patients waiting for treatment waited fewer than 18 weeks at year end, and 21 patients waited longer than 52 weeks for treatment throughout the year.

More details of the Trust's performance against the national standards are included in the Performance Report section of this Annual Report 2017/18.

Financial performance

The Trust reported a deficit position of £39.086m for 2017/18 which was £10.459m lower than the planned deficit. The Trust met its financial control target for 2017/18 and received £12.042m sustainability and transformation incentive funding from NHSI and this is reflected in the reported deficit. The transformation plan total of £50.0m of savings was achieved, as was the Capital Resourcing Limit (£0.040m below plan).

HV/LV control issues

The Trust commenced the Board-approved High Voltage Project at Northwick Park Hospital in March 2015 to provide further resilience, capacity for expansion, emergency back-up and ability to test emergency back-up generators on building loads without significant risk and disruption to patients and clinical staff.

In late 2017, significant concerns were raised on the timeliness and the cost of the project. An internal review was instigated with the remit of looking at all relevant paperwork relating to contractual and payment processes and invoice approval.

The review highlighted control weaknesses around project management and payment authorisation processes which resulted in an overpayment. The review recommended these areas of improvement:

* contractual documents to be completed and signed within one month of tender award
* performance bonds and parent company guarantees instructed before commencement of works
* dual authorisation for approving value of works
* no change in order values to manage invoice/ credit payment process.

The Audit Committee has directed Internal Audit to conduct an independent review and has also instructed the LCFS provider to refer it onwards to the NHS Counter Fraud Authority.

Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive directors and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in 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.

The Board ensures the effectiveness of the system of internal control through clear accountability and reporting arrangements.

I have drawn on the content of the Integrated Performance Report, the Quality Account, the Annual Report and other performance information available to me to inform my conclusion. My review is also informed by comments made by the external auditors in their reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system will be in place.

The Board monitors the BAF and objectives, ensuring actions to address gaps in control and gaps in assurance are progressed.

The annual Quality Account describes key priorities the Trust intends to meet during the year ahead and these are subject to consultation with key stakeholders. Both draft and final versions of the document are seen by the Board for comment and approval.

The Trust has a serious incident and incident reporting policy which outlines criteria for the reporting of incidents and uses the Datix risk management web-based system across the organisation. The Trust Board receives a report on incidents at each meeting held in public.

Serious incidents and never events are reported in line with national guidance and deadlines. These are overseen by both the Trust Board and the Integrated Governance Committee on behalf of the Board. The Integrated Governance Committee also monitors progress with action plans related to Serious Incident reports. The Trust meets regularly with the CCGs to discuss serious incident reports and emerging themes and trends where relevant. The Trust responds to feedback from the CCGs on the final reports and actions.

The Clinical Excellence Committee receives reports and provides oversight on the national and local clinical audit programmes. The Clinical Excellence Committee has also received reports on the external peer assessment programme Getting it Right First Time.

The Audit Committee receives and reviews the internal audit reports and progress against actions.

The Board will continue to review progress and ensure there is continuous improvement following the committee effectiveness reviews, Board Development outcomes, audit reviews and external peer assessment recommendations.

In line with the requirement to self-certify with Condition G6(2) of the NHS provider licence, the Board is satisfied that LNWUHT has taken all precautions necessary to comply with the licence, NHS Acts and NHS Constitution. Section four of the AGS explains the areas of non-compliance and the actions that have been taken to move towards full compliance.

The AGS sets out the arrangements for the governance of the Trust which I consider to be reasonable and robust for the period 1 April 2017 – 31 March 2018.

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.

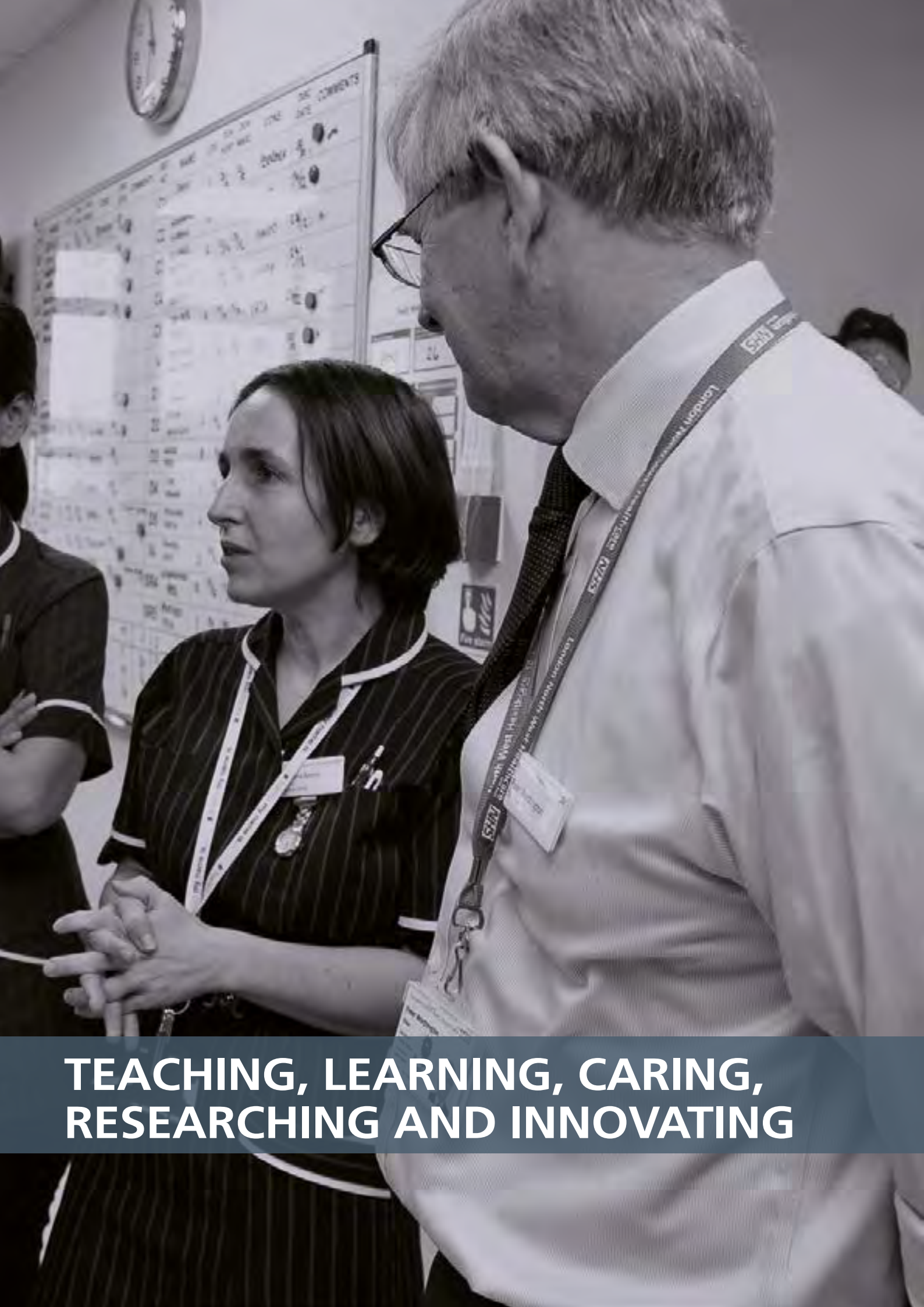
In conclusion, as Accountable Officer, my review of the effectiveness of the system of internal control has identified the significant control issues described in section 4.

Dame Jacqueline Docherty, Chief Executive

29 May 2018

THE FINANCE REPORT

#WeAreLNWH



TEACHING, LEARNING, CARING, RESEARCHING AND INNOVATING

Independent auditor's report

14

Independent auditor's report to the Directors of London North West University Healthcare NHS Trust.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of London North West University Healthcare NHS Trust (the 'Trust') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Department of Health and Social Care Group Accounting Manual 2017/18 and the requirements of the National Health Service Act 2006.

