

Twenty-four seven

Annual report 2002-03



day and...



2002/03 was an extremely busy year at King's College Hospital.

We treated more patients than ever before – over 100 000 people visited King's as an outpatient, over 78 000 were treated as inpatients and 86 000 people attended accident and emergency. We provided training for medical, nursing and dental students and attracted significant numbers of new staff to this exciting London teaching hospital.

It was also an extremely successful year. The Trust met all its quality, performance and financial targets and retained the maximum three star rating for performance. We opened our new wing, the Golden Jubilee Wing, a modern patient-centred building which sets a new standard for 21st century care throughout the NHS. Other areas of King's also benefited from significant investment including the refurbishment of corridors in the Denmark Hill site, new maps and signs to help people find their way around a complex site, two new operating theatres and a continuing programme of refurbishing wards.

In 2002/03 King's caught the attention of the world's media with ground breaking treatment for liver patients, life saving work with babies in the womb, exciting new equipment for cardiac patients, pioneering a new approach to prostate operations and significant advances in neurosurgery.

Much of the work described in this report was started under the guidance of Michael Doherty, who was chairman at King's College Hospital until May 2002, and Frank Stansil, who was acting chairman for the following six months. Our sincere thanks to them both.

Foundations for the future

We are delighted that King's has been short listed for foundation trust status. During the next few months we will be consulting widely with our patients and carers, staff and volunteers, members of our local community and other key stakeholders on what this will mean for King's and the community within which we work.

We firmly believe that foundation trust status will enable us to improve the services we provide for our patients and to become more responsive to their needs. Foundation trust status will free our staff from central control and give them the opportunity to develop more new ideas.

It will enable us to get funding independently for those projects we feel will bring most benefit to our patients. It will increase our dialogue with and accountability to patients and our local community through the introduction of an elected board of governors.

Foundation trusts will remain very much part of the NHS, will work to NHS targets and within NHS principles – if we are successful we will continue to put patients at the centre of all that we do.

A context of change

Foundation trusts are just one part of wider changes in the NHS, which are shaping the environment in which we will work over the coming years. We have been involved in the Patient Choice scheme – offering services to patients from outside our local area who have been waiting for more than six months for certain types of surgery. Financial changes, including a new national tariff structure and payment by results, are planned which will ensure a fair and consistent basis for hospital funding. And primary care trusts are now taking responsibility for commissioning services from hospitals for their local populations.

In times of constant change, it is the staff who need to provide the continuity of service that ensures patients get the best of care. We offer our sincere thanks to everybody who works at King's – your skill, enthusiasm and care make a real difference to people's lives every day.

Michael Parker
Chairman

Malcolm Lowe-Lauri
Chief Executive

...night... 

The changing face of King's

“The doctor I saw was excellent. She listened, was very respectful, observant and thorough – she really took her time”

patient comment in 2003 survey of outpatients

In October 2002, King's new Golden Jubilee Wing opened its doors to patients. The airy central atrium and brand new wards and treatment areas were immediately popular with patients and have received praise from a number of visitors and staff from other hospitals across the world. In July 2003, Her Majesty the Queen officially opened the new Golden Jubilee Wing.

Shaped around patients' needs, the new wing brings women's services together in one area. Women can now see all appropriate specialists and receive services such as pre-natal scans without having to move around the hospital. The new neonatal intensive care unit is on the same floor as the delivery suite so that babies needing special care can be transferred immediately. Patients are also benefiting from new outpatients clinics and an integrated therapies centre where speech, language and occupational therapists often work in multidisciplinary teams to provide tailored care for individual patients. On the ground floor there is now a lounge where patients waiting for transport home can be cared for by nursing staff.

The new wing has given us the space and flexibility to refurbish older wards and departments in other areas, including the 1960s Ruskin Wing. A continuous programme of upgrades means that by 2004 over 80% of the site will be either brand new or recently refurbished and we are constantly raising the standards for the environment in which patients can expect to be treated.

Staff and visitors have responded with enthusiasm to a project to refurbish corridors and decorate them with photographs of people who work at King's. In the day surgery unit, staff have picked up

the paint brushes themselves and, with the help of local school children and a grant from the Kingfisher Fund, two anaesthetic rooms and a recovery area have been decorated with dolphins, mermaids, stars and birds to provide a calming environment for children having operations.

Thanks to the Rhys Daniels Trust, three new flats close to the hospital have been purchased to provide accommodation for parents so that they can be close to their sick children while they are being treated at King's.

In a land swap in January 2003, the hospital was able to fully integrate into the Denmark Hill site a building that had previously belonged to King's College, London. The new Bessemer Wing will be used for offices and training rooms as well as providing additional storage space. King's College has started building work for a new centre for cell and integrative biology on the adjacent land we gave in exchange.

Privacy and single sex accommodation

King's has achieved national privacy and dignity targets for single sex accommodation and all patients now sleep in single sex bays or wards and have access to dedicated washing and toilet facilities near by. Very occasionally, when a patient needs emergency admission they may have to be admitted at first to a bay with patients of the opposite sex if there is nowhere else available. If this happens the patient is moved to a single sex bay as soon as possible. Beds in intensive care or high dependency units are for both male and female patients.



3:42am A liver came available for transplant 3 hours ago and Imelda Shannon, a specialist liver intensive care nurse, is waiting for the patient to come back from the operating theatre. Transplant surgery can take place at any time – day or night.

Making King's more accessible

Disabled access to the Trust's buildings and grounds has been improved and all new building and redevelopment work within the Trust is carried out with accessibility as a prime requirement. An induction loop for the hard of hearing has been installed in A&E, and the need for more disabled parking spaces and wheelchairs for use within the hospital are being addressed. Colour coded signs have been introduced to help people find their way around the hospital, this benefits all visitors, but is particularly important for people with learning disabilities.

We also have strong links with local interpreting services and encourage patients who speak little or no English to let us know in advance so that we can book a professional interpreter for their appointment. The most important and useful information for outpatients and for inpatients about hospital services and treatment has been translated into leaflets in four of the most popular community languages and telephone interpreters are available to discuss this information with patients who have other language requirements.

