The Whittington Hospital NHS
NHS Trust

ANNUAL REPORT 2006/07

...the hospital of choice for local people

About us

The Whittington Hospital NHS Trust is an acute general teaching hospital situated in Archway in the north of Islington. We primarily serve the communities of Islington and west Haringey, a population of approximately 300,000 people. The hospital also treats a significant number of patients from Camden, Barnet and Hackney. We have 450 beds and employ over 2,000 staff.

We are a teaching hospital providing clinical placements for medical undergraduates at University College London. We are also associated with Middlesex University and provide training for other health professionals including nurses, midwives, radiographers and dieticians. We have a large post-graduate training centre.

Our history

Medical services have been delivered on the Whittington site since 1473, when a leper hospital was founded. In 1848, a new hospital was built on the St Mary's Wing site to care for patients with smallpox.

Independently managed hospitals were opened on the Highgate site in 1866 and the Archway site in 1877. In 1900, Highgate Hill Infirmary opened adjacent to the Smallpox Hospital. These two hospitals soon amalgamated, and the Smallpox Hospital was transformed into a nurses' home.

In 1946, the hospitals on all three sites were brought together. The three hospitals had between them almost 2,000 beds. With the coming of the National Health Service in 1948, they jointly became the Whittington Hospital.

Our aims

The Whittington aims to offer a high quality hospital service provided in a caring, friendly and efficient way. We want to be respected and selected as '*the hospital of choice for local people*' and regarded as an asset for the community within which we are based.

Whittington promise

We look to be responsive to our patients needs and to improve their experience by fulfilling our commitment to keep the Whittington promise, which is:

- ✓ To have a clean hospital
- ✓ To be welcoming and caring
- ✓ To be well organised
- ✓ To give the best possible treatment
- ✓ To keep patients informed on what is happening

NHS foundation trust

We have recently been invited to make an application to become an NHS foundation trust. Becoming a foundation trust will enable us to be more responsive to the needs of our patients, public and staff and it will give us more control over our finances and strategic direction. Governed by our local community and with strong input from our staff, we look forward to further improving the services we provide to the people we serve.

Statement from the Chair and Chief Executive

This has been a particularly challenging year for the Whittington. Against the back cloth of a challenging financial environment we opened our large new building whilst continuing our commitment to deliver improved services to patients at all times.

We are particularly proud of our new building, which opened at the end of 2006. It is equipped with the most modern technology and facilities and provides our patients with some of the most advanced hospital facilities in London.

During the year we have continued to focus on patient and staff equality. We have worked hard to ensure success in our Gender, Disability and Race Schemes as well as maintaining good information and translation services for non-English speaking patients.

In recognition of our achievements we have succeeded in receiving several awards including a Chartermark for our cardiac service, a national award for the maternity service that we set up and run at Holloway Prison, as well as Hospital Doctor of the Year award for our services for patients suffering from emphysema or smoking related illnesses. We have also been invited to apply to become an NHS foundation trust. This opportunity will enable us to be more responsive to patient and local healthcare needs, and to develop closer links with other healthcare providers and local organisations in the area.

We would not have been able to achieve all this were not for the professionalism and talent of our staff combined with the support of our patients. They have made it possible and we thank them all.

David Sloman
Chief Executive

Narendra Makanji
Chair

Our year

Our new hospital building

In November 2006 we finished the first phase of our ambitious site redevelopment programme and moved many of our services into a large new building. Improving patient care was central to its design and hospital consultants and nursing staff, including our infection control team, were involved at every stage. The building is fitted with the latest medical equipment and provides our patients with some of the most advanced hospital facilities London. The new building includes:

- a state of the art imaging department
- a critical care ward
- a cardiology ward
- a respiratory ward
- a medical assessment unit
- cancer inpatient and day care facilities
- a thalassaemia day unit

Our imaging department offers some of the most advanced technology in the country with the lowest possible radiation dose. It encompasses a spacious waiting area, paging system, a 64-slice CT scanner with 3D reconstruction and a MRI scanner providing pictures of even the smallest joints.

Our undergraduate teaching facilities, pharmacy, shops and restaurants have moved to the new wing, as has the new entrance, which is now situated on Magdala Avenue. Access to the Emergency Department still remains on Highgate Hill.

The next stage of our redevelopment involves the transformation of part of one of our more modern existing buildings into a large new day treatment centre, which is due to open in early 2008.

Our performance

Number of patients

The hospital enjoyed another busy year, treating more patients then last year, and delivering more babies.

- We treated 84,890 patients in our emergency department
- We looked after 19,444 inpatients
- We performed 12,750 day cases
- We saw 189,918 outpatients
- We delivered 3,535 babies

Waiting times

We have reduced the time patients wait to be seen and treated, including all of the national targets.

Emergency Department	98 per cent within 4 hours	✓ **achieved**
Surgery	20 week maximum	✓ **achieved**
Outpatients	11 week maximum	✓ **achieved**
Diagnostics **(MRI/CT/Ultrasound)**	13 week maximum	✓ **achieved**

We have also shortened the waiting times for patients referred by their GP with suspected cancer, with 99.4 per cent of patients seen within 14 days of the referral being made, and 100 per cent receiving treatment within 31 days following diagnosis.

Many of these waiting time reductions will help us on our way to achieve the 18-week referral to treatment target, which will be the focus of our attention in 2007/8. This is probably one of the most challenging and meaningful targets in NHS history, as it will significantly shorten the time that all patients wait to be treated regardless of which service they are accessing.

