NHS
West London
NHS Trust

Annual Report and Accounts 2018-19

Promoting hope and wellbeing together

Contents

1 Introduction from the Chief Executive

This year, in which the NHS celebrated its 70th anniversary, has marked a significant turning point for the Trust, with recognition both of tangible progress made across the board and of award-winning staff, service users and services.

It has been a year during which the hard work and commitment of our staff, working in partnership with service users, carers and families, have put the Trust on a much firmer footing in delivering our five-year strategy.

This was demonstrated perhaps most clearly by the Trust's move to a *Good* overall rating from the Care Quality Commission (CQC), up from the *Requires Improvement* rating two years ago. This is particularly significant as it recognises the clear improvement to the quality of the care and services we provide.

I'm particularly proud of our *Outstanding* rating for being caring, with the CQC highlighting the kindness, compassion and respect with which our staff treat patients and the way in which we support them to get involved in service development and decision-making about their own care and treatment. Our forensic services are a clear example of how far we've come – now rated *Outstanding*, having been *Inadequate* three years ago.

During the year in which we changed our name to West London NHS Trust, the progress we've made was also demonstrated by the successful bid, led by the Trust, to deliver community health and care services in Ealing over the next 10 years with a range of partners. Both this partnership and the new Trust name reflect the move towards integrated care – that is, care which considers the needs of the whole person: where people's physical and mental care needs are assessed and treated together, in the most appropriate setting and near to home, wherever possible.

None of what we have achieved together and still aspire to deliver would be possible without our staff and we're committed to attracting, developing and retaining the wide range of expertise and talent which we need.

Over 2018-19, this work included:

- The introduction of nursing degree apprenticeships. We are among the first in London to introduce these, with the first cohort joining in April 2018;
- The launch of our Retaining Expert Nurses initiative to retain the skills of experienced nurses nearing retirement;
- The Trust's BME (Black and Minority Ethnic) leadership programme welcomed its annual cohort in autumn 2018, having won a national award in June;
- The launch of the Trust's Fair and Safe Shift Allocation Charter.

Our positive staff survey results for 2018-19 continue to show overall improvement, with a 15 percentage point increase in those taking part and giving their feedback. Responses about morale and relationships with immediate managers were particularly positive this year.

And the achievements of our staff have been recognised throughout the year, including:

- Adam Cramp, a nursing degree apprentice at Broadmoor, was named *Apprentice of the Year* in the national *Our Health Heroes* awards;
- Dr Sam Nayrouz, Director of Clinical Studies and Consultant Psychiatrist, won the *Imperial Medical School Teaching Excellence Award* for the second time;
- Cognitive Behavioural Psychologist, Saeed Khalilirad, was nominated by local MP, Andy Slaughter, for the NHS 70th anniversary parliamentary awards and was the London Regional Winner for *Excellence in Mental Healthcare*.

The Trust's annual Quality Awards also recognised star performers among our staff and service users.

While our strong financial position has given us the stability to continue to invest in improving patient care and the development of our staff, the Trust continues to face a number of significant challenges which will be a particular focus for the coming year.

The opening of the new Broadmoor Hospital is now on the horizon for 2019-20, however staff across too many of the Trust's other sites are still delivering care in ageing buildings, some of which are amongst the oldest NHS estate in London. The resulting impact on the quality of care, highlighted by the CQC, makes this a priority for the Trust and we continue to develop our plans and work to secure the necessary investment in modern buildings to ensure a safe, therapeutic environment for patient care and recovery.

Like the rest of the NHS, we face significant challenges in recruiting healthcare staff, especially nurses, against the backdrop of the UK's decision to leave the European Union. Attracting skilled, motivated staff and supporting them to develop their careers at the Trust, continues to be a major focus over the coming year.

Our ambition for 2019-20 is to build on what we have achieved over the year – to go from good to great. We look forward to moving into our new hospital in Broadmoor towards the end of the year after many years of planning and construction. We will start to deliver the community services in Ealing with our partners in the summer. And the commitment in the NHS Long Term Plan to additional funding for mental health gives us the ammunition to work even harder to remove the stigma which is still associated with mental illness.

We welcomed two new Non-executive Directors early in 2018-19: Janice Barber, a solicitor specialising in NHS Law and Professor Nick Barber, a pharmacist and Emeritus

Professor of Pharmacy at UCL School of Pharmacy. Their experience and expertise have greatly contributed to the work of the Trust Board over the year.

My thanks to them and the rest of the Board, the executive team and staff across the Trust, service users, families and carers and our partners in helping to make 2018-19 a year of real progress and achievement. I look forward to working with you all to build on this progress over the coming year.

Carolyn Regan
Chief Executive

The looking glass
Why can it openly reveal,
A reflection of your image,
Inner self happiness ordeals.
The face which changes with time,
Distorted with anger or happy fine lines,
Are disposition is makes us unique,
Inner beauty always runs deep.
Most of all, when we look at one's self,
We are not delusional or ill healthed,
Oh be proud of what you see,
There is only one you,
One me.

Artwork by SC, service user, West London Forensic Services

2 Part A: Performance report Overview

This section sets out progress made by the Trust during 2018-19 and challenges faced.

About West London NHS Trust

West London NHS Trust is one of the most diverse healthcare providers in the UK. It provides a range of mental health, physical healthcare and community services for children, adults and older people living in the London boroughs of Ealing, Hammersmith & Fulham and Hounslow. It also delivers a number of regionally and nationally-commissioned specialist and forensic mental health services.

The Trust serves a local population of 800,000 residents and employs around 3,400 staff.

Structure of the Trust

During 2018-19, the Trust's Board consisted of 15 members; a non-executive chairman, seven executive directors (including the chief executive) and seven non-executive directors.

The Trust has three main clinical service units:

Local and Specialist Services

The Local and Specialist Services directorate provides physical and mental health care, in inpatient settings and in the community, for people living in Ealing, Hammersmith & Fulham, and Hounslow.

During 2018-19, this directorate was divided into five areas (known as clinical service lines), each with its own clinical director:

- Access and Urgent Care
- Primary and Planned Care
- Liaison and Long Term Conditions
- Child and Adolescent Mental Health Services and Developmental Services
- Cognitive Impairment and Dementia Services

The remit and progress of each of these five areas during 2018-19 is covered later in this overview section.

Forensic Services

The Trust's West London Forensic Services are provided to a wider catchment area. They offer a comprehensive assessment, treatment and rehabilitation service for male and female mentally disordered offenders, as well as those with challenging behaviour, in conditions of low and medium security.

High Secure Services

The Trust's high secure service at Broadmoor Hospital in Berkshire is one of only three such hospitals in England. It provides assessment, care and treatment for men with severe mental illness and personality disorder who require care in conditions of high security.

Vision, values and objectives

The Trust's vision is to be an outstanding healthcare provider, committed to improving quality and caring with compassion.

Its values are:

- Togetherness
- Responsibility
- Excellence
- Caring

The Trust's strategy (2017-22) sets out five objectives:

- To be recognised as *Good* or *Outstanding*
- To be a preferred provider and employer
- To be a recognised provider of integrated physical, mental health and social care
- To be a lead provider or preferred partner
- To be focused on service in North West London and Berkshire

Work on developing a new clinical strategy for the Trust took place during 2018-19. This will be finalised later in 2019.

Integrated care

Evidence suggests that physical and mental health are linked. Many patients with mental illness also have one or more long-term physical conditions. People experience better health and wellbeing when their mental and physical care needs are considered together and, where appropriate, treated in the same community setting, near to home.

The Trust's aim is therefore to provide integrated care to people in the community and to ensure that people have their physical and mental health problems identified, assessed and treated in a coordinated way. An important development during the year was the decision to expand the range of services provided by the Trust, with physical healthcare becoming a greater component of its work.

Name change

In order to reflect the increasing diversity of the services the Trust provides, and its ambition to expand the range of integrated care service it delivers, it changed its name on 31 August 2018 from West London Mental Health Trust to West London NHS Trust.

Ealing Community Partners

In August 2018, the Trust, together with Central and North West London NHS Foundation Trust, The Hillingdon Hospitals NHS Foundation Trust and other partners, submitted a bid to Ealing Clinical Commissioning Group (CCG) to provide community-based physical and mental healthcare and social care services in Ealing over the next 10 years. The Trust was the lead partner in the bid. On 30 October 2018, the partnership was named as preferred bidder and the contract between the Trust, on behalf of the partnership, and the CCG was signed on 14 February 2019.

The services which will be provided include:

- Nursing and therapy for children who need specialist healthcare
- Healthcare for people with a learning disability
- Physiotherapy, podiatry, speech and language therapy, occupational therapy and other services to help people maximise their independence
- Nursing for people in their own homes and community clinics
- Care for people with long term conditions, such as diabetes, pressure ulcers and continence needs, as well as psychological and psychiatric care
- General Practice (GP) services
- Care at home for people who are at the end of their life

The partnership, to be known as Ealing Community Partners, will begin delivering these services in summer 2019.

Care Quality Commission inspections

The Care Quality Commission (CQC) carried out an inspection of Broadmoor Hospital in June 2018 and an inspection of most of the remainder of the Trust between September and October 2018.

The CQC's report on the Trust as a whole was published in December 2018. The Trust received an overall rating of *Good*, up from the *Requires Improvement* rating it had received in the CQC's previous report in 2017. It was rated as *Outstanding* for being caring, *Good* for being effective, responsive and well-led, and *Requires Improvement* on safety.

West London Forensic Services was rated as *Outstanding*, having been *Inadequate* in 2015.

Inspectors praised the following:

- The way staff treat patients with kindness, compassion and respect, and go the extra mile to meet patients' needs;
- The way the Trust works in partnership with patients, carers and the local community and involves patients in the development of their care and in service delivery at every opportunity;
- Effective leadership and improved staff engagement;
- The Trust's grip on its finances.

Areas for improvement included:

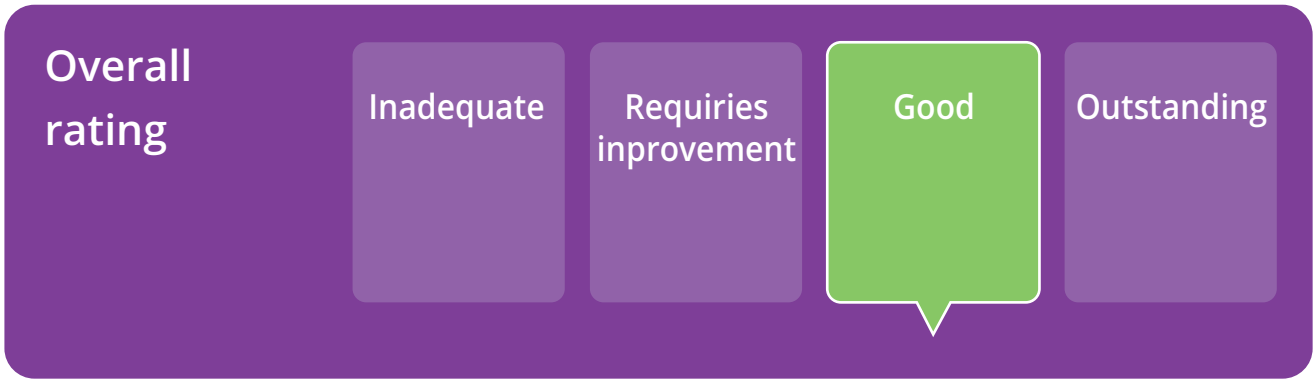
- The quality of some of its estate;
- Recruitment and retention or staff;
- Consistency in recording of incidents.

The report acknowledged that the Trust was aware of the issues it had raised and was making good progress in addressing these.

The CQC's report on Broadmoor Hospital was published in August 2018. The hospital was rated *Good* overall, *Outstanding* for being caring, *Good* for being responsive, effective, well-led and *Requires Improvement* on safety. These ratings were incorporated into the overall Trustwide report published in December 2018.

The overall rating also incorporated the findings of an inspection of the Trust's adult acute wards, which had taken place in January 2018, and had found significant improvements in managing bed occupancy.

The detailed ratings awarded to the Trust's services by the CQC are shown in the chart overleaf.



	Safe	Effective	Caring	Responsive	Well led	Overall
Long stay or rehabilitation mental health wards for working age adults	Requires inprovement	Requires inprovement	Good	Good	Requires inprovement	Requires inprovement
Child and adolescent mental health wards	Good	Outstanding ★	Good	Good	Good	Good
Community health inpatient services	Good	Requires inprovement	Good	Good	Good	Good
Community-based mental health services for adults of working age	Requires inprovement	Good	Good	Requires inprovement	Good	Requires inprovement
Community-based mental health services for older people	Good	Good	Outstanding ★	Good	Good	Good
Forensic inpatient/secure wards	Good	Good	Outstanding ★	Good	Outstanding ★	Outstanding ★
Mental health crisis services and health-based places of saftey	Requires inprovement	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Requires inprovement	Good	Good	Requires inprovement	Requires inprovement	Requires inprovement
Wards for older people with mental health problems	Requires inprovement	Good	Good	Good	Good	Good
High secure hospitals	Requires inprovement	Good	Outstanding ★	Good	Good	Good

Estate

Some of the Trust's estate is among the oldest in London. On the St Bernard's site in Ealing, over half of the building stock consists of the original Hanwell Asylum buildings (dating from 1830-1880). The CQC, in its December 2018 report, noted the quality of the estate as a factor limiting the Trust's ability to deliver the highest possible care.

During 2018-19, the Trust made progress on two major building projects:

- The refurbishment of **Medway Lodge**, on the St Bernard's site, which will enable the remainder of the Trust's medium secure male service users to be moved out of Victorian buildings (other service users having moved in previous years). Once this move is complete, expected in summer 2019, all of the Trust's medium secure service users will be housed on a single campus. This will mean that both their accommodation and all of their therapy, vocational and educational services with be provided together in a modern, therapeutic environment. Care for male low secure service users will, however, continue to be provided in older buildings, the Tony Hillis Wing and Butler House, on the St Bernard's site.
- The construction of the new **Broadmoor Hospital** to replace the current buildings, most of which date back to the 1860s. While the project encountered delays during the year, the Trust was close to taking over the hospital buildings from the construction company at year end (see also developments after year end on page 21).

In addition to these projects, the Trust invested significant resource during 2018-19 to develop a service and funding plan for a more comprehensive move away from the remainder of its outdated estate and into modern buildings, thus creating a more therapeutic environment for patient care and recovery. Visitors to the St Bernard's site, including Sir Robert Naylor, the Government's adviser on NHS property and estate, and Geoff Alltimes, the Co-Chair of the London Estates Board, were shown the care which can be provided in its newer buildings and the contrast with the limitations of the older estate.

Brentford Lodge

In July 2018, Brentford Lodge was formally opened by Ruth Cadbury, MP for Brentford and Isleworth, after refurbishment during 2017-18.

Brentford Lodge now houses the Trust's local services recovery college, previously situated in West Ealing. The college offers over 50 courses around mental and physical wellbeing to service users, carers, families and other local organisations; courses include developing life skills, coping skills, managing mental health better, and preparing for work or study. At the end of 2018-19, the college had 300 active students enrolled.

Other Trust services which have moved into the building include Hounslow Improving Access to Psychological Therapies (IAPT), Primary Care Plus and Hounslow Wellbeing Network.

Review of the Trust's clinical service lines

Access and Urgent Care

The Trust's Access and Urgent Care services assess and treat patients with urgent issues related to their mental health. They include the Trust's 24/7 single point of access helpline, its acute inpatient wards, which contain 185 beds, and its community crisis, assessment and treatment teams (CATTs), among other services.

Key developments during 2018-19 included:

- The reduction in the operating size of the two largest wards to improve the ratio of staff to patients, and a series of capital works, designed to improve the environment for patients.
- Coproduction, with patients and carers, of a series of new service standards which the Trust's inpatient service aspires to meet in the future.

- Work with NHS Improvement to adapt a Red to Green tool, as used in acute trusts to reduce delays in patients' care caused by non-clinical factors, such as waits for beds or accommodation from other services, for use in a mental health environment.
- The introduction of community-based physical health care clinics by each of the CATTs. The clinics offer people with mental health conditions who are seen by the CATTs a physical health check, which includes monitoring their blood pressure and body mass index, blood tests where required, an electrocardiogram (ECG) and support on smoking cessation.
- An improvement in the culture of learning from serious incidents.

The inpatient wards have operated within capacity throughout the year, with no patients needing to be sent out of the area for care, except where they have needed specialist services.

The CATTs and health-based places of safety (suites used to assist people believed by the police to have a mental disorder at risk of causing harm to themselves or others) received a *Good* rating from the CQC. There was a particular emphasis during 2018-19 on monitoring and treating the physical healthcare needs of patients, with the CQC also commending the community-based physical healthcare clinics operated by the CATTs.

Planned and Primary Care

The Trust's Planned and Primary Care services include community recovery teams, primary care mental health, early intervention in psychosis, specialist rehabilitation and eating disorder services for people in Hammersmith & Fulham, Ealing and Hounslow. This service line also includes the Cassel Hospital, which offers inpatient services and extensive outreach follow up to people across the country with complex and severe personality disorder.

Key developments during 2018-19 included:

- The establishment of a specialist community rehabilitation team in Hounslow to provide wraparound care in conjunction with the London Cyrenians Housing (LCH). This model of care brings together the expertise of the Trust's clinical teams and partners in supported housing provision. It has enabled a number of service users to return to Hounslow from out of area and secure placements and to live in a community setting with fewer restrictions. Work is in progress to roll this model out across Ealing and Hammersmith & Fulham.
- Continuing reductions in waiting times for people in secondary mental health services seeking access to evidence-based psychological therapies.
- The introduction of a new, streamlined process for transferring patients back into primary care from Trust services, when they no longer need them. This process, agreed with GP leads in Hounslow, Hammersmith & Fulham and Ealing, will improve patient flow and increase capacity in, and access to, community recovery teams.
- Work to extend the Trust's early intervention in psychosis service, which is currently available for those aged between 18 and 35, to those aged between 14 and 65. The Trust's proposals have been met positively from Clinical Commissioning Groups and the expansion will be rolled out in 2019.

The rehabilitation wards and community health services for working-age adults both received a *Requires Improvement* rating from the CQC, but were rated *Good* for being caring. Improvement plans include work with NHS Improvement to explore how to reduce the size of caseloads size in secondary care mental health services whilst ensuring that patients are seen in the best setting.

Liaison and Long Term Conditions

The Trust provides a range of liaison and long term conditions services which support the integration of mental and physical health care, including Improving Access to Psychological Therapy (IAPT), Liaison Psychiatry, Clinical Health Psychology and Perinatal Psychiatry, as well as borough-based community health services including Home ward Ealing and One You Ealing.

Key developments during 2018-19 included the following:

- The Liaison Psychiatry service, which provides rapid assessment and treatment to patients coming to wards and the Urgent Care Centres / Emergency Departments at Charing Cross, Hammersmith, West Middlesex and Ealing Hospitals, expanded to provide 24/7 nursing provision from August 2018.

- The IAPT services in Hammersmith & Fulham, Ealing and Hounslow treated over 16,500 service users in the past year. The IAPT services are working with partners to find new and innovative ways for delivering psychological interventions in physical healthcare settings. During the year, over 1,500 people with one or more long-term physical health conditions received care from the IAPT services as part of an NHS England-funded pilot programme.

- Hammersmith & Fulham's IAPT service, called Back on Track, marked its 10th birthday with an event attended by service users, staff, partners and Hammersmith MP, Andy Slaughter. The service has seen over 40,000 patients since it opened 10 years ago. Over the year, the service has introduced a number of digital service innovations, including offering clients psychological interventions over Skype or through its online forum Back Online. These are increasing access to psychological therapies for those who find it difficult to attend regular appointments.

- New collaborations between the Trust's services to provide seamless psychological and psychiatric assessment and treatment in the Imperial Weight Centre at St Mary's Hospital, Paddington, for people with obesity undergoing bariatric surgery.

- The introduction at Hammersmith Hospital of a support group for people living with an implantable cardioverter defibrillator (ICD), many of whom had never previously met anyone else with an ICD. Feedback from users has been positive, with most saying the sessions are comforting and useful to share experiences.

- The expansion of the perinatal service, which supports women with severe and complex mental illness before and after pregnancy. From October 2018, the service expanded to become available to women up to one year after childbirth, where previously it had only been available for six months after birth.

- A validation by Ealing CCG of Home ward Ealing, which helps people after discharge from hospital or during a sudden illness, confirmed that, over the previous three years, 92% of the 6,600 patients it had helped to avoid a hospital admission, were still at home after 28 days.

- Working with partners, the Trust launched a North West London-wide initiative to provide advice to staff working in care homes over the phone and using video technology. By February 2019 this service was receiving 300 calls per month, with 80% of queries being resolved without the patient needing to be referred to hospital.

The Liaison Psychiatry service was inspected by the CQC in autumn 2018, with its findings being incorporated into the ratings on the Trust's acute services. The CQC also visited HomeCare Reablement Service in December 2018 as part of a separate inspection. This service, which helps people gain confidence and independence at home following illness or a stay in hospital, is

provided by the London Borough of Hammersmith & Fulham, as part of the Trust's integrated Community Independence Service within the borough. The full report was published after year end and the service was awarded an *Outstanding* rating.

Child and Adolescent Mental Health and Developmental Services

The Trust's Child and Adolescent Mental Health and Developmental Services (CAMHS) provide community services to children and young people up to the age of 18 with mental health issues ranging from mild to severe.

Key developments during 2018-19 included:

- The ongoing development, with Central and North West London NHS Foundation Trust (CNWL), of a new model of care, which aims to reduce the number of young people receiving hospital treatment outside the local area and provide help to people before they need to be admitted to hospital. The new model was launched in 2017-18 with a 40% year-on-year reduction in out of area care in 2018-19.
- A collaboration between the Trust and CNWL resulted in the opening, in November 2018, of Lavender Walk, a new adolescent inpatient unit in Chelsea. Operated by CNWL, Lavender Walk adds 12 new beds to the North West London area, enabling care closer to home for local young people.
- The selection of Hounslow as one of 25 pilot sites for a new nationwide initiative to increase access to mental health support in schools. Two mental health support teams from the Trust will cover all of the primary and secondary schools in the borough, providing young people aged between 4 and 18 with fast access to mental health and wellbeing support in school or college. The service will be operational from December 2019.
- A focus on creating new roles to increase workforce capacity in the local area. This included recruiting 13 children's wellbeing practitioners during the year to provide support to children and young people at the very early stages of anxiety and stress.
- The continued development of the eating disorders service, which opened in 2017-18. The number of home visits and engagement with schools increased during the year.

Waiting times for children and young people with neurodevelopmental issues, which are higher than the national average, represented the greatest challenge for CAMHS during 2018-19. The Trust is working with commissioners to explore how these can be reduced. Other waiting times within CAMHS are lower than the national average.

The Trust's CAMHS were not inspected by the CQC during 2018-19.

Cognitive Impairment and Dementia Services

The Trust provides cognitive impairment and dementia services (CIDs), in the community, and at inpatient settings at Jubilee Ward at St Bernard's and The Limes nursing home in Southall.

Key developments during 2018-19 included the following:

- A number of steps were taken to ensure that patients receive support and care in the most appropriate environment. A dementia link worker service was established in Hammersmith & Fulham, having already been established in Ealing and Hounslow. This has increased capacity in community services and led to a decrease in waiting times for patients.
- Ealing and Hounslow CIDs were re-accredited by the Memory Service National Accreditation Programme. This gives assurance to patients, carers, frontline staff, commissioners, managers, and regulators of the high quality of the Trust's

memory service and that staff are committed to improving care.