Listening and learning

“No-one could have been more kind and understanding than the staff attending to me”

patient comment in 2003
accident and emergency survey

Good news on waiting times

Staff at King’s are working hard to ensure shorter waiting times for treatment and King’s met or surpassed all of the national waiting times targets in 2002/03.

Most patients needing a new outpatient appointment are seen within three months of referral from their GP. No patient was waiting over five months for a first outpatient appointment at the end of March 2003, and it is planned to reduce this level to a maximum of four months by March 2004.

Over 82% of patients waiting for treatment at King’s as an inpatient or for daycase operations were treated within six months. No patient who was well enough to be treated waited longer than twelve months. By the end of next year we expect to improve on this further and have no patients waiting more than nine months for treatment.

In 2002/03 fewer than 1% of scheduled operations were cancelled on the day of planned surgery. Whilst this is sometimes unavoidable due to emergencies, it is



disruptive and frustrating for patients and we are make significant efforts to reduce the level further.

New targets mean that since March 2003 over 90% of patients visiting accident and emergency should be seen, treated and either admitted to a bed or discharged within four hours. During the first two months after this target was set, King’s accident and emergency department was recognised as being the best performing in London, despite an increase in the numbers of patients coming to King’s A&E. Staff from all areas in the Trust are working together to continue to deliver this swift and effective care.

Learning from complaints

Unfortunately, there may be times when our service is not as good as it should be. In those circumstances we need to know so that we can put things right. Issues can often be resolved locally but in some cases they may be investigated under the Trust’s complaints procedure. We will provide a written response to the issues raised in a complaint but we may also arrange for an

9:37am Pat, who works in King's Harris Birthright Unit, is giving a mother-to-be good news about her baby. Elsewhere in the hospital patients' notes are collected for a clinic and a pharmacist works in aseptic conditions to prepare feed for premature babies.



independent assessment of the care provided or arrange for a meeting with the appropriate managers and senior clinical staff to discuss concerns and the action taken as a result of complaints.

In 2002/03 we received 749 complaints and responded to 68% of these within the target time of 20 working days. Some cases may be more complex in nature and take longer to investigate but providing a swift response is important and we are working hard to achieve this.

Thirteen complainants were dissatisfied with their response and requested an independent review panel. After formal consideration and discussion, one complaint went forward to a panel, five were referred back for local resolution, three are still under consideration and four required no further action.

Complaints received are used to help change and improve our services. For example, as a result of complaints last year a new system was introduced in the endocrine and thyroid clinic to reduce waiting times for patients, a process for

recording the level of infection control required by each paediatric patient was implemented, and work has been started with other hospitals developing a protocol for transferring patients.

Patient Advice and Liaison

King's patient advice and liaison team act as a central point where patients and visitors can get support, advice and information about the hospital's services as well as help with accessing other health information. The team also help to sort out concerns about hospital services at an early stage by liaising with hospital staff and settling any problems quickly. In 2002/03 over 4000 people made contact with the PALS team. The PALS team actively encourages users to express their comments and suggestions about hospital services and have used these over the past year to generate a number of improvements. For example, a dedicated specialist wheelchair has been provided for transport of very heavy patients, to improve comfort and dignity, and letters to outpatients have been redesigned following patient comments.

Asking patients what they think

In 2002 we sent questionnaires to 850 people who had recently been inpatients at the hospital and asked for their feedback on a range of issues from the food to the clinical care they received. We were able to compare the results with a survey done in 2001 and were pleased to see improvements in many areas. In two similar exercises in 2003 we asked about the experiences of people who had visited our accident and emergency department and people who had visited King's as outpatients. We will be looking at the results in detail and using patients' views to help us identify areas where we could do better and to build on areas where we are succeeding.

Excellence in patient care

“I was very impressed with
the enthusiasm, quality
and friendliness of staff. . .
It’s a great hospital to be in”

patient comment in 2003
survey of outpatients

Treatment in the womb

King’s world famous fetal medicine centre, Harris Birthright, moved into the new Golden Jubilee Wing in 2002. Fetal-maternal medicine is a rapidly expanding discipline, clinically managing high-risk pregnancies and treating babies in the womb. Last year the pioneering Harris Birthright Centre helped more than 10 000 patients and supported the training of over 100 doctors, midwives, and researchers. Much of the centre’s research work is funded by donations from individual friends and patients making possible major developments in diagnostic testing and fetal therapy.

Major breakthrough in liver research

King’s College Hospital operates Europe’s largest liver transplant programme and the team have transplanted life-saving organs into patients as young as five days and as old as 74 years.

This year King’s staff made a major breakthrough in liver research that has the potential to transform liver transplantation. The pioneering hepatocyte (liver cell) transplants carried out on babies, take healthy cells from donor livers and inject them directly into the livers of patients, giving the liver the chance to regenerate and can eliminate the need for organ transplantation. This ground breaking technique, was developed with funding from the Children’s Liver Disease Foundation and the Community Fund (National Lottery). The cell isolation laboratory will continue to be funded by these two charities as well as King’s College Hospital Charitable Trust and Diabetes UK.

In 2003, King’s opened a state of the art liver intensive therapy unit. With 15 beds and specialist nursing care, the unit is the largest in Europe and is at the forefront of research and the management of patients with multi-organ dysfunction associated with liver disease.

Afro-Caribbean organ donation campaign

Staff at King’s have worked closely with the Department of Health to launch a campaign to address the over-representation of Afro-Caribbean patients on the transplant waiting lists and under-representation among organ donors. Doctors are more likely to find a closely matching organ among donors from the same population or ethnic group as the patient, and King’s local area has one of the largest lists of black patients waiting for transplants. By promoting organ donation sensitively in our local community we hope to encourage people to join the organ donor register and give somebody a second chance of life.