In our opinion the financial statements:

* give a true and fair view of the financial position of the Trust as at 31 March 2018 and of its expenditure and income for the year then ended
* have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2017/18; and
* have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Material uncertainty related to going concern

We draw attention to note 1.1.2 in the financial statements, which discloses that the Trust incurred an adjusted retained deficit of £39.1 million for the year ended 31 March 2018 and has forecast a deficit of £34.1 million for the financial year commencing 1 April 2018. In 2018/19, the Trust will require funding in the form of an uncommitted term loan on a monthly basis up to £31.4 million. As stated in note 1.1.2, the Trust requires additional cash support in 2018/19 through PDC and/or loan funding whilst a permanent financing solution is progressed. In addition, the Trust has a working capital facility of

£76.9 million that will reach its full term in February 2019. Arrangements for repayment or refinancing of this facility will need to be agreed with NHS Improvement and the Department of Health and Social Care. These events or conditions, along with the other matters explained in note 1.1.2, indicate that a material uncertainty exists that may cast significant doubt about the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report set, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of our work including that gained through work in relation to the Trust's arrangements for securing value for money through economy, efficiency and effectiveness in the use of its resource or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

* the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2017-18 and the requirements of the National Health Service Act 2006; and
* based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

* we have reported a matter in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
* we have referred a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we had reason to believe that the Trust, or an officer of the Trust, was about to make, or had made, a decision which involved or would involve the body incurring unlawful expenditure, or was about to take, or had begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
* we have made a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion, of the audit.

We have nothing to report in respect of the above matters except on 18 May 2016 we referred a matter to the Secretary of State under section 30 of the Local and Audit Accountability Act 2014 because the Trust had taken a course of action that would lead to a breach of the Trust's break-even duty for the three year period ending 31 March 2018.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Director's Responsibilities, the Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Trust lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the Trust.

The Board is Those Charged with Governance.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Qualified conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2017, except for the effects of the matter described in the basis for qualified conclusion section of our report, we are satisfied that, in all significant respects, London North West University Healthcare NHS Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

Basis for qualified conclusion

Our review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following matter:

* The Trust's adjusted retained deficit for 2017/18 was £39.1 million, which reflects the receipt of £26.0 million of Sustainability and Transformation Funding for the year. This was ahead of the Trust's 2017/18 financial plan and forecast outturn of £50.0 million reported to the Board during the financial year. However, the Trust's medium term financial plan shows little improvement in financial performance in future years, with a deficit of £31.4 million forecast for 2018/19 as at month 1. The Trust's 2018/19 financial plan includes an efficiency savings target of £33.9 million, of which £13.2 million is rated as high risk as at month 1. The Trust has loans repayable during 2018/19 totalling £76.9 million. Furthermore, Sustainability and Transformation Funding for 2018/19 is contingent on delivering the planned deficit of £31.4 million. The Trust did not achieve its breakeven duty in 2017/18, is forecasting financial deficits for 2018/19 and 2019/20, and does not have a clear financial recovery plan in place.

This matter identifies weaknesses in the Trust's arrangements for setting a sustainable budget with sufficient capacity to absorb emerging cost pressures. This matter is evidence of weaknesses in proper arrangements for sustainable resource deployment in planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

Responsibilities of the Accountable Officer

As explained in the Statement of the Chief Executive's Responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. 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 its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, 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. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of the financial statements of London North West University Healthcare NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Paul Dossett

Partner
for and on behalf of Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

25 May 2018

Annual accounts

15

Statement of Comprehensive Income

	Note	2017/18 £000	2016/17 £000
Operating income from patient care activities	3	**620,655**	588,538
Other operating income	5	**80,788**	92,521
Operating expenses	6, 8	**(735,137)**	(756,021)
Operating (deficit) from continuing operations		**(33,694)**	(74,962)
Finance income	9	**58**	51
Finance expenses	9	**(8,920)**	(8,996)
PDC dividends payable		**(3,165)**	(5,241)
Net finance costs		**(12,027)**	(14,186)
Other gains / (losses)	9.2	**15**	(248)
(Deficit) for the year from continuing operations		**(45,706)**	(89,396)
(Deficit) for the year		**(45,706)**	(89,396)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6.4	**(301)**	-
Revaluations	11	**476**	(5,341)
Total comprehensive income / (expense) for the period		**(45,531)**	(94,737)

Financial performance for the year

Retained (deficit) for the year	**(45,706)**	(89,396)
IFRIC 12 adjustment (including IFRIC 12 impairments)	**3,706**	3,556
Impairments (excluding IFRIC 12 impairments)	**2,610**	24,461
Adjustments in respect of donated gov't grant asset reserve elimination	**304**	281
Adjusted retained (deficit)	**(39,086)**	(61,098)

a) The Trust is required to revalue its Land and Building on a regular basis as a result of the IFRS implementation and this has resulted in a net impairment of its Building & Land by £7.106m, of which £0.3m was available to be absorbed by the revaluation reserve. Therefore, an impairment of £6.805m has been recognised in the Statement of Comprehensive income. Further analysis of the impairment shows that £6.316m of the total impairment was as a result of change in market price, which under NHS accounting guidance, will be excluded from measurement of the Trust's financial performance. The impairment for Trust owned Buildings and Land is £3.706m and an impairment in valuation of £2.61m for PFI buildings. The decrease in valuation on the PFI has been debited to the Statement of Comprehensive income in line with IAS 36, whereby a reversal of an impairment loss on the same asset to the extent that it reverses that was recognised previously in the Statement of Comprehensive income.

b) Due to a change in accounting requirement, elimination of donated and government grant reserve and donated assets, has resulted in net income of £0.304m. Therefore, the reduction of income resulting from the application of change to donated and government grant account treatment, which has no cash impact and is not chargeable for overall budgeting purposes, should be reported as technical. This is not considered part of the organisation's operating position.

The notes on pages 88 to 119 form part of this account.

Statement of Financial Position

	Note	2017/18 £000	2016/17 £000
Non-current assets			
Intangible assets	10	**20,060**	10,875
Property, plant and equipment	11	**397,483**	408,009
Total non-current assets		**417,543**	418,884
Current assets			
Inventories	12	**11,000**	10,928
Trade and other receivables	13	**57,874**	32,620
Cash and cash equivalents	14	**1,913**	2,990
Total current assets		**70,787**	46,538
Current liabilities			
Trade and other payables	15	**(90,015)**	(71,016)
Borrowings	17	**(80,644)**	(2,937)
Provisions	19	**(1,042)**	(747)
Other liabilities	16	**(8,845)**	(7,264)
Total current liabilities		**(180,546)**	(81,964)
Total assets less current liabilities		**307,784**	383,458
Non-current liabilities			
Borrowings	17	**(193,369)**	(227,804)
Provisions	19	**(4,479)**	(4,593)
Total non-current liabilities		**(197,848)**	(232,397)
Total assets employed		**109,936**	151,061
Financed by			
Public dividend capital		**366,103**	361,697
Revaluation reserve		**3,196**	3,021
Income and expenditure reserve		**(259,363)**	(213,657)
Total taxpayers' equity		**109,936**	151,061

The notes on pages 88 to 119 form part of this account.

The financial statements on pages 84 to 87 were approved by the Audit Committee and adopted by the Board on 23 May and signed on its behalf by

Jacqueline Docherty DBE
Chief Executive:
Date: 23 May 2018

Jon Bell
Chief Financial Officer:
Date: 23 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	**361,697**	**3,021**	**(213,657)**	**151,061**
(Deficit) for the year	**-**	**-**	**(45,706)**	**(45,706)**
Impairments	**-**	**(301)**	**-**	**(301)**
Revaluations	**-**	**476**	**-**	**476**
Public dividend capital received	**4,406**	**-**	**-**	**4,406**
Taxpayers' equity at 31 March 2018	**366,103**	**3,196**	**(259,363)**	**109,936**

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2016 - brought forward	361,647	8,362	(124,261)	245,748
Taxpayers' equity at 1 April 2016 - restated	361,647	8,362	(124,261)	245,748
(Deficit) for the year	-	-	(89,396)	(89,396)
Revaluations	-	(5,341)	-	(5,341)
Public dividend capital received	50	-	-	50
Taxpayers' equity at 31 March 2017	361,697	3,021	(213,657)	151,061

Information on reserves

1. Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities. Additional PDC may also be issued to NHS 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.

2. Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the NHS Trust.

3. 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.

Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Operating (deficit)		**(33,694)**	(74,962)
Non-cash income and expense:			
Depreciation and amortisation	6	**15,159**	13,819
Net impairments	6.4	**6,805**	27,188
Income recognised in respect of capital donations	5	**-**	(25)
(Increase) / decrease in receivables and other assets		**(24,731)**	8,696
(Increase) in inventories		**(72)**	(1,077)
Increase / (decrease) in payables and other liabilties		**17,217**	(22,536)
Increase in provisions		**177**	37
Net cash generated from (used in) operating activities		**(19,139)**	(48,860)
Cash flows from investing activities			
Interest received		**58**	51
Purchase of intangible assets		**(1,933)**	(612)
Purchase of property, plant, equipment and investment property		**(15,351)**	(17,534)
Sales of property, plant, equipment and investment property		**25**	-
Net cash generated (used in) investing activities		**(17,201)**	(18,095)
Cash flows from financing activities			
Public dividend capital received		**4,406**	50
Movement on loans from the Department of Health and Social Care		**44,758**	82,216
Capital element of finance lease rental payments		**(144)**	(123)
Capital element of PFI, LIFT and other service concession payments		**(1,346)**	(1,692)
Interest paid on finance lease liabilities		**(95)**	(110)
Interest paid on PFI, LIFT and other service concession obligations		**(5,965)**	(5,989)
Other interest paid		**(2,663)**	(2,474)
PDC dividend (paid)		**(3,688)**	(5,248)
Net cash generated from financing activities		**35,263**	66,630
(decrease) in cash and cash equivalents		**(1,077)**	(325)
Cash and cash equivalents at 1 April - brought forward		**2,990**	3,315
Cash and cash equivalents at 31 March	14	**1,913**	2,990

NOTES TO THE ACCOUNTS

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care 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

The Trust recorded an adjusted retained deficit of £39.1m for the year ended 31 March 2018, £10.4m better than originally planned.

The financial statements have been prepared on a going concern basis. In accordance with IAS 1, management has made an assessment of the Trust's ability to continue as a going concern. For the financial year commencing 1 April 2018, the Trust has forecast a deficit of £31.4m after a savings requirement of £34.0m. This plan has been agreed with NHS Improvement and requires additional cash support through PDC and/or loan funding. Unlike previous years the Trust does not have a Revolving Working Capital Facility in place for 2018/19 as a result of changes centrally by the Department of Health and Social Care (DHSC), however the Trust does have access to an Uncommitted Term Loan on a monthly basis up to £31.4m of the planned deficit agreed within the Trust's plan. This funding will be required for the financial year 2018/19 whilst a permanent financing solution is progressed. NHSI has supported the Trust's application for cash deficit support in 16/17 and 17/18; therefore the Board of Directors anticipates that NHSI will continue to support the Trust's application for deficit funding support in 18/19, subject to the monthly application approval process.

The Trust has a working capital facility of £76.9m which will reach its full term in February 2019. Arrangements for repayment or refinancing will need to be agreed with NHSI and Department of Health and Social Care. The maturity of this facility and the process to refinance generates material uncertainty.

The Sustainability and Transformation plan (STP) provides an opportunity for health and local government organisations in North West London to work in partnership with North West London STP that sets out clear plans for the health and care system for the next five years whilst increasing local accountability. It is an opportunity to radically transform the way we provide health and social care for our population and to maximise opportunities to provide excellent quality care in the right place and when its needed. The STP process also provides the drivers to close the funding shortfalls and develop a balanced, sustainable financial system.

Although these factors represent material uncertainties that may cast significant doubt about the Trust's ability to continue as a going concern, the Directors, having made appropriate enquiries, still have reasonable expectations that the Trust will have adequate resources to continue in operational existence for the foreseeable future. As directed by the 2017/18 Department of Health and Social Care Group Accounting Manual the Directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the Trust will continue to be provided in the foreseeable future. On this basis, the Trust has adopted the going concern basis for preparing the financial statements and has not included the adjustments that would result if it was unable to continue as a going concern.

Note 1.1.3 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

Note 1.1.4 Movement of assets within the DHSC Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCI, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

Note 1.2 Charitable Funds

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact, explained further in note 1.3.1.

Note 1.3 Critical judgements in applying accounting policies

In the application of the NHS 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.

Note 1.3.1 Critical judgements in applying accounting policies

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

Following Treasury's agreement to apply IFRS 10 to NHS Charities from 1 April 2013, London North West University Healthcare has established that as the Trust is the corporate Trustee of the London North West Healthcare Charitable Fund, charity number 1083634, it effectively has the power to exercise control so as to obtain economic benefits.

Total income received by the charity during the period 1 April 2017 to 31 March 2018 was £1.024m which is only 0.15% of London North West University Healthcare NHS Trust's Exchequer Income. There were no substantive legacies or grant income received during this period.

IAS 1, Presentation of Financial Statements, says that specific disclosure requirements set out in individual standards or interpretations need to be satisfied if the information is not material and is reiterated in the NHS Manual for Accounts 2017-18.

In line with IAS 1, charitable funds are not consolidated into London North West University Healthcare Trust accounts on grounds of materiality.

Note 1.3.2 Sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

A model provided by the Department of Health and Social Care has been used to calculate the effect of bringing the PFI scheme on to the Trust balance sheet. This is not expected to yield a result that is materially different from other means of calculation.

Assets relating to land and buildings were subject to a formal valuation as at 31 March 2018, completed on an "alternate modern equivalent asset" basis. An existing use value alternative was used which assumes the assets would be replaced with a modern equivalent, i.e. not a building of identical design - but with the same service provision as the existing asset. The alternative modern equivalent asset may well be smaller (reduced Gross Internal Area, than the existing asset which reflects the challenges Healthcare Providers face when utilising historical NHS Estate). A subsequent valuation was performed at 31 March 2018 to ensure a true and fair view was reflected. The net impact in year was £7.1m. all relating to buildings, of which £0.3m was absorbed by the Trust's revaluation reserve and the remainder £6.8m to the Income and Expenditure Account. There was a small upward valuation of £0.48m which was taken to the revaluation resererve. The Trust's revaluation reserve has a closing balance of £3.2m.

The valuation and review of the remaining lives of the Trust's estate was conducted by professional Chartered Surveyors Cushman and Wakefield using data from BCIS (Building Cost Information Services) and RICS (Royal Institute of Chartered Surveyors).

The Trust has used this valuation in its 2017/18 accounts. The impact of the assessment of the Trust's estate will be an overall decrease in the valuation as at 31 March 2018 and will result in a depreciation profile that is a more accurate reflection of the useful economic life of the land and buildings.

The methodology adopted meets the requirements of International Accounting Standards (IAS) 16; Property, Plant and Equipment and does not deviate from the principles therein.

Provisions for credit notes have been made in order to ensure that any charges arising from subsequently cancelling disputed NHS invoices or refunding SLA contractual and over performance values are chargeable against the correct financial period and are included within the amounts disclosed for NHS payables and receivables.

Data for the pension provision is provided by NHS Pensions and uses data tables of expected lives for males and females provided by the National Statistics Office. The provision has been discounted at a rate of 0.1%.

Note 1.4 Revenue

Revenue 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 revenue for the Trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of costs incurred to date compared to total expected costs.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

The NHS Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The NHS Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts, currently at 22.84%, a decrease from last years rate of 22.94%

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 the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. 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.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

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 will be supplied to the NHS Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and either
- the item has cost of at least £5,000, or
- collectively, a number of items have a total cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Note 1.7.2 Measurement

All property, plant and equipment are measured initially at cost, representing the cost 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 current value.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the current value at the date of revaluation less any impairment.

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

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

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust have engaged Cushman and Wakefield, an external independent body who are RICS qualified practitioners, to carry out a desktop valuation of the Trust's Land and Buildings including Dwellings. The calculated value was £368.4m

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

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

Note 1.8 Intangible assets

Note 1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at cost. Software that is integral to the operation of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Note 1.8.2 Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income

generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Note 1.9 Depreciation, amortisation and impairments

Freehold land, assets under construction or development, and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Trust expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful lives.

At each reporting period end, the NHS Trust checks whether there is any indication that its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Note 1.10 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Note 1.11 Government grants

Government grant funded assets are capitalised at their current value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

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.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

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.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The NHS Trust as lessor

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

Note 1.13 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Trust therefore recognises the PFI asset as an item

of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

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

a) Payment for the fair value of services received;

b) Payment for the PFI asset, including finance costs; and

c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

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

PFI Asset

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

PFI liability

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

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

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

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

Lifecycle replacement

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

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

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

Assets contributed by the NHS Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Trust's Statement of Financial Position.