- John's Campaign, which supports the right of carers and family to stay with patients with dementia in hospital, has been fully embedded in both the Limes and Jubilee Ward.
- Funding from the Trust's charity (see page 20) enabled "Tovertafel" to be installed in inpatient wards. This is an innovation that uses interactive games to connect older people in the later stages of dementia with each other and with their surroundings. It also allows greater involvement of carers in patient care.

The Trust's CIDs received a *Good* rating from the CQC for both community and inpatient services, with an *Outstanding* rating for caring in community services. The inpatient wards were redecorated during the year, with new dementia friendly signage, and the CQC remarked positively on the new signage in the Limes.

Recent feedback from Friends and Family Test responses show that 97% of patients and carers would be extremely likely or likely to recommend the service. The forms are currently being redesigned to make it easier for feedback to be acted on in a meaningful way.

West London Forensic Services

West London Forensic Services (WLFS) cares for 255 adult male and female and adolescent male service users in low, medium and women's enhanced medium secure services on the St Bernard's site. In addition, the Trust cares for 180 outpatients moving out of inpatient care through two forensic community teams.

The key achievement for WLFS during 2018-19 was the CQC overall rating of *Outstanding* (see page 9), which represented the successful culmination of a programme to transform leadership, governance and culture, following the *Inadequate* rating it had received in 2015. The CQC rated WLFS *Outstanding* for being caring and well-led, and *Good* for being responsive, effective and safe.

Other developments during 2018-19 included:

- The launch, in April 2018, of the North London Forensic Consortium New Care Model with four partner trusts. This aims to bring patients back to their local areas from out-of-area secure placements, and to reduce the use of out-of-area providers in the future. The consortium brought 22 patients back in 2018-19, allowing funds to be reinvested in the Trust's community forensic services.
- A successful bid to run forensic CAMHS in North West London. The service went live in September 2018, with a formal launch at a stakeholder event in January 2019. It provides advice, consultation and training for local health, social care and youth justice professionals working with young people with complex needs.

Service user engagement was an important focus during the year. WLFS has an active recovery college providing coproduced training for staff and service users. Service users play a role in recruitment, for example, sitting on interview panels. They are involved in service development, contributing the development of the five year strategic plan for WLFS, and attend governance meetings at a ward and service level. A quarterly magazine, called Inside Out, is also coproduced. The CQC commended service user engagement in WLFS as being some of the best they had seen.

Priorities for 2019-20 include continuing to move patients out of the Tony Hillis Wing, one of the poorest mental health estates in London, enhanced delivery of physical healthcare and improving pathways for patients out of secure care.

High Secure Services / Broadmoor Hospital

Broadmoor Hospital cares for up to 212 patients in a high secure environment at any given time.

Key developments during the year included:

- A focus on reducing restrictive practices and improvement in the governance of restraint, as well as an overall reduction in the use of long term segregation. A number of teams have been involved in quality improvement initiatives, an example being a project on Ascot ward, which led to patients subject to long term segregation having increased time out of their rooms.
- Progress with the construction of the new hospital (see page 11).
- The introduction of Safewards, a model for restricting conflict and maintaining a calm environment within psychiatric hospitals.
- The second annual High Sheriff awards event in March 2019, in which the High Sheriffs of Berkshire and Buckinghamshire presented awards to six members of staff for outstanding work and dedication.
- A range of events designed to bring patients and staff together and maintain high morale throughout the hospital.

The CQC's report on Broadmoor Hospital, which awarded a *Good* rating, with *Outstanding* for caring (see page 9 above) noted improvements in staffing, research and the provision of therapeutic and other activities to engage patients within the hospital.

Recruitment and retention

In common with most other NHS organisations, the Trust finds it challenging to recruit and retain clinical and non-clinical staff, and in particular, nurses.

During 2018-19, the Trust introduced a wide range of interventions, aimed at recruiting and retaining nurses and the wider workforce.

Nursing

Interventions included:

- Nursing degree apprenticeships: the Trust was one of the first in London to launch these. 14 students started their apprenticeship in April 2018 and recruitment for a second cohort began in early 2019.
- Capital Nursing Programme: the Trust participates in this Londonwide scheme, which offers recently qualified nurses a chance to complete three six-month placements around the Trust. 11 nurses from the programme joined the Trust in September 2018.
- Building relationships with higher education providers of nursing degrees and boosting its presence at nursing recruitment fairs.
- A programme designed to encourage nurses who are approaching retirement to consider staying in the profession and sharing their skills and knowledge with younger colleagues.
- Overseas recruitment: as a result of a targeted recruitment campaign, three nurses joined the Trust from the Philippines in November 2018. Five further nurses joined in February 2019 and there will be further recruitment initiatives.

Broader interventions

- The Trust launched a talent programme in April 2018, to help some of the most talented members of staff realise their potential. 23 people from across the Trust, at different levels of seniority, participated and had access to a tailored personal development programme, including executive and career coaching. Feedback from participants has been positive and the scheme will run again in 2019-20.
- Focused support including a "Lead by Example" programme, has been provided to line managers, to boost leadership capabilities throughout the Trust.
- A Fair and Safe Shift Allocation Charter was launched in February 2019 by the Chief Executive and staffside chairs. This is designed to ensure

that staff working shift patterns are treated equally and fairly, when rosters are drawn up and shifts allocated.

- A safety climate tool, aimed at understanding the perception held by staff of how health and safety is managed, was developed during the year, in partnership with trade unions. West London is the first NHS Trust to adopt the tool, which will be rolled out in mid 2019.

- The Trust has voiced its unequivocal support for members of staff who are European Union citizens, encouraging them to remain in the organisation and the UK, in the face of uncertainties created by the decision to leave the European Union. Support and guidance in applying for settled status has been provided to EU citizens.

- A development hub was launched in October 2018, giving staff access to hundreds of learning tools. This is also available in an app, enabling staff to dip into training whenever convenient.

- Significant time and effort has been devoted towards encouraging internal promotions; 180 members of staff were promoted internally during the year. These colleagues all received a personal message from the Chief Executive and are offered ongoing support and development.

Staff survey

The Trust's results in the annual NHS staff survey, published in February 2019, saw an overall improvement, continuing the trend of recent years. Almost every question in the survey saw a more positive response from staff than in the previous year. The Trust scored better than any other mental health / learning disability Trust on over 10% of the questions asked; for example, 91.2% of staff said they strongly agreed or agreed that their work made a difference to service users/patients. The Trust scored particularly strongly on questions about morale and relationships between staff and their immediate managers and some questions generated responses which showed a 10 percentage point improvement over the previous three years. 67.3% of staff said they looked forward to going to work, up from 53.4% three years earlier.

There was more limited improvement in questions around bullying, harassment and discrimination. The Trust acknowledges that it has more to do to address this.

The Fair and Shift Allocation Charter, launched towards year end, (see above) is designed to address feedback from this and previous surveys.

Participation in the staff survey increased by 15 percentage points year-on-year; 58% of staff (1,855 individuals) completed the survey, compared with 43% in 2017-18.

Diversity

The Trust aims to reflect the local community it serves in the diversity of its staff. 63% of the workforce are women, 56% are BME, which broadly reflects the local population (see staff report page 71), 2.6% are LGBTQ+, and 4.5% are registered as having a disability.

The Trust's BME leadership programme won the Healthcare People Management Association's *Most effective use of diversity to strengthen governance, recruitment or promotion* award for 2018. The 2018-19 cohort of the programme launched in autumn 2018, with 14 members of staff participating. The programme offers participants a range of different personal development opportunities over an 18 month period and many who have taken part have gone on to gain promotion.

In November 2018, nine local students joined the Trust for work experience as part of Project Choice, an NHS-wide programme, which offers supported internships for young people with learning disabilities. The students were placed across the Trust, including the Finance Team, Portering, and Learning and Development.

Triangle of Care

The Trust is committed to involving carers in patient care at every possible opportunity. It is in the process of implementing the Triangle of Care, a national initiative led by the Carers Trust. The Triangle of Care refers to the three way partnership between patients, carers and staff and its philosophy is that working in partnership with carers and listening to their views helps staff to look after patients more effectively.

The Trust joined the Triangle of Care membership scheme in September 2016. Implementation is being undertaken in stages. 'Stage 1' is the roll out of self-assessments against the Triangle of Care standards throughout inpatient services and crisis teams. 'Stage 2' is the roll out of self-assessments throughout community services. The stages are taking place over a period of 1-2 years.

Progress during 2018-19 included the following:

Stage 1:

- 54 team/ward self-assessments were completed;
- Team/ward Triangle of Care champions were identified;
- Carer awareness training for staff began;
- Guidelines were coproduced for staff on sharing information with carers;
- Programme of carer presentations at Trust Board meetings was rolled out.

Stage 2:

- Stage 2 launch event for staff was held in September 2018;
- Stage 2 local leads and champions were identified;
- Community self-assessments started, with the majority complete by year end.

A carers' conference is planned for 2019-20, with the intention of making this an annual event.

Coproduction and partnership

The Trust is committed to the coproduction of services with users, carers and families. The Trust developed a Coproduction and Partnership Strategy which was ratified by the Trust Board in September 2018. We CoProduce, a Hammersmith-based social enterprise, has been commissioned by the Trust to take forward and develop a variety of coproduced projects. These include the development of service standards in Access and Urgent Care (see page 11), open forums in Hammersmith & Fulham, Ealing and Hounslow to encourage open conversations about mental health, and work to support the development of community services in Ealing, following the successful bid to deliver these services (see page 8).

Performance against key indicators

The Trust performed well against key indicators during 2018-19.

- Operational performance: the Trust performed well against its highest priority key performance indicators: these include delayed transfers of care, seclusion and physical health assessments. There has been a particularly significant (in excess of 50%) year-on-year reduction in delayed transfers of care (delays in the discharge of patients). These improvements in performance contributed to NHS Improvement's decision to move the Trust, during the course of 2018-19, from Segment Three into Segment One within its Single Oversight Framework. This means that the Trust now has the lowest level of oversight from NHSI and has the maximum amount of autonomy permitted by the regulators.
- Financial performance: the Trust ended the year with a surplus of £10.9m (excluding impairments and capital grant amortisation).
- Patient experience: the Trust saw a reduction in the number of complaints of almost 20% and an increase of just over 25% in the number of

compliments received. Further details on performance are set out in the Performance Analysis section of this report.

Research and development

The Trust's research department aims to develop new, clinically-driven research studies in key areas such as dementia, forensic settings, physical healthcare and acute mental health services. It also aims to increase recruitment to existing research studies. A key aim going forward will be to increase levels of service user involvement so that they are involved at all stages right through from conception to completion of studies.

During 2018-19, the Trust increased its research capacity. Nine new researchers were allocated roles as principal investigators on research studies, and 16 junior doctors were offered research apprenticeships to work on existing programmes. 19 allied health professionals, nurses and psychologists were supported in developing their own research projects and nine service users or carers were employed by the Trust as researchers on studies. Six new grant applications were submitted for competitive funding opportunities during the year and a further 19 are in development. Seed-funding by the research department will support three further potential grant applications across the Trust.

The Trust was the first to recruit patients to Discover, a register of adults in North West London interested in health research who want to hear about research opportunities that are relevant to them. The register has been developed by Imperial College Health Partners and 2.2 million adults in the area could potentially sign up. During 2018-19, the Trust recruited 350 patients to the register.

During the year, 929 patients were recruited to participate in research, 664 to funded studies. The Trust was involved in 75 research studies; 47 were funded, of which 14 were commercial trials, and 28 were unfunded. Researchers associated with the Trust have published 71 research articles in peer-reviewed journals.

The Trust has an academic health science network partnership with Imperial College London, as well as collaborations with a wide number of other academic partners, including University College London, King's College London, Brunel University, University of West London, Trinity College Dublin, University of Surrey and industry partners such as Oxehealth, Eisai, Allergan, Janssen, Sunovion and Novartis.

NHS 70

The NHS marked its 70th birthday on 5 July 2018 and staff from across the Trust held NHS7Tea parties to mark the occasion. As part of the celebrations, HRH Princess Alexandra visited the Cassel Hospital, to open a new memorial garden dedicated to the late Countess of Mountbatten, who was a leading supporter of the hospital.

Carolyn Regan, Chief Executive, and Saeed Khalilirad, Cognitive Behavioural Therapist in Hammersmith & Fulham, won regional awards to coincide with the 70th birthday (see below).

Awards and recognition of staff

The following members of staff won or were shortlisted for awards, or received other external recognition, during the year:

- Adam Cramp (Nursing Degree Apprentice) won *Apprentice of the Year* in the *Our Health Heroes* awards.

- Saeed Khalilirad (Cognitive Behavioural Psychologist) was nominated by Andy Slaughter MP for an *NHS70 Parliamentary Award* in the *Excellence in Mental Health Care* category and was the London representative on the final shortlist. Saeed was nominated for his contribution to tackling stigma around mental health in the Iranian Community.

- Dr Sam Nayrouz (Director of Clinical Studies and Consultant Psychiatrist) won the *Imperial Medical School Teaching Excellence Award* for the second time. Sam's award was in recognition of his high quality teaching to Imperial College London students.
- Dr Ian Nnatu (Consultant Psychiatrist) was named in the 2019 *Powerlist*, which features 100 of the UK's most influential men and women of African, African Caribbean and African American Heritage.
- Jim Tighe (Local Security Management Specialist) was shortlisted for an *Unsung Hero Award* in the *Everyday Hero Award – Ancillary Staff* category.
- Carolyn Regan (Chief Executive) was recognised as an outstanding woman leader within the NHS in London by the London Women's Leadership Network, to coincide with the NHS' 70th birthday in July 2018. She was also shortlisted for *Chief Executive of the Year* in the *Health Service Journal Annual Awards*.

Quality Awards and Employee and Team of the Month

The Trust held its annual Quality Awards event in September in Syon Park to recognise excellence among people working for the Trust. Over 500 members of staff and service users were nominated by their peers in 15 different categories. Around 300 people attended the ceremony, with the winners coming from a range of different areas around the Trust.

The Trust continued to make an Employee of the Month and Team of the Month award throughout the year.

Freedom to Speak up Guardian

Professor Sally Glen, a non-executive director, is the Trust's Freedom to Speak Up Guardian. Her role is to promote a positive culture of speaking up, in order to protect patient safety, improve the experience of colleagues at work and promote learning and development.

During the year, Professor Glen provided assistance to 11 members of staff with a range of requests.

Three members of staff were appointed during the year as Speak Up Champions to support the Speak Up Guardian. The Champions are all trained mediators.

Trust Charity

The Trust's charity raises funds to provide better facilities, purchase equipment and support engagement activities that would otherwise be unaffordable under the NHS. During 2018-19, the charity funded the purchase of Tovertafel in its Cognitive Impairment and Dementia Services (see page 15) and contributed towards equipment for the health bar at the Café on the Hill on the St Bernard's site and service user artwork.

Activities which raised funds for the Trust Charity included:

- The Trust Chairman running the Richmond Half Marathon, which raised over £2,000;
- The relative of a service user running the Ealing Half Marathon, which also raised over £2,000;
- The raffle from the annual Quality Awards;
- Donations from suppliers.

Various activities took place during the year to encourage staff to support the charity in their own fundraising activities. This included a Charity Champion scheme; champions are colleagues who promote the work of the charity and encourage others to support it. The first champion took up their role early in 2019.

Risks

The principal risks on the Board Assurance Framework at the end of 2018-19 were as follows:

- Risk of fire: in process of mitigation through recruitment of additional staff into the fire safety team and updating of fire risk assessments.
- Impact of outdated estate on patient care: mitigated through estates strategy and capital estates programme (see page 11).
- Risk of insufficiently high quality clinical risk assessments: mitigated through analysis and learning from incidents, implementation of an effective suicide prevention strategy and ongoing management of ligature risks through the capital estates programme.
- Risk of cyber-attacks: mitigated through compliance with the NHS Data Security and Protection Toolkit, and through the actions taken to achieve Cyber Essentials Plus accreditation.
- Impact of lowering external education funding leading to reduced supply of undergraduate staff to the Trust and opportunities for skills development: mitigated through the development of the staff who are not registered to move into nursing and allied health professional roles, development of apprenticeships and pathways into nursing, ensuring that the Trust is well placed to bid for available funding, and exploration of opportunities for overseas recruitment.
- Challenges in recruitment and retention resulting in increased use to agency staff: mitigated through range of recruitment and retention interventions (see page 16).

Further details of Trust risks and the way these are monitored by the Board and its sub-committees can be read in the Annual Governance Statement of this report.

EU Exit

During the uncertainty around the terms of the UK's exit from the European Union in the later stages of 2018-19, the Trust continued to follow advice and guidance issued by the Department of Health & Social Care.

The Trust's Director of Finance & Business took on the role of named EU Exit lead. A comprehensive risk assessment was undertaken and kept under regular review.

Regular communications were issued to staff who are EU citizens, stating the Trust's unequivocal support for them, and encouraging them to remain in the organisation and the UK (see also page 17).

Future developments

The following developments took place between the end of the 2018-19 financial year and approval of this report by the Trust Board at the end of May 2019:

- The Trust formally took possession of the new Broadmoor Hospital buildings from the construction company at the end of April 2019, enabling preparatory work to begin for patients to move into the new hospital, later in 2019.
- Good progress continued to be made to prepare for the transfer of community health and social care services in Ealing to the Trust and its partners in summer 2019.
- A new Integrated Care service line was created within the Local and Specialist Services directorate on 1 April 2019. This comprises community health services previously sitting within the Liaison and Long Term Conditions service line and, from summer 2019, will also include the community services in Ealing which are transferring to the Trust.
- Henrietta Joy was appointed to the Board as Director of Communications and Strategy, a non-voting executive director role, in April 2019.

Carolyn Regan
Chief Executive

Peter Coleman, one of the Trust's Quality Award winners

3 Performance analysis

a. Key operational standards

The Trust has developed a portfolio of Key Performance Indicators (KPIs) based on NHS Improvement's Single Oversight Framework, NHS Digital's Mental Health Services Data Set (MHSDS) and NHS England key measures. The performance indicators are reviewed annually to ensure the most relevant indicators continue to be monitored and to enable the Board to focus on key areas of service quality, effectiveness and safety.

The suite of selected KPIs are reviewed and scrutinised by the Board and its sub-committees on a monthly basis. Additionally, all clinical service units have localised scorecards that monitor key targets and performance. In 2018-19 the following KPIs received additional scrutiny. Individual statistical process control charts can be seen below:

- Delayed transfers of care
- Care Programme Approach 7 Day follow up
- Early intervention in psychosis
- Physical health assessment within 24 hours of admission
- Risk assessment within 72 hours of admission
- Seclusions
- Level 2 incidents commissioned
- Rapid tranquilisation
- Restrictive practice
- Restraints (prone and supine)
- Supervision

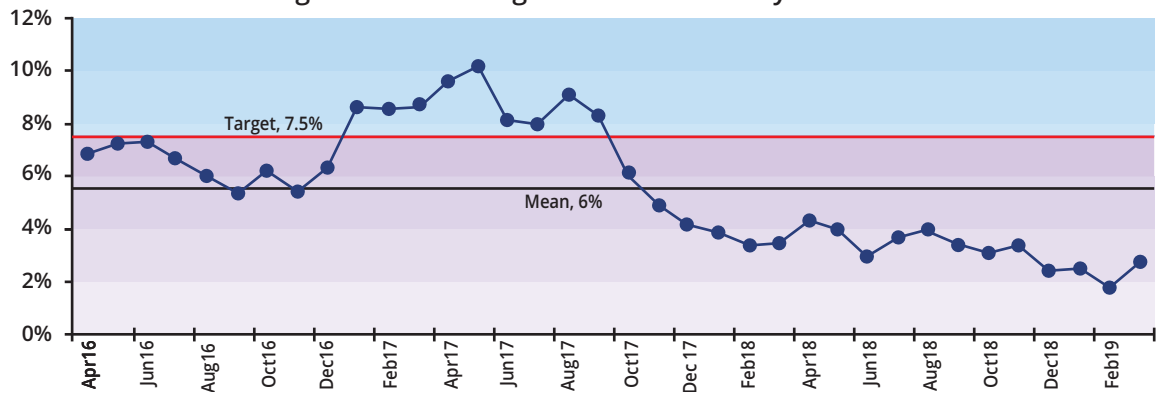
During 2018-19, a number of new business intelligence dashboards were developed to help review performance and identify data quality issues. This has helped to improve the functionality of the Trust's clinical systems and how well clinical data is captured.

The Trust is generally performing well against the quarterly targets and indicators set out within the Single Oversight Framework, Mental Health Services Data Set (MHSDS) and NHS England key performance indicators. NHS Improvement (NHSI) has placed the Trust in Segment One within its Single Oversight Framework. This means that the Trust has the lowest level of oversight from NHSI and has the maximum amount of autonomy permitted.

Delayed transfers of care

The Department of Health set a delayed transfer of care (DToC) target, in its 2017-18 mandate to NHS England, of no more than 3.5 % of all beds. However, the target for DToC for this Trust is set at 7.5% as per its commissioning contracts.

Percentage of total bed nights lost due to delayed transfer of care[1]



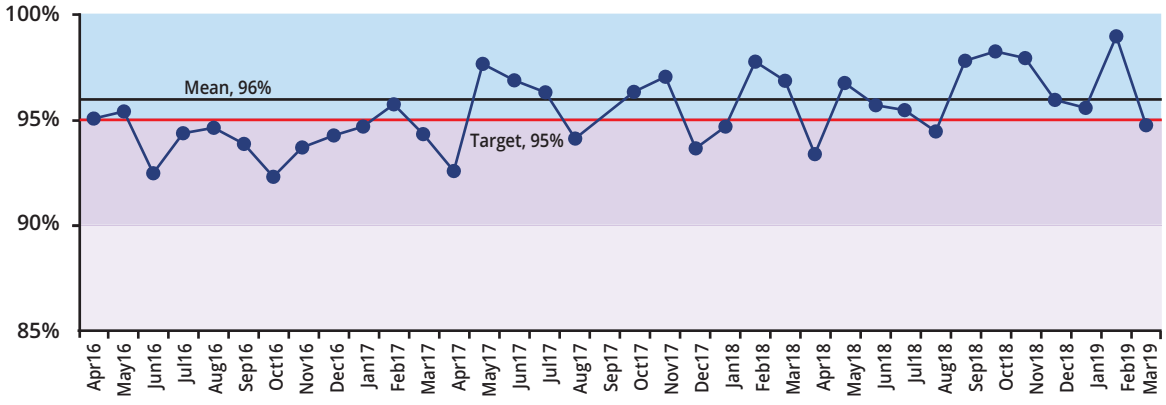
The Trust has been operating well within the 7.5% target since October 2017.

The equivalent of 7,619 bed nights were lost as a result of delayed discharge in 2018-19, compared with in excess of 16,000 in 2017-18. The largest reason for delays is the provision of public funding for those patients whose treatment is complete but whose discharge has been delayed while waiting for local authority residential or home care, or NHS nursing care or continuing healthcare.

Care Programme Approach (CPA) 7 day follow up

The national target for CPA 7 day follow up is set at 95%. This indicator is an important safety measure as the immediate period after discharge is a time of significant risk of suicide and self-harm. This indicator is monitored internally on a monthly basis and reported to NHS England on a quarterly basis. In 2018-19, the Trust performance was stable and above the target of 95% except in April and August 2018, and March 2019; the target was missed during these three months, largely as a result of multiple, unsuccessful attempts to contact service users. A comprehensive review of the Trust's data recording and clinical processes has contributed to improved performance that started in 2017-18 and has continued in 2018-19.