Surgical day case

This year 74 per cent of surgery was undertaken as a day case compared with 70 per cent last year, and 60 per cent the previous year. As we look to open our new day treatment facility in early 2008 we will be striving for further increases.

Length of stay

The times that emergency medical patients stay in hospital reduced significantly in 2006/7, with 1.17 days taken off the average time a medical patient stays in hospital. The *Making Best Use of Beds* programme supported the Trust in achieving a target reduction of 10,000 emergency bed days during the year.

Lengths of stay and bed day usage improved in all divisions in spite of:

- *Increased emergency medical and paediatric admissions*
- *An increased demand in maternity*
- *Increased elective activity demands in surgery necessary to reduce waiting times in line with achieving the 18-week target.*

Shortening our length of stay and making better use of beds has been better for our patients as well as making a contribution to the financial savings plan.

Did not attend (DNA)
Rates for patients who do not attend their appointments reduced in 2006/7 to 13 per cent from 14 per cent. This equates to around 7,000 fewer appointments being wasted each year. We continue to send text messaging reminders to outpatients. In the next few months we will be introducing partial booking for follow up appointments and we anticipate this will have a further positive impact on the number of patients who did not attend.

One-stop clinics
We have now established a number of one-stop clinics, which enable patients who require a succession of tests to receive them all in one morning, with the option of having a biopsy or follow-up procedures in the afternoon if necessary. These clinics are extremely popular with patients and currently run in our haematuria, prostate assessment, mammography and paediatric clinics. We are looking to extend the one-stop clinics further across the hospital.

Choose and Book
With Choose and Book patients are able to choose their first outpatient appointment and book it electronically whilst at their GP surgery or later at home. So far 9,000 patients have used this service. The Whittington was one of the first hospitals to have all specialities bookable in this way.

Building for Babies
Our Building for Babies fundraising scheme was launched in May 2006 to expand and better the conditions of our neonatal intensive care unit. We intend to care for a larger number of babies in more comfortable surroundings for both them and their families. We have already raised a third of the funds we need.

Working with our partners
The Whittington recognises that the Trust is part of a wider community and works in collaboration with local organisations to ensure patient care and services run smoothly both within the Trust and on discharge.

We run a number of joint services with local PCTs and other providers, including smoking cessation clinics and alcohol, drug and mental health liaison services. This year we have been awarded a three year contract to deliver a consultant led dermatology service in Islington. The Whittington also works closely with the local prisons to meet the needs of their populations. The Holloway Prison maternity service, run by the Whittington, won a national award this year.

Recognition
In response to the quality of our services we have achieved a number of awards during the year including:

- A Chartermark for our cardiac services
- Hospital Doctor of the Year award for respiratory services
- Equality and Diversity awards from the Strategic Health Authority
- National award for maternity services at Holloway HMP
- Improving Working Lives Practice Plus

Infection control
We need to do more to reduce Hospital Acquired Infections, despite reducing the absolute number of MRSA bactaremia infections compared with 2005/6. Hospital acquired infections is an area that we will focus on very closely over the next year.

Our patients

We recognise the importance of listening to what our patients have to say and involving them in our work. Several groups that involve patients work with us to improve services across all areas of the hospital.

Patient and public involvement

- The patient and public involvement (PPI) forum, a statutory independent body, meets every two months to discuss issues that concern patients. During the year forum members have sat on a variety of hospital committees and have taken part in an observation audit on privacy and dignity. Their members have also been involved in the Patient Environment Action Team (PEAT) inspections, established to review standards in hospitals, as well as discussions on a wide range of subjects such as the spiritual needs of patients, cleanliness and the provision of transport. The forum has been included in the consultation on the future development of the hospital, as well as a project looking at the discharge of homeless people from the emergency department.

- Our patient experience review group is a group of clinical and non-clinical staff plus the chair of the PPI forum, whose remit is to review patient focused projects and make recommendations for new areas of work. This year the group has reviewed a wide range of projects including the hospital's hand washing campaign, a new information pack for patients, visiting hours and the results of the national patient survey.

- We also have a patient panel that meets regularly to review drafts of new information leaflets and other materials, helping us to ensure we communicate effectively with all our patients.

Privacy and dignity

The multidisciplinary privacy and dignity group meet regularly and discuss patients' complaints and opinions relating to privacy and dignity and any other relevant issues. Major areas for recent discussion include:

- How bad news is broken to patients: The bereavement group have been working with staff across the hospital to agree a clinical guideline, supported by training updates
- Patients moved between departments or going home with inadequate clothing or cover: Posters have been put around the Trust asking people to donate unwanted clothes so patients who do not have anything to wear when going home will be warm and covered

Food and nutrition

Our Protected Mealtimes scheme ensures that there is a protected period of time each day for patients to eat their meal. The service was successfully launched in 2005 and since then an audit of protected mealtimes in June last year found that there were interruptions to wards and to individual patients, during what should be their protected lunchtime. A stronger emphasis in training and education of all ward staff has been undertaken since the results of the audit were published and senior members of the hospital's nursing team now regularly check on protected mealtimes and aspects of nutrition. A re-launch of protected mealtimes also took place to raise awareness among staff and visitors of the specific protected times for each ward. The Director of Nursing and Director of Facilities sample patient food on the wards monthly to monitor standards.