Other assets contributed by the NHS Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the NHS Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

Note 1.14 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out (FIFO) cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.15 Cash and cash equivalents

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

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

Note 1.16 Provisions

Provisions are recognised when the NHS Trust has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure

required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates of 1.56% in real terms, 0.1% for employee early departure obligations.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the NHS Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Note 1.17 Clinical negligence costs

The NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS Resolution, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHS Resolution is administratively responsible for all clinical negligence cases the legal liability remains with the NHS Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the Trust is disclosed at Note 20.

Note 1.18 Non-clinical risk pooling

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

Note 1.19 Carbon Reduction Commitment Scheme (CRC)

CRC and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS Trust makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

Note 1.20 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Note 1.21 Financial assets

Financial assets are recognised when the NHS Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the NHS Trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and where there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with

the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques, such as recent market transactions.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the NHS Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that have 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 expenditure and the carrying amount of the asset is reduced directly.

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 expenditure and the carrying amount of the asset is reduced directly/through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Note 1.22 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the NHS Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- The premium received (or imputed) for entering into the guarantee less cumulative amortisation.

Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the NHS Trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

Note 1.23 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 1.24 Foreign currencies

The NHS Trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

Note 1.25 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 14.1 to the accounts

Note 1.26 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS Trust. 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. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.27 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the NHS Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

Note 1.28 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited 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. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

Note 1.29 Accounting Standards that have been issued but have not yet been adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018/19, IFRS 16 being for implementation in 2019/20 and IFRS 17 being for implementation in 2021/22.

- 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 - The European Financial Reporting Advisory Group recommended in October 2015 that the standard should not be endorsed as it is unlikely to be adopted by many EU countries. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC 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.

Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 2 Operating segments

The nature of the Trust's services is the provision of healthcare. Similar methods are used to provide services across all locations, since all policies, procedures and governance arrangements are Trust wide. As an NHS Trust, all services are subject to the same regulatory environment and standards set by our external performance managers. Accordingly, the Trust operates one segment.

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)

	2017/18 £000	2016/17 £000
Acute services		
Elective income	**71,217**	70,747
Non elective income	**153,913**	130,576
First outpatient income	**38,181**	36,580
Follow up outpatient income	**36,566**	40,456
A & E income	**22,940**	21,274
High cost drugs income from commissioners (excluding pass-through costs)	**33,366**	36,092
Other NHS clinical income	**153,663**	138,437
Community services		
Community services income from CCGs and NHS England	**79,503**	82,239
Income from other sources (e.g. local authorities)	**14,733**	17,051
All services		
Private patient income	**5,152**	4,338
Other clinical income	**11,421**	10,748
Total income from activities	**620,655**	588,538

Note 3.2 Revenue from patient care activities (by source)

Revenue from patient care activities received from:	2017/18 £000	2016/17 £000
NHS England	**105,831**	95,864
Clinical commissioning groups	**481,432**	459,504
Other NHS providers	**1,956**	900
NHS other	**130**	133
Local authorities	**20,275**	22,675
Non-NHS: private patients	**5,152**	4,338
Non-NHS: overseas patients (chargeable to patient)	**2,421**	2,554
NHS injury scheme	**795**	1,167
Non NHS: other	**2,663**	1,403
Total revenue from patient care activities	**620,655**	588,538
Of which:		
Related to continuing operations	**620,655**	588,538

Note 4 Overseas visitors (relating to patients charged directly by the provider)

	2017/18 £000	2016/17 £000
Income recognised this year	**2,421**	2,554
Cash payments received in-year	**752**	1,454
Amounts added to provision for impairment of receivables	**651**	1,428
Amounts written off in-year	**227**	220

Note 5 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	**3,989**	3,433
Education and training	**26,533**	28,116
Receipt of capital grants and donations	**-**	25
Charitable and other contributions to expenditure	**-**	-
Non-patient care services to other bodies	**2,889**	2,535
Sustainability and transformation fund income*	**26,045**	22,583
Rental revenue from operating leases	**6,031**	6,670
Other income	**15,301**	29,159
Total other operating income	**80,788**	92,521
Of which:		
Related to continuing operations	**80,788**	92,521

* Sustainability & Transformation funding received for meeting financial and performance targets.

Note 6 Operating expenses

	2017/18 £000	2016/17 £000
Staff and executive directors costs	**460,819**	458,040
Remuneration of non-executive directors	**63**	62
Supplies and services - clinical (excluding drugs costs)	**81,753**	77,366
Supplies and services - general	**26,010**	27,968
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**66,614**	68,409
Inventories written down	**431**	254
Consultancy costs	**1,936**	1,896
Establishment	**5,825**	6,192
Premises	**26,335**	24,213
Transport (including patient travel)	**7,995**	5,487
Depreciation on property, plant and equipment	**12,947**	12,162
Amortisation on intangible assets	**2,212**	1,657
Net impairments	**6,805**	27,188
Increase/(decrease) in provision for impairment of receivables	**(34)**	1,676
Change in provisions discount rate(s)	**5**	714
Audit services- statutory audit	**63**	105
Other auditor remuneration (external auditor only)	**7**	10
Internal audit costs	**154**	197
Clinical negligence	**26,555**	24,141
Legal fees	**572**	502
Insurance	**463**	479
Research and development	**1,144**	1,038
Education and training	**1,693**	2,163
Rentals under operating leases	**2,233**	2,268
Redundancy	**534**	393
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	**1,666**	2,225
Car parking & security	**100**	56
Hospitality	**94**	75
Other	**143**	9,085
Total	**735,137**	756,021
Of which:		
Related to continuing operations	**735,137**	756,021

* The Trust's external auditors are also the external auditors for London North West Healthcare Charitable Funds, of which the cost of £5k is not recorded within the Trust's expenditure. This amount is disclosed in the Charity's accounts.

Note 6.2 Other auditor remuneration

	2017/18 £000	2016/17 £000
Other auditor remuneration paid to the external auditor:		
2. Audit-related assurance services	**7**	10
Total	**7**	10

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2016/17: £2m).

Note 6.4 Impairment of assets

	2017/18 £000	2016/17 £000
Net impairments charged to operating surplus / deficit resulting from:		
*Over specification of assets	**489**	-
Changes in market price	**6,316**	27,188
Total net impairments charged to operating surplus / deficit	**6,805**	27,188
Impairments charged to the revaluation reserve	**301**	-
Total net impairments	**7,106**	27,188

* High volatage and low voltage electrical works project valuation corrected as a result of management review.

Note 7 Operating leases

Note 7.1 London North West University Healthcare NHS Trust as a lessor

This note discloses income generated in operating lease agreements where London North West University Healthcare NHS Trust is the lessor.

	2017/18 £000	2016/17 £000
Operating lease revenue		
Minimum lease receipts	**6,031**	6,670
Total	**6,031**	6,670

	31 March 2018 £000	31 March 2017 £000
Future minimum lease receipts due:		
- not later than one year;	**6,031**	6,670
Total	**6,031**	6,670

Note 7.2 London North West University Healthcare NHS Trust as a lessee

London North West University Healthcare holds operating leases under the following four categories, Buildings, Equipment, Cars and Printers.

	2017/18 £000	2016/17 £000
Operating lease expense		
Minimum lease payments	**2,233**	2,268
Total	**2,233**	2,268

	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	**2,233**	1,842
- later than one year and not later than five years;	**3,580**	2,889
- later than five years.	**-**	1,042
Total	**5,813**	5,773
Future minimum sublease payments to be received	**-**	-

Note 8 Employee benefits

	2017/18 Total £000	2016/17 Total £000
Salaries and wages	**352,741**	349,943
Social security costs	**42,831**	37,569
Apprenticeship levy	**1,777**	-
Employer's contributions to NHS pensions	**41,515**	38,738
Pension cost - other	**15**	12
Termination benefits	**534**	393
Temporary staff (including agency)	**24,223**	34,086
Total gross staff costs	**463,636**	460,741
Recoveries in respect of seconded staff	**-**	-
Total staff costs	**463,636**	460,741
Of which		
Costs capitalised as part of assets	**2,283**	2,308

Note 8.1 Retirements due to ill-health

During 2017/18 there was 1 early retirement from the Trust agreed on the grounds of ill-health (7 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £101k (£348k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

8.2 Staff Sickness Absence

	2017/18	2016/17
Total Days Lost	**58,679**	62,700
Total Staff Years	**7,849**	7,973
Average working Days Lost	**7**	8

Note 8.2 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 these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 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.

Note 9 Finance income

Finance income represents interest received on assets and investments in the period.