Haemato-oncology – a gold standard service

The department of haematological medicine at King’s, helping people with cancers of the blood and lymphatic systems, is one of the largest in the UK. The department is know internationally for bone marrow transplants and has excellent research facilities ensuring that new scientific discoveries are rapidly translated into clinical practice. Continued generous support from the Elimination of Leukaemia Fund has strengthened this care and research. King’s was one of three UK centres to

undertake clinical trials of Glivec, a drug now successfully used to alleviate chronic myeloid leukaemia.

In May 2002 Cherie Booth QC visited King's to open the hospital's new, purpose built chemotherapy day care unit. Reduced intensity chemotherapy means that more people can be offered the treatment, spending less time in hospital and experiencing fewer side effects. The new unit provides a spacious and comfortable environment within which to treat patients, as well as an information and counselling room for patients and their families.

King's Sickle Cell Development Group

The multidisciplinary team working in haematology at King's has also developed a specialism in sickle cell disease and research. Trained, dedicated staff work with inpatients and help patients to manage their illness

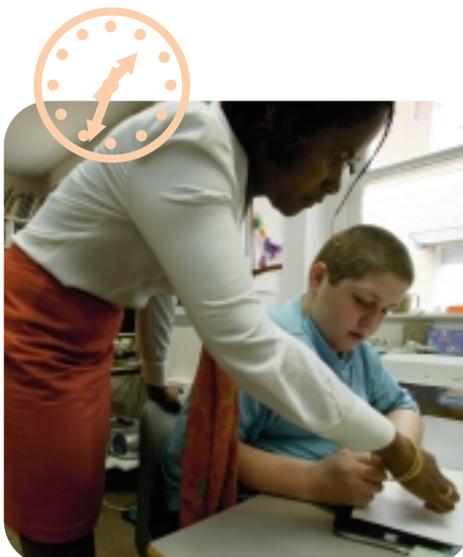
in the community. Patients and staff have formed a group to work together in researching the management of this disease, with patients bringing their personal experience into use in raising public awareness and understanding. The group has equal numbers of staff and patients in order to foster shared understanding and working together to develop a service which meets patient needs.

Circus celebration

In April 2003, King's and the children's health charity WellChild held a very special party for children who have been patients in King's neonatal intensive care unit during the last 20 years. A big top performance of Mr Zippo's Circus on Blackheath was followed by a reception where families caught up with King's staff and renewed acquaintances with old friends.

The long standing partnership between WellChild and King's has achieved remarkable results during our 20 year relationship. Over 500 babies are admitted to King's neonatal unit every year and during the last two decades WellChild has funded vital research at King's that has dramatically improved survival rates of babies born prematurely. A premature baby now has a 95% chance of living a completely normal life. Only 25 years ago just 20% of premature babies survived. Currently, WellChild is supporting research at King's to identify a test that can predict whether a baby will develop chronic lung disease. Treatment can then be given at an early stage when it is most effective.

1.34pm A patient finishes his lunch and lessons start again for pupils in King's own school room. King's school has five teachers and the school routine brings a sense of normality and purpose to children in hospital.



World-class skills in a local setting

“The receptionists always greet you with a friendly smile and treat you with respect”

Patient comment in 2003 survey of outpatients

Neurosciences – an international reputation

King's is at the forefront of developments in neurosurgery and neurology and we have been able to attract some of the country's pre-eminent experts and most promising new talent. Staff have been carrying out highly innovative research, ensuring that patients are benefiting from the latest thinking and most modern equipment.

Services are provided to patients suffering from a range of conditions including epilepsy, multiple sclerosis, Parkinson's disease and motor neurone disease. King's is proud to have nurses who specialise in each of these conditions developing a deeper understanding of patient needs and able to offer detailed advice and support.

King's work with patients with epilepsy is establishing an international reputation and our staff are also producing cutting-edge work on relieving cerebral aneurysm (a balloon-like bulge in a blood vessel in the brain) and spinal conditions.

A national DNA bank was launched at King's in 2003 to help with research into motor neurone disease (MND). Working with the national Institute of Psychiatry, 6000 blood samples will be taken from people with MND, their family members and other healthy individuals. This will help scientists establish which genes make a person more susceptible to MND and why their motor nerve cells degenerate, so that more effective treatment and ultimately a cure can be found.

Pioneering new heart scanner

In Spring 2003, King's was the first hospital in the country to use a new piece of equipment which allows heart surgeons to see live, three dimensional pictures of a beating heart. More accurate and quicker diagnosis is now possible without the need to operate. The equipment does not only benefit doctors – the images are also shown to patients to help explain their condition and hopefully alleviate some of their anxiety.

Cardiac patients who need inpatient care have benefited from the refurbishment of two specialist wards and the opening of two new cardiac theatres in the last year. We also have a new cardiac catheter lab – this is the area where specialist staff use x-rays and other tools to diagnose what is wrong, as well as carrying out procedures such as inserting pacemakers.

Patients recovering from heart problems receive advice on issues such as nutrition, exercise and stress and learn to manage their condition with the help of a multidisciplinary team of doctors, nurses, physiotherapists and other specialists. The King's cardiac rehabilitation team has recently received additional Government funding for nurses to visit patients recovering from heart attacks at home and for a physiotherapist to run more exercise classes for cardiac patients. Some of the classes will be in community centres, leisure centres and local health centres to reduce the need for patients to travel to the hospital.



2.19pm Surgeon Sanjiv Manjure prepares to carry out a knee replacement operation. He is one part of a team which includes anaesthetists and specialist theatre nurses.

King's in the community

The residents of South London derive great benefits from having a major teaching hospital on their doorstep – world-class health care in a local setting and an award-winning employer within easy reach. But King's is also keen to play a part in the local community in other ways and has appointed a co-ordinator to help the hospital support local regeneration schemes, education and employment.