Patient Information Leaflets

The hospital continues to supply a wide range of patient information leaflets, a number of which are translated into other languages. They are also available in other formats, for example, large print for the eye clinics, taped antenatal information for Bengali women and videos sponsored by the sector cancer network. Each information leaflet is pertinent to the Trust, written by staff aimed at informing users of the Whittington the services and procedures they can expect when they visit. The Trust audits the quality of our consent to treatment processes every year and also has a patient information leaflet for giving consent to treatment.

Translation

For patients who do not speak English as a first language we have access to a wide range of interpreters who are able to translate complex medical terms. Trust interpreters are supported by a code of conduct that ensures patient confidentiality. The hospital most recently recruited a Basic Sign Language (BSL) interpreter onto the staff to improve the support for hearing impaired patients.

Visitors

Following a number of complaints received from patients about visitors in ward and clinical areas, and as a result of audit activity regarding protected mealtimes, the Trust has published a Visitor's Policy and an accompanying leaflet for those wishing to visit the hospital. These inform staff, visitors and patients about visiting times in general across the hospital and also those in specialist areas. While welcoming the importance visitors play in the recovery of patients, these two documents attempt to balance this need with that of the need for rest and privacy for all.

Complaints and compliments

Our patient advice and liaison service helps patients and their families who have concerns about the hospital. Last year we received 386 formal complaints, 96 per cent of which were acknowledged within two working days. There were 13 requests for a healthcare commission review and no requests for a health service ombudsman. The initial rise in complaints last quarter coincided with the opening of the new building and was reflected in public frustration at not being able to find their way around and the ongoing work on the stairs over a three month period. The level of complaints has reduced since the opening of our new staircase in April 2007. Our patient relations team is handling a higher volume of enquires from patients and visitors, with a total of 828 received last year. The team have responded to all of these within one working day.

The hospital also receives many formal compliments, mostly praising our doctors and nurses for their level of care and professionalism. The number of compliments we received last year was up on that of the year before.

Patient surveys

The national patient survey, carried out annually by the Healthcare Commission, is collected from patients staying overnight at hospitals across the country. The Whittington scored particularly high on general care.

In April 2007 the Whittington was rated by Dr Foster Intelligence, a leading independent hospital guide, as one of the top hospitals in the country. The healthcare research organisation evaluates safety, quality and practice in all NHS trusts. The Whittington has the eleventh lowest mortality rate in the country.

Our staff

At the Whittington, we employ over 2,000 people. The following table shows the broad groups in which they work:

Doctors	339
Nursing and midwifery	741
Healthcare & support staff	158
Scientists and allied health	322
Facilities and estates	191
Administration	422
Total	2,173

Working developments

In July 2006, the Department of Health awarded the hospital Improving Working Lives Practice Plus validation. The assessors praised our flexible working options, opportunities for training and development, security initiatives and staff accommodation. They also said that staff felt they worked in a happy and friendly environment, which was demonstrated in our relatively stable workforce.

Sickness

Reducing staff sickness is a priority for the year. Managers are being trained to effectively govern and reduce sickness absence in their departments. Communicating to staff the impact of employee absence, not only in terms of cost but also on the increased pressure placed on other staff and the lack of continuity of patient care, has been a priority.

Equality and diversity

We have maintained our focus on equality and diversity in the workplace and ensuring that our employment policies reflect the needs of all our staff, including those with disabilities. Work on our Disability Equality Scheme was carried out in partnership with Islington Primary Care Trust and Disability Action in Islington. Our Disability and Gender Equality schemes have been published on the Whittington website. It has also ensured that the action plans in its Race Equality Scheme have been completed.

Volunteers

The hospital is particularly grateful to its team of over 150 volunteers who help out on the wards, in the offices, in the chaplaincy and in the gardens. The Friends of the Whittington are also very supportive, raising money and running trolley services in the hospital and on the wards throughout the year.

Leadership, strategy and planning

Clinical leadership

Since January 2007, the senior nurses and midwives across the hospital have spent every Monday in clinical practice as part of our Visible Leadership programme. The programme was launched as part of an effective way to reinvigorate clinical leadership across the hospital and enable senior nurses and midwives to better act as role models for staff, and support national initiatives, such as the new Dignity in Care campaign.

There has been debate across the NHS about the role and contribution to clinical practice of nurses in senior posts in NHS Trusts. It is important not to view clinical practice as the responsibility of less senior staff, while more senior nurses and midwives move into management and education posts.

The launch of the *Dignity in Care* campaign by the *Department of Health* reinforced the importance of maintaining the quality of care for patients, which has in the past been in danger of being lost at the expense of throughput. The new *Dignity Challenge* is a clear statement of what people can expect from a service that respects dignity, and the Minister for Health has challenged service providers to ensure that their services respect dignity.

Moving senior nurses and midwives back into clinical practice one day a week at the Whittington is a significant step forward in ensuring that clinical staff have senior and experienced support in helping the patients they care for. The senior nurses are in a much better position to act as role models by spending time based in a clinical area, rather than calling in once a day for a short period of time.

Financial investments

In 2006/7 we spent more on capital projects then ever before, spending £10 million on upgrading equipment and improving our environment.

Our environment
The opening of our new building in November 2006 has seen our patients and staff benefit from state of the art surroundings with some of the best facilities in the capital. The redevelopment has transformed our imaging department, critical care, cardiology and respiratory wards, our medical assessment unit, as well as our cancer facilities for both inpatient and outpatients, and our thalassaemia day unit. Our new building, which includes several restaurants and shops, was designed with careful planning of structure and material to maintain the best levels of convenience, safety and hygiene.

