King's College Hospital NHS
NHS Trust

Making breakthroughs

Annual Report 2004-05

King's

King's vision is to...

- Provide excellent care that is based on the needs of each individual patient, and is guided by current best practice
- Improve our environment and facilities, whilst ensuring sufficient flexibility to meet changing clinical practice and healthcare needs
- Support the overall development of the community of South East London
- Demonstrate real partnerships with patients and their carers, and with other health organisations
- Enhance our reputation as a world class centre of clinical and academic excellence
- Be recognised as a good employer with high quality staff who are well supported
- Value the diversity of our staff and patients

Our strategic direction is...

- To transform the way in which our services are delivered, to ensure that we are the provider of choice for the services we offer – in terms of quality of care, patient satisfaction, efficiency and staff capability
- To reinforce our position as a leading academic hospital, through focused development of our service and academic portfolio

We aim to be....

- A provider of high quality local general medical and emergency / trauma services for residents of Lambeth, Southwark and adjacent areas, collaborating closely with partners to ensure seamless delivery of care across integrated patient pathways
- A national centre of excellence in day surgery
- A provider of a focused portfolio of regional and national specialist services, with an international reputation in key areas, in particular neurosciences, transplantation / organ failure and cardiac services
- An academic hospital, whose service portfolio is underpinned by high quality research with a clinical bias, having complementary strengths to areas of specialist clinical expertise
- A provider of outstanding teaching programmes to medical and dental staff and students, and other healthcare professionals

Who are we?

King's College Hospital NHS Trust is one of London's largest and busiest teaching hospitals, with a unique profile of strong local services and a focused set of tertiary specialties.

This includes providing specialist services to patients across a wide catchment, and we are recognised nationally and internationally for our work in liver disease and transplantation, neurosciences, cardiology and haemato-oncology.

King's provides a full range of local hospital services for over 700,000 people in the London boroughs of Lambeth, Southwark and Lewisham, and plays a key role in the training and education of medical, nursing and dental students.

King's works actively to develop partnerships with other health care organisations, to ensure that we deliver first-class services to people in South East London and beyond. This includes academic links, such as with Guy's, King's and St Thomas' Schools of Medicine and Dentistry and the Institute of Psychiatry, and close collaboration with local Primary Care Trusts and other acute Trusts.

We continue to strengthen King's reputation for innovation and clinical leadership, for example, building on our national designation as a Centre for Innovation and Teaching in Elective Care. Together with the Medical School we are investing in academic Neurosciences, to complement the strength of the clinical service, and we are establishing a Cellular Therapy Unit, which will support the pioneering cell transplant work being carried out at King's.

As a health service provider, and a major employer, we are keen to play our part in the surrounding area and help reduce social and health inequalities. We are committed to the delivery of excellent healthcare through the employment, development and motivation of all our staff. This includes a particular focus on teams, working across boundaries and the involvement of clinical staff in all aspects of management within the Trust.

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Chairman's statement

From Michael Parker

This time last year we were reporting a deferment in our application for Foundation Trust status, and during the course of the last year we have chosen to continue to defer the application whilst seeking to improve our financial and operational efficiency and effectiveness through the Kings First Choice transformation programme.

As part of our preparations for FT status we had created a Board of Governors and recruited a membership of many thousands. Whether we are a Foundation Trust Hospital or not, we are committed to building on our successful governance arrangements, and to maximise the benefit to King's of having such an influential and dedicated group of Governors working with us. We are also linking with the thousands of staff, patients and local residents who had committed to play their part in helping King's become more responsive to the communities it serves.

Over the last year we have had the opportunity to run an extensive induction process for all our Governors, to allow them to gain a greater understanding of the Trust – how we work, and what the key issues are for King's.

We have started a monthly members seminar series, on health topics as wide ranging as diabetes, sickle cell and care of the elderly. These seminars are open to all our members, and have proved very popular.

Our elected Governors have also been helping us gain a patient and staff perspective on a number of important issues affecting the Trust. Working groups looking at Transport and Access to the Hospital, Patient Choice and the ways in which we relate to our members have been meeting since January 2005, and have already produced tangible results – a lobbying campaign on rail routes has helped safeguard a strategically important route for King's, we have used our membership as a reference group on patient choice issues and used them to consult on our race equality policy.

We value the contribution of the Governors and members enormously, and we will continue to work with them in as many different ways as possible.

We have always taken pride in the fact that we are a teaching hospital that is embedded in its local community, and we see closer links with that community and with staff and patients as a vital ingredient for success in the future. King's is not just our hospital, it is their hospital, and they should have a say in its future.

I would also like to take this opportunity to thank my Board colleagues for their hard work and many successes during the year. I would particularly like to thank my Deputy Chair, Heather Gilmour, who steps down in October 2005 after eight years as a Non Executive Director.

Heather's contribution to King's over the years has been enormous. She has chaired the Complaints, Audit and Governance Committees, been the Champion for the Older Persons' National Service Framework, and taken a strong interest in the areas of patient experience and governance. She will be sorely missed, but we wish her well for the future.

Chief Executive's report

From Malcolm Lowe-Lauri

If there is one thing above all others that has characterised King's College Hospital throughout its long history, it is our ability to differentiate ourselves from the pack, to innovate and create new ways of doing things and to make breakthroughs in all kinds of different areas.

In 2003 we made headlines when our liver team performed the first successful healthy liver cell transplants on babies, which can completely remove the need for a liver transplant. This year, a multidisciplinary team at King's College Hospital has successfully achieved islet cell transplantation in a Type 1 diabetes patient who had suffered from the disease for more than 30 years. He is now free from the need for insulin injections. This breakthrough has major implications for diabetes sufferers and has never before been achieved in the United Kingdom.

First Choice
It is not just in the fields of medical research and clinical excellence that we like to be first. Our aim is to become the First Choice Hospital for staff and patients, and at the beginning of this financial year we commenced a two to three year programme to deliver a dramatic improvement in our efficiency and effectiveness.

This wide ranging programme is addressing issues as diverse as the introduction of new financial reporting and performance management systems, the development of key standards to guide staff in their behaviour toward patients, lobbying to help improve the transport infrastructure in our local area to help patients access the hospital more easily and improving the choice and delivery of patient food. We are just at the beginning of this long running programme, and I look forward to reporting back to you on our progress this time next year.

A challenging year
The past year has been a challenging one for us, we have seen great successes – like the diabetes breakthrough, our outstanding performance in treating patients quickly and efficiently in A&E, and the work we have been carrying out with our Governors, helping us to form closer links with our local community. However, there have been disappointments as well. This year was the first since the star performance ratings were introduced that we did not achieve the highest three star rating. We are very proud of the fact that we have been the only Trust in London to be rated at three stars for the four years the system has been in place. What makes it all the more frustrating is that the loss of the star relates only to our financial performance. In all other areas – our clinical performance, our care for patients and our operational capability – our hard work and commitment has been rewarded with high scores. In the key target area of A&E performance we were rated amongst the best in the country, despite being one of the busiest A&E departments, seeing around 110,000 patients annually. Our staff have worked incredibly hard, and it is to their credit that our ratings for clinical and patient focus remain so high.

Work on improving our financial performance as part of the First Choice programme is already fundamentally strengthening our underlying position and we will see progress in this year on year. There are always new challenges for King's – every year brings new initiatives or targets for us to meet. I am sure that, as always, our staff will be equal to the task and will be instrumental in establishing King's as the patient's First Choice.

Medical breakthroughs at King's are making a real difference to our patients' quality of life

INSULIN DEPENDENCE COULD BE A THING OF THE PAST FOR DIABETES SUFFERERS

Richard Lane (seated), who became the first UK diabetes patient to achieve insulin independence following a series of three ground breaking pancreas islet cell transplants in 2004, meets with consultant liver surgeon Nigel Heaton and diabetes consultant Professor Stephanie Amiel.

All the expertise needed to perform this procedure was available at King's. Richard was the first UK patient to achieve insulin independence with this regimen and the third patient to have received an islet transplant at King's. All three patients have seen a major improvement in their diabetes control and a complete protection from hypoglycaemia for as long as the islets continue to function. Our second patient, who had previously had to stop exercise because of hypoglycaemia, carried the Olympic torch for the UK in the summer.