	2017/18 £000	2016/17 £000
Interest on bank accounts	**58**	51
Total	**58**	51

Note 9.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18 £000	2016/17 £000
Interest expense:		
Loans from the Department of Health and Social Care	**2,852**	2,804
Finance leases	**95**	143
Main finance costs on PFI and LIFT schemes obligations	**3,825**	3,935
Contingent finance costs on PFI and LIFT scheme obligations	**2,141**	2,054
Total interest expense	**8,913**	8,936
Unwinding of discount on provisions	**7**	60
Total finance costs	**8,920**	8,996

The Trust received support loans to the value of £55.9m of which £49.5m to fund it's planned deficit. The Trust also received capital investment loans of £2.3m to fund a project within it's capital programme. The balance of £4.1m related to STF funding drawn in advance of concluding the final allocation, which will be paid back in the first quarter of 2018/19. This has resulted in an increase in interest charges for 2017/18.

Note 9.2 Other gains / (losses)

	2017/18 £000	2016/17 £000
Gains on disposal of assets	**15**	-
(Losses) on disposal of assets	**-**	(248)
Total (losses) on disposal of assets	**15**	(248)
Total other Gains / (losses)	**15**	(248)

Note 10 Intangible assets - 2017/18

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	18,019	-	**18,019**
Additions	3,567	485	**4,052**
Reclassifications	6,281	1,064	**7,345**
Gross cost at 31 March 2018	**27,867**	**1,549**	**29,416**
Amortisation at 1 April 2017 - brought forward	7,144	-	**7,144**
Provided during the year	2,212	-	**2,212**
Amortisation at 31 March 2018	**9,356**	**-**	**9,356**
Net book value at 31 March 2018	**18,511**	**1,549**	**20,060**
Net book value at 1 April 2017	**10,875**	**-**	**10,875**

Reclassification of 2016/17 AUC from PPE to Intangible Assets.

Note 10.1 Intangible assets - 2016/17

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	14,218	-	14,218
Valuation / gross cost at 1 April 2016 - restated	14,218	-	14,218
Additions	390	-	390
Reclassifications	3,411	-	3,411
Valuation / gross cost at 31 March 2017	18,019	-	18,019
Amortisation at 1 April 2016 - as previously stated	5,487	-	5,487
Provided during the year	1,657	-	1,657
Amortisation at 31 March 2017	7,144	-	7,144
Net book value at 31 March 2017	10,875	-	10,875
Net book value at 1 April 2016	8,731	-	8,731

Details of remaining asset lives are;

Software Licences between 5 and 15 years.

Note 11 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2017 - brought forward	31,509	333,445	5,520	10,466	99,583	48,586	5,470	534,579
Additions	-	10,767	5	154	2,764	2,716	-	16,406
Impairments	-	(12,664)	(18)	-	-	-	-	(12,682)
Revaluations	-	95	-	-	-	-	-	95
Reclassifications	-	761	14	(10,411)	1,283	977	31	(7,345)
Disposals / derecognition	-	-	-	-	(90)	-	-	(90)
Valuation/gross cost at 31 March 2018	31,509	332,404	5,521	209	103,540	52,279	5,501	530,963
Accumulated depreciation at 1 April 2017 - brought forward	-	247	-	-	77,946	44,354	4,023	126,570
Provided during the year	-	6,632	86	-	4,448	1,446	335	12,947
Impairments	-	(5,490)	(86)	-	-	-	-	(5,576)
Revaluations	-	(381)	-	-	-	-	-	(381)
Disposals / derecognition	-	-	-	-	(80)	-	-	(80)
Accumulated depreciation at 31 March 2018	-	1,008	-	-	82,314	45,800	4,358	133,480
Net book value at 31 March 2018	31,509	331,396	5,521	209	21,226	6,479	1,143	397,483
Net book value at 1 April 2017	31,509	333,198	5,520	10,466	21,637	4,232	1,447	408,009

Note 11.1 Property, plant and equipment - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2016 - as previously stated	64,691	402,857	5,639	20,752	97,509	47,268	4,589	643,305
Prior period adjustments	-	(80,242)	-	-	-	-	-	(80,242)
Valuation / gross cost at 1 April 2016 - restated	64,691	322,615	5,639	20,752	97,509	47,268	4,589	563,063
Valuation / gross cost at start of period as FT	-	-	-	-	-	-	-	-
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	10,622	-	7,349	400	265	-	18,636
Impairments	(32,041)	(5,538)	-	-	-	-	-	(37,579)
Revaluations	(1,141)	(4,293)	(119)	-	-	-	-	(5,553)
Reclassifications	-	10,039	-	(17,635)	2,251	1,053	881	(3,411)
Disposals / derecognition	-	-	-	-	(577)	-	-	(577)
Valuation/gross cost at 31 March 2017	31,509	333,445	5,520	10,466	99,583	48,586	5,470	534,579
Accumulated depreciation at 1 April 2016 - as previously stated	10,391	74,772	129	-	73,765	42,872	3,653	205,582
Prior period adjustments	-	(80,242)	-	-	-	-	-	(80,242)
Provided during the year	-	5,717	83	-	4,510	1,482	370	12,162
Impairments	(10,391)	-	-	-	-	-	-	(10,391)
Revaluations	-	-	(212)	-	-	-	-	(212)
Disposals/ derecognition	-	-	-	-	(329)	-	-	(329)
Accumulated depreciation at 31 March 2017	-	247	-	-	77,946	44,354	4,023	126,570
Net book value at 31 March 2017	31,509	333,198	5,520	10,466	21,637	4,232	1,447	408,009
Net book value at 1 April 2016	54,300	328,085	5,510	20,752	23,744	4,396	936	437,723

Note 11.2 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018								
Owned - purchased	31,509	250,514	5,521	209	20,555	6,479	1,116	315,903
Finance leased	-	-	-	-	496	-	-	496
On-SoFP PFI contracts and other service concession arrangements	-	69,387	-	-	-	-	-	69,387
Owned - government granted	-	3,287	-	-	15	-	-	3,302
Owned - donated	-	8,208	-	-	160	-	27	8,395
NBV total at 31 March 2018	31,509	331,396	5,521	209	21,226	6,479	1,143	397,483

Note 11.3 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2017								
Owned - purchased	31,509	251,255	5,520	10,466	20,788	4,231	1,396	325,165
Finance leased	-	-	-	-	596	-	-	596
On-SoFP PFI contracts and other service concession arrangements	-	70,336	-	-	-	-	-	70,336
Owned - government granted	-	3,387	-	-	23	-	-	3,410
Owned - donated	-	8,220	-	-	230	1	51	8,502
NBV total at 31 March 2017	31,509	333,198	5,520	10,466	21,637	4,232	1,447	408,009

Note 11.4 Property, plant and equipment continued - 2017/18

The Trust's Land's and Buildings were revalued at 1 April 2017 by the Trust's appointed valuers, Cushman and Wakefield, adopting the Modern Equivalent Valuation technique. The valuation took into account the size, location and service requirements at present within the Trust, and reflected how this could be replaced by a Modern Equivalent Asset. Land and Buildings were revalued again as at 31 March 2018 by Cushman and Wakefield to recognise any potential changes in indices since the 1 April 2017.

Of the totals as at 31 March 2018, £31.509m related to land valued at open market and £5.521m related to dwellings valued at open market value.

The fair value of Buildings excluding Dwellings is £333.4m

The valuation was undertaken by surveyors who were suitably experienced and qualified members of the Royal Institute of Chartered Surveyors.

The valuation was carried out in accordance with the RICS Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.
Details of remaining asset lives are;

Buildings between 2 and 86 years.

Dwellings between 62 and 63 years.

Plant and machinery between 5 and 15 years.

Information technology between 5 and 10 years.

Furniture and Fittings between 5 and 10 years.

Note 12 Inventories

	31 March 2018 £000	31 March 2017 £000
Drugs	**4,613**	5,011
Consumables	**6,265**	5,804
Energy	**122**	113
Total inventories	**11,000**	10,928

Inventories recognised in expenses for the year were £66,614k (2016/17: £68,250k). Write-down of inventories recognised as expenses for the year were £431k (2016/17: £254k).

Note 13 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	**53,329**	30,611
Accrued income	**3,994**	1,083
Provision for impaired receivables	**(5,823)**	(6,097)
Prepayments (non-PFI)	**3,662**	3,332
PDC dividend receivable	**684**	161
VAT receivable	**2,028**	3,530
Total current trade and other receivables	**57,874**	32,620
Of which receivables from NHS and DHSC group bodies:		
Current	**51,150**	23,383

The great majority of trade is with Clinical Commissioning Groups (CCGs).
CCGs are funded by Government to buy NHS patient care.