Percentage of care programme approach patients followed up within seven days

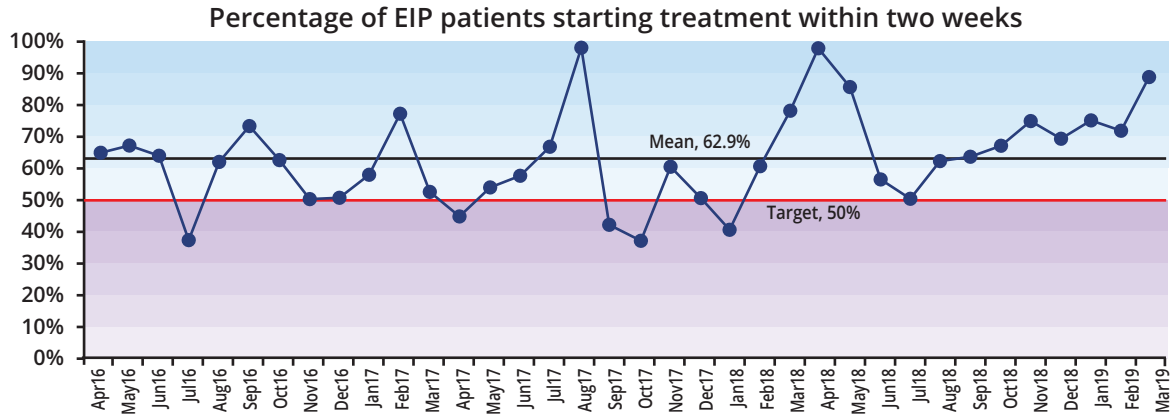


[1] The horizontal line labelled "mean" in all of the charts in this section indicate three year mean figures.

Early intervention in psychosis (EIP) – complete pathways

The NHS's Five Year Forward View states that, by 2020-21, 60% of people experiencing a first episode of psychosis should commence treatment with a NICE-approved care package within two weeks of referral. Evidence suggests that when EIP interventions are delivered in accordance with NICE standards, they can help people recover from a first episode of psychosis and have a good quality of life.

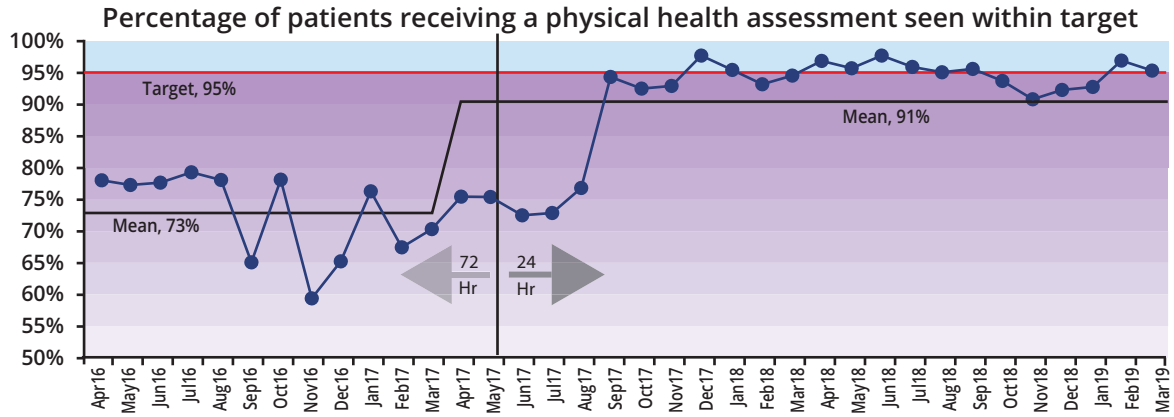
Although nationally the target for starting treatment within two weeks was set at 53% from April 2018 for all age groups, the contractual target for the Trust was set by commissioners at 50% for 18-34 year olds. The Trust has performed above the 50% target throughout 2018-19. Mean performance in 2018-19 was 72% compared to 53% in the previous year.



Physical health assessment within 24 hours of admission

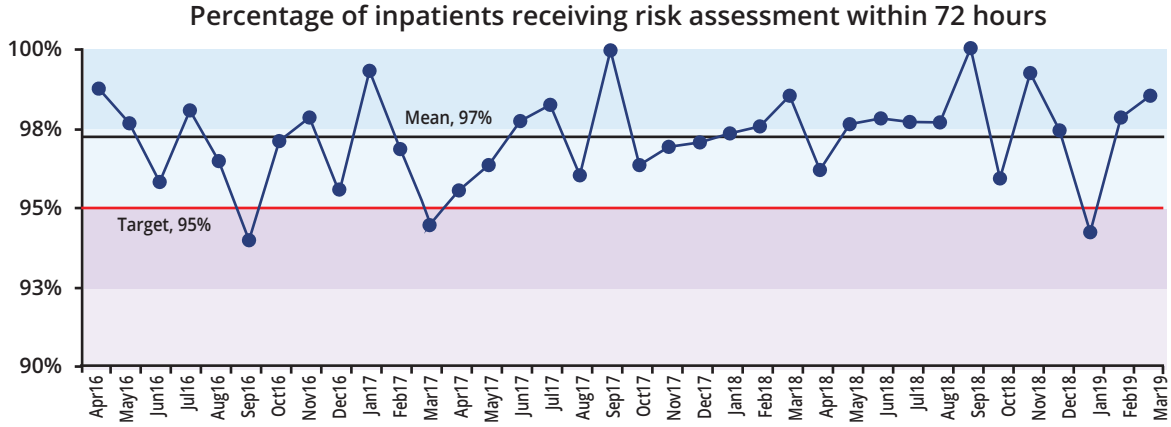
The Trust launched its Physical Health Policy in May 2018. This is supported by an overarching physical health strategy which sets out clear principles and expectations in relation to delivery of physical healthcare, together with strategic priorities for 2018-19. This strategy states that every patient admitted to a Trust bed will have a full physical health assessment on admission, with a target of 95% of all inpatients being assessed within the first 24 hours (prior to May 2017, the target was for 95% to be seen within 72 hours). 96% of assessments were completed within 24 hours in 2018-19, compared to 86% in 2017-18.

Further work on the quality of physical health assessments will be carried out during 2019-20.



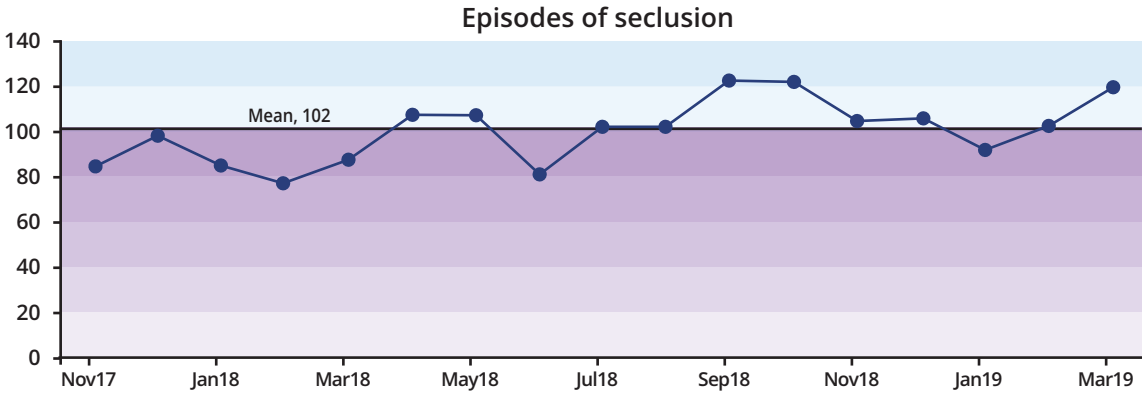
Risk assessments within 72 hours of admission

The Trust sets itself a target of risk assessing 95% of all inpatients within the first 72 hours of admission. The Trust has mostly performed above 95% with an average annual performance of 97.5% in both 2017-18 and 2018-19.



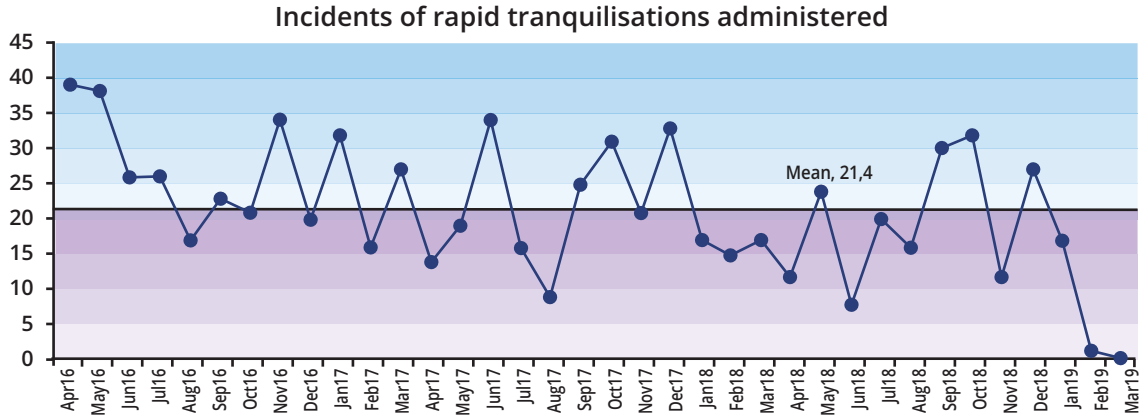
Seclusion episodes per month

Although seclusion may be needed to manage acutely disturbed patients, the Trust has a reducing restrictive practice strategy in place and closely monitors incidents of, and the number of hours spent in, seclusion. There were 1,276 episodes of seclusion in 2018-19. There is no full year 2017-18 comparator, as data only began to be captured in November 2017.



Number of rapid tranquilisations administered (Incidents)

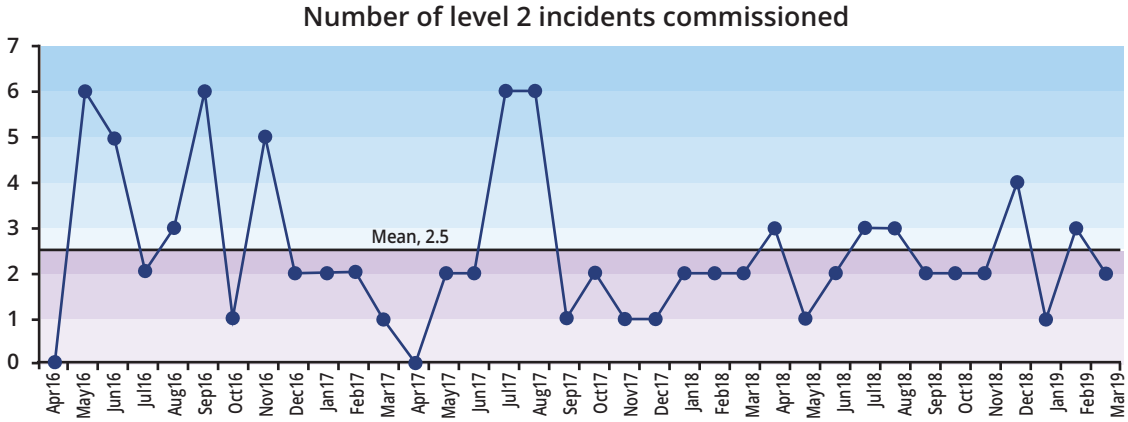
Rapid tranquilisation is a key quality and safety indicator, which is scrutinised by the Care Quality Commission (CQC). The Trust aims to reduce the number of incidences of this. In 2018-19, a total of 199 incidences of rapid tranquilisation were reported, compared to 251 cases reported in 2017-18. Further indicators will be developed to monitor the physical health assessments carried out during and after an episode of rapid tranquilisation.



Level 2 incidents commissioned

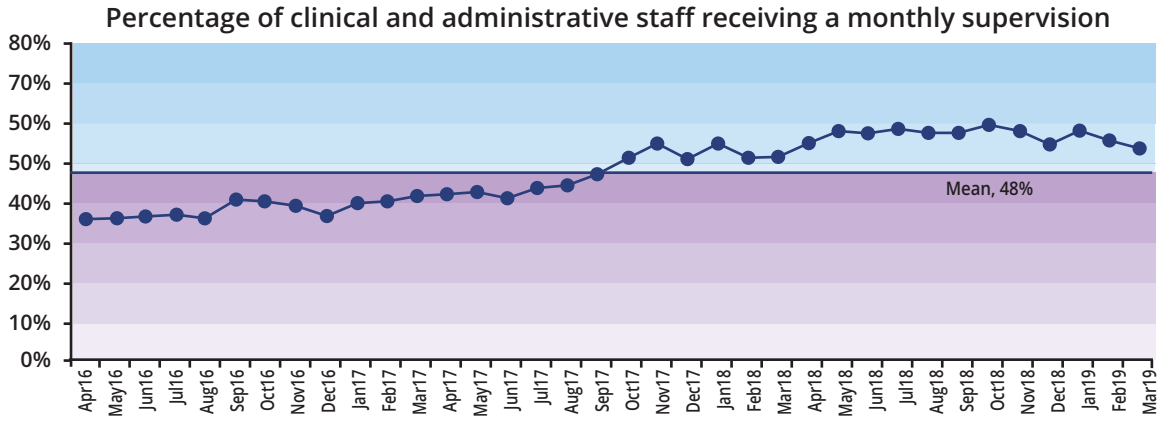
Level 2 incidents involve complex issues with moderate to severe levels of harm. These are investigated internally by a multidisciplinary team from around the Trust, and involve experts and/or specialist investigators.

A total of 28 level 2 incidents were commissioned in 2018-19, averaging 2.3 incidents a month. In comparison, in 2017-18, 30 level 2 incidents were recorded.



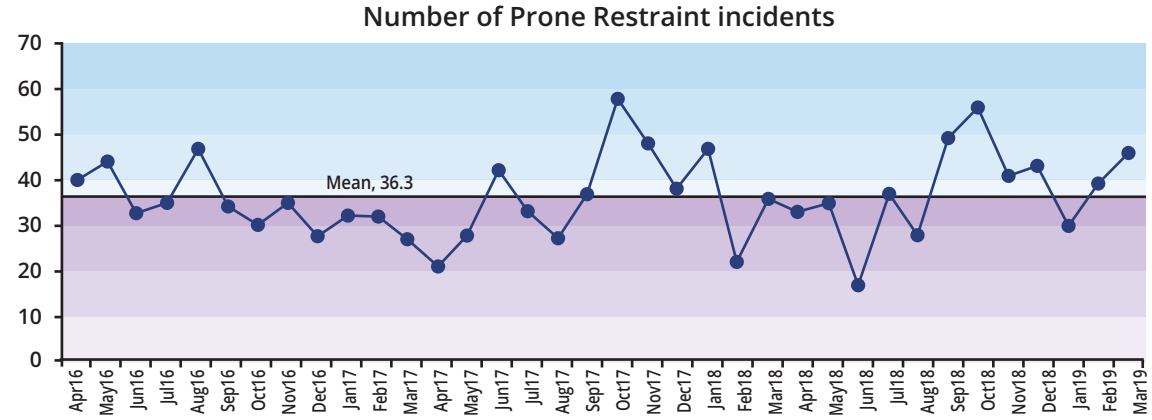
Staff supervision compliance

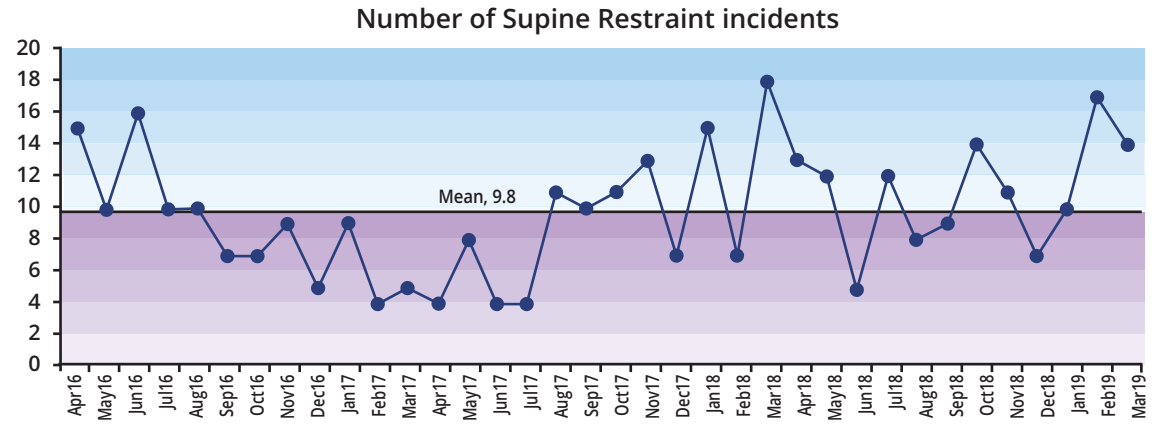
Supervision and appraisal are important clinical quality priorities. Good supervision should drive improvements and development in practice and has been an area of scrutiny by the CQC. The number of supervisions completed each month is monitored within each of the clinical services and at Board level. The Trust's supervision compliance has improved significantly during 2018-19. In 2018-19, 57% of all clinical and administrative staff received a monthly supervision, compared to 48% in the previous year.

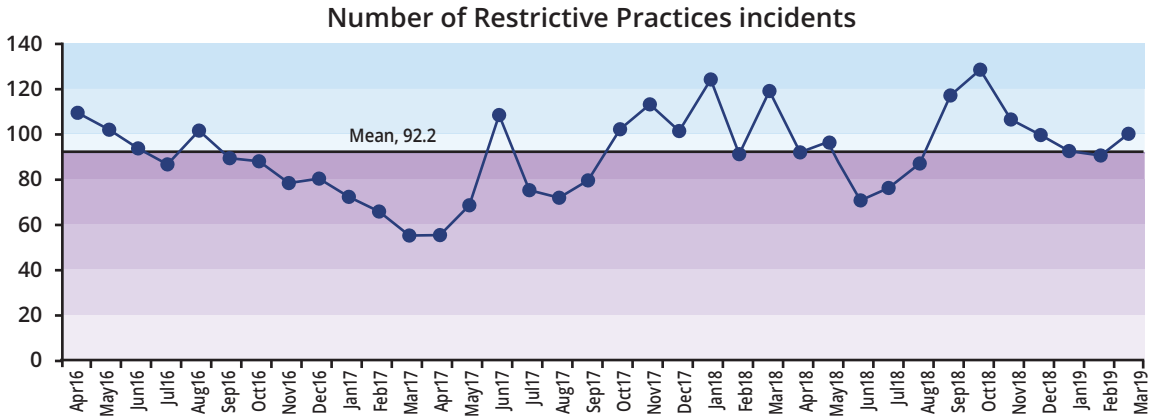


Restrictive practice and restraints

The Trust has an overarching reducing restrictive practice strategy. Performance relating to episodes of restraint (including prone and supine) is discussed and monitored through each clinical service line. There were a total of 586 cases of restraint (prone and supine) recorded in 2018-19, and 549 in 2017-18. The total number of restrictive practice interventions, including restraints, recorded in 2018-19, was 1,165 compared to 1,119 in 2017-18.







Key operational standards

Trust summary scorecard

The table below shows performance against a fuller suite of KPIs monitored by the Trust Board.

Trust Summary Scorecard 2018-19

KPI #	Quality – Patient Experience	Plan	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI001	% emergency admissions that have been gate-kept by CRHT	>=95%	98.8%	99.1%	98.2%	98.5%
KPI020	Service user CPA review within 12 months – all reasons	>=95%	91.7%	92.3%	94.1%	96.3%
KPI002	% of beds which encounter delayed transfer of care	<=7.5%	3.7%	3.7%	2.9%	2.3%
KPI019	CPA 7 day follow up	>=95%	95.4%	96.0%	97.5%	96.5%
KPI042	Staff Friends & Family Test % recommended – care	>=50%	72.0%	67.7%	n/a	72.0%
KPI043	MH Friends & Family Test – % recommended	–	89.5%	93.6%	90.0%	95.3%
KPI044	% of people in contact with adult mental health services (18-69) on CPA in settled accommodation	>=75%	56%	54%	67%	69%
KPI045	% of people in contact with adult mental health services (18-69) on CPA in employment	>=5%	6.0%	6.3%	7.0%	7.0%

KPI #	Operational Performance Metrics	Plan	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI046	Data Quality Maturity Index (MHSDS) – % compliance	>95%	98.7%	98.5%	83.9%	79.3%
KPI047	Out of area placements (Days)	–	195	75	265	tbc

KPI #	Organisational Health Indicators	Plan	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI030	Turnover rate (rolling 12 months)	<=13%	14.9%	15.5%	15.3%	15.3%
KPI050	NHS Staff Survey – % recommending the Trust as a place to work	–	64%	64%	n/a	65%
KPI024	% staff who have objectives set for the financial year	>=90%	43%	84%	85%	59%
KPI025	% vacancy rate	<=12%	16.6%	17.7%	16.6%	16.2%
KPI051	Spend on temporary staff as a % of total Trust spend	<=5.5%	8.0%	7.2%	6.6%	6.2%
KPI028	Overall mandatory training compliance	>=85%	90.6%	91.8%	91.8%	92.4%
KPI031	Average number of weeks to fill a vacancy	<=12	13.3	11.6	10.9	10.6

KPI #	Quality – Patient Experience	Plan	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI008	Number of new complaints received in period	↓	66	75	73	73
KPI009	Number of complaints not responded to within agreed timeframe (open)	↓	0	4	2	0
KPI010	Number of complaints responded to outside agreed timeframe (closed)	↓	13	10	12	1

Trust Summary Scorecard 2018-19

KPI #	Quality – Patient Safety indicators	Plan	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI015	Number of Level 1 Incidents commissioned	↓	6	11	9	5
KPI016	Number of Level 2 incidents reports overdue	↓	5	5	5	7
KPI017	Number of Level 1 incidents reports overdue	↓	20	11	6	5
KPI018	Number of community suicides	↓	4	4	7	2
KPI023	Number of safeguarding adult referrals made to Local authorities	–	151	156	197	197

KPI #	Finance Indicators	Plan	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI033	Cash position versus plan	+/- 10%	-1%	6%	28%	23%
KPI034	Capital spend v plan (% overspend / underspend)	+/- 10%	-49%	-37%	-27%	-21%
KPI037	NHSI – Financial Risk Rating	1	2	1	2	1

KPI #	External Assessment indicators	Plan	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI083	CQC – Warning Notices (Enforcement Actions)	0	0	0	0	0
KPI041	Data Security and Protection Toolkit (DSPT)			DSPT – in progress		

Access and waiting time standards 2018-19

KPI #	External Access Standards	Threshold	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI081	IAPT waiting time to begin treatment: % within 6 weeks	>=75%	93.1%	95.4%	96.8%	95.7%
KPI080	IAPT waiting time to begin treatment: % within 18 weeks	>=95%	99.8%	99.8%	99.9%	99.8%
KPI086	IAPT: % people completing treatment who move to recovery	>=50%	51.5%	51.2%	51.4%	51.5%
KPI087	% of people experiencing a first episode of psychosis entering treatment within two weeks of referral (completed pathway)	>=50%	80.4%	58.4%	70.3%	78.4%
KPI088	% of people waiting more than two weeks to enter the psychosis pathway (incomplete pathway)	=<50%	75.6%	71.3%	78.2%	60.3%
KPI089	% of urgent CYP eating disorder referrals starting NICE-approved treatment within one week of referral	>=50%	n/a	n/a	100%	100%
KPI090	% of routine CYP eating disorder referrals starting NICE-approved treatment within four weeks of referral	>=50%	94%	100%	96%	90%

KPI #	Locally Monitored / Commissioner Standards	Threshold	Qtr 1 2018-19	Qtr 2 2018-19	Qtr 3 2018-19	Qtr 4 2018-19
KPI084	Number of referrals accepted to the service (Home ward Ealing)	↑	1,114	1,091	1,131	1,339
KPI085	Number of claimed avoided admissions (Home ward Ealing)	↑	520	495	536	680

Glossary

CPA – Care Programme Approach
CRHT – Crisis Resolution Home Treatment (carried out by the Trust's crisis, assessment and treatment teams)
CQC – Care Quality Commission
CYP – Children and Young People
IAPT – Improved Access to Psychological Therapies
MH – Mental Health
MHSDS – Mental Health Services Data Set
NHSI – NHS Improvement
NICE – National Institute for Health and Care Excellence

Garden of Rest, St Bernard's

b. Financial performance

In April 2018, the Trust Board approved a 2018-19 annual financial plan that would deliver a £4.4m surplus. This included Provider Sustainability Funding (PSF) funding of £2m. However, in September 2018, the Trust Board agreed to a revised financial plan of £7.4m surplus which included £4m PSF, based on the Trust's financial performance.