Richard Lane has suffered from Type 1 diabetes for over 30 years, experiencing increasing problems with his diabetes therapy. Prior to the islet transplant he endured severe, potentially life threatening hypoglycaemic attacks which profoundly affected his quality of life. Following the islet transplant he is now producing his own insulin and is completely free from hypoglycaemia.

Islet cells are obtained from donor pancreases and are transplanted by injection, into the liver of the recipient. Once in the liver, the cells develop their own blood supply and begin producing insulin. This procedure is minimally invasive and only takes around 45 minutes to complete.

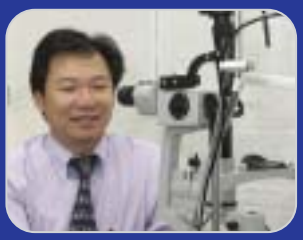
Historically, islet transplants have only been partially successful, in that they have reduced the amount of insulin required: the need for regular injections still remained. Richard's case has proved that it is possible for islet transplants to lead to freedom from administered insulin and the side effects normally associated with diabetes treatment. This breakthrough has major implications for diabetes sufferers and has never before been achieved in the UK.

There are around 250,000 people in the UK currently suffering from Type 1 diabetes. The patients live with the constant need to be aware of their blood glucose levels and the threat of long term complications such as blindness, renal failure, amputation and cardiovascular disease. Hypoglycaemia is also an ever-present threat and can vary from being mildly uncomfortable to life threatening. People with Type 1 diabetes often live extremely regimented lives, requiring self blood testing four times or more times per day, injecting insulin five times per day and constantly being aware of the food they eat, level of exercise and levels of alcohol consumption.

More research needs to be done to perfect the islet isolation procedures and the drugs we use to prevent rejection of the islets and recurrence of the diabetes. At present we can therefore only offer this treatment to patients for whom conventional treatments are failing in a major way. However, it is our aim that ultimately all people with Type 1 diabetes would become eligible for islet transplantation and free from insulin dependence.

Fast track clinic aims to save older people's sight

A new fast track clinic for the treatment of age-related macular degeneration (AMD) at King's will save the sight of hundreds of older people. King's has been appointed a designated regional centre for photodynamic therapy (PDT), serving South East London and West Kent.



PDT is a relatively new treatment for AMD, developed initially in 2000. After successful trials, it became available at King's to local patients in 2002. As a regional centre it is estimated that King's can now save the sight of an additional 150 patients per year. As the treatment window is narrow and early treatment gives a better outcome, King's is now offering a fast track PDT screening clinic for referrals from both GPs and optometrists and most patients referred will be offered an appointment within two weeks.

King's brings together world transplant experts

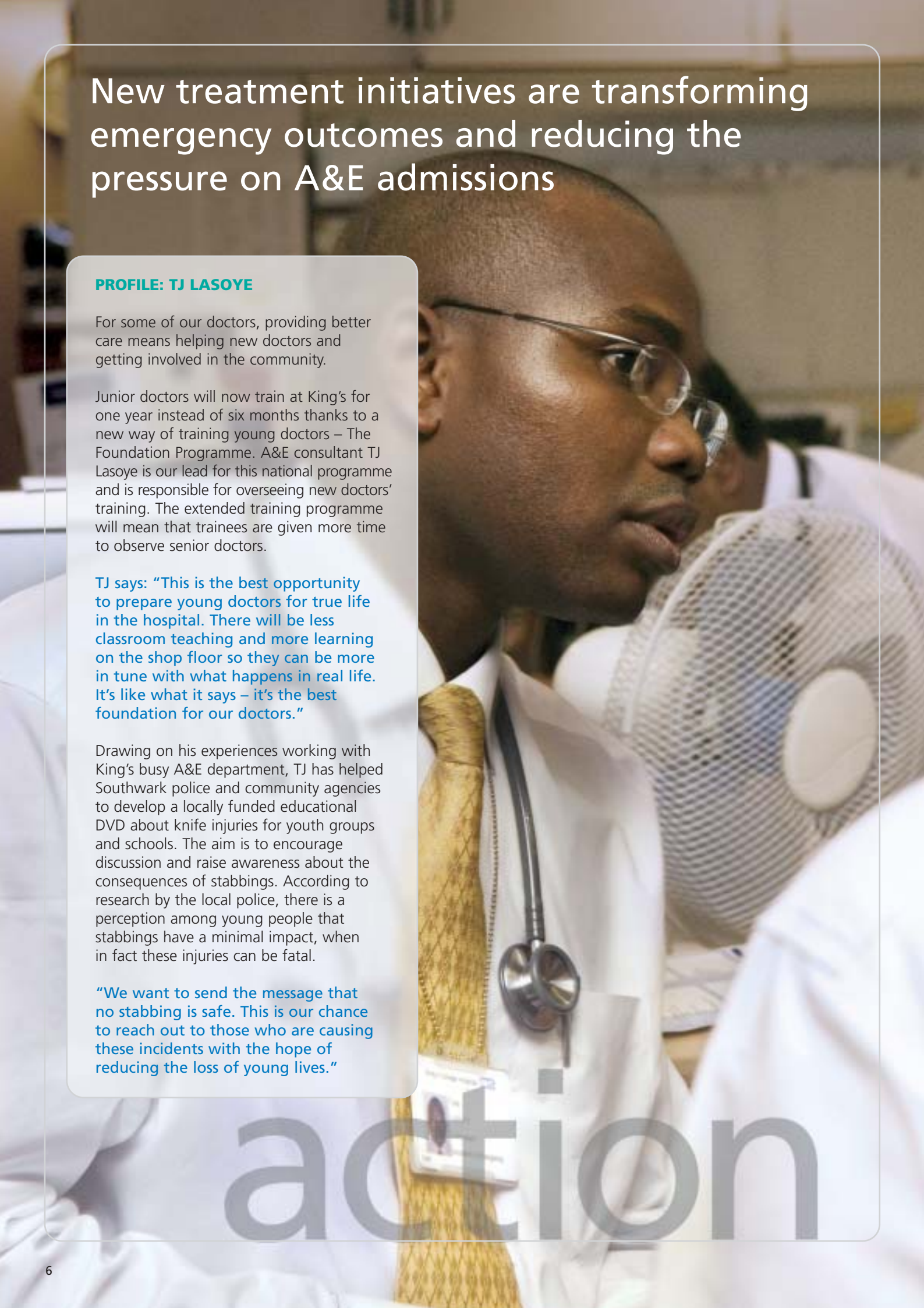
Non-heart beating donation has been re-established in response to the shortage of organs for transplantation. To further develop this transplant programme King's brought together international transplant experts to share experiences at a two-day conference in London in May 2004 which was organised by Dr Muiesan, liver transplant surgeon.

Internationally, huge leaps forward are being made in non-heart beating donation. Following the successful long-term results with the use of kidneys and more limited experiences with liver transplants, non-heart beating lung and pancreas transplantation programmes are now becoming a reality.

The use of non-heart beating donors was discontinued in the 1970s in favour of using brain dead, heart beating donors, as these organs are preserved by oxygenated blood. However modern techniques of retrieval, preservation and transplantation have improved the outcomes of organs from non-heart beating donors and these are proving an invaluable alternative source of organs.

King's operates one of the world's largest non-heart beating donor programme for liver transplant patients.

New treatment initiatives are transforming emergency outcomes and reducing the pressure on A&E admissions



PROFILE: TJ LASOYE

For some of our doctors, providing better care means helping new doctors and getting involved in the community.

Junior doctors will now train at King's for one year instead of six months thanks to a new way of training young doctors – The Foundation Programme. A&E consultant TJ Lasoye is our lead for this national programme and is responsible for overseeing new doctors' training. The extended training programme will mean that trainees are given more time to observe senior doctors.

TJ says: "This is the best opportunity to prepare young doctors for true life in the hospital. There will be less classroom teaching and more learning on the shop floor so they can be more in tune with what happens in real life. It's like what it says – it's the best foundation for our doctors."