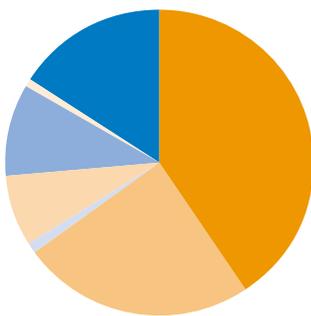
King's work in the community is focused into five areas: a comprehensive work experience programme for 14-24 year olds; a project to help people make the step from unemployment to work by providing work experience opportunities for those over 25; support for local recruitment schemes including the marketing of vacancies to disadvantaged or under-represented groups from the local workforce; information and opportunities for teenage parents and customised schemes for local primary schools.

Recently the hospital has provided work experience placements for more than 60 students from schools in Lambeth, Southwark and Lewisham and staff have attended careers events held at local schools and colleges, promoting the diversity of careers within the NHS. As part of a programme of activities designed to make the hospital more open and accessible, 100 teddy bears from across South London came to King's in February 2003 with their five and six year old owners, with the aim of helping children to overcome any anxieties they might have about visiting hospital.

Creativity, innovation and work life balance

“The training here is still fantastic.”

Investors in People assessment report 2003



Staff working at King's

- nurses & midwives 2,070
- administrative staff 1,242
- ancillary & maintenance staff 56
- therapists 387
- laboratory staff 485
- pharmacists 46
- doctors 798

Total 5,084

Recruiting the right staff

In a world where skills and enthusiasm are in demand we are constantly working to make sure our hospital is an attractive employer.

Over the last year King's has been very successful at recruiting and retaining qualified staff, and the number of staff employed has increased by 14%. This means over 500 more staff, including 300 more nurses and midwives, and our vacancies in other areas have also reduced.

The Kingsflex scheme is designed to enable our staff to balance personal interests, family and work and to offer terms and conditions of employment best suited to individual circumstances. In 2002 Kingsflex received a high profile success in bringing two high calibre, senior managers with childcare responsibilities back into The Trust on a job share. A third staff nursery has recently been opened supporting members of staff with young children.

The skills escalator

In 2002 we launched a unique project at King's working with unemployed people in the local South London community. Open days and personal approaches to local job centres spread the word about the vast

range of jobs in the NHS and brought in people who would not have thought of working in a hospital.

One-to-one support before employment and during the first few months of work gives staff the confidence they need in their new job. They are then encouraged to consider whether they want to brush up their learning skills or study for an NVQ or other recognised qualification. The skills escalator idea allows low grade or unqualified staff to step onto the bottom of the escalator, into starter jobs such as health care, radiographic and therapies assistants, and to progress upwards. It has already taken a few staff into assistant practitioner roles or studying part-time for nursing degrees.

Mentoring, shadowing, formal training and skills based learning – the renewal of our Investors in People award recognised that staff at King's are enthusiastic about the range of development opportunities that are available and the encouragement they receive.

The learning zone

The introduction of a computer-based, open learning resource centre at the hospital has been a great success. From basic numeracy and literacy to IT, finance and language



3.05pm As tea is served in one of King's three nurseries for the children of staff, nurses who were on the early shift head for home.

skills, the learning zone, staffed by a full time learning advisor, offers e-learning at times that fit into staff work patterns.

Mediation

In a complex and busy environment staff sometimes find themselves in conflict with colleagues. King's mediation scheme was developed to help staff acknowledge differences and come up with practical working solutions. Ten staff drawn from across the hospital have undertaken externally accredited training as mediators and the project at King's has attracted much praise from those using the scheme and a DTI award.

Speak Up

The hospital carries out regular staff surveys to find out what we are doing well and what would improve the quality of our working lives. In 2002, many staff praised the friendly team atmosphere, supportive line management and the professionalism of their colleagues. They described their work as interesting, varied and challenging. Staff also expressed satisfaction with training and development, flexible working and the forward thinking management of the hospital.

Areas staff felt needed improvement included workplace facilities, the physical environment in which they work and the number of staff employed. We have responded to this in a number of ways. We are considering the possibility of developing a leisure centre in conjunction with the medical school and South London and Maudsley Trust. In autumn 2003 the King's social club will move into spacious, new premises with designated areas for non-smokers. An extensive refurbishment programme of accommodation for staff who are on call will begin in September 2003 and later this year over 500 new units of accommodation will become available for staff to rent. We will build on last year's considerable success in recruiting more staff and focus on areas of national staff shortages, such as radiology.

Equal opportunities

We care for patients in an area rich in ethnic diversity, and valuing this diversity is a defining feature of King's culture. In 2002/03 we continued to promote equal opportunities in recruitment and developed our valuing diversity strategy to ensure the needs and contributions of all patients and staff are fully and fairly reflected in service design, delivery and employment practice.

Developing for the future

“I had an excellent introduction into the Trust and was really supported on my ward”

comment from a nurse in the Investors in People report 2003

Research

Research and development to strengthen knowledge and understanding is an important part of the work done at King's. Our 600 researchers work collaboratively with colleagues at other hospitals and in primary care ensuring research directly benefits patient treatment and care. King's is taking the lead in research funded by the Department of Health in nationally important areas including heart disease, diabetes, sexual health, liver disease, palliative care, neurological disease and care of the elderly. At any one time over 1000 research projects are ongoing.

All research carried out within the Trust is first approved by an ethics committee to ensure that it conforms to good practice guidelines and current legislation.

Patient Choice

Extending patient choice is a key feature of the Government's NHS Plan, and a project launched in 2002 allows patients from across the country who have been waiting

for around six months for an operation the choice of going elsewhere for quicker treatment. King's is one of the hospitals receiving these patients and performing additional operations, particularly for cataracts, hip and knee replacements and cardiac patients.

Giving control to the patients

We would like all patients to be able to choose a date and time that suits them for hospital appointments and treatment, and we are working towards this goal.

King's has had an electronic appointment system for the last two years. When a patient visits their GP, the doctor can connect online, check clinic times and availability at local hospitals, and book an appointment there and then, before the patient leaves the GP surgery.