Some of the aesthetic works that we have taken forward this year include decorating our outpatients' clinics to be in keeping with our fresh and light new building as well as refurbishing an old Nightingale ward. We have relocated a number of services including the patient booking office and medical photography. We have also improved clinical and staff facilities including medical gas installations, security equipment and systems, staff locker rooms, provision of night vending facilities, legionella prevention works and road improvements.

Clinical equipment
There were 41 schemes replacing approximately £2 million of medical equipment including:

⇒ MRI scanner
⇒ Microscopes
⇒ Theatre instruments
⇒ Oesophageal dopplers
⇒ Incubators
⇒ Diathermy machines
⇒ Ultrasound machines
⇒ NICU cots

Information and technology
There were 20 schemes linked with IM&T equipment and systems, totalling £2.1 million, including:

⇒ Replacement of pathology computer system
⇒ Infection control system
⇒ Replacement of PACS system components
⇒ Web based bed management system
⇒ GP electronic ordering modules
⇒ Case note tracking system
⇒ Call handling system for switchboard

Surplus

The year was a particularly challenging one with a cost improvement programme of £11 million. Through the combined efforts of the organisation, we achieved the savings and delivered a £2 million surplus at year-end.

By generating a surplus we have now repaid the final tranche of deficit that has been carried forward from previous years which puts the Whittington in a better position financially than it has been for a number of years. In addition, as a reward for generating this surplus the Trust was given some additional income in the current year.

Our financial performance was achieved through a number of measures in both income and spending:

Income

- There was increased patient numbers in many areas throughout the Trust, notably in ITU following the move and expansion of this service in the new building. There was also a continued increase in maternity activity, day case activity, and attendances at the Emergency Department.

Spending

- Throughout the year we reviewed processes and implemented controls in all areas across staff and non-pay budgets, whilst maintaining service levels. We reduced the amount we spent on agency staff by almost £1.5 million compared to the previous year. Over the same period we actually spent an additional £3 million on staffing overall, thus helping to shift the balance from use of agency to permanent staff in line with one of our key plans. We also reduced the number of beds in the Trust by reducing length of stay and improving service efficiency.

The Trust board

Mr Narendra Makanji
Chairman
Narendra Makanji was appointed Chair of the Whittington Hospital NHS Trust in November 2003. He was an elected member of Haringey Council between 1982 and 2006 representing Noel Park ward; he chaired a number of council committees such as the Finance Committee, Contract Services Committee and Race Equality Committee, and was a member of the Standards Committee. He also serves as a tribunal member for Adjudication Panel for England. In November 2005 he was appointed as a member for the National Consumer Council for Water. He is a Board member of the College Arts (formerly Haringey Arts Council) and of The Selby Trust, a community facility based in Tottenham. Trained in chemistry, he worked for a short time in the cotton industry in Lancashire; since 1979 he has worked in various posts in London local government Narendra lives in Wood Green.

Non-executive directors

Peter Farmer
Vice-Chairman and Chair of Audit Committee
Peter Farmer is the former managing partner of the consulting services division of PricewaterhouseCoopers in Central and Eastern Europe. Previously he was European director of Ernst and Young Management Consultants. Peter has been involved in the healthcare field since the early 1970s, both in this country and abroad. He has wide experience as a board member in the NHS, having been a member of South Warwickshire Health Authority until 1990, and a non-executive board member of Riverside Community Healthcare NHS Trust until 1997. Peter is an adviser to the Four Acre Trust and to the World Health Organisation on health reform in Central Europe. He lives in Islington. (*Until December 2007)*

Maria Duggan
Older People's Champion
In a lengthy career in health and social care Maria Duggan has been chief officer in a social services department, an academic, an associate of the King's Fund and was the Director of Policy at the Association for Public Health until 2003. Maria now has an extensive portfolio as a freelance researcher and policy analyst, working on commissioned projects for the Department of Health and a range of international and national academic and research institutes and health and local government agencies. Maria is also a trustee of the National Heart Forum, a director of OD Partnerships Network and was a founder member of the Social Perspectives Network in Mental Health. She lives in Muswell Hill. *(Until October 2008)*

Doreen (Dee) Henry
Deputy Complaints Convenor; Chair of the Assurance Committee; Audit Committee.
Dee Henry is a human resources and organisational development specialist. She was head of personnel and training at the Transport and General Workers Union from 1996 to 1998 and previously worked for the London Borough of Lambeth. She has been active on committees and forums in the local community and maintains an interest in community development and regeneration. Dee lives in Islington. *(Until November 2009)*

Pat Gordon
Chair of Improving Working Lives Group
Pat Gordon is a research associate at the LSE in Health and Social Care. She is part of an action research partnership that applies whole system working in contexts across the public sector, and has published widely on the practice and theory of working whole systems. Pat has worked in both the NHS and the voluntary sector and has extensive experience of service development. She was director of primary care development at the King's Fund and published widely on community-based health services, inter-agency working and public participation. Educated at Glasgow University and the LSE, Pat lives in Holloway. (*Until November 2007*)

Professor Anne Johnson
Member of the Business Strategy Committee and the Infection Control Committee
Professor Anne Johnson is the UCL nominated non-executive director of the Trust. She is Professor of Infectious Disease Epidemiology and Head of the Primary Care and Population Sciences Department at University College London. Anne qualified as a medical practitioner and subsequently trained in General Practice and Public Health. She has worked in research in the epidemiology and prevention of HIV, sexually transmitted infections and other infections and has been involved in the planning of sexual health services since 1985. Anne lives in Dartmouth Park. *(Until December 2008)*

Executive directors

David Sloman
Chief Executive
David Sloman joined the Whittington as Chief Executive on 1 November 2004. He was previously Chief Executive of Haringey Teaching Primary Care Trust. Prior to this he worked as Chief Executive of the Marylebone Primary Care Group for two years, after holding several leading roles at Camden and Islington Community NHS Trust from 1992 to 1999. Having worked for several years in north London he is well-known to staff and stakeholders. David lives in Crouch End.