Drawing on his experiences working with King's busy A&E department, TJ has helped Southwark police and community agencies to develop a locally funded educational DVD about knife injuries for youth groups and schools. The aim is to encourage discussion and raise awareness about the consequences of stabbings. According to research by the local police, there is a perception among young people that stabbings have a minimal impact, when in fact these injuries can be fatal.

"We want to send the message that no stabbing is safe. This is our chance to reach out to those who are causing these incidents with the hope of reducing the loss of young lives."

King's A&E department is one of the busiest in London, often seeing more than 400 patients a day.

Whilst patient numbers have increased, King's has been one of the most successful hospitals in meeting the Government's A&E waiting times target of 98% of patients seen, admitted or discharged within four hours.

We have been introducing a number of new initiatives to help us achieve this excellent performance.

Patient liaison pilot in A&E

King's and Southwark Primary Care Trust (PCT) have joined forces to work on a groundbreaking scheme designed to improve care and reduce waiting times in A&E. The scheme was originally planned as a short-term pilot but has been so successful that it has become a permanent service at King's and is also being implemented in other London hospitals.

Patients arriving at King's A&E are now first appraised by an assessment nurse and if it is established that the patient could be seen by a GP, the nurse refers them to the Southwark PCT PALS team, based in King's A&E department. The Patient Advice and Liaison officer, after discussion with the patient, makes them a same-day GP appointment, registers them with a local GP if applicable, or refers them back to A&E staff. By offering patients a community alternative, waiting times for some conditions have been reduced and patients are fully informed of their local NHS services and how to access them. During the pilot, the PALS officers found that of the total number of patients seen by them in a four-week period, only a quarter needed to stay in A&E to be treated.

SOS service for the elderly reduces pressure on A&E

King's has developed a SOS service for elderly patients as an alternative to visiting A&E. The Betty Alexander Suite at Dulwich Hospital is a medical day unit focused on emergency assessment, treatment and rehabilitation of acute and chronic conditions. It accepts referrals for urgent cases that require immediate investigations or treatment. This benefits acute and chronically unwell patients who require further investigations and / or minor procedures.

Elderly patients benefit from the suite's "one stop shop" approach: x-rays, blood tests and ECGs can be carried out on the same day. The service is multi-disciplinary and links to social services, occupational therapists, physiotherapists, chiropodists, tissue viability nurses and the pain team.

Of the 213 referrals seen in 2004, 93% were successfully managed in community settings. Only four patients were transferred to A&E and 10 were admitted to hospital.

Heart attack patients are treated faster and recover sooner at King's

Traditionally patients suffering from a heart attack have been treated with clot busting drugs (Thrombolysis). However, medical research shows there are fewer heart complications after treatment and patients go home sooner following a first line procedure called primary angioplasty. King's now has extended this service to more of South East London.

The treatment involves transferring the patient directly to a catheter laboratory where a thin tube is passed into the heart to allow a detailed x-ray to be taken. This identifies the location of the blockage in the heart and allows Cardiologists to open the artery with a balloon and keep it open with a metal cylinder called a stent.

APRIL 2004 King's has been selected as one of seven pilot sites for a national study commissioned by the Department of Health to assess whether this treatment can be used to treat heart attacks more widely. King's has been working closely with organisations across South East London including the London Ambulance Service as promptness of treatment is key to success of the outcome for the patient.

Our aim to gain a greater understanding of patients' needs and concerns has resulted in a number of innovative new initiatives

IMPROVING INFECTION CONTROL

In the past year, King's has been rated one of the best performers in the country for the reduction of MRSA rates.

While we are encouraged by the results, we will not become complacent. Infection control issues are, and continue to be, a priority for King's and over the last year we introduced a number of new measures to help address them. We have:

- Launched a hand hygiene campaign, cleanyourhands©, in conjunction with the National Patient Safety Agency
- Vigorously targeted problem areas and increased precaution levels for all areas, including hand washing and environmental cleaning
- Introduced electronic alerts for all MRSA-positive patients coming into the Trust
- Ensured microbiologists attend ward rounds in high risk areas to advise on best antibiotic use and infection control
- Provided infection control education for all healthcare workers and medical/nursing students
- Ensured that our electronic education tool for infection control training for healthcare workers is widely used
- Appointed a specialist antibiotic pharmacist to oversee and monitor the management of antibiotic use in the Trust
- Set up an Infection Control Group to design, implement and monitor an infection control score card for all care groups.

A VOLUNTEER WITH A BIG HEART

King's volunteer Peter Massey works once a fortnight at our cardiac pre-assessment clinic. Having undergone five-way bypass graft surgery at King's in March 2004, Peter knows what it is like for patients who are about to experience major heart surgery. His relaxing and friendly manner puts patients at ease as he shares his own experiences. Peter says: "It's nice to see the staff who treated me, and it must be good for them to see a patient doing well. I like to give something back and I feel privileged to now be a small part of the team."

Ward workouts give older people stability and reduce falls

Nurses at King's have launched "Ward Workout", a new initiative to improve the health and mobility of older people. The nurse-led exercise project is specifically designed for older patients staying on King's rehabilitation wards and aims to help older people achieve a healthier lifestyle and reduce falls. The nurses hope that gentle exercise introduced in hospital will be kept up after discharge.

Exercise programmes help older people improve strength and balance, which in turn reduces falls. Exercise can also make a significant contribution to healthy ageing: activity improves physical well being, promotes social interaction and positive mental health.

King's nurses who work with older people, have undertaken specialist training to become postural stability instructors. These nurse instructors will work with patients who are reasonably fit with an average age of over 75. The nurses will either work one-to-one with patients, or in small groups and will tailor programmes to individual needs.

This initiative is vital in the rehabilitation of older people admitted to hospital. In excess of 400,000 older people attend A&E each year as a result of an accident and up to 14,000 die as a result of a hip fracture.

Pain research unit gives new hope to patients

Millions of patients living with long-term chronic pain could benefit from a unique scientific collaboration between King's, King's College London (KCL) and Pfizer. Researchers at the newly formed Pain Clinical Research Hub (PCRH) will use the latest imaging techniques to look inside the brains of people suffering pain. They hope to discover new ways to measure pain, establish the efficacy of new treatments and reduce the time it takes to develop these drugs into new medicines.

The PCRH will focus on producing clinically validated biological measures, known as biomarkers, which help to accelerate the development of new medicines. These biomarkers will aid diagnosis and the monitoring of disease progression and patients' response to treatment, thus producing more robust outcomes from clinical trials. Initially the research will focus on patients with back pain, diabetes and pain caused by nerve injury.