Note 13.1 Provision for impairment of receivables

	2017/18 £000	2016/17 £000
At 1 April as previously stated	**6,097**	4,725
Increase in provision	**(34)**	1,676
Amounts utilised	**(240)**	(304)
At 31 March	**5,823**	6,097

Impairment of non NHS receivables is based on an individual assessment of receivable amounts, which takes into consideration the age of the debt and other known factors regarding the debt or debtor.

Note 13.2 Credit quality of financial assets

	2017/18 Trade and other receivables	2016/17 Trade and other receivables
Ageing of impaired financial assets	**£000**	**£000**
90-180 days	**5,823**	6,097
Total	**5,823**	6,097
Ageing of non-impaired financial assets past their due date		
0-30 days	**8,665**	6,554
30-60 Days	**2,057**	205
60-90 days	**262**	985
90-180 days	**2,853**	3,848
Total	**13,837**	11,592

Note 14 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 £000	2016/17 £000
At 1 April	**2,990**	3,315
Net change in year	**(1,077)**	(325)
At 31 March	**1,913**	2,990
Broken down into:		
Cash at commercial banks and in hand	**122**	43
Cash with the Government Banking Service	**1,791**	2,947
Total cash and cash equivalents as in SoFP	**1,913**	2,990
Total cash and cash equivalents as in SoCF	**1,913**	2,990

Note 14.1 Third party assets held by the 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 £000	31 March 2017 £000
Bank balances	**4**	4
Total third party assets	**4**	4

Note 15 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	**42,973**	31,584
Capital payables	**10,335**	7,161
Accruals	**30,503**	22,360
Social security costs	**5,684**	5,107
Other taxes payable	**-**	4,473
Accrued interest on loans	**520**	331
Total current trade and other payables	**90,015**	71,016
Of which payables from NHS and DHSC group bodies:		
Current	**12,361**	10,610

Note 16 Other liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	**8,845**	7,264
Total other current liabilities	**8,845**	7,264

Note 17 Borrowings

The Trust received support loans to the value of £55.9m of which £49.5m to fund it's planned deficit. The Trust also received capital investment loans of £2.3m to fund IT and Estates projects within the capital programme. The Trust also recived £4.1m for STF funding, which will be paid back in the first quarter of 2018/19. This has resulted in an increase in the current and non current borrowings for 2017/18.

	31 March 2018 £000	31 March 2017 £000
Current		
Loans from the Department of Health and Scoial Care	**78,619**	1,447
Obligations under finance leases	**165**	144
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	**1,860**	1,346
Total current borrowings	**80,644**	2,937
Non-current		
Loans from the Department of Health and Scoial Care	**140,867**	173,281
Obligations under finance leases	**861**	1,025
Obligations under PFI, LIFT or other service concession contracts	**51,641**	53,498
Total non-current borrowings	**193,369**	227,804

Borrowings / Loans - repayment of principal falling due in:

	31 March 2018 DH £000s	Other £000s	Total £000s
0-1 Years	78,620	2,022	80,642
1 - 2 Years	76,559	2,100	78,659
2 - 5 Years	58,774	5,616	64,390
Over 5 Years	5,533	44,789	50,322
Total	**219,486**	**54,527**	**274,013**

Note 18 Finance Lease

Obligations under finance leases where London North West University Healthcare NHS Trust is the lessee.

London North West University Healthcare holds a finance lease for Beds. The lease was taken out in the Financial Year 2008/09 under a 15 year term. The lease does not have a fixed rental per annum and is due to expire in 2022/23.

	31 March 2018 £000	31 March 2017 £000
Gross lease liabilities	**1,263**	1,501
of which liabilities are due:		
- not later than one year;	**243**	239
- later than one year and not later than five years;	**1,020**	1,262
- later than five years.	**-**	-
Finance charges allocated to future periods	**(237)**	(332)
Net lease liabilities	**1,026**	1,169
of which payable:		
- not later than one year;	**165**	144
- later than one year and not later than five years;	**861**	1,025

Note 19 Provisions for liabilities and charges analysis

	Pensions - early departure costs £000	Legal claims £000	Redundancy £000	Other £000	Total £000
At 1 April 2017	4,842	236	262	-	5,340
Change in the discount rate	5	-	-	-	5
Arising during the year	146	93	456	163	858
Utilised during the year	(249)	-	(262)	-	(511)
Reversed unused	(23)	(155)	-	-	(178)
Unwinding of discount	7	-	-	-	7
At 31 March 2018	**4,728**	**174**	**456**	**163**	**5,521**
Expected timing of cash flows:					
- not later than one year;	249	174	456	163	1,042
- later than one year and not later than five years;	995	-	-	-	995
- later than five years.	3,484	-	-	-	3,484
Total	**4,728**	**174**	**456**	**163**	**5,521**

The Early departure cost relating to staff refers to pension payments for staff retiring early through ill health. These figures are provided by NHS Pensions Authority. The discount rate for pensions relating to other staff has increased from 0.24% to 0.1% in line with HM Treasury and Department of Health guidelines. Settlements of these claims are determined using statistics provided by The Office of National Statistics (ONS).

Legal Claims refer to Public and employers liability claims and also provisions in relation to ongoing employment cases. Value of these claims will be subject to the relevant judgements or subsequent settlements made by the relevant employment tribunals.

The redundancy provision relates to potential management redundancies.

Note 20 Clinical negligence liabilities

At 31 March 2018, £280,930k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of London North West University Healthcare NHS Trust (31 March 2017: £193,197k).

Note 21 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
NHS Resolution legal claims	**(61)**	(87)
Employment tribunal and other employee related litigation	**(140)**	(143)
Gross value of contingent liabilities	**(201)**	(230)
Net value of contingent liabilities	**(201)**	(230)
Net value of contingent assets	-	-

Note 22 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	-	567
Total	-	567

Note 23 On-SoFP PFI, LIFT or other service concession arrangements

Note 23.1 Imputed finance lease obligations

Under the PFI contract, which ends on 16th March 2036, the Trust's PFI provider ByCentral Limited has constructed the Brent Emergency Care and Diagnostic (BECaD) on the site of Central Middlesex Hospital and provides facilities management of existing and new premises for the duration of the contract. At the conclusion of the contract, ownership of the asset will revert to the Trust. Under IFRIC 12, the asset is treated as an asset of the Trust.

London North West University Healthcare NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	**95,262**	100,433
Of which liabilities are due		
- not later than one year;	**5,581**	5,171
- later than one year and not later than five years;	**20,504**	20,903
- later than five years.	**69,177**	74,359
Finance charges allocated to future periods	**(41,761)**	(45,589)
Net PFI, LIFT or other service concession arrangement obligation	**53,501**	54,844
- not later than one year;	**1,860**	1,346
- later than one year and not later than five years;	**6,852**	6,775
- later than five years.	**44,789**	46,723

Note 23.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**190,524**	200,867
Of which liabilities are due:		
- not later than one year;	**11,162**	10,343
- later than one year and not later than five years;	**41,009**	41,806
- later than five years.	**138,353**	148,718

Note 23.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the Trust's payments in 2017/18:

	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	**10,998**	11,284
Consisting of:		
- Interest charge	**3,825**	3,935
- Repayment of finance lease liability	**1,346**	1,691
- Service element and other charges to operating expenditure	**1,666**	2,225
- Capital lifecycle maintenance	**2,020**	1,379
- Contingent rent	**2,141**	2,054
Total amount paid to service concession operator	**10,998**	11,284

Note 23.5 Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI

No Later than One Year	**1,708**	1,666
Later than One Year, No Later than Five Years	**7,268**	7,091
Later than Five Years	**29,144**	31,029
Total	**38,120**	39,786

The current PFI contract assumed an inflation rate of 2.5% (£39,786k), however if the assumption that the inflation rate was 0%, then the total payments would have been £38,816k. Additionally, if inflation was 5%, the payment would have been £40,756k.

Number of on SOFP PFI Contracts	1

Note 24 Financial Instruments

Note 24.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Clinical Commissioning Groups (CCGs) and the way those CCG's are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS 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 NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 - 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with CCG's, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. For the financial year commencing 1 April 2018, the Trust has forecast a deficit of £31.4m. The plan agreed with NHS Improvement requires additional support through loan funding.