Financial performance

For 2018-19, the Trust's audited accounts report a trading surplus of income over expenditure of £10.9m for the financial year ending 31 March 2019, which includes £6.6m PSF funding. The trading position of £10.9m surplus excludes the impact of impairment, as the Trust's overall performance for NHS reporting purposes is measured net of impairment. Impairments arise as a result of a reduction in the value of an asset on the balance sheet where there is no compensating value in the revaluation reserve. The surplus does, however, include additional PSF incentive and bonus income (£2.6m) received at year end as a result of the Trust meeting the original surplus target; this income had not been assumed in the financial plan at the start of the year.

The Trust statement of comprehensive income (page 87) shows a surplus of £10.7m which reflects the financial performance of the Trust for 2018-19, including impairments and capital grant amortisation (£0.2m) and PSF funding.

The Trust has continued on its comprehensive transformation programmes that will alter the way services are provided. The focus remains on improving the quality of services, which will in turn improve both patient experience and deliver the required efficiencies. These include reducing the usage of private placements for patients in the Trust's care and a further reduction in agency usage and proactive recruitment to vacancies. Progress to date on these programmes has enabled the Trust to improve its financial position going forward.

Cost improvement programme

The Trust's cost improvement plan target was £8.6m in 2018-19 and it delivered £8.6m of savings, of which 66% was delivered recurrently. This means that plans to deliver the balance recurrently will need to be identified in 2019-20, in addition to plans to deliver the 2019-20 efficiency target. One main area of focus for quality cost improvement plans in 2018-19 was the reduction in bank and agency staff usage. The reduction of agency staffing relied on the Trust being able to improve its recruitment and retention rates. Although the Trust did not meet the agency target set by NHS Improvement for 2018-19, it did reduce expenditure on temporary staffing in year by £2m compared to 2017-18. This financial saving was offset in part by the recruitment of permanent staff.

All of the quality cost improvement programmes (QCIPs) were reviewed by both the Medical Director and the Director of Nursing and Patient Experience to provide assurance that they would not be detrimental to the quality of care provided. Not all schemes were fully realised in 2018-19, so they will need to be addressed in 2019-20.

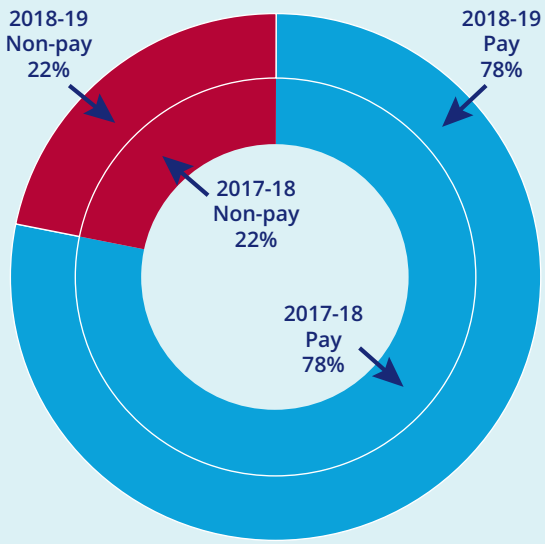
Capital

The Trust invested £30m in improving its estate in 2018-19, which related to the Broadmoor Hospital redevelopment plus investment in new medium secure services, reducing backlog maintenance, improving IT and patient environment improvements.

How the Trust spends its revenue

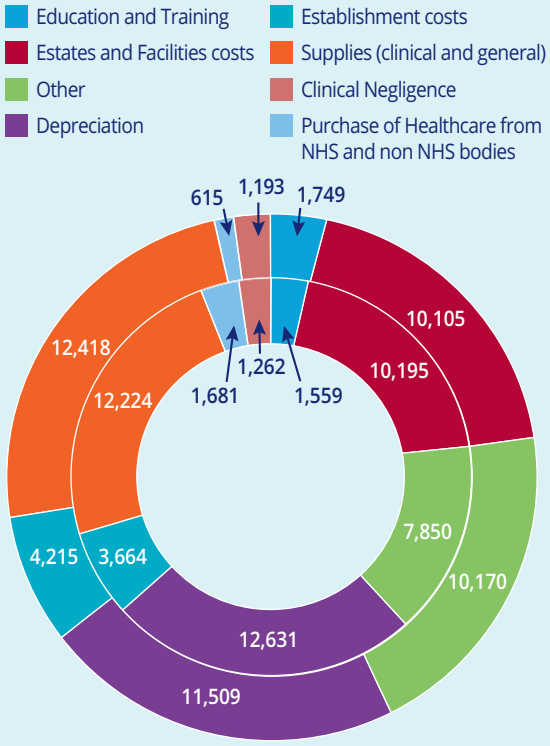
The chart below compares the 2018-19 expenditure to that of the previous year. It shows that for both 2018-19 and 2017-18, the majority of revenue expenditure related to staff pay costs. Staff costs accounted for 78% (£187.2m) of total operating expenditure in 2018-19, which is a similar split to 2017-18 78% (£183.9m).

There was an overall increase in pay expenditure, as a result of the Agenda for Change pay reform and an increase in substantive and bank posts. However, the actual number of staff employed remained similar for both years. For 2018-19, an average 3,169 whole time equivalent substantive staff were employed, compared to 3,121 in 2017-18.



Pay and non-pay comparison 2018-19 (outer ring) and 2017-18 (inner ring)

The year-on-year comparison, broken down by type of non-pay spend, under prescribed headings, is shown graphically below:



Non-pay comparison (£): 2018-19 (outer ring) and 2017-18 (inner ring)

Overall non-pay expenditure increased by £0.9m in 2018-19, compared to 2017-18. Within this, the Trust continued its roll out of IT modernisation and addressed the double running cost associated with new premises, whilst making significant cost improvement savings on non-pay, in order to keep running costs to a minimum.

The main year-on-year movements within the non-pay categories were as follows;

- The overall estates and facilities cost, which includes rates, premises and operating lease, were broadly similar to 2017-18. Within this, there were a few incorrect categorisations in the 2017-18 non-pay analysis, which have been corrected for 2018-19, one of which was IT costs. In terms of presentation, the 2017-18 establishment costs were understated and premise costs were overstated.

- The increase in "other" relates to a number of items, including the revenue impact of the Broadmoor capital programme, such as professional and legal fees for expert advice, and governance scrutiny and the impact of the New Models of Care (NMoC) pilot schemes.
- The 2018-19 cost of supplies (clinical, general and drugs) expenditure were broadly similar to 2017-18. This category also includes contracts that the Trust has been awarded that involve collaborative and partnership working with other providers for which the Trust in effect subcontracts work and incurs expenditure, but receives funding for, and is therefore offset by income.

Better Payment Practice Code

The trade creditor payment policy of the NHS is to comply with both the Confederation of British Industry (CBI) prompt payment code and the government accounting rules. The Government accounting rules stipulate that, unless otherwise stated, all invoices should be paid within 30 days of receipt of goods or services.

The Trust is measured against a 95% compliance rate target in terms of both value and number of invoices. Performance (rounded to the nearest 0.1%) against this target is shown below.

Better Payments Practice Code Compliance	2018-19 % of invoices paid on time	2018-19 % of invoice values (£) paid on time	2017-18 % of invoices paid on time	2017-18 % of invoice values (£) paid on time
NHS Trade Invoices	96.9%	99.5%	97.3%	99.3%
Non NHS Trade Invoices	94.0%	96.7%	92.6%	97.3%

Going concern

The Trust's directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

Forward view

Revenue

The Trust exceeded the required control total surplus for 2018-19 and the proposed plan for 2019-20 is for the Trust to deliver a £3.3m surplus (including £2m PSF funding). This remains a challenging target as it assumes full QCIP delivery of £11.1m, and requires all clinical service units / corporate areas to address any non-recurrent CIPs relating to previous years and operate within their set control budgets.

These increased financial risks and efficiency saving requirements, together with very financially challenged NHS commissioners, means improvements in productivity and efficiency will remain a significant point of focus for the management team. Clearly, this will have to be achieved while national and local quality standards are maintained and increasingly this will require the continued transformation of Trust services. The continued rigorous assessment of the clinical impact of all significant Trust plans will therefore remain a vital focus for management.

The Trust views 2019-20 as a transitional year where the Trust can start to lay the foundations for the future direction of travel. The Trust's plans and planning assumptions for 2019-20 takes into account the immediate requirements of the NHS Long Term Plan priorities outlined in the planning guidance and builds on the foundations laid out in the NHS Five Year Forward View (2014), which articulated the need to integrate care to meet changing and growing demand.

The Trust is committed to working collaboratively with commissioners and other local providers to continue redesigning services and optimising efficiencies at Sustainability and Transformation Partnership (STP) level and is already working in a number of formal partnerships to deliver integrated care. It will be seeking to develop these further in 2019-20 to support delivery of the Integrated Care Systems.

The Trust recently won a 10-year contract to provide integrated community health services in Ealing working in partnership with Central and North West London NHS Foundation Trust, The Hillingdon Hospitals NHS Trust, Ealing Council, and voluntary and specialist providers, which will be operational in 2019-20. For further details on this, please see page 8.

C. Patient experience

Listening and acting on feedback

The Trust welcomes all feedback from service users, carers and families as this helps it to learn and continually improve services.

Feedback comes into the Trust via numerous avenues; the main sources are the Patient Advice and Liaison Service, complaints, Care Opinion and the Friends and Family Test.

Patient Advice and Liaison Service (PALS)

The Trust's Patient Advice and Liaison Service works with service users, carers, families and the general public to provide advice and support and to help answer their questions. In 2018-19, it received 428 PALS enquires. This is a decrease of 463 compared with the same reporting period last year. The Trust is exploring the reasons behind this decrease.

Friends and Family Test

A total of 991 Friends and Family Test cards were completed and returned during 2018-19, an increase of 305 compared with 2017-18, when 686 cards were completed and returned.

Of the cards completed, 92% of respondents said they would be extremely likely or likely to recommend the Trust's services to their family and friends. The information on completed cards is recorded and circulated within the Trust to make sure actions are followed up and good practice is shared.

Complaints

During 2018-19 the Trust received 287 complaints, a decrease of 95 compared with the previous year, when 382 complaints were raised.

The highest volume of complaints raised (101 or 35%) related to 'aspects of clinical treatment.' Other issues raised in complaints include staff attitude.

258 of the complaints raised during the year were closed. 43 were withdrawn and 215 were investigated. 158 of these were closed within the agreed timescale and 57 were closed outside the agreed timescale. Of the complaints investigated, 39 were upheld, 84 partially upheld and 92 were not upheld.

During 2018-19, 11 formal complaints were raised via the Care Quality Commission and three complaints were referred to the Parliamentary and Health Service Ombudsman.

Although the volume of complaints went down year-on-year, the Trust is determined to ensure that issues raised in complaints are addressed and lessons learnt. It is taking the following actions:

- Monthly reports are compiled for each of the clinical service lines, including the outcomes of investigations into complaints received and lessons to learn. In addition, quarterly complaints reports are presented to the Quality Committee, Service User and Carer Experience Committee and the local clinical commissioning groups.
- The membership of Trust meetings is kept under review to ensure that service users and carers are represented. The aim of this is to maximise opportunities for coproduction and co-development of services, which in turn should reduce the root cause of many complaints.
- A proposal is being developed to enable service users to give exit interviews on discharge, to provide feedback on their experiences.
- The Trust intends to create more posts to support patient experience.

Compliments

The Trust records all verbal and written compliments. During 2018-19, a total of 212 compliments were logged, an increase of 34 as compared with the previous year.

"They have] all been so professional and supportive to us to us during our visits. They have always been so kind and understanding through our good visits and sometimes our sad visits. The visitor's desk is the Carer's first line of contact on visit days and if that experience is friendly it makes all the difference."

About security and visits staff, received from an ex-patient's family.

"You have really helped me come to terms with so many things. I feel I am on the road to recovery and you have helped me to see light at the end of the tunnel."

About Hounslow CAMHS

"Patient BP described the occupational therapist as his "lighthouse, always there shining a light and working well with him."

Compliment received on Ascot Ward, Broadmoor Hospital

"Thank you very much for all the support, advice, coping mechanism and therapy, as well as medical treatments I received from Dr Barakat throughout my crisis and a long traumatic journey of work-related stress PTSD. She is always very kind, pleasant and hard-working. Without your help, support and advice, I wouldn't be... able to stand up and walk towards healing..."

About Ealing Recovery Team East

"The service user was truly touched and inspired by the hard work, level of professionalism, prompt operation and care they observed."

Verbal compliment received about Avonmore Ward, Hammersmith & Fulham Mental Health Unit.

"To all at the Limes, many thanks for all your continued support and wonderful care for my father over the past few years. You guys don't often get the recognition you deserve. I know he was in the best place during his illness, so thank you so much for your love and dedication."

About The Limes, received from the son of a late patient.

Care opinion

The Trust encourages people to share their experiences of using Trust services on Care Opinion.

Care Opinion is the independent feedback platform for health and social care and its mission is to enable people to share honest feedback easily and without fear. Feedback is shared with the appropriate service areas so it can help to make a difference. Comments can be viewed by the general public, which allows them to see how and where services are listening and changing in response.

In 2018-19, 136 stories relating to the Trust were published, which is a decrease of 46 compared with the previous year.

Selection of Care Opinion stories

I got to know how to be a better person

It was great. I got to know more about me and how to be a better person.

From a Back on Track (Hammersmith & Fulham IAPT) service user

Changed my life

After suffering for as long as I can remember I got referred to the Cassel. It was the hardest thing I've ever done and I would be lying if I said it was smooth sailing. There were high moments and there were extreme low moments exhibiting my typical bad behaviours – but this was needed for treatment to be successful. I gave it my all, held nothing back.

Two years on, I am the happiest I have ever been. I am finally content with myself and the world! I am a mother of one and raising her in a stable family unit.

From a Cassel Hospital patient

With her help, I have completely changed the way I see myself

After a traumatic birth with my first baby and postnatal depression that I didn't get help with, Shole helped me with my feelings of anxiety before the birth of my second baby and with low mood after the birth.

Shole was excellent – she has helped me deal with issues that led to me feeling both anxious and inadequate as a mother. With her help, I have completely changed the way I see myself and have a renewed confidence in many aspects of my life.

I am very grateful to her and the IAPT service.

From an Ealing IAPT service user

Someone telling you they understand makes a whole lot of difference

I felt acknowledged in my condition and suffering. When you suffer from a mental illness, an invisible enemy that you have to fight against everyday, sometimes for years, someone telling you that it's real and that they understand makes a whole lot of difference.

From an Ealing Liaison Psychiatry service user

My recovery from being a recluse with no social life and extremely depressed

About 2 years ago I got very depressed and suicidal. I didn't leave my home and didn't want to talk to anybody or do anything. I lost all motivation to look after myself. But since meeting Marcella, Occupational Therapist, from Hounslow Recovery Team, things have changed. I am now feeling much better in myself, emotionally, and I am able to do everyday things that I had stopped doing. Also I am able to go outside on my own for the first time in years because Marcella helped me to realise that my thoughts and fears are not in control of my life, I am! I am now seeing a positive future for myself, including beginning to prepare for employment.

From a Hounslow Recovery Team East service user

Good team and hostel

The Forensic Outreach Team help me out, my doctor is good is reasonable, I can talk with him and I feel ok with him. I get on well with my social worker and my nurse, all of the team is good, they listen to me, they respect my views, they give me 'props' (they tell me when I am doing well).

The team is very friendly, they care about me and they do their job well.

From a Forensic Outreach Team service user

Interior of the new Broadmoor Hospital

d. Sustainability report

Strategic approach

The Trust is committed to the continual improvement of the way in which services are operated and processes are managed to make sure patients receive the very best care every day. A key aspect of this is to contribute to the conservation of the planet's resources and to deliver sustainable and fit-for-purpose health and care services. The Trust seeks new ways to create a positive impact in all areas of its operation while improving working conditions, embracing new technology, and protecting the environment with proven sustainability strategies.

Its Sustainability Management Strategy Plan has three core elements:

1. **Environmental impact:** reducing any activities that cause a negative environmental impact.
2. **Social impact:** creating a positive social impact that benefits service users and local communities by helping to address health and social inequalities.
3. **Financial impact:** contributing to sustainable financial control, intelligently distributing savings to drive efficiency and actively seeking to improve Trust services and build resilience into them for the future.

Modernising and improving estate

In 2018, the Trust continued to pursue actions from its 2017 estates strategy, which aims to modernise and improve the Trust's estate to meet the needs of its service users now and in the future.

The strategy highlights the challenges some staff face in providing care in outdated and poor quality buildings, and sets out the context in which the Trust is transforming services with its health and social care partners.

The projects being undertaken under the strategy are delivering, and will deliver, a range of environmental benefits.

The new Broadmoor Hospital, which will become operational later in 2019, is built to high specification, in line with the latest technological advances, and incorporates sustainably efficient design features.

The substantially refurbished Medway Lodge, which houses male patients in a medium secure environment, will open in summer 2019. The building will have a higher standard of energy efficiency than before the refurbishment.

The Trust's annual backlog maintenance programme delivered many small scale projects during 2018-19 which improved the sustainability of its buildings. Works carried out during the year included significant boiler improvements at Tony Hillis Wing at St Bernard's, ventilation ductwork optimisation, improved ventilation to plant rooms, and works to utilise existing underused space.

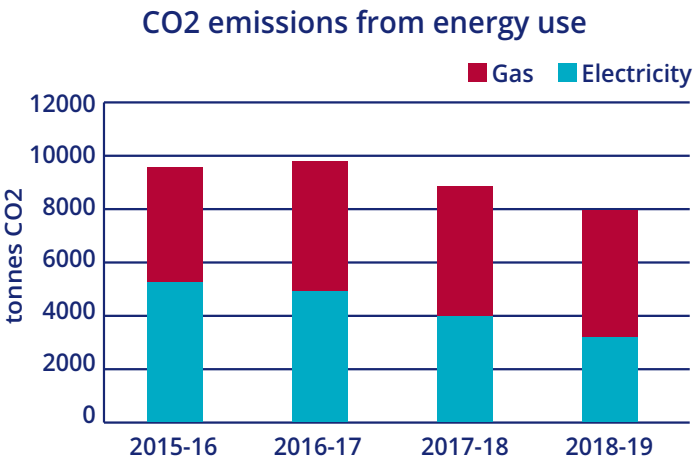
The estates strategy also aims to drive efficiency in how the Trust uses buildings. A new space and accommodation policy is nearing ratification. The Trust is reviewing how it could better use its buildings in its Local Services clinical service unit. This includes a planned move to combine staff from two different Ealing Improving Access to Psychological Therapies teams into one building in central Ealing.

Performance monitoring

The Trust continues to operate in line with the Department of Health and Social Care's guidance HTM 07-02 – EnCO2de, which provides advice to healthcare providers on how to embed climate change reduction into all their activities.

Energy

The mild winter of 2018-19 saw a 5.9% reduction in gas use and a 1% increase in electricity use, compared with 2017-18. The carbon content of grid electricity reduced by 20% over the year, due to an increase in national wind power generation. This allowed the Trust to achieve a 10.5% reduction in greenhouse gas emissions from its electricity and gas use from 8,887 tonnes in 2017-18 to 7,952 tonnes of CO_2 in 2018-19 (see chart below).

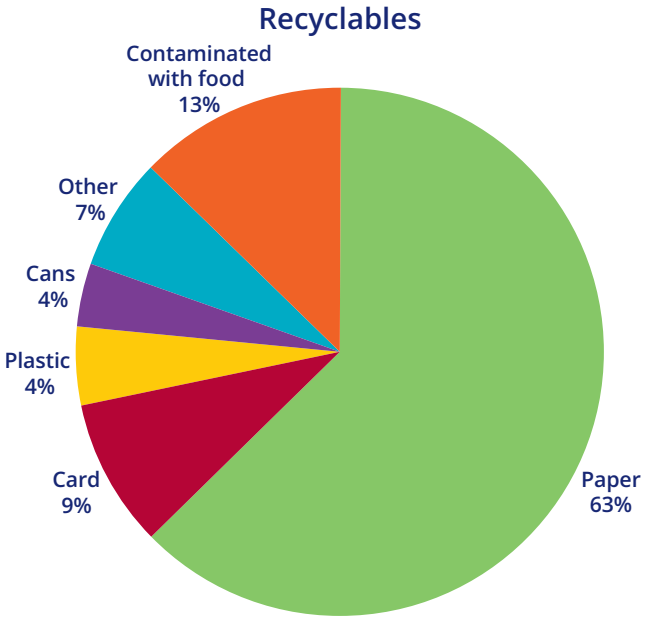


The Trust's payment to the UK Government's Carbon Reduction Commitment (CRC) scheme was £144,700 in 2018-19, compared with £150,500 in 2017-18. This is the last year of the CRC scheme, which is being replaced by an increased Climate Change Levy charge on all electricity and gas consumption.

Waste and recycling

In 2018-19, the Trust produced 604 tonnes of general and recyclable waste through its Grundon waste contract. Of this, 20.9% was recycled, compared with 21% in 2017-18. The general waste was sent to an Energy from Waste (EfW) plant, to be converted into grid electricity.

Of the Trust's recyclable waste, paper comprised 63% and card 9%.



Fire safety

It is a mandatory requirement under Health Technical Memorandum 05 (Firecode) and the Regulatory Reform (Fire Safety) Order 2005 that organisations demonstrate a suitable and sufficient level of fire safety management, and fire risk assessments and fire training is in place. During 2018-19, the Trust recruited additional staff into the fire safety team.

A large capital investment programme of fire safety improvements commenced in 2018-19. A five year investment plan began, aimed at ensuring buildings are safely and sustainably operated.

Transport

The Trust encourages people to cycle, walk or run to work where possible, instead of driving, and new bike stands were installed across Trust sites during 2018-19. The Trust also has a number of electric car points to promote the use of clean energy vehicles.

During the year, the Trust also progressed work to ensure its vehicle fleet complies with the new requirements of the Ultra Low Emission Zone, which started after the end of the year in review.