Alternatively, patients may choose to call King's outpatient call centre after leaving the GP's surgery, to book their outpatient appointment over the phone. After an appointment, further diagnostic tests may



8.55pm King's accident and emergency department is busy, but collaboration across the Trust ensures that within four hours most patients are safely on their way home again or being made comfortable on a ward. Reduced waiting times benefit staff morale as well as patients...

be needed and patients can arrange these at convenient times by using designated telephones in the outpatient departments.

Developing processes and systems which are convenient for patients has clear benefits for hospital staff too – the certainty of date and choice of when to be treated means they people are more likely to attend. Each outpatient appointment that a patient fails to attend costs the hospital £50 in wasted time. Following the introduction of the outpatient call centre, the number of patients not attending for their scheduled appointment has fallen significantly. This means staff time and hospital resources can be used more efficiently.



...In another part of the hospital, pharmacy staff check medicines for ward drug rounds. Pharmacists are on call throughout the night for any emergencies that may arise.

Specialist nurses

There are now more than 65 specialist nurses at King's working in areas as diverse as epilepsy and infection control. Specialist nurses at King's have a passionate interest in their field and a strong commitment to providing excellence in patient care. Fully immersed in their speciality they are able to provide up to date, evidence-based care and to use advanced techniques as well as working across professional and geographic boundaries to share best practice with colleagues in other departments or hospitals. Specialist nurses in areas such as paediatric asthma, where patients may have ongoing health issues, can build long-term relationships with patients with all the therapeutic benefits of continuity of care.

The charity Macmillan Cancer Relief has provided three years' initial funding for a new specialist nurse at King's, working with patients with urological cancers. Specially trained to help cancer patients and their carers with advice on treatments, side effects and pain control, Macmillan nurses also give emotional and psychological support to patients and their families and practical help, including advice on benefits and other financial matters.

Modern matrons

During 2002 King's introduced 12 modern matrons to ensure high standards of clinical care and support services are maintained across all our wards. The modern matrons have had a real impact on patient experience and provide a very visible reassurance to families and visitors.

Financial Review

Following this review are the Trust's summary financial statements on pages 15 to 19. Copies of the full financial statements are available free of charge on application to the Director of Finance. These statements reflect the Trust's financial performance during 2002/2003 against the financial targets set by the NHS Executive. These targets are to:

- Achieve a break-even position taking one year with another
- Earn a 6% pre-interest return on average assets employed
- Manage within a requirement for External Financing (EFL) of £18.2 million
- Manage within a Capital Resource Limit (CRL) set at £20.2 million

Performance on the first two targets reflects the extent to which the Trust has been able to ensure that patient activity and expenditure is managed within the levels of income generated. In the financial year 2002/03, the Trust was able to achieve a return of 6.5% and a surplus of £35,000.

In 2002/03, the Trust worked closely with its lead commissioner, Southwark PCT, to improve the way that services are commissioned and to develop mechanisms to ensure that services are provided in the most appropriate setting, whether that is in the community or in an acute hospital. Generally, the Trust saw a significant increase in demand for its services during the year, which resulted in significant payments from its commissioners in respect of overperformance against service agreements. These pressures are expected to continue in the coming year and coupled with more stringent waiting time targets will lead to capacity and resourcing issues which will need to be addressed with our partner organisations.

The third financial target reflects the Trust's cash management and was achieved for the ninth year in succession, as was the limit on the use of Capital Resources. These targets ensure that the Trust manages within its cash resources and capital expenditure authorisations.

The new Golden Jubilee Wing opened in October 2002 and refurbishment of the existing Ruskin Wing has now commenced. The works are being undertaken by the Trust's private sector partner, HpC, in return for a 38 year contract for use of the new building and the provision of site wide hotel services. The annual payments relating to the new build and site

services are treated as revenue charges, whereas the refurbishment will be the subject of a finance lease with effect from the date of acceptance by the Trust. This is projected for completion in April 2004, following which the move of acute services from the Dulwich site will commence. In order to reflect the limited life of the facilities at Dulwich, a reduction in their value of £7.7 million was recognised in the accounts for the year.

The Trust also made a provision in respect of the ongoing costs of premature retirements which occurred prior to 1995. Previously these costs had been recognised as they occurred. A provision of £8.3 million has been included to bring the accounting treatment of these costs into line with retirements that have occurred since 1995.

The Trust complied with the NHS Chief Executive's letter of 11 April 2002 in respect of senior managers' pay.

Statement of director's responsibility in respect of internal control

The Board is accountable for internal control. As Accountable Officer, and Chief Executive Officer of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's objectives, and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the organisation's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. The system of internal control is underpinned by compliance with the requirements of the core Controls

Assurance standards:

- Governance
- Financial Management
- Risk Management

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control has taken account of the work of the executive

management team within the organisation who have responsibility for the development and maintenance of the internal control framework, and of the internal auditors. I have also taken account of comments made by external auditors and other review bodies in their reports.

The assurance framework is still being finalised and will be fully embedded during 2003/04 to provide the necessary evidence of an effective system of internal control.

The actions taken so far include:

- The organisation has undertaken a self-assessment exercise against the core Controls Assurance standards (Governance, Financial Management and Risk Management). An action plan has been developed and implemented to meet any gaps.
- The organisation has in place arrangements to monitor, as part of its risk identification and management processes, compliance with other key standards, including relevant Controls Assurance standards covering areas of potentially significant organisational risk.

In addition to the actions outlined above, in the coming year it is planned to:

- introduce risk awareness training for key staff
 - Quarter 3 2003/04
- continue populating the risk register
 - Quarter 3 2003/04
- unify clinical and non-clinical risk management – Quarter 3 2003/04
- train staff to undertake root cause analysis
 - Quarter 3 2003/04

Malcolm Lowe-Lauri Chief Executive Officer

6th August 2003
(on behalf of the board)

Auditors' Report

Independent Auditors' Report

I have examined the summary financial statements.

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 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 auditor's statement on the summary financial statements* issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2003 on which I have issued an unqualified opinion.