Note 24.2 Carrying values of financial assets

	Loans and receivables	Held to maturity at	Total book value
	£000	£000	£000
Assets as per SoFP as at 31 March 2018			
Embedded derivatives	-	-	-
Trade and other receivables excluding non financial assets	52,184	-	52,184
Other investments / financial assets	-	-	-
Cash and cash equivalents at bank and in hand	1,913	-	1,913
Total at 31 March 2018	**54,097**	**-**	**54,097**

	Loans and receivables	Held to maturity	Total book value
	£000	£000	£000
Assets as per SoFP as at 31 March 2017			
Trade and other receivables excluding non financial assets	21,655	-	21,655
Cash and cash equivalents at bank and in hand	2,990	-	2,990
Total at 31 March 2017	24,645	-	24,645

Note 24.3 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	219,486	219,486
Obligations under finance leases	1,026	1,026
Obligations under PFI, LIFT and other service concession contracts	53,501	53,501
Trade and other payables excluding non financial liabilities	79,324	79,324
Total at 31 March 2018	**353,337**	**353,337**

	Other financial liabilities	Total book value
	£000	£000
Liabilities as per SoFP as at 31 March 2017		
Borrowings excluding finance lease and PFI liabilities	174,728	174,728
Obligations under finance leases	1,169	1,169
Obligations under PFI, LIFT and other service concession contracts	54,844	54,844
Trade and other payables excluding non financial liabilities	58,128	58,128
Total at 31 March 2017	288,869	288,869

Note 25 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				
Bad debts and claims abandoned	**98**	**241**	123	249
Stores losses and damage to property	**73**	**431**	70	254
Total losses	**171**	**672**	193	503
Special payments				
Ex-gratia payments	**33**	**14**	23	6
Total special payments	**33**	**14**	23	6
Total losses and special payments	**204**	**686**	216	510

Note 26 Related parties

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with London North West University Healthcare NHS Trust.

The Department of Health is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. For example :

The significant transactions were with NHS Brent CCG, NHS Ealing CCG and NHS Harrow CCG.

The Trust Chief Executive and the Director of Strategy and Deputy Chief Executive are Board members of Imperial College Health Partners. The Trust has incurred transactions with Imperial College Health Partners during 2017/18. Invoices to the value of £99k have been received and paid. No monies are outstanding at the end of the current financial year.

The Trust has also received revenue and capital payments from a number of charitable funds, of which the Trustees are also members of the Trust board. The amounts due or to be paid at the end of the financial year are;

	Receipts from Related Party	Amounts due from Related Party
	£000s	£000s
London North West Healthcare Charitable Funds	267	87

Note 27 Events after the reporting date

There were no adjusting events after the reporting period.

Note 28 Better Payment Practice code

	2017/18 Number	2017/18 £000	2016/17 Number	2016/17 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	**134,103**	**371,004**	158,841	415,628
Total non-NHS trade invoices paid within target	**116,717**	**353,331**	116,999	354,265
Percentage of non-NHS trade invoices paid within target	**87.04%**	**95.24%**	73.66%	85.24%
NHS Payables				
Total NHS trade invoices paid in the year	**3,380**	**15,990**	3,598	25,807
Total NHS trade invoices paid within target	**2,765**	**14,177**	2,103	17,179
Percentage of NHS trade invoices paid within target	**81.80%**	**88.66%**	58.45%	66.57%

The Better Payment Practice code requires the NHS body to aim to pay a minimum of 95% of valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 29 External financing

The Trust is given an external financing limit against which it is permitted to underspend:

	2017/18 £000	2016/17 £000
Cash flow financing	**48,751**	80,776
External financing requirement	**48,751**	80,776
External financing limit (EFL)	**49,164**	81,202
Under spend against EFL	**413**	426

Note 30 Capital Resource Limit

	2017/18 £000	2016/17 £000
Gross capital expenditure	**20,458**	19,028
Less: Disposals	**(10)**	(248)
Less: Donated and granted capital additions	**-**	(25)
Charge against Capital Resource Limit	**20,448**	18,755
Capital Resource Limit	**20,488**	18,779
Under spend against CRL	**40**	24

Note 31 Breakeven duty financial performance

	2017/18 £000
Adjusted financial performance surplus / (deficit) (control total basis)	**(39,086)**
Remove impairments scoring to Departmental Expenditure Limit	**489**
Breakeven duty financial performance (deficit)	**(38,597)**

Note 32 Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets based on the pre audited accounts and therefore the actual capital cost absorption rate is automatically 3.5%.

Note 33 Breakeven duty rolling assessment

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Breakeven duty in-year financial performance	(24,935)	(88,245)	(61,098)	**(38,597)**
Breakeven duty cumulative position	(24,935)	(113,180)	(174,278)	**(212,875)**
Operating income	346,730	666,125	681,059	**701,443**
Cumulative breakeven position as a percentage of operating income	(7.19%)	(16.99%)	(25.59%)	**(30.35%)**
Break-even in-year position as a percentage of turnover	(7.19%)	(13.25%)	(8.97%)	**(5.50%)**

Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10, London North West University Healthcare NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

The NHS Five Year Forward view sets out a vision for the future of the NHS. Our Clinical Strategy and plans for the coming years are part of a five-year Sustainability and Transformation Plan (STP) which we are creating with local commissioners, GPs, social services and other partners. The aim of this STP is to improve the health and wellbeing of people across North West London through a vision of a proactive model of care which will reduce the costs of meeting the care needs of the local population to enable the system to be financially, as well as clinically, sustainable.

The Long Term Financial Model for the Trust assumes progress towards breakeven over the next few years, however achievement of a breakeven position is dependent on the system reconfiguration and investment set out in the Strategic Outline Case for Shaping a Healthier Future and the wider STP, which, subject to the assumptions therein and receipt of the necessary capital funding, would allow the Trust to achieve breakeven by 2023/24.

Staff costs

	Permanent £000	Other £000	2017/18 Total £000	2016/17 Total £000
Salaries and wages	352,741	-	**352,741**	349,943
Social security costs	42,831	-	**42,831**	37,569
Apprenticeship levy	1,777	-	**1,777**	-
Employer's contributions to NHS pensions	41,515	-	**41,515**	38,738
Pension cost - other	15	-	**15**	12
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	534	-	**534**	393
Temporary staff		24,223	**24,223**	34,086
Total gross staff costs	439,413	24,223	**463,636**	460,741
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	439,413	24,223	**463,636**	460,741
Of which				
Costs capitalised as part of assets	2,283	-	**2,283**	2,308

Average number of employees (WTE basis)

	Permanent Number	Other Number	2017/18 Total Number	2016/17 Total Number
Medical and dental	1,206	114	**1,320**	1,300
Ambulance staff	-	-	**-**	-
Administration and estates	1,460	272	**1,732**	1,869
Healthcare assistants and other support staff	1,323	267	**1,590**	1,547
Nursing, midwifery and health visiting staff	2,600	541	**3,141**	3,201
Nursing, midwifery and health visiting learners	45	-	**45**	46
Scientific, therapeutic and technical staff	877	85	**962**	956
Healthcare science staff	169	2	**171**	158
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	7,680	1,281	**8,961**	9,077
Of which:				
Number of employees (WTE) engaged on capital projects	17	25	**42**	38