Margaret Boltwood
Director of Human Resources and Corporate Affairs
Margaret Boltwood joined the Whittington Hospital in 1989, as personnel manager for acute services. She has worked in the NHS in human resources management since 1978, and is a Fellow of the Institute. She was appointed to her present position in 1996.

Tara Donnelly
Director of Operations (Until January 2007)
Tara Donnelly was appointed Director of Operations in February 2004, having joined the Whittington Board in October 2000 with responsibility for Surgery and Women's and Children's Health. Tara left the Whittington to become chief executive at West Middlesex NHS Trust in January 2007.

Michael Lloyd (Until June 2006)
Director of Site Commissioning
Michael Lloyd was appointed as Director of Site Commissioning in October 2003 having previously been Director of Operations for Medicine and Clinical Services. Mike retired in June 2006.

Mrs Celia Ingham Clark
Medical Director
Celia Ingham Clark was appointed as Medical Director on 1 November 2004. She joined the Whittington Hospital as a consultant surgeon in 1996. Before joining the Whittington, Celia did her post-graduate training mainly in North Thames. She is directly involved in promoting day-case surgery to improve patient access and is also national clinical lead for bowel cancer for the Cancer Services Collaborative Programme. She lives in north London.

Richard Martin
Director of Finance
Richard Martin joined the Whittington as Director of Finance in January 2007. He was previously Director of Finance of Enfield Primary Care Trust for six years. Prior to this he worked as Deputy Director of Finance of the Enfield Community Care Trust for five years, after holding leading roles at Riverside Mental Health Trust in Hammersmith from 1993. Richard lives in Enfield.

Susan Sorensen
Director of Finance (until August 2006)
now
Director of Strategy and Performance
(from August 2006)
Susan Sorensen joined the health service as an economist. She qualified as an accountant and joined the Whittington in 1991, becoming finance director of the Trust in 1993. In August 2006, she became Director of Strategy and Performance and Deputy Chief Executive. She has recently been appointed Honorary Treasurer of the NHS Confederation. Susan lives in Islington.

Deborah Wheeler
Director of Nursing and Clinical Development

Deborah Wheeler trained as a nurse at St Bartholomew's Hospital, and spent her clinical career in orthopaedic nursing. She subsequently held a variety of management posts at the Royal National Orthopaedic Hospital, Stanmore, and became Director of Nursing in 1995. She was Nurse Director at Bromley Hospitals Trust from 1998 to 2000 and took up her current post at the Whittington Hospital in October 2000. She was also appointed as a member of the Church of England Hospital Chaplaincy Council in 2002 and is a council member of the national Multi-faith Group for Healthcare Chaplaincy.

The hospital Trust Board meetings are held in public and members of the public and staff are welcome to attend.

Operating and Financial Review

Financial performance

The summarised financial statements on the next five pages show that the Trust made a surplus of £1.985m on its income and expenditure account for the year ended 31 March 2007. This was the third successive year that a surplus was achieved.

By achieving this planned surplus, the Trust contributed to the overall financial plan for London, as required, as well as meeting the cumulative statutory break-even duty a year ahead of the agreed five year period, demonstrating the move towards recurrent financial balance.

Achievement of this level of surplus was possible as a result of a combination of factors not least a challenging cost improvement plan, which was achieved whilst making significant investment in the environment, including the opening of our new building to include the expanded critical care facility and state of the art imaging equipment.

The new building enables the Trust to significantly improve its management of emergency referrals whilst the design incorporates better patient access, attractive public areas and a pro-active green policy including re-cycling policies.

The Trust has a Major Incident Plan in place detailing emergency preparedness. This was updated in 2006 to reflect the opening of the new building.

The Trust actively engages with key stakeholders in the community to implement NHS Policy. The Trust operates within the regulatory framework determined by the Department of Health. Risk management is monitored through the Trust Board's assurance framework, as described in the Statement of Internal Control (pages 29 to 31). Directors are members or attendees of the Trust Board the Chief Executive, as accountable officer, has put in place systems which provide information and assurance for the Trust Board. The Statement of Directors' responsibilities in respect of the accounts is signed by the Chief Executive and Finance Director. The statement confirms that the Directors have to the best of their knowledge and belief complied with audit requirements and is signed by order of the Board.

The Trust's fixed assets are valued as described in note 1.7 to the accounts. Market values are not routinely held in respect of land. All land and buildings are restated to current market value, using professional valuations in accordance with FRS15 every five years and in the intervening years using indices.

Income and expenditure
The Trust's main sources of income are service level agreements with Primary Care Trusts and education and training levies.

The Income and Expenditure statement indicates an operating surplus of £4.909m. The Trust paid dividends of £3.215m and received interest of £0.291m (net), resulting in the retained surplus of £1.985m.

The table below summarises key features of the Trust's Income and Expenditure performance over the last five financial years.