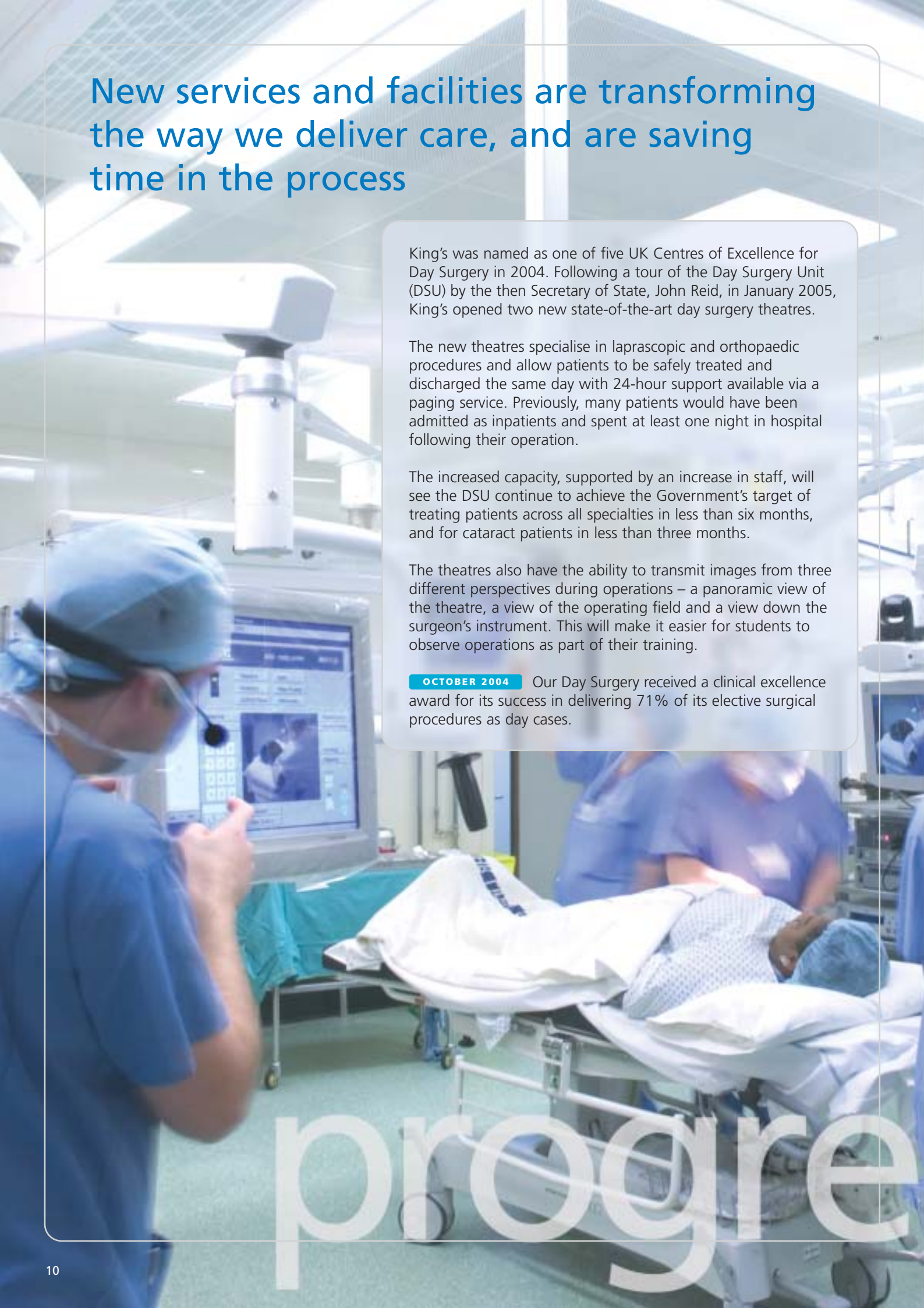
Counselling service is first of its kind

King's Counselling and Psychotherapy Team has developed a service to assess and address patients' and carers' emotional needs. The team consists of three qualified and experienced counsellors/ psychotherapists, and up to 12 trainees. They all work closely with wards and departments, offering counselling and psychotherapy sessions across the Trust. Whereas many psychiatric hospitals employ counsellors and psychotherapists to support patients, this is the only team of its kind within a general hospital in the UK. It reflects the holistic approach to patient care in King's, and the understanding that being a patient often means receiving bad news, adjusting to change or facing injuries, pain and death. All these can trigger anxiety, depression, shame, anger or despair.

In addition to this service, there are specialist counsellors in the renal unit, haematology-oncology department, the epilepsy clinic, the rehabilitation centre and the Haven. There are also staff counsellors in occupational health and the LAS (London Ambulance Service).

The Counselling and Psychotherapy Team is also innovative in its services for staff. It offers reflective practice sessions to all teams on wards and in outpatient departments; one-off debriefs following critical incidents; training in listening skills, communication skills, breaking bad news and bereavement; workshops on managing conflicts; informal advice and support. These services contributes to staff personal and professional development as well as to better patient care.

New services and facilities are transforming the way we deliver care, and are saving time in the process



King's was named as one of five UK Centres of Excellence for Day Surgery in 2004. Following a tour of the Day Surgery Unit (DSU) by the then Secretary of State, John Reid, in January 2005, King's opened two new state-of-the-art day surgery theatres.

The new theatres specialise in laprascopic and orthopaedic procedures and allow patients to be safely treated and discharged the same day with 24-hour support available via a paging service. Previously, many patients would have been admitted as inpatients and spent at least one night in hospital following their operation.

The increased capacity, supported by an increase in staff, will see the DSU continue to achieve the Government's target of treating patients across all specialties in less than six months, and for cataract patients in less than three months.

The theatres also have the ability to transmit images from three different perspectives during operations – a panoramic view of the theatre, a view of the operating field and a view down the surgeon's instrument. This will make it easier for students to observe operations as part of their training.

OCTOBER 2004 Our Day Surgery received a clinical excellence award for its success in delivering 71% of its elective surgical procedures as day cases.

Breast Care Centre modernised

King's Breast Care Centre was transformed during the year with modern facilities and the support of a multi-disciplinary team. There are four mammogram rooms, three ultrasound rooms, six consulting rooms and two separate waiting rooms designed to enhance patient privacy. Specialist services include X-ray guided prone biopsy, which is one of only a few in the country.

There is also a dedicated prosthesis fitting room, bra-fitting service and a soon-to-be-introduced wig fitting service. Complementary therapies such as relaxation and hypnotherapy are also planned to run along side the more traditional treatments.

The centre will also be developing specialist screening services for women identified as being at high risk of malignancy due to family history.

New treatment for epilepsy patients

King's has become one of the UK's biggest Vagus Nerve Stimulation (VNS) transplantation centres. This treatment, offered to epilepsy patients whose seizures can not be controlled with drugs or surgery, uses an electrical device to stimulate the vagus nerve in the neck. Energy pulses help prevent the electrical activity in the brain that leads to seizures.

VNS implantation is carried out in our day surgery unit after an initial assessment and treatment continues at a nurse-led VNS clinic where the implant is monitored and assessed regularly by the referring neurologist. Patients and carers are also given advice on implantation and post-operative management at group information sessions.

Using technology to improve patient care

Electronic Patient Records (EPR)
Over 4,000 King's staff have now been trained to use our EPR system. Over 1,000 workstations regularly access the system and over 1250 people access it at any one time. The system gives appropriate users the ability to request tests and procedures electronically and to view results for a wide range of diagnostic tests including all pathology and imaging disciplines: recent additions include Liver and Neuro pathology and Neurophysiology.

The EPR can also be used for a growing number of referrals to therapeutic and other services, such as orthotics and smoking cessation and contains an ever-increasing number of clinical documents.

Picture Archive and Communications System (PACS)
King's is amongst the first hospitals in London to implement a PACS system, maintaining its reputation for being at the forefront of emerging medical and information technologies.

PACS allows the radiology department to manage patients' images electronically, allowing them to be available when and where they are needed, and preventing loss and the need for re-imaging. Our goal is to make every image available when required and to eliminate unproductive time locating and waiting for X rays.

Pharmacy developments saving time

An automated dispensing system (ADS) which uses bar-code technology went live during last year. The system uses a robotic arm to store and retrieve up to 25,000 packs using a space-efficient storage system. ADS frees up staff from the routine task of drugs supply, reducing waiting times for patients and allowing more time to be invested in clinical activities.

The pharmacy's Trace Rx® system, which allows ward staff to track the progress of a discharge prescription via PCs linked to the Trust's intranet, has also proved effective. The number of calls to the dispensary made by ward staff enquiring about discharge prescriptions has reduced by 85%. The reduction in the number of telephone calls has released about 20 hours of staff time at ward level to re-invest in more patient focused care.

Governors help King's get to grips with local issues

We value the opportunity to work more closely with our local community

King's NHS Foundation Trust application, deferred in December 2004, resulted in the appointment of 34 Governors – of whom 18 have been elected by our membership of patients and local people. We consulted widely with our Governors over the course of the last year, and reached agreements on areas of strategic importance. Our Governors' support is highly valued and we are keen to maintain this momentum and level of support.

As well as a detailed induction process, where we briefed all Governors on all aspects of the Hospital and how it operated, we were keen to use our stakeholder representatives as "the voice of the patient" in a number of different areas. During the year we consulted with Governors and established working groups in the following areas:

- Transport: This is an area which King's regards as vital to its future. The main purpose of the group is to assess local transport issues, develop a lobbying strategy to influence key decision makers and help improve patient and staff access to King's.
- Patient Choice: The main purpose of this group is to act as an expert reference group for the Trust's planned marketing activity around Patient Choice.
- Membership: As well as our elected Governors, we have a membership of more than 5,000, which we intend to grow this year.