Accident & Emergency
Out of Hours Service

e. Emergency preparedness, resilience and response

Each year the Trust is subject to an emergency preparedness, resilience and response (EPRR) assurance process carried out by NHS England, in liaison with peer reviewers and the North West London Collaboration of Clinical Commissioning Groups, to assess its performance in relation to the NHS England EPRR core standards.

Each of the 54 core standards are given a Red, Amber, Green (RAG) rating and the Trust receives an overall rating of non-compliant, partially compliant, substantially compliant or fully compliant. There is also a 'deep dive' inspection every year which looks into a specific area of the organisation and focuses on a further eight core standards; in 2018-19 the deep dive covered the Trust's Incident Coordination Centres. An action plan to address areas for improvement is agreed between the Trust and NHS England and is kept under review by NHS England through quarterly performance meetings.

During this year's assurance process, the Trust was assessed as being 'fully compliant' against all the NHS England EPRR core standards which apply to mental health trusts. The Trust scored a total of 62 Greens (which include the deep dive), 0 Ambers and 0 Reds. This is the first time the Trust has ever achieved 100% success within the EPRR assurance process. NHS England also highlighted areas of excellence within the Trust's EPRR structures. The Trust's aim for 2019-20 is to maintain this level of compliance for the next assurance process.

Augusta Amara, one of the Trust's Long Service Awards winners

f. Audit by the Information Commissioner's Office

The Trust was visited by the Information Commissioner's Office (ICO) in December 2018, to audit compliance with data protection legislation and highlight any areas of risk.

The audit focused on:

- **Governance and accountability**
- **Records management**
- **Requests for personal data**

The ICO can give four ratings about the assurance it has about an organisation's information governance: high assurance, reasonable assurance, limited assurance and very limited assurance. In its report on the audit, published in February 2019, the ICO concluded that it had reasonable assurance about the Trust's governance and accountability, and the way it handles requests for personal data, but "limited assurance" around its records management.

The ICO singled out as good practice the way the Trust uses biometrically controlled key cabinets which can be programmed to only release certain bunches of keys to any given individual.

The ICO made 95 recommendations. The Trust has accepted all of these and drawn up an action plan, setting out how the Trust will implement the recommendations. This includes updating policies and procedures to ensure compliance with legislation, and developing further the Trust's own information governance function. A new Data Protection Officer for the Trust was appointed in January 2019.

4 Part B: Accountability report Corporate governance report

a. Directors' report

Board of Directors

The Trust Board of Directors has overall responsibility for setting the corporate and clinical strategy of the Trust, as well as overseeing performance, including finance.

The Board meets in public 11 times per year to discuss performance across the Trust, current and future challenges, and corporate and clinical strategy. When discussing issues of a confidential nature the Trust Board resolves to meet in private in accordance with the Public Bodies (Admissions to Meeting) Act 1960 s1 (2).

Details of public Board meetings and Public Board papers are available on the Trust website

www.westlondon.nhs.uk/about-west-london-nhs-trust/board-meetings/

The Trust's Standing Orders for the Board of Directors / Standing Financial Instructions, most recently reviewed in November 2018 by the Audit Committee on behalf of the Trust Board, include the Scheme of Delegation & Reservation for the Trust Board. The Board had a majority of Non-Executive Directors during the year.

Changes on the Trust Board

During 2018-19 the following changes took place to the membership of the Trust Board:

Ms Janice Barber and Professor Nick Barber were appointed on 1 April 2018 and 1 May 2018 respectively to serve as Non-Executive members of the Trust Board for a four year term until 30 April 2022.

The Trust Chairman, Mr Tom Hayhoe, and the Vice-Chair of the Trust Board, Non-Executive Director Ms Elizabeth Rantzen, both had their Terms of Office renewed in March 2019 for a further two year term.

Board members

The full list of members of the Trust Board who served throughout 2018-19, is as follows:

Chairman
Mr Tom Hayhoe

Non-Executive Directors

Professor Paul Aylin

Ms Janice Barber

Professor Nick Barber
(from 1 May 2018)

Professor Sally Glen

Mr Hassaan Majid

Mr Neville Manuel

Ms Elizabeth Rantzen

Executive Directors

Ms Carolyn Regan, Chief Executive

Mr Paul Stefanoski
Director of Finance and Business

Ms Wendy Brewer
Director of Workforce and Organisational Development

Ms Stephanie Bridger
Director of Nursing and Patient Experience

Dr Jose Romero-Urcelay
Medical Director

Ms Sarah Rushton
Director of Local and Specialist Services

Ms Leeanne McGee
Director of High Secure and Forensic Services

The table below details Board members' positions at 31 March 2019 on the Sub-Committees of the Trust Board. Profiles of Trust Board members are available at **www.westlondon.nhs.uk/about-west-london-nhs-trust/board/**

Non-Executive Board Members	Committee membership (* Chair)
Mr Tom Hayhoe	Trust Board*
	Remuneration Committee*
	Charitable Funds Committee
	Finance & Performance Committee
	Workforce & Organisational Development Committee
	Quality Committee
	Broadmoor Redevelopment Programme Board
Professor Paul Aylin	Trust Board
	Quality Committee*
	Remuneration Committee
Ms Janice Barber	Trust Board
	Audit Committee
	Finance & Performance Committee
	Remuneration Committee
Professor Nick Barber	Trust Board
	Charitable Funds Committee
	Workforce & Organisational Development Committee
	Quality Committee
	Remuneration Committee
Professor Sally Glen	Trust Board
	Workforce & Organisational Development Committee*
	Audit Committee
	Remuneration Committee
Mr Hassaan Majid	Trust Board
	Audit Committee*
	Finance & Performance Committee
	Remuneration Committee
Mr Neville Manuel	Trust Board
	Finance & Performance Committee*
	Remuneration Committee
	Audit Committee
	Broadmoor Redevelopment Programme Board
Ms Elizabeth Rantzen	Trust Board (Vice-Chair)
	Charitable Funds Committee*
	Finance & Performance Committee
	Remuneration Committee
	Local Services Transformation Board

Executive Board Members	Committee membership (* Chair)
Ms Carolyn Regan	Trust Board
	Finance & Performance Committee
	Quality Committee
	Trust Management Team*
	Broadmoor Redevelopment Programme Board*
	Charitable Funds Committee
Ms Wendy Brewer	Trust Board
	Trust Management Team
	Workforce & Organisational Development Committee
Ms Stephanie Bridger	Trust Board
	Fire, Health and Safety Welfare Committee *
	Trust Management Team
	Finance & Performance Committee
	Quality Committee
	Workforce & Organisational Development Committee
Ms Leeanne McGee	Trust Board
	Finance & Performance Committee
	Quality Committee
	Trust Management Team
	Broadmoor Redevelopment Programme Board
Dr Jose Romero-Urcelay	Trust Board
	Finance & Performance Committee
	Quality Committee
	Workforce & Organisational Development Committee
	Trust Management Team
Ms Sarah Rushton	Trust Board
	Finance & Performance Committee
	Quality Committee
	Workforce & Organisational Development Committee
	Trust Management Team
	Local Services Transformation Board*
Mr Paul Stefanoski	Trust Board
	Finance and Performance Committee
	Fire, Health and Safety Welfare Committee
	Trust Management Team
	Broadmoor Redevelopment Programme Board
	Charitable Funds Committee

The Register of Interests of Executive and Non-Executive Directors is published on the Trust's website at **www.westlondon.nhs.uk/about-west-london-nhs-trust/board/**

Hounslow Hawks, a service user football team

b. Annual governance statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of West London NHS Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that West London NHS Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS 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 West London NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West London NHS Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Safety culture

The development of the Trust, Safety Management System (SMS) closely follows the Health and Safety Executive's (HSE) guide for managing health and safety (HSG65). The SMS methodology is based on Plan-Do-Check-Act (PDCA). The PDCA cycle is one that supports on-going improvement of the Trust's shared values and beliefs.

The Trust has acknowledged the importance of adopting a credible tool to measure its safety culture and this requirement was recorded in its Health and Safety Working Well Strategy (Theme 4, Tackling Ill Health and Working Well).

The safety culture of the Trust is determined by the priority given to safety and health, the quality of safety leadership, staff involvement, how staff work together as well as how the workforce engages with policies, processes and procedures. As such, safety culture can provide deep insight into how the management of safety and health is perceived by staff, stakeholders, patients and others.

The Trust has adopted the Health and Safety Laboratory Safety Climate Tool. The tool is a survey designed to understand the perception held by the staff of how organisations manage health and safety. West London is the first NHS Trust to deploy the tool and it is working in partnership with trade unions to embed it.

Risk profiling

The Trust system for managing risk is premised on managers knowing what the predictable risks are, ranking them in order of importance and taking action to control them. The range of risks goes beyond health and safety to include quality, environmental and asset damage, but issues in one area could impact on another. For this reason risk profiling should consider:

- the nature and level of the threats faced by an organisation;
- the likelihood of adverse effects occurring;
- the level of disruption and costs associated with each type of risk; and
- the effectiveness of controls in place to manage those risks.

The outcome of risk profiling is that the right risks are identified and prioritised for action, and minor risks are not given too much importance. This informs decisions about what risk controls measures are needed.

Risk governance

The Trust Board is accountable to NHS England/Improvement (London Region) for the Trust's performance. The main governance committees are chaired by either an Executive or a Non-Executive Director and report directly to the Board. Each committee is informed and supported by a variety of groups.

Risk management

The Trust defines risk management as a process by which it identifies factors which may possibly prevent it from providing an excellent, safe, efficient and effective place of work for staff and services to patients. Risk management includes the process of identifying hazards, risks, risk assessment, formulating a risk response, risk reporting and risk review. Risk management is as much about exploiting new business opportunities and innovation possibilities as mitigating risk.

Risk and control framework

Risk assessment and grading of risks is based on the Trust risk matrix adapted for use from the AS/NZS 4360:1999 risk matrix and approved by the National Patient Safety Association. This evaluates the likelihood of exposure and the consequences if exposed. Likelihood is the probability of an event occurring; consequences are the outcomes that result if the risk occurs. Likelihood and consequence are combined to calculate the risk grading.

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

The Board Assurance Framework (BAF) provides the Trust with a simple but comprehensive method for the effective and focused management of the principal risks to meeting the Trust's objectives. This simplifies Board reporting and the prioritisation of action plans, which, in turn, allows for more effective performance management.

The system of internal control is designed to manage risk to a reasonable level and not to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

Internal control is achieved by ensuring that risk management and corporate governance is an integrated process with systems and processes in place through which the organisation identifies, assesses, treats, analyses and monitors risks and

incidents at every level of the organisation. Responsibilities are assigned to manage individual risks within the Trust, and results are aggregated at a corporate level to identify and assess emergent themes for further assessment.

Where any significant gaps either in assurance or control are identified, they are recorded and an action plan to close the gap is developed and implemented. The Board has developed this framework and reviews it periodically to ensure that it gives the Board a balanced view of the significant risks the Trust faces, and a sound framework upon which to make judgements about the level of assurance it has that risks are being managed. The Board delegates consideration of the way in which the BAF is reviewed to the Audit Committee.

The Trust recognises that the risk registers are fundamental to the control process. Clinical service line level two risk registers are monitored monthly by senior management teams and significant risks identified are considered for inclusion in the BAF.

The current risk register system has been in existence for approximately ten years. A new system is in the process of development.

Risk appetite and tolerance

Risk appetite and tolerance are set by the Trust Board and are linked to the Trust objectives, capturing the organisational philosophy desired by the Board for managing and taking risks. The solid black line in the table in the adjacent column indicates the minimum and maximum levels of tolerable risk beyond which the risk must be escalated to senior management teams. The principles behind the Trust's risk appetite and the acceptability of risk are set out below the table.

Likelihood of hazard being realised	**Consequence** – severity / impact of hazard being realised				
	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Rare (1)	1	2	3	4	5
Unlikely (2)	2	4	6	8	0
Possible (3)	3	6	9	12	15
Likely (4)	4	8	12	16	20
Almost certain (5)	5	10	15	20	25

The general principle of risk acceptability in the Trust is as follows:

- **Low (Green 1–3) risks** are regarded as acceptable and need no further management action unless there is a change to the risk.
- **Moderate (Yellow 4–6) risks** are regarded as acceptable and should be managed locally or within the relevant directorate areas. Services should keep moderate risks under review.
- **High (Amber) risks rated 8–10** are regarded as acceptable and should be managed locally or within the relevant directorate areas. Where an amber 8-10 risk has been mitigated as far as reasonably practical, only a senior manager can approve its retention on the risk register. Services should review the retained risk on a regular basis and ensure it is reassessed at least every 12 months at the relevant directorate or team meeting.
- **High (Amber) risks rated 12** should be regarded as unacceptable and escalated to a senior manager if all best efforts to reduce the risk have been exhausted. Only the clinical service line senior management team (or Director in corporate services) can verify that an amber 12 risk has been mitigated as far as reasonably practicable and approve its retention on the risk register as a 'tolerated risk'. Services should review tolerated risks on a regular basis and ensure they are reassessed at least every 12 months at the relevant directorate or team meeting.

- **Extreme (red) risks rated 15–25** are regarded as unacceptable and mitigation measures must be taken. If the risk cannot be reduced within one month, it must be escalated to a senior manager. Only the Board (via BAF) can accept that a red risk has been mitigated as far as reasonably practicable and approve its retention on the relevant risk register (level 1 or 2) as a tolerated risk. The relevant Director is responsible for overseeing the management of the tolerated risk and ensuring they are kept under regular review and reassessed at least every 12 months.

Board Assurance Framework risks

Following review by the Trust Management Team, the BAF is considered quarterly by both the Trust Board and relevant governance committee. Strategic risks, for example risks in relation to health and safety, and staff vacancies which could affect the standard of patient care, are allocated to specific executive directors who have responsibility for ensuring that controls to mitigate these risks are effective. The top six Trust risks recorded on the BAF, as at the end of 2018-19, with risk ratings at year end, are as follows.

BAF Reference	Risk	Risk Rating	Forecast Rating	Tolerated Rating	Governance Committee
4182	If a major fire occurs, there is a risk that death or injury will occur and that there will be a major loss of service capacity and assets.	4 x 5	3 x 5	3 x 3	Fire, Health and Safety Welfare Committee
8024	If the Trust does not adequately manage its estate portfolio this will compromise the safety and quality of service delivery.	4 x 5	4 x 5	3 x 5	Quality Committee
8010	If clinicians do not conduct high quality clinical risk assessments which result in appropriate clinical risk management this may increase the risk of serious harm to patients, carers, staff and the public.	4 x 4	3 x 4	2 x 4	Quality Committee
8252	The Trust may lose sensitive data and/or experience serious disruption of services as a result of a successful cyber-attack on its computer systems.	4 x 4	3 x 3	3 x 3	Finance and Performance Committee
8428	If external education funding is reduced, the supply of undergraduate staff to the Trust, including unqualified nursing and doctors in training, may be significantly reduced and the opportunities for skill development for the current workforce may also reduce.	4 x 4	4 x 4	3 x 4	Workforce & Organisational Development Committee
8430	If the Trust cannot attract and retain key staff– nursing, allied health professionals, medical staff & some other groups of registered staff – this could lead to high use of agency staff and the inability to deliver services to patients.	4 x 4	3 x 3	3 x 3	Workforce & Organisational Development Committee

Board assurance that staffing processes are safe, sustainable and effective

The Trust assures itself of safe staffing levels through reports to the Board using care hours per patient day methodology. The Trust is implementing the SafeCare module to support further analysis of the acuity needs of the patient population and appropriate allocation of staffing. There is a monthly electronic rostering assurance meeting that reports to the Workforce and Organisational Development Committee, which is a sub-committee of the Board.

Corporate governance framework

The Trust Board has the following sub-committees:

- Finance & Performance Committee;
- Quality Committee;
- Audit Committee;
- Workforce & Organisational Development Committee;
- Remuneration Committee;
- Fire, Health and Safety Welfare Committee;
- Trust Management Team;
- Broadmoor Redevelopment Programme Board;
- Local Services Transformation Board;
- Charitable Funds Committee.

The role of the Board's Sub-Committees

Finance & Performance Committee

The Finance and Performance Committee is responsible for providing assurance on all matters relating to finance and operational performance. This includes reviewing and monitoring the performance of the Trust both in respect of its financial targets but also with regard to the requirement to operate efficiently, effectively, and economically. The Committee also monitors and coordinates all strategic investment planning, reviews capital programme information, and monitors the delivery of the Trust's Quality and Cost Improvement Programme.

Quality Committee

The Quality Committee focuses on ensuring robust structures and processes are in place for governing the quality of clinical services and ensuring services are safe. The Committee's primary role is to provide assurance on clinical quality and safety, including clinical effectiveness, patient safety and patient experience. It also supports the Trust Board in developing an integrated approach to risk, control and governance by ensuring its systems are robust and enable the achievement of the Trust's objectives.

Audit Committee

The Audit Committee is a standing Committee of the Board. The role of the Committee is to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives.

Workforce & Organisational Development Committee

The Workforce & Organisational Development Committee is responsible for providing assurance that there are processes and plans in place to agree and achieve the Trust's workforce objectives. It also oversees the implementation of a recruitment and retention strategy that enables the Trust to compete successfully for recruits in occupations where there is a shortage of supply. The Committee ensures that the Trust's workforce is diverse and representative at all levels, implements a simple engagement plan, focuses on leadership and development that strengthens middle management and enhances the Trust's reputation as a place to thrive, and identifies opportunities for workforce productivity.

Remuneration Committee

The Remuneration Committee is a standing sub-committee of the Board and is responsible for determining the remuneration and terms of service for the Chief Executive and other Executive Directors. The duties of the Committee also include ensuring that staff are recruited in a fair, open and transparent way, monitoring and evaluating the performance of Executive Directors and overseeing their contractual arrangements, as well as ensuring that they remain compliant with 'Fit and Proper Person' requirements.

Fire, Health and Safety Welfare Committee

The Fire, Health and Safety Welfare Committee fulfils the Trust's obligations under both the Health and Safety at Work etc. Act 1974 and, more specifically, the Health and Safety (Consultation with Employees) Regulations 1996. It is responsible for coordinating and overseeing the Trust's fire, health and safety management arrangements and the effective control of all health and safety risks arising from the Trust's activities.

Trust Management Team

The Trust Management Team oversees the effective operational management of the Trust, including the achievement of statutory duties, standards, targets, and other obligations, and the delivery of safe, effective, high quality patient care. It informs and advises the Trust Board in setting and delivering the Trust's strategic direction and priorities. It also promotes effective two-way communication between the levels of senior management in the Trust and is also the formal route to support the Chief Executive in effectively discharging her duties and responsibilities as the Accountable Officer for the Trust.

Broadmoor Redevelopment Programme Board

The Broadmoor Redevelopment Programme Board oversees the delivery of the Broadmoor Hospital Redevelopment Programme, and is the Trust's decision-making body dealing with the strategic, high level operational aspects of the redevelopment of the Broadmoor Hospital site.

Local Services Transformation Board

The Local Services Transformation Board's purpose is to oversee the delivery of key service line transformational work strands and ensure that the Trust focuses on benefits and risks. It also ensures that any such work on the part of the Trust is aligned with local commissioning intentions and the relevant strategies of the Trust's transformation partners.

Charitable Funds Committee

The Charitable Funds Committee has been established by the Board to make and monitor arrangements for the control and management of Trust's charitable funds. Key duties of the Committee are to apply the charitable funds in accordance with the Charity's governing documents; to make decisions involving the sound investment of charitable funds in a way which both preserves their capital value and produces a proper return consistent with prudent investment; and to ensure the Charity's compliance with legal and regulatory requirements.

Board and Committee attendance

Attendance of Board and sub-committee meetings by Executive and Non-Executive Board members during 2018-19 is shown below:

Name of Board or Sub-Commitee	Attendance 2018-19
Trust Board	**94%**
Finance & Performance Committee	**86%**
Quality Committee	**80%**
Audit Committee	**83%**
Workforce & Organisational Development Committee	**71%**
Remuneration Committee	**100%**
Trust Management Team	**82%**
Fire, Health and Safety Welfare Committee	**67%**
Broadmoor Redevelopment Programme Board	**66%**
Local Services Transformation Board	**50%**
Charitable Funds Committee	**58%**

Summary of Board activities 2018-19

In addition to receiving regular reports from all Executive Directors at each Board meeting, including monthly finance and workforce reports, the Board routinely reviews the Board Assurance Framework / Level 1 Risk Register, Serious Incident reports, safer staffing reports and mortality data from across the Trust.

During the course of 2018-19 the Trust Board also received a range of annual reports including the following:

- Equality and Diversity Annual Report;
- Guardian of Safe Working Annual Report;
- Safeguarding Annual Report;
- Mental Health Lawyers Association Annual Report;
- Health & Safety Annual Report;

In line with its remit, the Board also reviewed a range of submissions including its Self-Certification declaration, the West London NHS Charitable Trust's Annual Accounts, and the Trust's Modern Slavery statement.

As part of maintaining high levels of engagement with internal and external stakeholders, the Trust Board received a number of presentations in 2018-19, including from Hounslow Clinical Commissioning Group colleagues on the Integrated Care Services programme, a presentation on fire risk management across the Trust, an update on the transformation programme for the Local Services clinical service unit, a review of lessons learned from the independent review of the Liverpool Community Health NHS Trust, and an update on London Health Based Places of Safety.

The Board held an away day in October 2018, where the results of its effectiveness review survey were discussed and analysed, with the contribution of an external, expert facilitator. Further away day discussions focused on the Trust's strategy and key priorities.

The Board continued to maintain high levels of direct engagement with patients, carers and service users throughout the year, and held closed sessions before each Board meeting to hear the experiences of service users and carers from a range of service lines including Perinatal Services, Early Intervention Service, Cognitive Impairment and Dementia Services, and the Crisis Assessment and Treatment teams. The Board also held such discussions with patients at Broadmoor Hospital.

Board Development Sessions are held after each Board meeting, and topics during 2018-19 included:

- Zero Harm;
- Prevent Strategy;
- Vocational Service at Broadmoor Hospital;
- Research and Development Strategy;
- Service improvement workshop;
- Estates Strategy;
- Enabling service user involvement;
- We CoProduce;
- Digital transformation;
- Recruitment and retention of staff;
- Transformation of adult mental health services;
- Pharmacy;
- Revalidation, appraisals and job planning;
- Patient level information and costing;
- Early intervention in psychosis;
- Learning within the Trust;
- Staff survey results;
- Overview of High Secure Services; and
- Board Assurance Framework review.

The Board also held an extra-ordinary meeting in May 2018 to review and approve the Trust's Annual Report 2017-18.

Committee programmes during 2018-19

All sub-committees have an agreed programme of work for the year, cross referenced to the Board Assurance Framework in support of the Board. Issues highlighted by sub-committees of the Board during the year include the following:

Finance & Performance Committee

In addition to its core responsibilities, the Finance & Performance Committee focused on the following areas as part of its programme of work during 2018-19:

- Monthly reports on the financial position of the Trust as a whole and of individual service lines;
- Budget and Service Level Agreement reviews;
- Capital & estates updates;
- Integrated performance reports;
- Cost Improvement Programme updates;
- Agency expenditure and trajectory reports;
- Ealing community services updates on mobilisation and contractual arrangements;
- Cyber risk deep dives;
- Carter Review updates;
- E-Rostering updates;
- Local Services Transformation updates.