	2002/03	***2003/04***	***2004/05***	***2005/06***	***2006/07***
	£'000	***£'000***	***£'000***	***£'000***	***£'000***
Income	*105,099*	*110,694*	*127,524*	*131,498*	***142,389***
Operating surplus/(deficit)	*2,832*	*(850)*	*4,123*	*2,760*	***4,909***
Net interest receivable/(payable)	*79*	*150*	*330*	*308*	***291***
Dividends payable	*3,899*	*2,700*	*2,455*	*3,048*	***3,215***
Retained surplus/(deficit)	*(988)*	*(3,400)*	*1,998*	*20*	***1,985***
Income & expenditure reserve	*1,799*	*(1,601)*	*397*	*417*	***20,141***

Cash flow and net financial change
The Department of Health sets an annual target for each Trust in respect of the change in cash from one year to the next. The Trust's target balance for the end of 2006/07 was £0.415m compared to a target of £0.384m last year, a change of £0.031m.

In order to meet this target, the Trust used its net cash inflow of £6.898m from operating activities, £0.344m interest received plus £4.354m PDC received to invest £8.350m in fixed assets and to make net interest and dividend payments of £3.215m, resulting in an overall change of £0.031m in the cash balance for the year as required.

Payment of creditors
The NHS Executive requires that trusts pay their creditors in accordance with the CBI Better Payments Practice Code and Government accounting rules. The target is to pay NHS and non-NHS organisations within a target number of days of receipt of goods or a valid invoice, whichever is later, unless other terms have been agreed. The target number of days is 30.

The Trust's performance, which is measured both in terms of volume and value, is tabled on the next page, with a comparison to the previous year in the second table.

2006/07 performance

	NHS Creditors Number	***Non NHS Creditors Number***	***NHS Creditors £'000***	***Non NHS Creditors £'000***
Total bills paid	***5,466***	***35,672***	***8,467***	***42,252***
Total paid within target	***5,231***	***29,608***	***8,229***	***36,209***
Percentage paid within target	***96%***	***83%***	***97%***	***86%***

2005/06 performance

	NHS Creditors Number	***Non NHS Creditors Number***	***NHS Creditors £'000***	***Non NHS Creditors £'000***
Total bills paid	***5,167***	***39,326***	***6,107***	***36,169***
Total paid within target	***4,585***	***33,864***	***5,395***	***31,933***
Percentage paid within target	***89%***	***86%***	***88%***	***88%***

Staff and management costs

The Trust recognises the need to contain its management costs at a level appropriate to the achievement of its service and financial objectives. Expressed as a percentage of income, the Trust's management costs have been reduced over the last year.

	2006/07 £'000	*2005/06 £'000*
Salaries and wages	***80,448***	*78,243*
Social Security costs	***6,846***	*6,483*
Employer contributions to NHS Pension Scheme	***8,329***	*7,774*
Total staff costs	***95,623***	*92,500*
Of which:		
Management costs	***6,886***	*6,069*
Management costs as a percentage of income	***4.8%***	*5.2%*
Medical and professional education and training		

In 2006/07 the Trust received funding of £13.030m (£14.326m in 2005/06) from the Directorate of Workforce Development at the North Central London Strategic Health Authority. This was applied to a wide range of teaching, training, professional development and research activities across all disciplines.

Financial statements

The statements that follow are drawn from the audited statutory accounts of the Trust for the financial year ended 31 March 2007. The audit was conducted by the Audit Commission, the Trust's external auditors. Their audit fee of £161,338 related to statutory audit services.

Full sets of the statutory accounts, for which there is no charge, are available from the Press Office, Jenner Building, The Whittington Hospital NHS Trust, London N19 5NF (020 7288 5983).

David Sloman
Chief Executive

Date 19 September 2007

Richard Martin
Director of Finance

Date 19 September 2007

Independent Auditor's Report to the Directors of the Board of The Whittington Hospital NHS Trust on the Summary Financial Statements

I have examined the summary financial statements on pages 25 to 32**.**

This report is made solely to the Board of Whittington Hospital NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. My responsibility is to report to you my opinion on the consistency of the summary financial statements within the Annual Report with the statutory financial statements. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2007.

Philip Johnstone
District Auditor
Audit Commission
1st Floor, Millbank Tower
Millbank
LONDON
SW1P 4HQ

Income and expenditure account for the year ended 31 March 2007

	2006/07 £'000	***2005/06 £'000***
Income from activities	***119,539***	*104,499*
Other income	***22,850***	*26,999*
Total income	***142,389***	*131,498*
Total expenses	***(137,480)***	*(128,738)*
Surplus before interest	***4,909***	*2,760*
Interest receivable	***341***	*651*
Other finance costs	***(50)***	*(343)*
Surplus for the financial year	***5,200***	*3,068*
Public dividend capital dividends payable	***(3,215)***	*(3,048)*
Retained surplus for the year	***1,985***	*20*
Return on assets employed (target 3.5%)	***3.3%***	*3.3%*

Statement of total recognised gains and losses for the year ended 31 March 2007

	2006/07 £'000	*2005/06 £'000*
Surplus for the financial year before dividends	***5,200***	*3,068*
Unrealised surplus on fixed asset revaluation / indexation	***6,598***	*2,368*
Net increase in the donation reserve	***159***	*102*
Total gains recognised in the year	***11,957***	*5,538*