The membership working group will be setting the agenda for how we communicate with members on a regular basis, our on-going recruitment and how we can utilise the membership to lobby on behalf of the Trust on issues such as transport and access.

These working groups mark an important step towards the hospital becoming a more outward looking organisation with a community focus. They are the first three priority areas we have identified where a "patient perspective" is vitally important. We anticipate more will develop at a later date.

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As local community activists, current staff and former patients themselves, we expect our Governors to provide us with new perspectives on these issues.

This model is helping King's engage with key local stakeholders in new ways. As a hospital situated in the heart of the communities it serves, we feel it is vital that we continue to consult and engage with those communities.

The Governors will be presenting a report at this year's AGM on 11 September, and members are encouraged to attend if they can.

Comments from governors on their experiences and revelations over the last year

Laurel Robertson "Over the past year, my fellow Governors and I have learned a great deal about how a large hospital like King's delivers its services and we have had a lot of fun along the way! It has been encouraging to see the Trust listening to our views as it plans for the future."

Rachel Hayward "As a Patient Governor and as a current patient, I have a longstanding relationship with King's. Getting to know the hospital better has been very worthwhile for me from a patient perspective. It is important that our public services consult with people and I have been impressed at how King's is taking our views on board."

Michael Mitchell "I, like others, was disappointed when King's did not become a Foundation Trust. However, the Trust has worked hard to increase our understanding of how it meets the needs of patients. It hasn't all been plain sailing but King's has made a real effort to educate and involve us in its work and in shaping its future direction."

Tim Mason "We have come a long way in the last year. King's is very good at understanding its role as part of the local neighbourhood. What has been fascinating for me has been learning about the broad range of issues pertinent to the Trust. When I became a Governor at King's, I never thought I would be talking about much needed improvements to the local railway station!"

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EQUALITY AND DIVERSITY

Race Equality Scheme
King's has launched a new Race Equality Scheme. The scheme outlines our strategy for ensuring we promote race equality in the way we provide and manage our services. The scheme is supported by five equality action plans which outline what we intend to do between 2005 and 2008 to achieve our equality and diversity objectives. The scheme was subject to extensive consultation with key stakeholder organisations, staff and our membership.

Cultural Diversity and Disability Action Review Groups
A staff-led Cultural Diversity Group has been established to consider the experiences of staff and patients from Asian, Black and other minority ethnic backgrounds. A similar group has been set up to consider the experiences of staff with disabilities. The role of both groups will be to share experiences, review the progress of the Trust against targets in the equality action plans and to put forward new ideas.

Positive about being disabled
King's has been reaccredited with the Positive about Disabled People symbol. The 'two tick' symbol shows we encourage staff with disabilities to apply for jobs at King's and value their abilities as employees.

To read our diversity annual report please visit our website: **www.kingsch.nhs.uk**

KING'S CONTINUES TO OPEN ITS DOORS TO THE COMMUNITY

King's hosted its second annual Open Day in September. The event gave local people the chance to visit the hospital, meet our staff and find out about the life-saving and life-changing work taking place on their doorstep. Our chief executive and chairman and many others abseilled down full height of the Golden Jubilee Wing to raise funds for the our Silver Lining Appeal for Children's Hospital equipment.

Becoming the first choice for patients and staff

Transformation programme

The environment within which our hospital operates has changed over the last few years and will continue to change rapidly. All patients are being given the right to choose their provider, and hospitals increasingly find themselves competing with each other and non-NHS providers for work. The introduction of payment by results – a new system whereby hospitals will be paid for specific operations or treatments rather than on a contract basis – will encourage all hospitals to reduce the cost of treatment, and increase patient volumes to remain competitive. All this at a time when performance targets will be getting ever more demanding. The implications for King's are significant.

To succeed in the future we need to have a greater understanding of what our patients want from us, and to recognise that this isn't always just the best medical treatment – factors such as cleanliness, easy access to the hospital, and how they are dealt with by staff when they get here are equally important.

We also recognise that we must continue to increase our efficiency. To do this we need to go right back to basics and question structures and procedures that may have been in place for many years, effectively taking our services apart and putting them back together in a smarter way. Staying as we are is no longer an option. If we want to survive and thrive as an organisation, we will have to change fundamentally what we do and how we do it.

A major programme of transformation has commenced at King's – the First Choice programme – which will run for the next two or three years. A project team made up of King's staff, along with some external advisors, are examining all the Trust's operations and services with the aim of introducing new systems to increase our efficiency and responsiveness to our patients.

This is an exercise about our services, and we could not get a true picture of how to proceed without input from the people who carry out those services and our key stakeholder audiences. With this in mind we held a stakeholder event in March 2005, to which patient representatives and local health partners were invited to discuss our future, our strengths and weaknesses and the objectives of the First Choice programme we hope will help transform us.

The input from the stakeholder day helped us formulate our final plans for First Choice, and set them in the context of wider strategic goals, as set out in the flow chart below.

King's First Choice programme has four key aims that provide the foundation for a series of specific projects.

First Choice aims to:

- Deliver ever-better quality of care
- Give patients a better experience
- Learn how to keep improving the way we work
- Work more efficiently so we can make the most of our resources

First Choice has four types of projects. Care Group based projects to improve service delivery processes, core process projects to build world class organisational infrastructure focusing on finance and performance management, capability projects to provide the skills we need to manage and improve how we work and projects to improve our patients' experience while at King's.

1st choice
King's First Choice Programme

The patient experience projects will address our communication (with each other and our patients), the hospital environment and food and how convenient it is for our patients and staff to get to King's. We will be reporting back on the process we have made in these areas next year.

How are we doing?

We have already launched a programme to help us better understand our patients' experiences of the care we provide. One of the initiatives, an inpatient survey known as "How are we doing?" requires patients to complete a short questionnaire before leaving King's to help us gauge their perceptions of care and interaction with staff.

Information from the questionnaire has helped us monitor how each ward is performing so that local action can be taken quickly to improve services where necessary. Results are collated centrally and monthly reports are available at ward, care group and executive levels to measure improvement.

OUR FOCUS FOR THE FUTURE

Become a premier academic hospital

Outstanding in clinical quality, operational and financial performance

Achieved through:
First Choice Programme

Robust and balanced service portfolio with strong link to the local healthcare community

Achieved through:
- Focused world-class academic portfolio
- National Centre for day case/short stay surgery
- Innovative local partnerships
- Best teaching programme in the NHS

Strong organisational foundations

Achieved through:
- Agenda for Change
- Choose and Book
- Continued development of IT systems portfolio

Improving our services through your comments, suggestions and complaints

Clinical performances, care and capability top-rated in star ratings

In the Healthcare Commission star ratings, published July 2005, King's was awarded two stars. This is the first time since the rating system was introduced that King's has been awarded less than three stars. The reason for the two star rating is the fact that the Trust reported a financial loss at the year end – though this amounted to less than 1% of our turnover. The ratings grade trusts on criteria such as operational performance, clinical focus, patient focus and staff issues.

One of our successes includes consistently achieving the government set targets for 98 per cent of patients in our A&E being seen and either admitted into or discharged from hospital within four hours.

We are the only trust in South East London to consistently achieve this target. Staff in King's A&E have worked hard on developing more ways of processing patients through the A&E. They have set new and challenging standards for each stage of the patient journey through the department so that patients are seen as soon as possible. The significantly reduced waiting times have also benefited staff who are now subject to less aggression from patients and whose day-to-day work is much less stressful.

Results from national patient surveys and other feedback also show that we need to continue with improvements to our communication amongst staff as well as with patients; food; and overall cleanliness in the hospital.