Reporting of compensation schemes - exit packages 2017/18

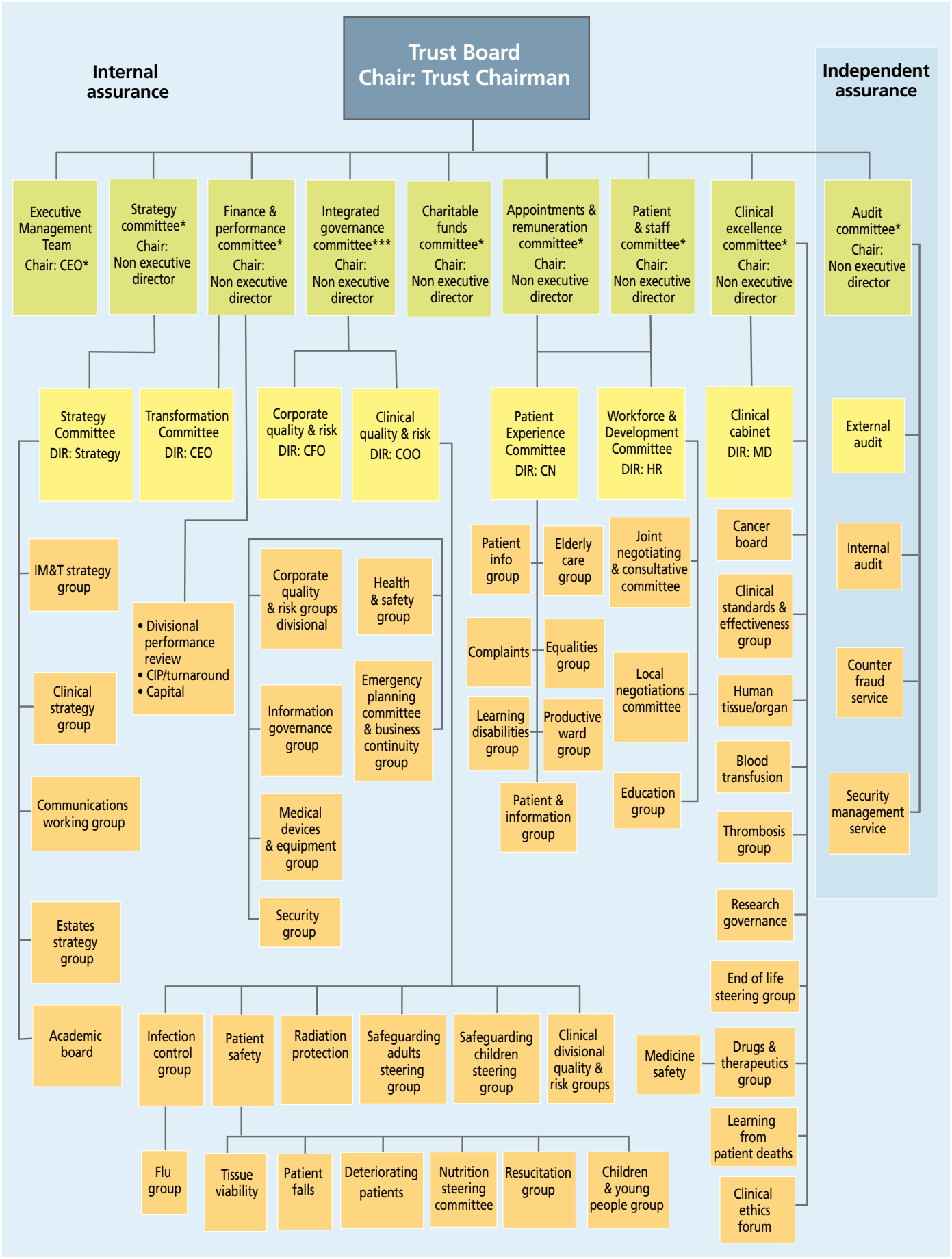
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
£50,001 - £100,000	4	-	4
Total number of exit packages by type	**4**	**-**	**4**
Total resource cost (£)	£287,000	£0	£287,000

Reporting of compensation schemes - exit packages 2016/17

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£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	2	-	2
Total number of exit packages by type	5	-	5
Total resource cost (£)	£450,644	£0	£450,644

Appendix 1

Board assurance accountability structure November 2017



*sub committees of the board

Appendix 2

Attendance for Board and Board Committees

Name	Position	Trust Board Meeting	Appointments and Remuneration Committee	Audit Committee	Charitable Trust Funds Management Committee	Clinical Excellence Committee	Finance and Performance Committee	Integrated Governance Committee	Patient and Staff Committee	Strategy Committee
		8	6	6	3	8	10	6	7	4
Mr Peter Worthington	Chairman	7	3	4	1	4	9	4	4	2
Professor David Taube	Non-Executive Director	8				8				
Mr Peter Commins	Non-Executive Director	8		6	1	4	9	3	5	
Mr Andrew Farrell	Non-Executive Director	7	5	6			9	6		4
Mr Ruwan Weerasekera	Non-Executive Director	6	4	6	1		8			4
Mrs Janet Rubin	Non-Executive Director	7	5				7		7	3
Dr Vineta Bhalla	Non-Executive Director	6		4	3	7	1	5		2
Mr Andrew van Doorn	Non-Executive Director	7			3	6		3	6	3
Dame Jacqueline Docherty	Chief Executive	8	4	4	2	5	10	5	5	4
Mr Simon Crawford	Director of Strategy & Deputy Chief Executive	7		2	1		1	3		4
Dr Charles Cayley	Medical Director	8		1	1	8		6	6	3
Mr Lee Martin*	Chief Operating Officer	5		2		2	5	2		1
Ms Amanda Pye	Chief Nurse	7		6	3		10	3		3
Mr Jon Bell	Chief Financial Officer	8		6	3		10	3		3
Ms Claire Gore (non-voting member)	Director of HR and Organisational Development	8	4				9		7	2
Mr Nigel Myhill (non-voting member)	Director of Estates and Facilities	6					5	6	4	4
Ms Sandra Adams (non-voting member)	Director of Corporate Affairs (Trust Secretary)	8	5	6	3	8	6	6	7	3
Ms Arshiya Khan**	Chief Operating Officer	3		1		2	4	3		2

*Mr L Martin left the Trust in November 2017

**Ms Arshiya Khan commenced with the Trust in November 2017

Appendix 3

High scoring risks mapped to the Board Assurance Framework (BAF) as at 31 March 2018

BAF Ref	Headline description of risk
Strategic risk 1: Failure to improve safety and quality	
RR 24	Increased emergency care pathway waiting times
RR 55/57	Estates including health & safety
RR 88	Risk of harm to children and young people requiring level 2 critical care
RR 128	Level 2 care at Ealing Hospital is not provided in a dedicated clinical area
RR 342	Patient harm or sub-optimal care arising from poor functioning and unreliability of videoconferencing system used to support multidisciplinary team meetings
RR 665	Consultant haematology vacancies
RR 677	Patch management: unpatched internal servers will be compromised by the exploitation of unpatched vulnerabilities in operating systems and hardware
Strategic risk 2: Failure to improve patient experience, satisfaction and engagement	
RR 33	Insufficient inpatient bed capacity at Northwick Park Hospital
RR 228	Risk to availability of records from Ealing Hospital, Central Middlesex Hospital & Northwick Park Hospital leading to cancellation of appointments or surgery
RR 622	Lack of GA MRI capability at Northwick Park Hospital and patients require transfer by ambulance to Ealing MRI
Strategic risk 3: Failure to maintain an effective workforce	
RR 68	Northwick Park Hospital medical education and training. Risk of failure to meet Care Quality Commission standards of quality and safety
RR 390	Reliance on clerical overtime to make appointments for extra sessions
RR 689	High turnover in the Clinical Coding Department leading to reliance on unqualified and less experienced coding staff

BAF Ref	Headline description of risk
Strategic risk 4: Failure to attain financial stability	
RR 461	Operational plan unable to deliver national access or quality standards
RR 532	Delays or sub-optimal care due to large numbers of vacancies being covered of medical and nursing staff.
RR 654	Risk of potential loss of income for the Bowel Cancer Screening Programme Hub
RR 715	Non-Emergency Patient Transport Service (NEPTS); risk that the Clinical Commisioning Groups will not fully recover costs associated with the Trust's provision of NEPTS
Strategic risk 5: Failure to secure the long-term future of the organisation	
RR 382	A risk that Radiology will not be able to deliver service to meet demand and this will impact on patient care and Trust reputation
RR 455	IT BAU resources are overstretched and do not have capacity to support all BAU activities plus projects risk
RR 472	Risk of failure to business intelligence infrastructure
RR 610	Sexual health services – Tudor Centre; interim hub with no alternative location currently. Risk of loss of hub and impact on service delivery
Strategic risk 6: Failure to integrate successfully	
RR 438	Information governance structure is not in place and staffing is not adequate for the function
RR 452	Risk of cyber threats
RR 456	Unsupported operating systems: vulnerabilities can lead to increased risk of loss of information or access to systems
RR 623	Pharmacy aseptic suite does not meet regulatory requirements

NOTES

Our Trust covers:

- Central Middlesex Hospital
- Ealing Hospital
- Northwick Park Hospital
- St. Mark's Hospital
- Community services across Brent, Ealing and Harrow, including Clayponds Rehabilitation Hospital, Meadow House Hospice and the Willesden Community Rehabilitation Hospital

Contact and follow us at:

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TEACHING, LEARNING, CARING, RESEARCHING AND INNOVATING