Balance sheet as at 31 March 2007

	31 March 2007	*31 March 2006*
	£,000	*£,000*
Tangible fixed assets	***83,471***	*100,762*
Current assets		
Stocks and work in progress	***1,324***	*1,181*
Debtors	***37,709***	*9,257*
Cash at bank and in hand	***415***	*384*
Total current assets	***39,448***	*10,822*
Creditors: falling due within one year	***(13,693)***	*(15,411)*
Net current assets/(liabilities)	***25,755***	*(4,589)*
Total assets less current liabilities	***109,226***	*96,173*
Provision for liabilities	***(2,415)***	*(2,525)*
Total assets employed	***106,811***	*93,648*
Taxpayers' equity		
Public dividend capital	***49,915***	*45,287*
Revaluation reserve	***35,323***	*46,380*
Donated asset reserve	***1,432***	*1,564*
Income and expenditure reserve	***20,141***	*417*
Total taxpayers' equity	***106,811***	*93,648*

Cash flow statement for the year ended 31 March 2007

	2006/07 £'000	*2005/06 £'000*
Net cash inflow from operating activities	***6,898***	*11,376*
Returns on investments and servicing of finance		
Interest received	***344***	*671*
Interest paid	***0***	*(1)*
Net cash inflow from returns on investments and servicing of finance	***344***	*670*
Capital expenditure		
Payments to acquire tangible fixed assets	***(8,350)***	*(4,367)*
Net cash outflow from capital expenditure	***(8,350)***	*(4,367)*
Dividends paid	***(3,215)***	*(3,048)*
Net cash inflow before management of liquid resources and financing	***(4,323)***	*4,631*
Financing		
Public dividend capital received	***4,354***	*0*
Public dividend capital repaid	***0***	*(4,634)*
Net cash inflow / (outflow) from financing	***4,354***	*(4,634)*
Increase/ (decrease) in cash	***31***	*(3)*

Remuneration Report

Salary and pension entitlements of senior managers, who held office during the year ended 31 March, are detailed below.

Name and title	2006/07		2005/06	
	Salary (bands of £5,000)	Other (bands of £5,000)	Salary (bands of £5,000)	Other (bands of £5,000)
Non-executives				
N Makanji	15-20	0	15-20	0
M Duggan	5-10	0	5-10	0
P Farmer	5-10	0	5-10	0
P Gordon	5-10	0	5-10	0
D Henry	5-10	0	5-10	0
A Johnson	5-10	0	5-10	0
Executives				
D Sloman	130-135	0	115-120	0
M Boltwood	70-75	0	70-75	0
T Donnelly	45-50	0	65-70	0
P Donovan	30-35	0	0	0
S Harrington	40-45	0	0	0
P Ient	70-75	0	65-70	0
Mrs C Ingham Clark	15-20	130-135	15-20	110-115
M Lloyd	15-20	0	65-70	0
R Martin	20-25	0	0	0
K Slemeck	50-55	0	0	0
S Sorensen	90-95	0	85-90	0
D Wheeler	75-80	0	70-75	0

T Donnelly was on maternity leave from June – December 2006 and left the Trust in February 2007.
P Donovan was acting Director of Finance from August – December 2006.
S Harrington joined the Trust in September 2006.
M Lloyd retired in June 2006. Prior to this, his cost was charged to capital expenditure.
R Martin joined the Trust in January 2007.
K Slemeck was acting Director of Operations from July 2006 onwards.

Pension benefits

The Trust's accounting policy in respect of pensions is described on pages 10-11 of the complete annual accounts document.

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in lump sum at age 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2007 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2007 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2007 £000	Cash Equivalent Transfer Value at 31 March 2006 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
D Sloman	2.5-5	7.5-10	25-30	85-90	392	336	33	0
M Boltwood	0-2.5	2.5-5	25-30	85-90	463	414	27	0
T Donnelly	0-2.5	0-2.5	10-15	40-45	152	137	7	0
P Donovan	0-2.5	5-7.5	15-20	50-55	219	150	19	0
S Harrington	0-2.5	0-2.5	5-10	25-30	126	109	6	0
P Ient	2.5-5	7.5-10	20-25	70-75	350	296	33	0
Mrs C Ingham Clark	0-2.5	2.5-5	35-40	115-120	563	519	22	0
M Lloyd	(0-2.5)	(0-2.5)	30-35	85-90	0	608	(109)	0
R Martin	0-2.5	0-2.5	25-30	85-90	389	364	3	0
K Slemeck	2.5-5	7.5-10	5-10	25-30	101	57	22	0
S Sorensen	0-2.5	5-7.5	30-35	90-95	0	529	(379)	0
D Wheeler	0-2.5	2.5-5	25-30	75-80	324	290	19	0

Both M Lloyd and S Sorensen reached retirement age during the year, resulting in a nil CETV as at 31 March 2007. M Lloyd retired in June 2006, resulting in a real decrease in his pension and lump sum.

The membership of the Remuneration Committee comprises the Chairman and all the non-executive directors of the Whittington Hospital NHS Trust. The Committee has agreed the following key principles to guide remuneration of directors of the Trust:

- Annual salary increases should be linked to appraised performance after the year-end (April);
- Increases should be based on a simple percentage range, related to a specified range of performance;
- Objective setting should be realistic, and linked to the Trust's business plan. Individual objectives should be measurable, achievable, limited in

number, and include the performance of the individual within the appropriate team (and therefore team performance);

- One off bonus payments could occasionally be available for major additional objectives;

- When recruiting, non-cash alternatives to salary may be offered;

- Market comparisons of salaries should be reviewed each year and the effect of divergences considered;

- Separate geographical allowances should cease and the current allowance consolidated into basic pay.