NATIONAL INDICATORS	NATIONAL TARGETS	KING'S RESULTS
Patients not waiting more than 12 hours in A&E after decision to admit	100%	Achieved 100%
Total wait time in A&E is four hours or less	98%	Achieved
Hospital cleanliness	3 points or more out of 5	Awarded 4 points
Cancer patients seen by specialist within two weeks of GP referral	98% or more	Achieved 100%
Financial management	Financial balance	Underachieved
Patients being able to book outpatient appointments and operations	67%	Achieved
Patients waiting more than 17 weeks for an outpatient appointment	0.03% or less	Achieved
Patients waiting more than nine months for an operation	0.03% or less	Achieved 0%

Visit www.healthcarecommission.org.uk for full report.

perform

We are currently part-way through a major transformation programme in the Trust, designed to increase our efficiency and effectiveness, and we are confident that our financial performance will improve as a direct result of the initiatives we will be introducing across the Trust over the next couple of years.

Improving services

Information from Complaints, PALS and Patient Surveys is used to identify areas where services need to improve. During the year, a new system was implemented to ensure that changes are made, and that this is monitored on a regular basis.

Some examples of changes made as the results of patient comments and views are as follows:

- Changes have been made to the way drugs are administered for young adult cystic fibrosis patients following a review
- Scans are now carried out on all women following termination of pregnancy, following purchase of an additional scanner
- Information given to patients undergoing a transplant has been changed to better reflect risks and potential complications
- The number of disabled parking spaces has been increased
- More robust multi-roll toilet roll dispensers have been installed in the hospital's public toilets

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PALS

King's Patient Advice and Liaison Service (PALS) acts as a central point for patients and the general public to get support, advice and information about the hospital's services, as well as help with accessing other health information.

In 2004/05, around 6,600 people made contact with PALS, a 35% rise on the previous year. Again, the majority of those contacting the PALS service (75%) were seeking information. However, in 17% of cases, the PALS staff acted as mediators for patients or their relatives, actively working to sort out an issue or problem on the spot. The success of this approach has resulted in only 3% of these issues being registered as a formal complaint.

Complaints

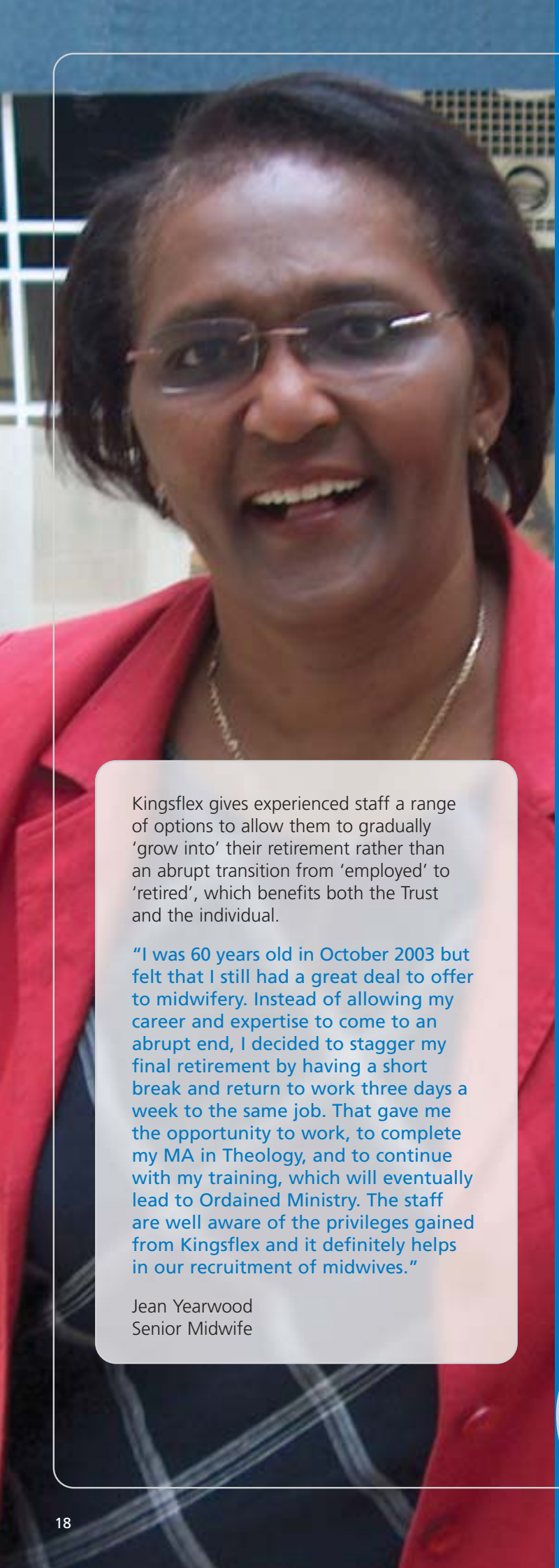
In 2004/05, King's received 833 formal complaints, a 7% reduction on the previous year, despite an increase in the numbers of patients treated. The Trust also responded to 80% of those complaints within the target time of 20 days, an 11% improvement on the previous year. Again, the majority of complaints received concerned communication and interactions between staff and patients/visitors.

In 2004, the Healthcare Commission took over the responsibility for the second stage of the NHS Complaints Procedure. During the year, 21 requests were made to the Healthcare Commission for the independent review of complaints, representing 2.5% of the total number of complaints received. Of the 21 requests, 10 are still under investigation, six cases were referred back to the Trust, and in five cases no further action was needed.

Prepared for emergencies

King's has been one of the early participants in the nationally co-ordinated emergency exercises, sponsored by the Department of Health, helping acute trusts work on their strengths and weaknesses when dealing with major incidents.

Our emergency preparedness group meets quarterly to review current procedures, which are updated annually, and reports back to the clinical risk management structure.



Kingsflex gives experienced staff a range of options to allow them to gradually 'grow into' their retirement rather than an abrupt transition from 'employed' to 'retired', which benefits both the Trust and the individual.

"I was 60 years old in October 2003 but felt that I still had a great deal to offer to midwifery. Instead of allowing my career and expertise to come to an abrupt end, I decided to stagger my final retirement by having a short break and return to work three days a week to the same job. That gave me the opportunity to work, to complete my MA in Theology, and to continue with my training, which will eventually lead to Ordained Ministry. The staff are well aware of the privileges gained from Kingsflex and it definitely helps in our recruitment of midwives."

Jean Yearwood
Senior Midwife

Training and development ensures that King's maintains its reputation as one of London's leading hospitals

NEW INITIATIVE TO INTEGRATE OVERSEAS DOCTORS AND ALLEVIATE NHS SHORTAGE

King's and Queen Elizabeth Hospital have developed an educational programme to help and support refugee and overseas doctors to integrate into the NHS workforce. The nine-week programme comprises clinical experience and formal teaching.

At present, there is no national system to deal with refugee doctors who can help ease the shortage of NHS doctors. A recent analysis of the Refugee Doctors' database revealed that only 38 out of 943 doctors registered were working in the NHS. Some individuals were still in the process of obtaining the necessary clearances, while others had negotiated this barrier but had simply been unable to obtain a job. The majority of these doctors come from Iraq, Afghanistan and Iran. Others have arrived in the UK from Pakistan, Sudan, Somalia, Congo, Russia, Sri Lanka and Algeria.

There are many hurdles that these doctors need to overcome before they can become practising clinicians within the NHS. As well as the necessary academic qualifications they need to cope with language, social, psychological, and financial barriers. The King's/QEH scheme also aims to provide overseas doctors with a good understanding of the working practices of the NHS and how safe and effective practices are applied.

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Foundation Programme developed for King's doctors

King's is launching a two-year training scheme for doctors in August 2005. The scheme, known as Modernising Medical Careers, aims to reform postgraduate medical training by offering a two-year Foundation Programme which all UK graduates will enter on leaving medical school.

The training will focus on key competencies: core clinical skills in the management of the acutely ill patients as well as generic skills such as communication and teamworking. These will be underpinned by structured, observational assessments in the workplace. After the Foundation Programme, doctors will be ready to enter specialty training.