Quality Committee

In addition to its core responsibilities, the Quality Committee focused on the following areas as part of its programme of work during 2018-19:

- Care Quality Commission inspections, action plans, insight reports and priorities;
- Quality deep dives of High Secure Services, Cognitive Impairment and Dementia Services; Planned and Primary Care; Liaison and Long Term Conditions; Rehabilitation Services; Pharmacy; Access & Urgent Care; Estates;
- Quality priorities;
- Clinical governance bi-monthly reports;
- Physical Healthcare Strategy;
- Patient experience quarterly and annual reports;
- Suicide prevention;
- Coproduction and Partnership Strategy;
- Medicines Management Annual Report;
- Infection Control Annual Report;
- Mental Health Community Survey;
- Privacy and Dignity Assessment Annual Report;
- Medical Revalidation and Responsible Officer annual reports.

Audit Committee

In addition to its core responsibilities, the Audit Committee focused on the following areas as part of its programme of work during 2018-19:

- Review of Annual Report & Accounts;
- Review of Quality Accounts;
- Board Self-Certification and Annual Governance Statement review;
- External audit progress reports;
- External audit Annual Plan;
- Internal audit progress reports;
- Internal audit Annual Plan;
- Local Counter Fraud Service quarterly updates and Annual Plan;
- Local Security Management Specialist quarterly reports;
- Tender waiver quarterly reports;
- A report of the Information Commissioner's audit of the Trust;
- Five Year Security Strategy;
- GDPR Benchmarking Analysis;
- Changes to International Financial Reporting Standards and impact on reporting;
- Losses and Special Payments Report.

Workforce & Organisational Development Committee

In addition to its core responsibilities, the Workforce & Organisational Development Committee focused on the following areas as part of its programme of work during 2018-19:

- Monthly reports on the Workforce Strategy Action Plan;
- On-boarder and exit survey results;
- Learning & Development Year End Report;
- E-rostering reports;
- Annual Equality & Diversity Report;
- Fair and Safe Shift Allocation Charter updates;
- Annual Staff Survey preparation and results reports;
- Updates on initiatives to reduce bullying;
- The Trust's recruitment offer;
- Workforce key performance indicators review.

Remuneration Committee

The Remuneration Committee met on two occasions in 2018-19 to discuss executive director remuneration and consider proposals regarding the Broadmoor Hospital Redevelopment Team, a consultation on the Broadmoor Capital, Estates & Facilities Department, and a consultation on the Local Services Senior Management Team

Fire, Health and Safety Welfare Committee

In addition to its core responsibilities, the Fire, Health and Safety Welfare Committee focused on the following areas as part of its programme of work during 2018-19:

- Review of the annual independent fire safety audit. The audit findings reflected a significant improvement in fire risk management compliance;
- Review of the fire risk assessment annual programme to achieve 100% compliance;
- Actions to complete fire hazard action plans;
- Upgrade of fire alarms;
- Ability of the Trust estate to withstand fire;
- Mandatory training compliance.

Trust Management Team

In addition to its core responsibilities, the Trust Management Team focused on the following areas as part of its programme of work during 2018-19:

- Occupational health & rehabilitation therapy in High Secure Services;
- Allied health professional updates;
- GDPR updates;
- Diversity Champions on interview panels evaluation;
- Workforce and agency expenditure reports;
- Finance reports and budget setting updates;
- Integrated Performance Report;
- Trauma-informed organization;
- E-rostering and Fair and Safe Shift Allocation Charter;
- Safety Culture Tool audit;
- Night-time confinement;
- Nurse apprenticeships;
- Accountable clinicians training;
- Evaluation of tender for advocacy services;
- Mobile working solution;
- Clinical system rationalisation proposals;
- Contracted catering and community cleaning service proposal.

Broadmoor Redevelopment Programme Board

In addition to its core responsibilities the Broadmoor Redevelopment Programme Board focused on the following areas as part of its programme of work during 2018-19:

- Design and construction
- Operational commissioning and transition planning (including estates and facilities readiness for service);
- Budget;
- Property and land sales;

- Reports from the Patients' Forum;
- Management of programme issues and risks.
- Communication with stakeholders

Local Services Transformation Board

In addition to its core responsibilities the Local Services Transformation Board focused on the following areas as part of its programme of work during 2018-19:

- Review of CAMHS, inpatient, crisis and urgent care, specialist rehabilitation, planned and primary care, workforce, communications and engagement, and cognitive impairment and dementia service workstreams;
- Like-Minded (strategy for improving mental health across North West London) Programme updates;
- Triangle of Care implementation updates;
- Plans for Amadeus Recovery House ;
- Integrated Mental Health Dashboard review;
- Update on implementation of coproduced vision and standards for inpatient wards.

Charitable Funds Committee

In addition to its core responsibilities, the Charitable Funds Committee focused on the following areas as part of its programme of work during 2018-19:

- Consideration of bids for funding;
- Annual Charitable Trust Accounts;
- Financial reports;
- Fundraising updates;
- Communications updates, including the Charity's name change and new webpage;
- Review of Charitable Funds policies.

Board performance and development

During the course of 2018-19, Board members participated in self-assessments which showed good progress on the previous year; the results were presented at the Board away day in October 2018 and were used to inform the Board's development plan to support Board effectiveness during 2018-19. Internal and external Board development over the past few years has demonstrated a strong commitment to maintaining an engaged and effective Board.

Development during 2019-20 will support the Trust's organisational strategy and the well-led CQC framework domains around appropriate and accurate information being effectively processed, challenged and acted on, and robust systems and processes for learning, continuous improvement and innovation. The Board is compliant with the Code of Conduct and Code of Accountability for NHS Boards.

A register of relevant and material Board member interests is maintained and published on the Trust's website. Board and Committee meeting agendas routinely include an opportunity for members to declare any interests in agenda items. Any such interests are recorded in the minutes of the meeting as well as in a separate register maintained by the Trust Secretary. There have been no occasions during the year where a member has had to withdraw from the discussion or decision taken at any Board or Committee meeting.

Review of the effectiveness of risk management and internal control

Generally, the Trust's risk management arrangements have been effective, enabling the Trust to identify potentially significant risks at an early stage and take suitable action to either prevent those risks developing further or, if necessary, control those risks. However, the Trust continually seeks to improve its processes further.

Board members are supported in their role by a board development programme which is informed both by individual and collective appraisals of board members and feedback from external sources.

Carbon reduction

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 this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Information governance

Information Governance incidents are graded using the NHS Digital breach assessment grid which is in line with new requirements under the General Data Protection Regulations 2016 and Data Protection Act 2018.

Incidents are graded according to their impact on the individual or groups of individuals affected, with 1 being the least serious and 25 the most serious. Incidents graded a 6 or above are reportable to the Information Commissioner's Office (ICO) via the Data Security and Protection Toolkit Incident Reporting Tool.

During the financial year 2018-19 one serious incident was reported to the ICO. The incident is still under investigation by the ICO and at the time that this report was completed, the Trust was awaiting the outcome of their investigation.

Pension Scheme

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.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare quality accounts for each financial year.

The Board discussed the Trust's Annual Quality Account for 2017-18 in June 2018 and received assurance that this presented a balanced view and that there were appropriate controls in place to ensure the accuracy of data.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the West London 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. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I have relied on assurance provided by the following sources:

1. 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.

Head of internal audit opinion 2018-19

The Trust's internal auditors (RSM Risk Assurance Services LLP) have concluded that the organisation has an adequate and effective framework for risk management, governance and internal control.

However, its work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

The internal auditors have undertaken several reviews and provided a substantial or reasonable assurance opinion with no significant control issues. These reviews have covered the following:

Substantial Assurance

- Backlog maintenance (part of the backlog maintenance and minor works report);
- Financial Ledger and financial feeder systems;
- Clinical Service Unit financial management and quality cost improvement plans.
- New models of care

Reasonable Assurance

- Mortality – death recording and review;
- Board Assurance Framework and risk management;
- Payments to staff;
- Location visit – Mental Capacity Act and Deprivation of Liberty Safeguards (DoLS).

The Trust's internal auditors have also issued the following partial assurance reports in the following five areas:

- Cyber security applications and behaviours;
- Minor works;
- Clinical audit;
- Renewal of employment checks;
- Use of agency staff.

2. Executive Directors in the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

3. The assurance framework itself provides me with evidence that the effectiveness of controls to manage risks to the organisation achieving its principal objectives have been reviewed.

4. Registration with the CQC – the Trust currently has five regulatory notices. Action has already been taken to address issues identified in these notices and progress is reported through the internal CQC working group to the Quality Committee and Trust Board.

5. The Trust has a quarterly Performance Oversight Meeting with NHS Improvement and this provides me with independent external assurance regarding the Trust's performance and the effectiveness of the Trust's system of internal control. These are supplemented with regular internal performance management review meetings of all service lines.

6. Re-licensing – the Trust is licensed, against Department of Health and Social Care criteria, to continue to provide high secure mental health services. In addition, we have regular meetings of the National Oversight Group (NOG) at which all high secure hospitals meet to review common themes and best practice.

I have been advised on the effectiveness of the system of internal control by the following committees within the Trust:

- Audit Committee
- Quality Committee
- Finance & Performance Committee;
- Workforce and Organisational Development Committee
- Trust Management Team

Conclusion

There have been no significant control issues in the Trust during 2018-19 and we have made real and sustainable improvements to our governance arrangements, although we recognise that this remains work in progress.

The Board will continue to review progress and ensure that a process of continuous improvement is in place in the Trust in 2018-19, including:

- implementation of the recommendations arising from the Well-Led review;
- continued robust financial management and a focus on cost improvement plans, including continued focus on reducing our expenditure on agency staff; and
- implementation of our quality improvement plan, to ensure regulatory compliance and improve the safety and quality of services.

These issues will be reflected within the level 1 risk register and their management monitored through the board assurance framework.

The Trust will also continue to ensure the timely implementation of any internal and external audit recommendations.

The system of internal control has been in place at West London NHS Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

I believe that this annual governance statement contains full and sufficient information for its purpose and includes all of the key elements that are required of this document.

Carolyn Regan
Chief Executive


Fire
exit

5 Remuneration and staff report

Remuneration policy

The Remuneration Committee determines the salaries of the chief executive and executive directors by following NHS Improvement (NHSI) guidance. All executive directors are appointed on permanent contracts with a six month notice period.

There is no performance-related pay and no compensation for early termination is provided. The Trust follows NHSI requirements for any termination. Redundancy payments are calculated in accordance with NHS Agenda for Change.

Senior managers' contracts are also permanent, with a three month notice period. Expenses for directors are in line with the Trust policy on expenses for staff.

For the financial year 2018-19, the non-executive directors who sat on the Remuneration Committee were:

Mr Tom Hayhoe, Chair
Professor Paul Aylin
Professor Sally Glen
Mr Hassaan Majid
Mr Neville Manuel
Ms Elizabeth Rantzen
Ms Janice Barber
Professor Nick Barber

Between 1 April 2018 and 31 March 2019, there were two meetings of the remuneration committee.

NHS Improvement sets the remuneration for non-executive directors. All benefits in kind payments relate solely to travel expenses. As non-executive directors do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

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

A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Directors' remuneration

Salary and pension entitlements of senior managers 2018-19

Name and title	Salary (bands of £5,000)	Expense Payments (taxable) (rounded to £100)	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All Pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
Carolyn Regan, Chief executive	185–190	200	–	–	40–42.5	225–230
Paul Stefanoski, Director of Finance & Business	150–155	–	–	–	195–197.5	350–355
Jose Romero-Urcelay, Medical Director	165–170	–	–	–	585–587.5	750–755
Leeanne McGee, Director of High Secure and Forensic Services	125–130	300	–	–	197.5–200	325–330
Stephanie Bridger, Director of Nursing & Patient Experience	115–120	100	–	–	27.5–30	145–150
Sarah Rushton, Director of Local Services	125–130	–	–	–	252.5–255	380–385
Wendy Brewer, Director of Organisational Development & Workforce	135–140	–	–	–	317.5–320	455–450
Tom Hayhoe, Chairman	35–40	100	–	–	–	35–40
Sally Glen, Non-executive director	5–10	–	–	–	–	5–10
Elizabeth Rantzen, Non-executive director	5–10	–	–	–	–	5–10
Neville Manuel, Non-executive director	5–10	–	–	–	–	5–10
Paul Aylin, Non-executive director	5–10	–	–	–	–	5–10
Hassaan Majid, Non-executive director	5–10	–	–	–	–	5–10
Janice Barber, Non-executive director (from 1 April 2018)	5–10	–	–	–	–	5–10
Nicholas Barber, Non-executive director (from 1 May 2018)	5–10	–	–	–	–	5–10

Salary and pension entitlements of senior managers 2017-18

Name and title	Salary (bands of £5,000)	Expense Payments (taxable) (rounded to £100)	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All Pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
Carolyn Regan, Chief executive	185–190	200	–	–	47.5–50	230–235
Paul Stefanoski, Director of Finance & Business	150–155	–	–	–	–	150–155
Jose Romero-Urcelay, Medical Director	160–165	–	–	–	257.5–260	420–425
Leeanne McGee, Director of High Secure and Forensic Services	120–125	300	–	–	35–37.5	160–165
Stephanie Bridger, Director of Nursing & Patient Experience	80–85	–	–	–	–	80–85
Sarah Rushton, Director of Local Services	120–125	–	–	–	77.5–80	200–205
Wendy Brewer, Director of Organisational Development & Workforce	135–140	100	–	–	155–157.5	290–295
Tom Hayhoe, Chairman	35–40	200	–	–	–	35–40
Sally Glen, Non-executive director	5–10	–	–	–	–	5–10
Elizabeth Rantzen, Non-executive director	5–10	–	–	–	–	5–10
Neville Manuel, Non-executive director	5–10	–	–	–	–	5–10
Paul Aylin, Non-executive director	5–10	–	–	–	–	5–10
Hassaan Majid, Non-executive director	5–10	–	–	–	–	5–10
Janice Barber, Non-executive director (from 1 April 2018)	N/A	–	–	–	–	–
Nicholas Barber, Non-executive director (from 1 May 2018)	N/A	–	–	–	–	–

Directors' pension benefits

Name and title	Real increase in pension at pension age (bands of £25,000)	Real increase in pension lump sum at pension age (bands of £25,000)	Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000)	Cash equivalent transfer value at 1 April 2018 £000*	Real increase in cash equivalent transfer £000*	Cash equivalent transfer value at 31 March 2019 £000*	Employer's contribution to stakeholder pension £000*
Carolyn Regan, Chief Executive	2.5-5	–	15-20	–	213	71	284	27
Paul Stefanoski, Director of Finance & Business	0-2.5	–	40-45	85-90	599	112	712	19
Jose Romero-Urcelay, Medical Director	2.5-5	7.5-10	90-95	275-280	1973	314	2287	24
Leeanne McGee, Director of High Secure and Forensic Services	0-2.5	–	10-15	–	137	57	194	18
Stephanie Bridger, Director of Nursing and Patient Experience	2.5-5	7.5-10	30-35	85-90	551	118	670	17
Sarah Rushton, Director of Local Services	0-2.5	2.5-5	40-45	125-130	841	135	977	18
Wendy Brewer, Director of Organisational Development and Workforce	0-2.5	2.5-5	50-55	160-165	1131	163	1294	20

Pay multiples commentary

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director at West London NHS Trust in the financial year 2018-19 was £209,368 (in 2017-18 it was £209,404). This was 6.1 times (2017-18, 6.2) the median remuneration of the workforce, which was £34,148 (2017-18, £33,639).

In 2018-19, no employees received remuneration in excess of the highest-paid director (2017-18, 0). Remuneration ranged from £6,200 to £189,000 (2017-18, £6,200 to £190,000)

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 cash equivalent transfer value of pensions.

Number of staff employed by the Trust

West London NHS Trust employed 3,452 substantive staff (3,222 whole time equivalents) at year end. Staff numbers increased over the year by 84. The average headcount over the 2018-19 year was 3,378 (3,169 whole time equivalents).

During 2018-19 the Trust employed 15 senior managers. This comprises the chief executive, chair, six other executive directors and seven other non-executive directors.

Analysis of staff numbers

Average number of employees (WTE basis)

	Permanent 000	Other 000	2018-19 Total 000	2017-18 Total 000
Medical and dental	224	35	**259**	247
Administration and estates	600	75	**675**	885
Healthcare assistants & other support staff	848	325	**1,173**	897
Nursing, midwifery & health visiting staff	862	219	**1,082**	1,084
Scientific, therapeutic a& technical staff	188	24	**212**	583
Healthcare science staff	360	25	**385**	–
Social care staff	13	3	**16**	–
Other	74	16	**90**	103
Total average numbers	**3,169**	**722**	**3,892**	**3,799**
Of which:				
Number of employees (WTE) engaged on capital projects	63	77	**140**	141

Staff costs

	Permanent £000	Other £000	2018-19 Total £000	2017-18 Total £000
Salaries and wages	145,012	–	**145,012**	140,813
Social security costs	13,705	1,532	**15,237**	14,123
Apprenticeship levy	693	–	**693**	662
Employer's contributions to NHS pensions	14,937	1,744	**16,681**	16,076
Termination benefits	–	–	**–**	73
Temporary staff	–	13,243	**13,243**	15,332
Total gross staff costs	**174,347**	**16,519**	**190,866**	**187,079**
Recoveries in respect of seconded staff	(371)	–	**(371)**	–
Total staff costs	**173,976**	**16,519**	**190,495**	**187,079**
Of which				
Costs capitalised as part of assets	2,547	688	**3,235**	3,100

The second column (other) in the two tables above relates to non-substantive staff, such as agency and bank staff.

Staff composition

The gender split of all Trust employees is 63% female and 37% male.
The gender split of staff at band 7 and above is shown in the table below.

Banding Group	Gender	Total	%
Band 7 – 8D	Female	537	69.56%
	Male	235	30.44%
Locally agreed or ad hoc pay scale	Female	9	60.00%
	Male	6	40.00%

56% of staff are BME (which roughly reflects the local population).
The table below shows the precise breakdown in terms of ethnic origin.

	White British	White Other	Asian	Black	Mixed
Trust staff population	35%	11%	17%	25%	3%
Ealing Borough population	30%	15%	30%	11%	8%
Hammersmith and Fulham Borough population	45%	20%	9%	12%	11%
Hounslow Borough population	38%	12%	35%	7%	8%

Where rows in the table above do not total 100%, this is because a proportion of the relevant population have not disclosed their ethnic identity.

2.6% of staff are LGBTQ+, and 4.5% are registered as having a disability.

Sickness absence rates

The Trust's sickness absence metrics saw an overall year-on-year improvement, although there were longer peaks of sickness during the winter period this year than last.

Staff sickness absence	Total 2018	Total 2017
Total days lost	29,380	29,225
Average working days lost	9	9
Total staff years	3,179	3,147

Staff sickness absence	Total 2018-19	Total 2017-18
Sickness % rate	4.2%	4.4%

Equality and diversity

Overview

The Trust has an active diversity and equality governance structure that is serviced by the Trust's Diversity Unit. There has been much focus on improving the representation of black and minority ethnic (BME) staff in senior management over the last few years and the Trust won the Healthcare People Management Association's *Most effective use of diversity to strengthen governance, recruitment or promotion* award in 2018-19 for its BME Leadership Programme. Visible BME staff presence on senior interview panels was introduced through the Trust's Diversity Champion Scheme in October 2017. The scheme was evaluated internally in 2018 and the Trust decided to make the inclusion of Diversity Champions on senior interview panels part of its everyday practice. In 2018-19, the Trust built on progress made in previous years towards creating a work environment that is more inclusive for LGBT staff and patients. Going forward there will be renewed focus on improving the experience of staff that live with a disability.

Disability

The Trust is a Disability Confident employer, which means that it shortlists applications that meet the minimum criteria for interviews if it is made aware of the fact that the candidate is disabled. The Trust will also make reasonable adjustments to the recruitment process and to its work environment to support disabled candidates and staff in demonstrating their abilities.

The Trust has put in place a number of steps to increase the training, career development and promotion opportunities for disabled people employed by it:

A new Disability Policy was approved in 2018-19, governing arrangements for making reasonable adjustments;

A diversity plan is being devised in response to the new Workforce Disability Equality Standard, which will cover the monitoring of workforce data in relation to policies on recruitment and capability;

The Trust has revised its diversity scorecard to include monitoring of the profile of disabled staff in senior management;

Training courses around deaf awareness and understanding specific learning difficulties have been commissioned specifically relating to disability;

The Trust has purchased a Development Hub online resource and mobile app that provides information and guidance on Attention Deficit Hyperactivity Disorder (ADHD).

Project Choice mentor training has also been developed to support mentors of students with learning disabilities (see page 17).

The Trust Chairman, Tom Hayhoe, has a hearing impairment and is a strong advocate for disability rights.

Public Sector Equality Duty

The following table contains a list of some of the actions the Trust took to meet the public sector equality duty during 2018-19 and the associated part of the general duty to which each action applies.

Action	Eliminate discrimination, harassment, and victimisation	Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it	Foster good relations between people who share a relevant protected characteristic and persons who do not share it
Launch of supported internships for young people with learning disabilities in September 2018 (Project Choice).	✓		✓
Disability Policy approved in January 2019, which provides guidance on how reasonable adjustments should be provided to staff.	✓	✓	✓
Start of 5th cohort of BME Leadership Development Programme, the Trust's positive action programme designed to address the under-representation of BME staff in senior management.	✓	✓	✓
Diversity Champions continued to sit on interview panels for senior posts.	✓	✓	
Quarterly BME Consultative Forum.	✓	✓	
3rd year of participation in Pride in London Parade.	✓		✓
Transgender Policy in process of update, to cover a broader range of trans patients.			
LGBTQ+ wristbands for patients initiative, which enables patients to demonstrate their support for LGBTQ+ community, was rolled out across the Trust in February 2019 as part of LGBTQ+ History celebrations.	✓		✓
Dignity at Work sub-group continued to review Trust practices and processes for tackling bullying and harassment, in order to improve experiences of those involved in formal processes. Dignity at Work Policy reviewed to make it transparent, user friendly, and include additional safeguards for staff.	✓	✓	
LGBTQ+ lanyard initiative – approximately. 1,900 lanyards are being worn by staff across the Trust to show respect and support to those that perceive they are receiving homophobic or any other form of bullying.	✓		✓
Befriending scheme: befrienders provide support for staff experiencing workplace difficulties.	✓		
Broadmoor calendar of cultural/religious celebrations included Burns night, Eid, LGBTQ+ and Black History Month.	✓		✓
Unconscious bias in recruitment training became mandatory for senior managers and those who sit on interview panels for senior posts.	✓	✓	✓
Gender Pay Gap reporting – full report published on the Trust website in March 2019.	✓	✓	✓
The Trust's Department of Spirituality and Pastoral Care continued to provide multi-faith support for inpatients and staff and a programme of awareness raising events across the Trust.	✓		✓

The following table highlights the outcomes to date that have arisen as a consequence of the Trust's interventions to date.