Geoffrey Banister
Audit Manager

6 August 2003

Audit Commission,
4th floor Millbank Tower
Millbank, London SW1P 4QP

Break-even performance – 5 year trend

	2002/03 £000	2001/02 £000	2000/01 £000	1999/2000 £000	1998/99 £000
Turnover	300,588	263,789	236,398	215,142	199,558
Break-even in-year position	35	176	25	295	47
Break-even cumulative position	(1,214)	(1,249)	(1,425)	(1,450)	(1,745)

Income and expenditure account for year ended 31 March 2003

	2002/03 £000	2001/02 £000
Income from activities:	243,882	215,284
Continuing operations		
Other operating income	56,706	48,505
Continuing operations		
Total Income	300,588	263,78
Operating expenses:		
Continuing operations	(291,780)	(255,494)
Operating surplus (deficit)		
Continuing operations	8,808	8,295
Exceptional gain: on write-out of clinical negligence provisions	0	18,773
Exceptional loss: on write-out of clinical negligence debtors	0	(18,773)
Cost of fundamental reorganisation/restructuring	0	0
Profit (loss) on disposal of fixed assets	0	0
Surplus (deficit) before interest	8,808	8,295
Interest receivable	302	450
Interest payable	0	0
Other finance costs - <i>unwinding of discount</i>	(376)	(249)
Surplus (deficit) for the financial year	8,734	8,496
Public Dividend Capital dividends payable	(8,699)	(8,320)
Retained surplus (deficit) for the year	35	176

Income and expenditure analysis

Income	2002/03 £000	2001/02 £000
Primary Care Trusts	208,605	190,561
Education, training and research	43,903	37,664
Department of Health	15,396	14,049
Non-NHS income (Inc. Private Patients, RTA)	11,660	10,321
Health Authorities & NHS Trusts**	8,221	353
Non-patient care services to other bodies	6,092	5,043
Other income* (Inc. Interest Receivable)	5,105	5,004
Charitable and other contributions to expenditure	1,221	629
Transfers from donated asset reserve	687	615
	300,890	264,239

* The Trust also received £302,000 from interest on treasury deposits in the financial year 2002/03 (£450,000 : 2001/02).

** £7.948million is to offset fixed asset impairments charged to operating expenses.

Expenditure	2002/03 £000	2001/02 £000
Nursing staff	66,210	58,988
Other staff	62,080	53,958
Clinical supplies	54,629	48,615
Medical staff	50,229	45,111
Other (Inc. Audit Fees, Clinical Negligence)	20,204	18,638
Public dividends payable and other finance costs	9,075	8,569
Premises	8,287	10,287
Depreciation and amortisation	8,095	7,361
Fixed asset impairments and reversals	7,948	0
Establishment & transport expenses	6,650	5,950
Services from other NHS Bodies	5,902	5,292
General supplies	1,546	1,294
	300,855	264,063

Capital cost absorption rate

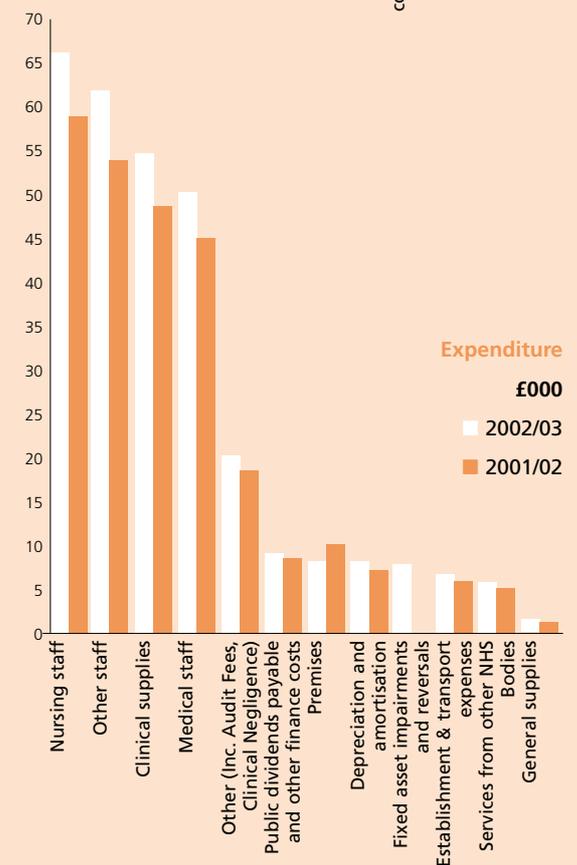
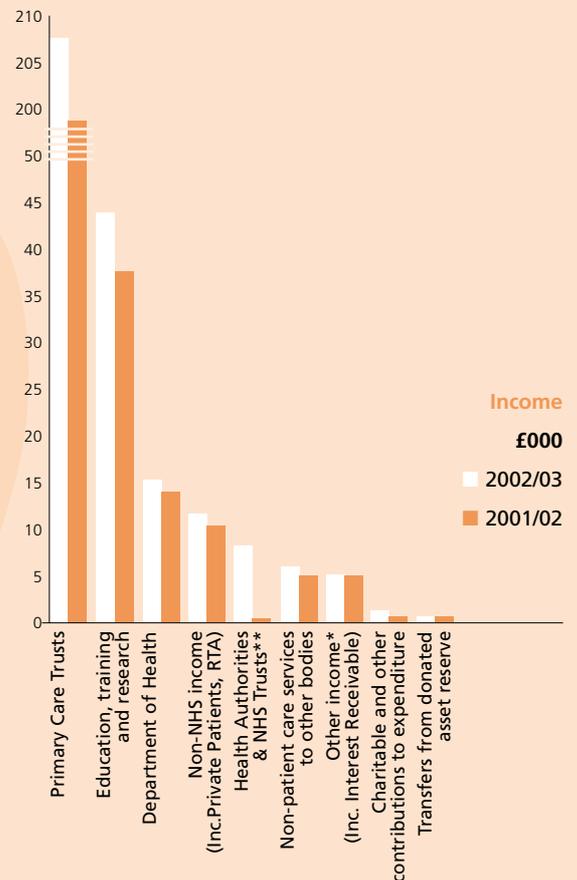
The Trust is required to absorb the cost of capital at a rate of 6% of average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital bears to the average relevant net assets. In 2002/03 the capital absorption rate was 6.5%. The variance from 6% is within the Department of Health's materiality range of 5.5% to 6.5%.