South African Nurses Programme

Eighteen South African Nurses from the Gauteng Province joined King's on a two-year exchange programme to enable the nurses to work in the UK for personal and professional development. The nurses have been working in a variety of clinical settings, and some have undertaken specialist nursing courses such as Intensive Care Nursing, and Renal Nursing at the Florence Nightingale School of Nursing and Midwifery, King's College London. The nurses have also participated in a structured programme of learning activities, and have received presentations on certain health care topics requested by them.

Recruitment facts

- Staff turnover rates remain low – our nursing and midwifery vacancies dropped to under 9% and retention of Allied Health Professionals improved, with only 13% leaving compared 21% last year
- More people are visiting www.kingsch.nhs.uk/careers to find jobs at King's. Applicants can view vacancies and obtain all the various documents needed to apply for a job
- Around 600 views are made of our 'online' adverts daily
- Around 300 documents are 'downloaded' from our careers site daily

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Healthcare assistant development

More local people given the opportunity to work at King's

As part of the Trust's recruitment strategy the Education and Development Team and Human Resource department, in conjunction with the Executive Nursing Team, have facilitated an education programme focused on the recruitment of healthcare support workers. This programme has been in place since October 2004 and aims to train and employ 200 new healthcare assistants from the local community.

Working with Jobcentreplus, we targeted people who lived in the boroughs of Lambeth and Southwark through local Jobcentres and local newspaper advertisements. Interested candidates were invited to an assessment centre open day where a King's representative gave a presentation about the role of a HCA. The presentation alerted applicants to areas in which vacancies were available and the type of qualities we were looking for in the people needed to fill them. After the presentation all candidates sat a short pre-selection test, which was devised by the Trust based on City and Guilds level two numeracy and literacy tests. The aim was to recruit 25 people into post but due to the popularity of the vacancies we employed 27.

Ramon Uy (above right) was recruited as a HCA as part of the Recruitment programme in March 2005. He had previously been employed as a sales person and spent two years at King's as a porter. Ramon says that he had always had a good rapport with the patients and felt that he could offer them more as a Healthcare Assistant. He attended the two-week HCA training programme and has now started working on the wards.

On recognition of our work in this area, King's has been awarded a Regional National Training Award. The Award, presented by ukskills and sponsored by the Learning and Skills Council, recognised our commitment to education and training and providing the opportunity for local people to gain employment at King's.

72 staff win professional development awards

During the year we held our own annual awards ceremony where 72 administrative and clerical workers, nurses, healthcare assistants and managers obtained qualifications in a range of occupational areas. This celebration of educational achievement is a way of demonstrating the importance and value we place on development for our staff and recognising the staff commitment and motivation to their own personal and professional development.

Top marks for King's

Achievement of the Improving Working Lives Practice Plus standard put King's a year ahead of the April 2006 deadline for hospitals nationally to achieve the validation. To achieve this standard, King's was assessed on:

- Human Resources Management
- Equality and diversity
- Staff communication and involvement
- Flexible working
- Healthy workplace
- Training and development
- Childcare and adult carer services

In these areas, King's achieved an impressive 96% overall score. Achieving the standard required took more than 12 months of review and planning. More than 250 staff members were involved in focus groups and one-to-one interviews.

King's is now working towards the next stage, which is becoming a 'model employer'.

Staff survey

The 2004 NHS survey was carried out between October and December 2004. Rated against other acute trusts nationally, King's was in the top 20% of acute trusts on six scores including the number of staff appraised, the proportion of staff who have well structured appraisal and personal development plan, and opportunities for flexible working.

Compared to the 2003 survey King's made statistically significant improvements on six scores. Areas in which we improved included an increase in the proportion of staff receiving training and reductions in the number of staff who reported that they suffered a work related injury or experienced physical violence.

King's was in the worst 20% in six areas. These included the number of staff witnessing potentially harmful errors, the proportion of staff suffering work related stress in the previous 12 months and staff perceptions on effective action on violence and harassment.

We are working closely with staff to resolve these issues.

Staff employed (March 2005)

Allied Health Professionals	331	6%
Clerical	986	19%
Medical & Dental	798	16%
Nursing & Midwifery	2002	40%
Scientific	104	2%
Senior Managers	258	5%
Support	58	1%
Technical	573	11%
Total	**5110**	**100%**

Clinical governance at King's

King's priority is to ensure that patients are cared for in a way that is safe, effective, efficient and fair and that we provide a range of high quality clinical services that meet our local community's needs.

The past year has seen significant developments in the integration of governance structures at King's. We have worked to "join-up" structures for risk management, clinical effectiveness, health and safety, environmental management, patient involvement and many other aspects of governance work. An assurance framework has been put in place, which helps the Trust's Board of Directors to review the effectiveness of our systems of internal control on an ongoing basis. Underpinning this framework is the Trust-wide risk register, which enables the Board to identify and monitor the principal risks to the achievement of the organisation's strategic objectives. Our risk management systems help us to evaluate the nature and extent of those risks and to manage them efficiently, economically and effectively.

Governance reporting

We have also implemented robust governance reporting structures. Each of our care groups now has an established governance and risk committee covering all the elements of governance work. Issues of patient safety and risk management are discussed in detail at a Risk Management Group. These groups and committees all report into the Clinical Governance and Risk Committee which is chaired by Professor John Moxham, Medical Director. The Trust's Governance Committee, chaired by a non-executive director, is responsible for overseeing all aspects of governance and is charged with ensuring the Board is advised of areas of concern.

We will continue building on these structures and systems, which enable the Trust to take a 'whole systems' approach to managing quality of care and safety and to share learning and develop action plans across the whole organisation.

Risk management

Over the last year we have continued to embed risk management within the culture of King's. We recognise how important it is to develop 'memory' within the organisation by learning from things that go wrong. We positively encourage all staff to report adverse incidents, near misses and quality failures so that we can make changes and continue to improve the quality care we provide to patients. Training and education is key to this and therefore, risk management training programmes have been developed to meet the needs of staff from all disciplines and specialties. This provides them with the tools and knowledge to undertake local reviews of systems, processes and clinical practice through risk identification and assessment.

A national Safety Alert Broadcast System (SABS) was introduced during 2004 to alert all healthcare providers rapidly of known or suspected risks relating to equipment and medication. This means that healthcare providers can respond immediately by decommissioning faulty equipment or, for example, withdrawing a particular drug from use. This system is a means of sharing best practice ensuring lessons are learnt across the National Health Service.

Through the risk management systems we have in place we are able to monitor problem areas and to develop action plans to reduce the risk of something going wrong. As a result of investigations into adverse incidents and near misses, a number of reviews have been conducted and they have led to changes in practice and policy development.

Examples include a review of the Trust's telecommunications systems, which led to dedicated lines being installed within theatres to ensure access to additional staff in an emergency. A Sedation policy has been developed and is awaiting approval following a review of endoscopic retrograde cholangiopancreatography (ERCP) procedures. In addition, a business case is under review for the purchase of additional ultra sound scanners to assist operators in the insertion of central lines in accordance with NICE guidelines.

In August 2004, the Trust was successful in achieving Level 2 of the Clinical Negligence Standards for Trusts (CNST) scoring highly against all of the standards. The external assessors identified some areas of best practice, which we are sharing with other hospitals. These include medical devices training and monitoring and the development of competencies for all grades of doctors both of which have become a national standards. Our systems approach to integrated risk assessments has also been highlighted. We will be continuing to work towards compliance against level 3 CNST standards and hope to be assessed in 2006.

Implementing NICE guidance at King's

The National Institute for Health and Clinical Excellence (NICE) develops guidance covering all aspects of care, with the aim of making sure that best practice is spread across the whole country. NICE produces guidance on the promotion of good health and the prevention and treatment of ill health.

With the help of its professional staff, King's takes an active approach to implementing NICE guidance in order to deliver the highest possible quality of care and make the best use of resources.

Our doctors and nurses use NICE guidance to inform and assist decision-making about treatment. However guidance does not take away the need to take account of genuine, good clinical reasons for tailoring the care provided to the needs of individual patients. Patients and carers also have full access to the information produced by NICE, so that they too can be well informed about health topics and treatments.