Action	Eliminate discrimination, harassment, and victimisation	Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it	Foster good relations between people who share a relevant protected characteristic and persons who do not share it
BME Leadership Development Programme	✓ 18 out of 60 delegates who have been on the BME Leadership Development Programme since it started in 2015, have been promoted.	✓ Increase in proportion of BME staff who believe there are equal opportunities for career progression from 63% in 2014 to 73% in 2018. West London now has the largest proportion of BME senior managers in London trusts delivering mental health services.	
Diversity presence on interview panels	✓ Trust practices have enabled it to be more rigorous in ensuring consistency in addressing bias. Improved Workforce Race Equality Standard reduction in gap between white and BME staff in recruitment from 1.91(2016) – 1.61(2018).	✓ Increase in proportion of BME staff who believe there are equal opportunities for career progression from 63% in 2014 to 73% in 2018.	
Quarterly BME Consultative Forum	✓ Led to the introduction of Diversity Champions on interview panels.	✓ Alumni from BME Leadership Development Programme involved as Diversity Champions and are improving their understanding of interview processes and decision-making.	
LGBTQ+ wristbands for patients	✓ Requests for these from patients demonstrate some attitudinal change on wards. Patients feel more comfortable coming out to staff that are wearing lanyards.		✓ Patients have seen staff wearing lanyards and requested a symbol that could demonstrate their support.
LGBTQ+ lanyard initiative for staff	✓ Increase in the number of patients attending Pride over the last three years, may indicate possible changes in attitudes.	✓ Staff have chosen to apply to the Trust on seeing the use of rainbow lanyards.	✓
Unconscious bias in recruitment training			✓ Evaluation responses demonstrate that Trust managers understand their own bias.

Other employee matters

The Trust has a workforce strategy that is agreed and monitored by the Workforce and Organisational Development Committee, a sub-committee of the Board. The strategy includes the following components:

- Recruitment and retention
- Ensuring a fair and diverse workforce
- Ensuring that all members of staff have access to a Freedom to Speak Up Guardian
- Leadership development focusing on middle management
- Workforce efficiency and reduced agency expenditure
- Engagement and transformation

All of these objectives are measured through clearly defined key performance indicators that are reported to the Board.

The Trust recognises 17 trade unions and meets with trade union representatives on a regular formal and informal basis. Pay policy and terms and conditions are negotiated on a national level through the NHS Staff Council and the Trust implements all national terms and conditions.

There is a health and safety committee that reports to the Board. The Trust has agreed a Fair and Safe Shift Allocation Charter (see page 16) with trade unions and members of staff.

There is a Recruiting and Retaining Talent Scheme (see page 16) which is the Trust's talent management scheme. There were 23 participants in the scheme in 2018-19 who were recognised for their excellence and were supported with an individual development package. The Trust provides an annual workforce plan to NHSI and is monitored against this through regular performance meetings.

Expenditure on consultancy

The Trust spent £337k (2017-18 - £414k) on consultancy in the year ending 31 March 2019. This is detailed in note 5.1: Operating Expenses of the financial statements.

Off payroll engagement

Off payroll engagements relate to individuals employed by the Trust but not remunerated via the organisation's payroll function. Typically this would relate to self-employed individuals or those contracted via agencies. The Department of Health and Social Care requires NHS bodies to report any off-payroll engagements as at 31 March 2019, for more than £245 per day and that have lasted longer than six months.

Existing arrangements as at 31 March 2019	
Number of existing engagements as of 31 March 2019	12
Of which, the number that have existed:	
for less than one year at the time of reporting	3
for between 1 and 2 years at the time of reporting	4
for between 2 and 3 years at the time of reporting	4
for between 3 and 4 years at the time of reporting	0
for 4 years or more at the time of reporting	1

New arrangements made between 1 April 2018 and 31 March	
Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019.	5
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	5
Of which:	
Number engaged directly (via Personal Service Company contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year.	0
Number of engagements that saw a change to IR35 status following the consistency review	0

The 5 engagements reported above all relate to individuals contracted to work for the Trust via employment agencies and therefore the Trust has not been required to introduce contractual clauses.

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019	
Number of off-payroll engagements of Board members, and/or senior officers with significant financial responsibility, during the year.	0
Number of individuals that have been deemed "Board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes off-payroll and on-payroll engagements.	15

Exit packages

The following is a summary of exit packages agreed by the Trust during 2018-19.

Reporting of compensation schemes – exit packages 2018-19

	Number of compulsory redundancies	Cost of compulsory redundancies £	Number of of other departures agreed	Cost of other departures agreed compulsory redundancies £	Total number of exit packages	Total cost of exit packages £	Number of departures where special payments have been made	Cost of special element included in exit packages £
Exit package cost band (including any special payment element)								
Less than 10,000	–	–	–	–	–	–	–	–
£10,001 – £25,000	3	42,688	–	–	3	42,688	–	–
£25,001 – £50,000	–	–	–	–	–	–	–	–
£50,001 – £100,000	–	–	–	–	–	–	–	–
£100,001 – £150,000	2	228,179	–	–	2	228,179	–	–
£150,001 – £200,000	–	–	–	–	–	–	–	–
>£200,000	–	–	–	–	–	–	–	–
Total number of exit packages by type	**243,095**	**828,846**	**102,035**	**176,037**	**164**	**48,577**	**3,782**	**1,402,536**

Reporting of compensation schemes – exit packages 2017-18

	Number of compulsory redundancies	Cost of compulsory redundancies £	Number of of other departures agreed	Cost of other departures agreed compulsory redundancies £	Total number of exit packages	Total cost of exit packages £	Number of departures where special payments have been made	Cost of special element included in exit packages £
Exit package cost band (including any special payment element)								
Less than 10,000	–	–	–	–	–	–	–	–
£10,001 – £25,000	–	–	–	–	–	–	–	–
£25,001 – £50,000	–	–	–	–	–	–	–	–
£50,001 – £100,000	1	73,412	–	–	1	73,412	–	–
£100,001 – £150,000	–	–	–	–	–	–	–	–
£150,001 – £200,000	–	–	–	–	–	–	–	–
>£200,000	1	–	–	–	–	–	–	–
Total number of exit packages by type	**2**	**73,412**	**–**	**–**	**1**	**73,412**	**–**	**–**

Exit packages: other (non-compulsory) departure payments

	2018-19 Payments agreed Number	2018-19 Total value of agreements £000	2017-18 Payments agreed Number	2017-18 Total value of agreements £000
Exit package cost band (including any special payment element)				
Voluntary redundancies including early retirement contractual costs	–	–	–	–
Mutually agreed resignations (MARS) contractual costs	–	–	–	–
Early retirements in the efficiency of the service contractual costs	–	–	–	–
Contractual payments in lieu of notice	–	–	–	–
Exit payments following Employment Tribunals or court orders	–	–	–	–
Non-contractual payments requiring HMT approval	–	–	–	–
Total	–	–	–	–
Of which				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	–	–	–	–

Carolyn Regan
Chief Executive

Collage made by service users and staff at the Orchard, West London Forensic Services

Part C – Financial statements

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 NHS Improvement, 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 for 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 with the approval of the Treasury 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.

Carolyn Regan
Chief Executive

22 May 2019

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for safeguarding the assets of the 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.

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

By order of the Board

Carolyn Regan
Chief Executive

22 May 2019

Paul Stefanoski
Director of Finance and Business

22 May 2019

Independent Auditor's Report to the Board of Directors of West London NHS Trust
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of West London NHS Trust ("the Trust") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health Group Accounting Manual 2018-19.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations, including the impact of Brexit, and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our

financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health Group Accounting Manual 2018-19. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health Group Accounting Manual 2018-19.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 82, the directors are responsible for: the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity . As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on page 81, the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**.

Report on other legal and regulatory matters

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 81, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by 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.

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017 as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has 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 issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Board of Directors of West London NHS 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 Board of the Trust, as a body, 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 Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Certificate of completion of the audit

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

Richard Hewes
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
London

24 May 2019

Foreword to the Accounts

West London NHS Trust

These accounts for the period 1 April 2018 to 31 March 2019 have been prepared by the West London NHS Trust, under the direction of the Department of Health Manual of Accounts 2018-19, and in accordance with the 2006 National Health Service Act.

Carolyn Regan
Chief Executive

22 May 2019

Statement of Comprehensive Income

	Note	2018-19 £000	2017-18 £000
Operating income from patient care activities	3.1	253,909	245,888
Other operating income	4	15,639	17,238
Operating expenses	5.1	(239,369)	(241,638)
Operating surplus/(deficit) from continuing operations		**30,179**	**21,488**
Finance income	10	350	157
Finance expenses	11	(2,492)	(2,589)
PDC dividends payable		(17,289)	(16,573)
Net finance costs		**(19,431)**	**(19,005)**
Other gains / (losses)	12	–	3,717
Surplus / (deficit) for the year from continuing operations		**10,748**	**6,200**
Surplus / (deficit) for the year		**10,748**	**6,200**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	(1,782)	(4,714)
Revaluations	14.1	4,575	22,952
Other reserve movements		–	(219)
Total comprehensive income / (expense) for the period		**13,541**	**24,219**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		10,748	6,200
Remove net impairments not scoring to the Departmental expenditure limit	6	135	6,593
Remove I&E impact of capital grants and donations	13	26	28
Adjusted financial performance surplus / (deficit)		**10,909**	**12,821**

Financial performance has been adjusted for the impact of in year impairments to arrive at the adjusted retained surplus position. This is calculated as part of NHS trusts' statutory break even requirement, see note 37.

Adjustments in respect of impairments
Impairments relate to several Trust properties, see note 14.1.2.

PDC dividend: balance payable at 31 March 2019	**(1,955)**
PDC dividend: balance receivable at 31 March 2018	(947)

Financial statements

Statement of Financial Position

	Note	31 March 2019 £000	31 March 2018 £000
Non-current assets			
Intangible assets	13.1	220	268
Property, plant and equipment	14.1	608,485	587,364
Receivables	17.1	–	2,667
Total non-current assets		**608,705**	**590,299**
Current assets			
Inventories	16	674	638
Receivables	17.1	26,896	20,849
Cash and cash equivalents	20.1	52,140	66,117
Total current assets		**79,710**	**87,604**
Current liabilities			
Trade and other payables	21	(30,585)	(27,957)
Borrowings	23	(3,704)	(3,576)
Provisions	25	(1,562)	(1,558)
Other liabilities	23	(2,762)	(4,888)
Total current liabilities		**(38,613)**	**(37,979)**
Total assets less current liabilities		**649,802**	**639,924**
Non-current liabilities			
Borrowings	23	(78,240)	(81,816)
Provisions	25	(1,532)	(1,836)
Total non-current liabilities		**(79,772)**	**(83,652)**
Total assets employed		**570,030**	**556,272**
Financed by			
Public dividend capital		390,197	389,980
Revaluation reserve		190,627	187,834
Income and expenditure reserve		(10,794)	(21,542)
Total taxpayers' equity		**570,030**	**556,272**

The notes from page 91 onwards form part of these accounts.

The financial statements from page 87 onwards were approved by the Board on 22 May 2019 and signed on its behalf by

Carolyn Regan
Chief Executive

22 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital £000	Revalutaion reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2018 – brought forward	**389,980**	**187,834**	**(21,542)**	**556,272**
Impact of implementing IFRS 15 on 1 April 2018	–	–	–	–
Impact of implementing IFRS 9 on 1 April 2018	–	–	–	–
Surplus/(deficit) for the year	–	–	10,748	10,748
Impairments	–	(1,782)	–	(1,782)
Revaluations	–	4,575	–	4,575
Transfer to retained earnings on disposal of assets	–	–	–	–
Public dividend capital received	217	–	–	217
Public dividend capital repaid	–	–	–	–
Other reserve movements	–	–	–	–
Taxpayers' equity at 31 March 2019	**390,197**	**190,627**	**(10,794)**	**570,030**

* Following the implementation of IFRS 9 from 1 April 2018, the 'Available for sale investment reserve' is now renamed as the 'Financial assets reserve'

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

	Public dividend capital £000	Revalutaion reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 – brought forward	**392,444**	**190,741**	**(48,668)**	**534,517**
Surplus/(deficit) for the year	–	–	6,200	6,200
Impairments	–	(4,714)	–	(4,714)
Revaluations	–	22,952	–	22,952
Transfer to retained earnings on disposal of assets	–	(21,145)	21,145	–
Public dividend capital received	–	–	–	–
Public dividend capital repaid	(2,464)	–	–	(2,464)
Other reserve movements	–	–	(219)	(219)
Taxpayers' equity at 31 March 2018	**389,980**	**187,834**	**(21,542)**	**556,272**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital.

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

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

Merger reserve
This reserve reflects balances formed on merger of NHS bodies.

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

Statement of Cash Flows

	Note	2018-19 £000	2017-18 £000
Cash flows from operating activities			
Operating surplus / (deficit)		30,179	21,488
Non-cash income and expense:			
Depreciation and amortisation	13.1 & 14.1	11,573	12,659
Net impairments	6	135	6,593
(Increase) / decrease in receivables and other assets	17.1	(3,380)	(6,801)
(Increase) / decrease in inventories	16	(36)	(87)
Increase / (decrease) in payables and other liabilties	21.1 & 22	(4,385)	13,349
Increase / (decrease) in provisions		(306)	(228)
Net cash generated from / (used in) operating activities		**33,780**	**46,973**
Cash flows from investing activities			
Interest received	10	350	157
Purchase of intangible assets	13.1	(16)	(185)
Purchase of property, plant, equipment and investment property	14.1	(25,965)	(24,114)
Sales of property, plant, equipment and investment property		–	9,361
Net cash generated from / (used in) investing activities		**(25,631)**	**(14,781)**
Cash flows from financing activities			
Public dividend capital received		217	–
Public dividend capital repaid		–	(2,464)
Movement on loans from the Department of Health and Social Care		(3,576)	(3,576)
Interest on loans	11	(2,486)	(2,590)
PDC dividend (paid) / refunded		(16,281)	(15,274)
Net cash generated from / (used in) financing activities		**(22,126)**	**(23,904)**
Increase / (decrease) in cash and cash equivalents		**(13,977)**	**8,288**
Cash and cash equivalents at 1 April – brought forward		**66,117**	**57,829**
Cash and cash equivalents at 31 March	**20.1**	**52,140**	**66,117**

Notes to the Accounts

Accounting policies and other information

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 2018-19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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.

1.2 Going concern

These accounts have been prepared on a going concern basis.

The Treasury's Financial Reporting Manual (FReM) provides the following interpretation of the going concern requirements set out in IAS1: The anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents is normally sufficient evidence of going concern.

The Trust's directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing these financial statements.

1.3 Revenue

The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- As per paragraph 121 of the Standard the Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

1.3.1 Revenue from contracts with customers

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018-19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

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

1.3.2 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.

1.3.3 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.4 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

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

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

1.5 Expenditure on other goods and services

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

1.6 Property, plant and equipment

1.6.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

1.6.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Subsequent expenditure

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

Depreciation

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

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

1.6.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
  - management are committed to a plan to sell the asset
  - an active programme has begun to find a buyer and complete the sale
  - the asset is being actively marketed at a reasonable price
  - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

1.6.4 Donated and grant funded assets

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

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.6.5 Useful lives of property, plant and equipment

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

	Years	Max life Years
Buildings, excluding dwellings	2	90
Dwellings	6	36
Plant & machinery	1	21
Transport equipment	1	10
Information technology	1	5
Furniture & fittings	1	36

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

1.7 Intangible assets

1.7.1 Recognition

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

Software

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

1.7.2 Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

Amortisation

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

1.7.3 Useful economic life of intangible assets

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

	Min life Years	Max life Years
Internally generated information technology	1	5
Software licences	2	4

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation of fair value due to the high turnover of stocks.

1.9 Cash and cash equivalents

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

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

1.10 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

1.11 Financial assets and financial liabilities

1.11.1 Recognition

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

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

1.11.2 Classification and measurement

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

Financial assets are categorised as "fair value through income and expenditure", loans and receivables or "available-for-sale financial assets".

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

Financial assets and financial liabilities at "fair value through income and expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

1.11.3 Derecognition

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities, except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of an bad debt provision.

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.

1.12.1 The Trust as lessee

Finance leases

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

1.12.2 The Trust as lessor

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

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

1.13 Provisions

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

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.29% (2017-18: positive 0.10%) in real terms. All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A nominal short-term rate of 0.76% (2017-18: negative 2.42% in real terms) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 1.14% (2017-18: negative 1.85% in real terms) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.
- A nominal long-term rate of 1.99% (2017-18: negative 1.56% in real terms) for inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.
- A nominal very long-term rate of 1.99% (2017-18: negative 1.56% in real terms) for inflation.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 25 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

1.14 Contingencies

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

Contingent liabilities are not recognised, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 Public dividend capital

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

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

(i) donated assets (including lottery funded assets),

(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and

(iii) any PDC dividend balance receivable or payable.

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

1.16 Value added tax

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

1.17 Foreign currencies

The Trust's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Income in the period in which they arise.

1.18 Third party assets

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

1.19 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

1.20 Subsidiaries

In accordance with IAS27 requirements NHS bodies should consolidate the results of its Charitable Funds over which it considers it has the power to exercise control if classified as material.

The registered name of the Charitable Fund of the Trust is The West London NHS Charitable Fund. The funds are managed and utilised for a number of initiatives predominantly with the purpose of improving patient welfare. Income is received via donations, legacies and investment income.

At the end of the financial year the Trust held capital and reserves of £653k, this represented an in year decrease in the net assets after all expenditure of £7k.

As the Charitable Funds of the Trust are not of material value the decision has been taken by the Trust not to consolidate the NHS Charitable Funds for which it is the corporate Trustee.

1.21 Critical judgements in applying accounting policies

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from

other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The notes to the accounts sets out the critical judgements, apart from those involving estimations (see 1.2.1) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key areas where management estimates have been made within the accounts are provisions (note 25) and the valuation of the Trust's estate.

Management has made judgements regarding the impairment of receivables (note 18). These judgements are based on a line by line assessment of the recoverability of individual receivables balances.

1.21.1 Sources of estimation uncertainty

The Trust's management determines the estimated useful lives and depreciation charges for all property, plant and equipment assets (with the exception of land). These estimates are based on past experience and practice across the health sector, as well as drawing on the technical expertise within the Trust. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or it will write off or write down assets that are obsolete, abandoned or sold. Useful lives for land, buildings and dwellings are determined by the District Valuer and management reviews these for reasonableness.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 14.1.

1.22.1 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018-19.

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

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2018-19. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2019-20, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- 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.

2 Operating segments

The Chief Operational Decision Maker is the Trust Board. At monthly board meetings key operational decisions are reached following scrutiny of performance and resource allocation across the Trust operating segments.

West London NHS Trust has two reportable segments in line with its Clinical Service Unit (CSU) structure; Forensic and High Secure CSU and Local and Specialist Services CSU. Financial performance against budget for each segment is presented on a monthly basis. All accounting during the year is done on an IFRS basis. The year end figures for each operating segment can be seen in the table below which reconciles to the Statement of Comprehensive Income.

Reportable Segments	2018-19 £000			2017-18 £000		
	Income	Expenditure	Surplus / (Deficit)	Income	Expenditure	Surplus / (Deficit)
Local and Specialist Services CSU	129,272	(103,799)	**25,473**	122,571	(101,766)	**20,805**
Forensic and High Secure CSU	124,043	(79,100)	**44,943**	126,147	(76,888)	**49,259**
Total of reportable segments	253,315	(182,899)	70,416	248,718	(178,654)	70,064
Corporate (see note below)	16,583	(47,390)	**(30,807)**	18,282	(52,915)	**(34,633)**
Interest, dividend, depreciation		(28,861)	**(28,861)**	0	(29,231)	**(29,231)**
Trust total	**269,898**	**(259,150)**	**10,748**	**267,000**	**(260,800)**	**6,200**
Reported retained surplus for the year			**10,748**			**6,200**

Corporate services includes all the costs of the Board, Central Finance, Central IT, Organisational Development & Workforce, Central Nursing, Central Medical, Estates and Facilities, Research & Development and the Cost of capital.

Total assets are not reported to the Board by segment as all costs and activities relating to property, plant and equipment assets are managed centrally. The figures presented in the segmental shows the surplus including the impact of impairments. Other statement of financial position items, including current assets and current liabilities are also managed centrally.

Types of products and services that the Trust generates its income from can be summarised below:

Local and Specialist Services CSU: The Trust provides full range of mental health and community services for children, young people and families and adults and older people living in the boroughs of Ealing, Hammersmith and Fulham and Hounslow. Within local services, the Trust also provides the Cassel rehabilitation service, a Tier 4 Personality Disorder Service, this is the only NHS inpatient therapeutic community service. In 2017-18 the Gender Identity Clinic transferred over to Tavistock and Portman NHS FT.

Forensic & High Secure CSU: The Trust provides a comprehensive range of forensic mental services including high secure services at Broadmoor Hospital for men within London and South of England and medium and low secure services including Forensic community/outreach services primarily for patients with the North West London sector. The CSU also provides a national enhanced medium secure service for women and a national secure forensic mental health service for male adolescents.

The majority of the Trust's income (92%) is received from Clinical Commissioning Groups (CCGs) and NHS England. Local service income is received through CCGs including Ealing (20%), Hammersmith & Fulham (11%) and Hounslow (10%) through service agreements.

3 Operating income from patient care activities

3.1 Income from patient care activities (by nature)	2018-19 £000	2017-18 £000
Mental health services		
Cost and volume contract income	–	57,209
Block contract income	235,039	180,776
Clinical partnerships providing mandatory services (including S75 agreements)	4,160	4,276
Clinical income for the secondary commissioning of mandatory services	3,363	3,091
Other clinical income from mandatory services	500	536
Community services		
Community services income from CCGs and NHS England	8,086	–
All services		
Agenda for Change pay award central funding	2,761	–
Total income from activities	**253,909**	**245,888**

3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2018-19 £000	2017-18 £000
NHS England	125,647	127,097
Clinical commissioning groups	117,478	110,888
Department of Health and Social Care	2,761	–
Other NHS providers	3,135	3,091
NHS other	228	201
Local authorities	4,160	4,276
Non NHS: other	500	335
Total income from activities	**253,909**	**245,888**
Of which:		
Related to continuing operations	253,909	245,888

4 Other operating income

	2018-19 £000	2017-18 £000
Research and development	414	674
Education and training	5,934	5,749
Sustainability and transformation fund income	6,565	6,065
Rental revenue from operating leases	758	379
Other income	1,968	4,371
Total other operating income	**15,639**	**17,238**
Of which:		
Related to continuing operations	15,639	17,238

Other operating revenue includes car park, shop and catering income, student nurse funding and accommodation.

5 Operating Expenses

5.1 Operating expenses

	2018-19 £000	2017-18 £000
Purchase of healthcare from NHS and DHSC bodies	181	172
Purchase of healthcare from non-NHS and non-DHSC bodies	434	1,509
Staff and executive directors costs	186,374	182,963
Remuneration of non-executive directors	81	80
Supplies and services – clinical (excluding drugs costs)	1,873	1,421
Supplies and services– general	7,453	7,624
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	3,092	3,179
Inventories written down	–	36
Consultancy costs	337	414
Establishment	4,215	3,664
Premises	7,326	7,554
Transport (including patient travel)	1,203	1,149
Depreciation on property, plant and equipment	11,509	12,631
Amortisation on intangible assets	64	28
Net impairments	135	6,593
Movement in credit loss allowance: contract receivables / contract assets	627	–
Movement in credit loss allowance: all other receivables and investments	36	(58)
Change in provisions discount rate(s)	(211)	–
Audit fees payable to the external auditor		
audit services- statutory audit*	64	61
other services: audit-related assurance services**	16	10
Internal audit costs	68	68
Clinical negligence	1,193	1,262
Legal fees	374	1,424
Insurance	368	296
Research and development	615	943
Education and training	1,749	1,559
Rentals under operating leases	2,779	2,641
Redundancy	271	73
Hospitality	77	74
Other	7,066	4,268
Total	**239,369**	**241,638**
Of which:		
Related to continuing operations	239,369	241,638

2018-19 – The increase in 'other expenditure' relates to a number of in year movements. This includes £1m of professional fee cost, relating to the HSS delay, which in 2017-18 was included in error, plus the continuation of the CAMHS NMoC project. In addition, there are a number of additional revenue items relating to recruitment including work permit, CRB checks.