External financing

The Trust is given an external financing limit, which it is permitted to undershoot. In 2002/03 this external financing limit was £18,208,000. Cash flow financing of £20,143,000 less capital receipts of £1,935,000 mean there was no undershoot/overshoot in 2002/03.

Capital Resource Limit

The Trust is given a Capital Resource Limit which it is not permitted to overspend. In 2002/03 there was an underspend of £31,000 against the CRL.



Balance sheet as at 31 March 2003

	31 March 2003 £000	31 March 2002 £000
Fixed assets		
Intangible assets	133	168
Tangible assets	177,468	151,166
	177,601	151,334
Current assets		
Stocks and work in progress	5,575	4,786
Debtors	30,624	15,350
Investments	0	0
Cash at bank and in hand	1,561	3,400
	37,760	23,536
Creditors: Amounts falling due within one year	(38,815)	(30,157)
Net current assets (liabilities)	(1,055)	(6,621)
Total assets less current liabilities	176,546	144,713
Creditors: Amounts falling due after more than one year	0	0
Provisions for liabilities and charges	(11,321)	(11,376)
Total assets employed	165,225	133,337
Financed by:		
Taxpayers' equity		
Public dividend capital	111,087	100,718
Revaluation reserve	40,681	28,787
Donated Asset reserve	14,321	12,679
Government grant reserve	0	0
Other reserves	0	0
Income and expenditure reserve	(864)	(8,847)
Total taxpayers equity	165,225	133,337

Statement of total recognised gains and losses for the year ended 31 March 2003

	2002/03 £000	2001/02 £000
Surplus (deficit) for the financial year before dividend payments	8,734	8,496
Fixed asset impairment losses	0	0
Unrealised surplus (deficit) on fixed asset revaluations/indexation	21,608	4,217
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	563	1,968
Reductions in the donated asset and government grant reserve due to the depreciation, impairment and disposal of donated and government grant financed assets	(687)	(615)
Additions/(reductions) in "other reserves"	0	0
Total recognised gains and losses for the financial year	30,218	14,066
Prior period adjustment		
- Pre-95 early retirement	(8,286)	0
- Other	0	0
Total gains and losses recognised in the financial year	21,932	14,066

Cash flow statement for year ended 31 March 2003

	2002/03 £000	2001/02 £000
Operating activities		
Net cash inflow(outflow) from operating activities	8,193	21,558
Returns on investments and servicing of finance:		
Interest received	304	417
Interest paid	0	0
Interest element of finance leases	0	0
Net cash inflow/(outflow) from returns on investments and servicing of finance	304	417
Capital expenditure		
Payments to acquire tangible fixed assets	(19,808)	(8,722)
Receipts from sale of tangible fixed assets	0	0
(Payments to acquire)/receipts from sale of intangible assets	(133)	(39)
Net cash inflow (outflow) from capital expenditure	(19,941)	(8,761)
Dividends paid	(8,699)	(8,320)
Net cash inflow/(outflow) before management of liquid resources and financing	(20,143)	4,894
Management of liquid resources		
Purchase of investments	0	0
Sale of investments	0	0
Net cash inflow (outflow) from management of liquid resources	0	0
Net cash inflow (outflow) before financing	(20,143)	4,894
Financing		
Public dividend capital received	22,317	3,000
Public dividend capital repaid (not previously accrued)	(4,000)	(8,217)
Public dividend capital repaid (accrued in prior period)	0	0
Loans received	0	0
Loans repaid	0	0
Other capital receipts	1,935	509
Capital element of finance lease rental payments	0	0
Cash transferred from/to other NHS bodies	0	0
Net cash inflow (outflow) from financing	20,252	(4,708)
Increase (decrease) in cash	109	186

Management costs

	2002/03 £000	2001/02 £000
Management costs	10,945	9,158
Total Income	300,588	263,789
Management Costs as a % of Income	3.64	3.47

Management costs are as defined in the document 'NHS Management Costs 2002/03' which can be found on the internet at <http://www.doh.gov.uk/managementcosts>.

Salary and pension entitlements of senior managers

Name and title	Period in office	Age	Salary (bands of £5000)	Other remuneration (bands of £5000)	Golden hello/ compensation for loss of office	Benefits in kind	Real increase in pension at age 60 (bands of £2500)	Total accrued pension at age 60 at 31 2002 (bands of £5000)
			£000	£000	£000	£000	£000	£000
Chairman & Non-Executive Directors								
M. Parker – Chairman	Dec 2002 – Mar 2003	42	5 – 10	0	0	0	N/A	N/A
M. Doherty – Chairman	Nov 1996 – May 2002	63	0 – 5	0	0	0	N/A	N/A
F. Stansil – Acting Chairman	Jun 2002 – Nov 2002	68	5 – 10	0	0	0	N/A	N/A
J. Moxham	Oct 2000 – Mar 2003	58	5 – 10	0	0	0	N/A	N/A
H. Gilmour	Apr 2002 – Mar 2003	38	5 – 10	0	0	0	N/A	N/A
J. Roscoe	Apr 2002 – Mar 2003	55	5 – 10	0	0	0	N/A	N/A
P. Brown	Apr 2002 – Mar 2003	47	5 – 10	0	0	0	N/A	N/A
Executive Directors								
M. Lowe-Lauri – Chief Executive	Jun 2002 – Mar 2003	45	100 – 105	0	0	0		
P. Forden – Director of Finance	Jun 2002 – Sept 2002	42	30 – 35	0	0	0	0 – 2.5	25 – 30
P. Forden – Acting Chief Executive	Apr 2002 – May 2002	42	15 – 20	0	0	0	0 – 2.5	25 – 30
C. Clough – Medical Director	Apr 2002 – Mar 2003	49	15 – 20	90 – 95	0	0	(2.5) – 0	30 – 35
J. Docherty – Director of Operations & Nursing	Apr 2002 – Mar 2003	*	95 – 100	0	0	0	2.5 – 5	25 – 30
S. Taylor – Director of Finance	Oct 2002 – Mar 2003	41	45 – 50	0	0	0	0 – 2.5	10 – 15
S. Taylor – Acting Director of Finance	Apr 2002 – May 2002	41	10 – 15	0	0	0	0 – 2.5	0 – 5

* Consent to release information withheld.