- Contracts of employment should continue to be permanent rather than fixed term.

Performance is measured against agreed objectives and achievement is assessed through an annual appraisal. Performance is one of the key principles of the overall remuneration assessment.

Contracts of employment are permanent unless there are overriding business reasons for other arrangements. Notice periods and termination payments are set out in contracts of employment.

During 2006/07 there were some changes to executive directors as described below.

- The post of Director of Finance was held by three officers on a part year basis, these were S. Sorensen from April to July 2006, P. Donovan from August to December 2006 and R. Martin from January to March 2007.
- The post of Director of Strategy and Performance was created from August 2006.
- The post of Director of Primary Care was created from September 2006.
- The post of Director of Operations was held by two officers during the year, these were T. Donnelly and K. Slemeck.
- The director of Site Commissioning retired in June 2006.

No significant awards or compensation were made to former senior managers and no amounts in the report were payable to third parties for the services of a senior manager.

Statement on internal control 2006/07

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I am responsible for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

I undertake this role by putting in place systems which provide information and assurance for the Board. The information arising from the Assurance Framework is taken into consideration when agreeing priorities and resources with our local Primary Care Trusts and Strategic Health Authority.

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 organisation's policies, aims and objectives

- 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 the Whittington Hospital for the year ended 31 March 2007, and up to the date of approval of the annual report and accounts.

Capacity

The Board recognises the importance of sound risk management throughout the organisation. It has established an Assurance Committee which through integrated risk management oversees development and improvement across the hospital.

The Trust places great significance on the training, education and development of staff, particularly to ensure that patients are cared for in a safe and effective way. Staff are trained, for example through induction as well as specific and refresher training to manage risk in a way appropriate to their authority and duties. The Trust seeks continual improvement by a variety of ways; these include learning from external assessment of services and by internal auditing of services provided.

The Risk and control framework

There are clear lines of responsibility and accountability for risk management within the Hospital. This takes the form of specific named posts within the organisation as well as committees.

The Hospital has a holistic approach to managing risks across the organisation, so for example, clinical governance, organisational controls, health and safety risks and financial risks are integrated. Through this process all risks are assessed for their likely impact/probability, to enable organisation-wide comparisons to be made. This process is embedded within the trust through effective communications and training with staff, as part of our striving for continuous improvement, which together ensures our processes and procedures follow or lead best practice.

The Trust's Assurance Committee comprises non-executive and director membership and has two lay members to ensure that the patient perspective is addressed. The trust also has an active Patient Forum. Staff endeavour to have full and open discussions with patients and carers to enable informed decision-making. The Trust has placed particular emphasis on this through advocating the core value of treating patients, staff and visitors with dignity and respect.

As an employer with staff entitled to membership of the NHS Pensions Scheme, control measures are in place to ensure that all employer obligations contained within the Scheme regulations are complied with by the Trust.

Our Assurance Framework identifies the potential risks which may prevent the trust achieving its key strategic objectives. The Framework also prioritises these and identifies the lead officer/s responsible for each area, together with the assurances which are/will be in place. This framework then forms part of the Board's overall assessment/management of risks and allocation of resources.

In 2006/07 the Trust declared it was compliant against the twenty-four Healthcare Commission core standards as 31 March 2007. The Trust was able to declare full year compliance to twenty-two of the standards with two (C4a and C4c) becoming compliant during the year. The only significant control issue that arose during the course of 2006/07 is in relation to infection control. The Trust devised a recovery plan in July 2006 to reduce its MRSA bacteraemia rate, which was above the trajectory set by the Department of Health.

The key gaps in controls identified in the Assurance Framework are listed below, together with the actions being taken to address them:

Physical environment Investment in the environment will be made, based upon a risk assessed backlog maintenance plan and business development needs of the Trust. Monitoring and reporting mechanisms are continuing to be improved to ensure that the facilities management service provided to the Whittington are delivering a safe and effective service. The Trust Board is regularly updated on the position.

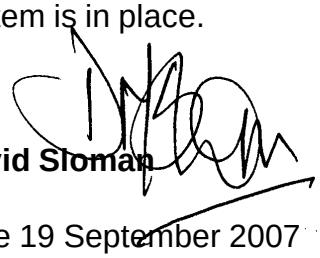
Patient services In order to improve its infection control, the Trust has employed additional infection control staff, changed its management arrangements, and reconstituted the Infection Control Committee, which is now chaired by a non-executive director. In addition, to ensure effective decontamination of medical devices, robust monitoring of process control has been implemented, together with improved training and incident reporting. Improvements to the environment and equipment and tracking systems are a priority for 2007. The Trust is a member of the NW London centralised sterile services unit due to open autumn 2008.

Review of effectiveness

As accountable officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance on the Assurance Framework and on the controls reviewed as a part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by assessments carried out by external and internal auditors, the Clinical Negligence Scheme for Trusts and Health & Safety Executive inspections.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by, for example, the Assurance Committee, Audit Committee, Clinical Governance Steering Group, Clinical Risk Committee, Infection Control Committee, and the Health and Safety Committee. These committees have clear terms of reference detailing their risk management role and membership. There is dual membership in some instances to ensure integrated risk management approaches. The Board regularly reviews risks and controls, together with planned actions to address issues highlighted, monitoring their implementation. It has ratified its Assurance Framework and agreed its action plans where gaps in controls have been identified.

A plan to address weaknesses and ensure continuous improvement of the system is in place.



David Sloman Chief Executive

Date 19 September 2007