*the statutory audit fee for 2018-19 excluding VAT was £53,650.
**the audit-related assurance services fee for 2018-19 excluding VAT was £13,500.

5.2 Other auditor remuneration

	2018-19 £000	2017-18 £000
Other auditor remuneration paid to the external auditor:		
2. Audit-related assurance services	16	10
Total	**16**	**10**

5.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £5m (2017-18: £5m).

6 Impairment of assets

	2018-19 £000	2017-18 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	135	6,593
Total net impairments charged to operating surplus / deficit	**135**	**6,593**
Impairments charged to the revaluation reserve	1,782	4,714
Total net impairments	**1,917**	**11,307**

During the year the Trust recognised a downward movement of £3.54m. £1.76m recognised as impairments and £1.78m charged to the revaluation reserve. The £1.76m recognised as impairments under changes in market price is offset by £1.62m reversal of impairments recognised in previous years. The majority of the impairment relates to St Bernard's sites B Block £871k and Tony Hillis Wing £223k plus the Cassel £226k and Brentford Lodge £101k.

7 Employee benefits

	2018-19 Total £000	2017-18 Total £000
Salaries and wages	145,012	140,813
Social security costs	15,237	14,123
Apprenticeship levy	693	662
Employer's contributions to NHS pensions	16,681	16,076
Termination benefits	–	73
Temporary staff (including agency)	13,243	15,332
Total gross staff costs	**190,866**	**187,079**
Recoveries in respect of seconded staff	**(371)**	**–**
Total staff costs	**190,495**	**187,079**
Of which		
Costs capitalised as part of assets	3,235	3,100

7.1 Retirements due to ill-health

During 2018-19 there was 1 early retirement from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £76k (£66k in 2017-18).

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

8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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.

c) Alternative Qualifying Pension Scheme
The Trust is compliant with the Pensions Act 2008 in its requirement for employers to automatically enrol all eligible jobholders into a workplace pension scheme.

The Trust was required to provide an alternative pension scheme for staff who are not eligible to join the NHS Pension Scheme by 1 July 2013. This is the date on which automatic enrolment duties came into force for the Trust, referred to as the 'staging date'. The Trust was required to register with the alternative pension scheme three months before the staging date. From 1 July 2013 the National Employment Saving Trust (NEST) has been in place as an alternative qualifying pension scheme (AQPSP) for West London NHS Trust employees. Details of the benefits payable under these provisions can be found on the NEST website at www.nestpensions.org.uk.

9 Operating leases

9.1 West London NHS Trust as a lessor

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

Lease income relates to freehold and leased properties where the Trust has let / sublet all or part of the property to Local Authorities and other NHS bodies for the provision of healthcare and social services. Properties include 729 London Road, O Block at Lakeside, Cardinal Centre, Claybrook Centre, The Limes, Avenue House, Fulham Palace Road and Cherrington House as well as telecommunications at Broadmoor let to mobile phone companies.

	2018-19 £000	2017-18 £000
Operating lease revenue		
Minimum lease receipts	758	379
Total	**758**	**379**

	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
– not later than one year;	758	379
– later than one year and not later than five years;	3,032	1,517
– later than five years.	–	–
Total	**3,790**	**1,896**

9.2 West London NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where West London NHS Trust is the lessee.

	2018-19 £000	2017-18 £000
Operating lease expense		
Minimum lease payments	2,779	2,641
Total	**2,779**	**2,641**

	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
– not later than one year;	2,866	2,141
– later than one year and not later than five years;	8,381	8,278
– later than five years.	9,809	10,212
Total	**21,056**	**20,631**

10 Finance income

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

	2018-19 £000	2017-18 £000
Interest on bank accounts	350	157
Total finance income	**350**	**157**

11 Finance expenditure

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

	2018-19 £000	2017-18 £000
Interest expense:		
Loans from the Department of Health and Social Care	2,486	2,590
Total interest expense	**2,486**	**2,590**
Unwinding of discount on provisions	6	(1)
Total finance costs	**2,492**	**2,589**

12 Other gains / (losses)

	2018-19 £000	2017-18 £000
Gains on disposal of assets	–	3,770
Losses on disposal of assets	–	(53)
Total gains / (losses) on disposal of assets	**–**	**3,717**
Total other gains / (losses)	**–**	**3,717**

13 Intangible Assets

13.1 Intangible assets – 2018-19

	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2018– brought forward	**186**	**197**	**383**
Additions	–	16	16
Valuation / gross cost at 31 March 2019	**186**	**213**	**399**
Amortisation at 1 April 2018 – brought forward	115	–	115
Provided during the year	26	38	64
Amortisation at 31 March 2019	**141**	**38**	**179**
Net book value at 31 March 2019	45	175	220
Net book value at 1 April 2018	71	197	268

The Trust purchased a software upgrade for its pharmacy management system in 2018-19.

13.2 Intangible assets – 2017-18

	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2017 – as previously stated	**186**	**12**	**198**
Additions	–	185	185
Valuation / gross cost at 31 March 2018	**186**	**197**	**383**
Amortisation at 1 April 2017 – as previously stated	**87**	**–**	**87**
Provided during the year	28	–	28
Amortisation at 31 March 2018	**115**	**–**	**115**
Net book value at 31 March 2018	**71**	**197**	**268**
Net book value at 1 April 2017	**99**	**12**	**111**

14 Property, plant and equipment

14.1 Property, plant and equipment – 2018-19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 – brought forward	**95,284**	**261,265**	**1,450**	**218,707**	**4,243**	**204**	**2,150**	**4,061**	**587,364**
Additions		4,766	–	23,534	570	182	696	224	29,972
Impairments	(17)	(1,765)	–	–	–	–	–	–	(1,782)
Reversals of impairments	1,191	7	–	–	–	–	–	–	1,198
Revaluations	–	(6,121)	(2)	–	(505)	(34)	(710)	(895)	(8,267)
Reclassifications	331	286	217	(1,101)	74	–	20	173	–
Valuation/gross cost at 31 March 2019	**96,789**	**258,438**	**1,665**	**241,140**	**4,382**	**352**	**2,156**	**3,563**	**608,485**
Accumulated depreciation at 1 April 2018 – brought forward	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-**	**-**
Provided during the year	–	9,297	68	–	505	34	710	895	11,509
Impairments	–	1,758	–	–	–	–	–	–	1,758
Reversals of impairments	–	(425)	–	–	–	–	–	–	(425)
Revaluations	–	(10,630)	(68)	–	(505)	(34)	(710)	(895)	(12,842)
Accumulated depreciation at 31 March 2019	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net book value at 31 March 2019	**96,789**	**258,438**	**1,665**	**241,140**	**4,382**	**352**	**2,156**	**3,563**	**608,485**
Net book value at 1 April 2018	**95,284**	**261,265**	**1,450**	**218,707**	**4,243**	**204**	**2,150**	**4,061**	**587,364**

14.1.1

A desktop revaluation exercise was performed by the District Valuer as at 31 March 2019.
As a result of property market price rises, the value of buildings rose by £2,743k, while dwellings rose in value by £66k.
The majority of our buildings are specialised and therefore valued on a modern equivalent asset basis. A small number of buildings are valued at market value in existing use.

14.1.2

During the year the Trust recognised a downward movement of £3.54m, £1.76m recognised as impairments and £1.78m charged to the revaluation reserve. The £1.76m recognised as impairments under changes in market price is offset by £1.62m reversal of impairments recognised in previous years. The majority of the impairment relates to St Bernard's sites B Block £871k and Tony Hillis Wing £223k plus the Cassel £226k and Brentford Lodge £101k.

14.2 Property, plant and equipment – 2017-18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2017– as previously stated	**94,795**	**267,589**	**1,516**	**202,219**	**4,728**	**263**	**2,676**	**6,374**	**580,160**
Additions	–	2,879	–	17,283	634	30	737	–	21,563
Impairments	(223)	(4,488)	(3)	–	–	–	–	–	(4,714)
Reversals of impairments	–	2,470	–	–	–	–	–	–	2,470
Revaluations	92	(5,884)	(63)	–	(1,119)	(83)	(1,562)	(2,313)	(10,932)
Reclassifications	620	(560)	–	(359)	–	–	299	–	–
Transfers to / from assets held for sale	–	(741)	–	–	–	–	–	–	(741)
Disposals / derecognition	–	–	–	(436)	–	(6)	–	–	(442)
Valuation/gross cost at 31 March 2018	**95,284**	**261,265**	**1,450**	**218,707**	**4,243**	**204**	**2,150**	**4,061**	**587,364**
Accumulated depreciation at 1 April 2017 – as previously stated	**–**	**9,390**	**54**	**–**	**592**	**43**	**769**	**1,342**	**12,190**
Provided during the year	–	10,236	64	–	527	40	793	971	12,631
Impairments	–	10,577	–	–	–	–	–	–	10,577
Reversals of impairments	–	(1,514)	–	–	–	–	–	–	(1,514)
Revaluations	–	(28,689)	(118)	–	(1,119)	(83)	(1,562)	(2,313)	(33,884)
Accumulated depreciation at 31 March 2018	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net book value at 31 March 2018	**95,284**	**261,265**	**1,450**	**218,707**	**4,243**	**204**	**2,150**	**4,061**	**587,364**
Net book value at 1 April 2017	**94,795**	**258,199**	**1,462**	**202,219**	**4,136**	**220**	**1,907**	**5,032**	**567,970**

14.3 Property, plant and equipment financing – 2018-19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019									
Owned – purchased	96,789	258,008	1,665	241,140	4,382	352	2,156	3,563	**608,055**
Owned – donated	–	430	–	–	–	–	–	–	**430**
NBV total at 31 March 2019	**96,789**	**258,438**	**1,665**	**241,140**	**4,382**	**352**	**2,156**	**3,563**	**608,485**

14.4 Property, plant and equipment financing – 2017-18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018									
Owned – purchased	95,284	260,174	1,450	218,707	4,243	204	2,150	4,061	**586,273**
Owned – donated	–	1,091	–	–	–	–	–	–	**1,091**
NBV total at 31 March 2018	**95,284**	**261,265**	**1,450**	**218,707**	**4,243**	**204**	**2,150**	**4,061**	**587,364**

15 Revaluations of property, plant and equipment

15.1

There are no assets held for sale as at 31 March 2019.

Most of our assets are specialised assets thus valued using modern equivalent asset methodolgy. A smaller number are valued at market value in exsisting use.

15.2

Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust respectively. Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset.

The table below shows the current range of remaining economic lives of property, plant and equipment:

- Buildings excluding Dwellings – 2 to 90 years
- Dwellings – 6 to 36 years
- Plant and Machinery – 1 to 21 years
- Transport Equipment – 1 to 10 years
- Information Technology – 1 to 5 years
- Furniture and Fittings – 1 to 36 years

All Trust assets are owned by the Trust and the majority of land, buildings and dwellings are owned by the Trust and are held under freehold. A small number of buildings which the Trust hold under lease agreements have been subject to capital improvements. Leased properties are Armstrong Way, Fulham Palace Road, 729 London Road, Elm Lodge and The Limes.

16 Inventories

	31 March 2019 £000	31 March 2018 £000
Drugs	212	157
Consumables	70	129
Energy	33	27
Other	359	325
Total inventories	**674**	**638**

of which:

Inventories recognised in expenses for the year were £3,151k (2017-18: £3,232k). Write-down of inventories recognised as expenses for the year were £0k (2017-18: £36k).

17 Trade receivables and other receivables

17.1 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Contract receivables*	21,897	–
Trade receivables*	–	12,925
Capital receivables	2,667	222
Accrued income*	–	6,422
Allowance for impaired contract receivables / assets*	(1,323)	–
Allowance for other impaired receivables	(61)	(869)
Prepayments (non-PFI)	1,421	1,071
VAT receivable	1,430	332
Other receivables	865	746
Total current trade and other receivables	**26,896**	**20,849**
Non-current		
Capital receivables	–	2,667
Total non-current trade and other receivables	**–**	**2,667**
Of which receivables from NHS and DHSC group bodies:		
Current	17,321	15,404
Non-current	–	–

*Following the application of IFRS 15 from 1 April 2018, the Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

17.2 Allowances for credit losses – 2018-19

	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 Apr 2018 – brought forward	**–**	**869**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	837	(837)
New allowances arising	627	36
Utilisation of allowances (write offs)	(141)	(7)
Allowances as at 31 Mar 2019	**1,323**	**61**

When determining if a receivable is impaired the following factors are considered:

- Age of debt
- Type of organisation
- Any previous impairment in respect of the debtor

17.3 Allowances for credit losses - 2017-18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	All receivables £000
Allowances as at 1 Apr 2017 - as previously stated	**1,049**
Prior period adjustments	
Allowances as at 1 Apr 2017 - restated	**1,049**
At start of period for new FTs	
Increase in provision	869
Amounts utilised	(122)
Unused amounts reversed	(927)
Allowances as at 31 Mar 2018	**869**

18 Exposure to credit risk

Ageing of impaired financial assets	31 March 2019 Trade and other receivables £000	31 March 2018 Trade and other receivables £000
0 – 30 days	265	502
30 – 60 Days	–	40
60 – 90 days	2	174
90 – 180 days	151	32
Over 180 days	966	121
Total	**1,384**	**869**

19 Non-current assets held for sale and assets in disposal groups

	2018-19 £000	2017-18 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	–	7,350
Assets classified as available for sale in the year	–	741
Assets sold in year	–	(8,091)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**–**	**–**

20 Cash and cash equivalents

20.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2018-19 £000	2017-18 £000
At 1 April	**66,117**	**57,829**
Net change in year	(13,977)	8,288
At 31 March	**52,140**	**66,117**
Broken down into:		
Cash at commercial banks and in hand	67	65
Cash with the Government Banking Service	52,073	66,052
Total cash and cash equivalents as in SoFP	**52,140**	**66,117**
Total cash and cash equivalents as in SoCF	**52,140**	**66,117**

20.2 Third party assets held by the Trust

The Trust held cash and cash equivalents which relate to monies held by the 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 2019 £000	31 March 2018 £000
Bank balances	1,062	1,058
Total third party assets	**1,062**	**1,058**

21 Trade and other payables

21.1 Trade and other payables

	31 March 2019 £000	31 March 2018 £000
Current		
Trade payables	8,464	9,777
Capital payables	5,941	1,936
Accruals	9,787	14,792
Social security costs	1,257	59
Other taxes payable	2,935	–
PDC dividend payable	1,955	947
Accrued interest on loans*	–	126
Other payables	246	320
Total current trade and other payables	**30,585**	**27,957**
Of which payables from NHS and DHSC group bodies:		
Current	7,729	3,165

Movement in payables in the Statement of Cash Flows that references note 21.1 and 22 excludes movements in capital payables (£4,005k),PDC payables (£1,008k) and accrued interest £126k.

Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 22. IFRS 9 is applied without restatement therefore comparatives have not been restated.

21.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	2018-19 £000	2017-18 £000
– to buy out the liability for early retirements over 5 years	76	66
– number of cases involved	1	1

22 Other liabilities

	31 March 2019 £000	31 March 2018 £000
Current		
Deferred income: contract liabilities	2,762	4,888
Total other current liabilities	**2,762**	**4,888**

23 Borrowings

	31 March 2019 £000	31 March 2018 £000
Current		
Loans from the Department of Health and Social Care	3,704	3,576
Total current borrowings	**3,704**	**3,576**
Non-current		
Loans from the Department of Health and Social Care	78,240	**81,816**
Total non-current borrowings	**78,240**	**81,816**

24 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Total £000
Carrying value at 1 April 2018	**85,392**	**85,392**
Cash movements:		
Financing cash flows – payments and receipts of principa	(3,576)	**(3,576)**
Financing cash flows – payments of interest	(2,486)	**(2,486)**
Non-cash movements:		
Impact of implementing IFRS 9 on 1 April 2018	126	**126**
Application of effective interest rate	2,488	**2,488**
Carrying value at 31 March 2019	**81,944**	**81,944**

Effective interest rate includes interest accrued of £128k. This is included in the current liabilities borrowings figure of £3,704k on the Statement of Financial Position.

25 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Redundancy £000	Other £000	Total £000
At 1 April 2018	**1,783**	**343**	**498**	**72**	**698**	**3,394**
Change in the discount rate	(185)	(26)	–	–	–	**(211)**
Arising during the year	–	–	128	–	912	**1,040**
Utilised during the year	(139)	(59)	(168)	(72)	(679)	**(1,117)**
Reversed unused	–	–	–	–	(18)	**(18)**
Unwinding of discount	5	1	–	–	–	**6**
At 31 March 2019	**1,464**	**259**	**458**	**–**	**913**	**3,094**
Expected timing of cash flows:						
– not later than one year;	163	58	458	–	883	**1,562**
– later than one year and not later than five years;	595	201	–	–	–	**796**
– later than five years.	706	–	–	–	30	**736**
Total	**1,464**	**259**	**458**	**–**	**913**	**3,094**

Amount included in the Provisions of the NHS Resolution in Respect of Clinical Negligence Liabilities:

	£000s
As at 31 March 2019	10,074
As at 31 March 2018	11,367

Early Departure Costs
The provision for pensions is based on actuarial estimates as the true liability will not be known until the death of the former member of staff and any widow / widower.

Pension Injury Benefits
Relates to potential future liabilities in respect of injury benefits.

Legal Claims
This provision is based on the legal advice received on the likely outcome of each case, timing of payment and the trust's liability on all cases outstanding as at 31 March 2019. In addition to this provision, contingent liabilities for legal cases totalling £119k (31 March 2018 £155k) are included in note 26. This details the maximum estimated liability not already provided in the note above.

Redundancy
This provision relates to one notified redundancy as at 31 March 2019.

Other
Other provisions relate to the estimated liability to be paid in relation to the Carbon Reduction Commitment (CRC) scheme and Microsoft Office Licences.

26 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	(119)	(155)
Net value of contingent liabilities	**(119)**	**(155)**

27 Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	13,592	33,080
Total	**13,592**	**33,080**

28 Financial instruments

28.1 Carrying values of financial assets

	Loans and receivables £000	Total book value £000
Carrying values of financial assets as at 31 March 2019 under IFRS 9		
Trade and other receivables excluding non financial assets	23,180	**23,180**
Cash and cash equivalents at bank and in hand	52,140	**52,140**
Total at 31 March 2019	**75,320**	**75,320**

	Loans and receivables £000	Total book value £000
Carrying values of financial assets as at 31 March 2018 under IAS 39		
Trade and other receivables excluding non financial assets	19,392	**19,392**
Cash and cash equivalents at bank and in hand	66,117	**66,117**
Total at 31 March 2018	**85,509**	**85,509**

28.2 Carrying value of financial liabilities

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9		
Loans from the Department of Health and Social Care	81,944	**81,944**
Trade and other payables excluding non financial liabilities	24,192	**24,192**
Total at 31 March 2019	**106,136**	**106,136**

	Other financial liabilities £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39		
Loans from the Department of Health and Social Care	85,392	**85,392**
Trade and other payables excluding non financial liabilities	26,505	**26,505**
Total at 31 March 2018	**111,897**	**111,897**

28.3 Maturity of financial liabilities

	31 March 2019 £000	31 March 2018 £000
In one year or less	27,896	26,505
In more than one year but not more than two years	3,576	3,576
In more than two years but not more than five years	10,728	10,728
In more than five years	63,936	71,088
Total	**106,136**	**111,897**

29 Losses and special payments

	2018-19 Total number of cases	2018-19 Total value of cases £000	2017-18 Total number of cases	2017-18 Total value of cases £000
Losses				
Bad debts and claims abandoned	12	185	18	404
Total losses	**12**	**185**	**18**	**404**
Special payments				
Ex-gratia payments	101	18	77	8
Total special payments	**101**	**18**	**77**	**8**
Total losses and special payments	**113**	**203**	**95**	**412**

Compensation payments received

30 Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £126k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables.

31 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

32 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 West London NHS Trust.

The following board members were identified as being key management personnel for the following related parties during the 2018-19 financial year:

	Income £000s	Expenditure £000s	Receivables £000s	Payables £000s
Hassaan Majid – EDF UK Renewables / EDF Energy	–	1,219	–	–
Paul Stefanoski – HFMA Ltd	–	12	–	–
Carolyn Regan / Paul Stefanoski – Imperial College Health Partners (ICHP)	–	114	–	–
Paul Aylin – Imperial College Healthcare NHS Trust	1,235	337	444	181

The Department of Health and Social Care is regarded as a related party. During the year West London NHS 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. Entities with transactions in excess of £1m are listed below:

NHS Commissioning Board
Ealing CCG
Hammersmith & Fulham CCG
Hounslow CCG
Health Education England
Central and North West London NHS Foundation Trust
NHS Resolution
London North West University Healthcare NHS Trust
West London CCG
Imperial College Healthcare NHS Trust
Richmond CCG
Central London (Westminster) CCG

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions are in relation to HM Revenue & Customs or with Local Authorities in respect of partnership working. These entities are listed below:

NHS Pension Scheme
London Borough of Ealing
HM Revenue & Customs

The Trust has also received revenue from a charitable fund (The West London NHS Charitable Fund), the trustees for which are also members of the Trust Board.

33 Better Payment Practice code

	2018-19 Number	2018-19 £000	2017-18 Number	2017-18 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	31,276	116,502	30,225	104,962
Total non-NHS trade invoices paid within target	29,401	112,683	27,978	102,095
Percentage of non-NHS trade invoices paid within target	**94.00%**	**96.72%**	**92.57%**	**97.27%**
NHS Payables				
Total NHS trade invoices paid in the year	583	5,606	692	6,611
Total NHS trade invoices paid within target	565	5,580	673	6,564
Percentage of NHS trade invoices paid within target	**96.91%**	**99.54%**	**97.25%**	**99.29%**

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

34 External financing

The Trust is given an external financing limit against which it is permitted to underspend:

	2018-19 £000	2017-8 £000
Cash flow financing	10,618	(14,328)
External financing requirement	**10,618**	(14,328)
External financing limit (EFL)	11,048	(6,529)
Under / (over) spend against EFL	**430**	7,799

35 Capital Resource Limit

	2018-19 £000	2017-18 £000
Gross capital expenditure	29,988	21,748
Less: Disposals	–	(8,533)
Charge against Capital Resource Limit	**29,988**	**13,215**
Capital Resource Limit	31,465	13,652
Under / (over) spend against CRL	**1,477**	**437**

36 Breakeven duty financial performance

	2018-19 £000
Adjusted financial performance surplus / (deficit) (control total basis)	10,909
Breakeven duty financial performance surplus / (deficit)	**10,909**

37 Breakeven duty rolling assessment

	1997-98 to 2008-09 £000	2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000
Breakeven duty in-year financial performance		1,167	3,970	4,881	3,834	5,668	9,381	5,069	5,038	12,821	10,909
Breakeven duty cumulative position	6,340	7,507	11,477	16,358	20,192	25,860	35,241	40,310	45,348	58,169	69,078
Operating income		251,788	253,744	244,907	233,729	231,518	226,463	233,089	253,050	263,126	269,548
Cumulative breakeven position as a percentage of operating income		3.0%	4.5%	6.7%	8.6%	11.2%	15.6%	17.3%	17.9%	22.1%	25.6%

Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS trusts' financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. 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.

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