Performance related bonuses are paid as a lump sum on the achievement of a combination of team and individual objectives. The objectives cover patient services, financial performance and organisational development. These criteria are weighted to reflect the significance of each area. Review of the bonus targets and overall performance is taken by the Remuneration Committee comprising of the Non-Executive Directors of the Trust.

Public sector payment policy

Better Payment Practice Code - measure of compliance	2002/03 Number	2002/03 £000
Total bills paid in the year	113,593	138,711
Total bills paid within target	77,598	104,718
Percentage of bills paid within target	68.31%	75.49%

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

The Late Payment of Commercial Debts (Interest) Act 1998

Amounts included within Interest Payable arising from claims made by businesses under this legislation was £0 (2001/02 £0).

Malcolm Lowe-Lauri
Chief Executive Officer
6th August 2003

Simon Taylor
Director of Finance and
Information Services
6th August 2003

Board of Directors

Chairman

Michael Parker

from December 2002

Chair: Trust Board, Finance Committee.+

Principal: Parker's Chartered Certified Accountants and Registered Auditors.

Vice Chair and Treasurer: Central London Fabian Society.

Director: Harambee Ltd (now dissolved); Parker's Rice Ltd.

Director and Secretary: Parker Sidebang Ltd.

Management Committee: Pathway Housing Association.

Acting Chairman

Frank Stansil

from June 2002 to November 2002

Chair: Audit Committee to May 2002.+

Non-Executive Chairman: Independent Direct Marketing Ltd; Caviar Kaspia (London) Ltd; Petit Delice pls.

Non-Executive Director: Feline (Lost & Found Cats) Helpline; Tower Casino Group Ltd.

Trustee: The King's Appeal

Chairman to May 2002

Michael Doherty

Chair: Trust Board, Governance Committee and Finance Committee.+

Director: Hamiltons London Ltd.

Chairman: Council, St John's School, Leatherhead and Norcross Trustees.

Director and Chairman: Chronos Richardson Ltd.

Trustee: King's College Hospital Charitable Trust.

Non-executive directors

Heather Gilmour+*

Appointed November 1997, reappointed Dec 2001

Chair: Audit Committee from June 2002

Deputy Chair from December 2002

Private consultant undertaking work for a range of NHS bodies.

Professor John Moxham,

to March 2003+*

Appointed October 2000.

Chair: Governance Committee (from June 2002 to March 2003).

Pamela Brown+

Appointed August 2001.

Chair: Fair Access and Equal Opportunities Committee.

Management consultant undertaking working within the NHS. Chair of Presentation Housing Association, which may tender for provision of housing for key workers.

Gareth Roscoe+

Appointed August 2001.

Chair: Board Working Group on Complaints.

Frank Stansil

to October 2002+*

See above.

* Audit Committee members

+ Remuneration Committee members

Executive directors

Executive directors are appointed through a process of open advertising and formal selection interview. All appointments are permanent and subject to normal procedures and notice entitlement.

Chief Executive

Malcolm Lowe-Lauri

from June 2002

Tel: 020 7346 2124

Member of the NHS Service Delivery and Organisation Board, Expert Adviser to CHI on performance indicators, school governor, adviser to NHS Modernisation Agency Clinical Governance Support Team.

Acting Chief Executive

Paul Forden

January 2002 to May 2002

Executive Director –

Nursing and Operations

Jacqueline Docherty

Tel: 020 7346 3270

Appointed September 1997.

Executive Director –

Finance and Information Services

Simon Taylor

Tel: 020 7346 1510

Appointed August 2002

Paul Forden

to July 2002

Executive Director – Medical

Professor John Moxham

Tel: 020 7346 3164

Appointed April 2003

Dr Chris Clough

to March 2003

Directors

Human Resources:

Michael Griffin

Strategic Development:

Nick Moberly

from January 2003

Simon Wood

to December 2002

Facilities:

Ahmad Toumadj

...and day...



Our mission

King's: achieving excellence in patient care

Our vision

King's College Hospital will be recognised as:

- providing services which are relevant and sensitive to our patient's needs, are underpinned by quality systems and practices and deliver optimal health outcomes
- ensuring that patients are cared for in facilities which meet the demands of today and can adapt to changes in healthcare in the future
- adding value and delivering benefits to the community in south-east London
- involving and working in partnership with patients and a wide range of organisations and people to improve services and foster appropriate clinical networks
- a world-class university teaching hospital achieving excellence in collaborative clinical practice, teaching, training and research
- an organisation in which life-long learning and continuous performance improvement are fostered amongst all staff, enabling them to reach and use their full potential

Our strategic objectives

- To deliver an all-round level of performance that ensures the Trust continues to be a three star hospital
- To push forward the development of the hospital in line with the national agenda and the NHS Plan
- To develop a culture where increasing focus is placed on caring for patients and staff and life-long learning is encouraged
- To work in partnership with other organisations to develop the local health economy and King's position as an acute teaching hospital within that health economy
- To implement the key deliverables set out in the Trust's strategic plan

...and...



Want to know more?

This annual report contains a brief outline of the work done at King's College Hospital. You can find out more from King's web site www.kingsch.nhs.uk. This contains the latest news, career opportunities, our clinical governance annual report and more detailed information about patient care.

Produced by the
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