Confidential enquiries

King's actively participates in two national confidential enquiries – the National Confidential Enquiry into Patient Outcome and Death and the Confidential Enquiry into Maternal and Child Health. In addition, we reviewed the findings of a third enquiry aimed primarily at mental health services, The National Inquiry into Suicides and Homicides, to see what lessons we can learn for services here at King's. Studies in progress in 2004/05 included Abdominal Aortic Aneurysms, Coronary Artery Bypass Grafts, Sickle Cell and Thalassaemia, Maternal Deaths and Stillbirths and Deaths in Infancy. For each study we provide samples of information into a national database and then we provide detailed information on specific cases. The study coordinators then analyse and report on the national results and make recommendations for implementation across the UK.

When the recommendations are published, King's produces a detailed action plan. In 2004/05 this was undertaken for Maternity Services, including a detailed action plan for Maternity Services for Women with Diabetes, and Upper Gastrointestinal Endoscopies.

The implementation of recommendations often involves significant pieces of work and sometimes service reconfigurations or the purchase of expensive equipment, so implementation can take several years. Work resulting from these and previous studies has enabled us to improve the care of women undergoing emergency caesarean and improve the training of medical, nursing and midwifery staff, to reduce delays for patients needing emergency operations, to improve the care of patients in the high dependency and intensive care units, and has increased the level of clinical audit across the Trust.

Participation in these studies, and implementation of the findings, is advancing care and clinical practice within King's and across the UK.

Standards for better health

King's is making great strides to implement the new national standards, Standards for Better Health (DoH, 2004). These core standards set out requirements for all healthcare organisations to ensure that they are safe and of acceptable quality. The standards cover a wide range of work that is already happening at King's, from improving the safety of patients to developing integrated services with the local community.

The standards fall under seven domains:

- Safety
- Cost and clinical effectiveness
- Governance
- Patient Focus
- Accessible and responsive care
- Care environment and amenities
- Public health

The standards integrate much of the quality improvement work already being undertaken such as Essence of Care, implementation of the National Service Frameworks, the work of the Patient Environment Action Team and the implementation of actions plans arising from the feedback from our patients through the National Patient Surveys.

On publication of the standards in July 2004, we initiated a self-assessment process, which is being led by the Directors, to ensure that all the standards are met.

The Healthcare Commission, the national monitoring body, will begin to assess all Trusts against the Standards from 2005/06. In September 2006 every Trust will be awarded a score based on the new assessment framework and other nationally agreed performance targets, which will replace the current 'stars' performance monitoring system. King's is working hard to ensure that we are meeting all the standards and demonstrate the excellent quality of care that we provide.

Our Board of Directors

NON-EXECUTIVE DIRECTORS

Chairman
Michael Parker
Appointed December 2002
Chair: Trust Board
Chair: Finance Committee
Committee membership: Performance, Equality and Diversity, Remuneration.

Outside interests: Vice Chair and Treasurer, Central London Fabian Society, Member of the Pathway Housing Association Committee, Trustee of the Tropical Health and Education Trust.

Deputy Chairman
Heather Gilmour
Appointed November 1997
Reappointed December 2001
Chair: Governance committee.Committee membership: Audit, Remuneration.

Caroline Hewitt
Appointed August 2003
Chair: Audit committee
Committee membership: Remuneration, Equality and Diversity, Finance.
Outside Interests: School Govenor.

Alan McGregor
Appointed October 2003
Committee membership: Governance, Performance, Remuneration
Outside Interests: Chair: Scientific Advisory of Linbury Trust;
Chair: UK Research Council's Basic Technology Programme.

Robert Foster
Appointed March 2004
Chair: Performance committee
Committee membership: Remuneration, Audit. Outside Interests: Non-executive director: Jersey Competition Regulatory Authority; Member: Advisory Council of Oxford Capital Partners; Commissioner: The National Lottery Commission;
Chair: The Lottery License Project Board.

Maxine James
Appointed May 2004
Chair: Equality and Diversity committee.
Committee membership: Remuneration, Governance. Outside Interests: Director: Black Roof Community Housing Association.

EXECUTIVE DIRECTORS

Chief Executive
Malcolm Lowe-Lauri
Appointed June 2002

Outside interests: Vice Chair of the NHS Service Delivery and Organisation Board.

Finance and Information Services Director
Simon Taylor
Appointed August 2002

Medical Director
Professor John Moxham
Appointed April 2003

Nursing and Operations Director
Jacqueline Docherty
Appointed September 1997

Human Resources Director
Michael Griffin
Appointed 1994
Executive Director status from May 2004

OTHER BOARD DIRECTORS

Strategic Development Director
Nick Moberly

Facilities Director
Ahmad Toumadj

Corporate Affairs Director
Jane Walters

All directors' interests are as at 1 April 2005. A full register of Directors' interests is available from the Assistant Board Secretary on 020 7346 4939.

King's services

OUR MAIN CARE GROUPS AND THE SERVICES THEY PROVIDE ARE LISTED BELOW IN ALPHABETICAL ORDER:

CARDIAC AND NEUROSCIENCES

Cardiac
Cardiology
Cardiothoracic surgery

Neurosciences
Neuroimaging
Neurology
Neuropathology
Neurophysiology
Neuroradiology Neurosurgery

CLINICAL, SCIENTIFIC AND DIAGNOSTIC SERVICES

Breast Care
Medical Engineering & Physics
Nuclear Medicine
Nutrition and Dietetics
Pathology
Immunology
Microbiology
Virology
Pharmacy
Radiology
Radiotherapy

CRITICAL CARE AND SURGERY

Critical Care
Anaesthetics
Intensive Care Unit
Theatres

Surgery
Audiology
Colorectal
Cytogenetics
Cytology
Day Surgery Unit
ENT
Ophthalmology
Orthopaedics
Surgical Appliances
Sterile Services
Trauma
Urology
Vascular

DENTAL INSTITUTE

Acute Dental Care
Community Dental
Dental Radiology

GENERAL MEDICINE

Accident & Emergency
Diabetes
Dietetics
Endocrinology
Gastroenterology
Health Care of the Elderly
Molecular Medicine
Psychological Medicine
Rehabilitation
Respiratory Medicine
Rheumatology
Social Work
Therapies

LIVER AND RENAL

Liver
Endoscopy
Liver Intensive Therapy
Liver Transplant
Hepatitis
Paediatric Liver

Renal
Dialysis

SPECIALIST MEDICINE

Cancer Services
Chemotherapy Services
Dermatology
Haematological Medicine
Palliative Care
Sexual Health

WOMENS' AND CHILDRENS'

Womens'
Antenatal
Assisted Conception
Early Pregnancy and Gynaecology Scanning
Family planning
Fetal Medicine
Midwifery
Obstetrics and Gynaecology
Urogynaecology and Urodynamics

Childrens'
Children's Intensive Care Unit
Children's Physiotherapy
Children's Speech and Language Therapy
Cystic Fibrosis
Child and Family Psychiatry

INTERNATIONAL AND PRIVATE PATIENTS

Financial review

Following this review are the Trust's summary financial statements on pages 27 to 31. 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 2004/2005 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 3.5% pre-interest return on average assets employed
- Manage within an External Financing (EFL) of £29.2 million and
- Manage within a Capital Resource Limit (CRL) set at £43.1 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 2004/05 financial year, the Trust was able to achieve a return of 3.4%, within the Department of Health's tolerance range. Unfortunately, there was a deficit of income compared to expenditure of £2.7million or 0.7% of turnover. This was primarily the result of the implementation costs of the new consultants' contract and the cost of high cost consumable items not reflected in the new National Tariff. The Trust was an early implementer of the new National Tariff and Payment By Results system. Whilst this is generally beneficial to the Trust in that it properly reimburses hospitals for work undertaken, there are certain anomalies in the pricing structure that have caused funding shortfalls, particularly in highly specialised areas. King's is working in conjunction with other early adopters and the Department of Health to refine the tariff to ensure it accurately reflects the costs incurred. As part of the move to Payment by Results, the Trust set an extremely challenging Cost Improvement Programme for the year, in an attempt to improve the Trust's relative cost efficiency. The level of achievement of these savings was higher than in previous years, and this will continue in 2005/06.

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 Trust's strategy to centralise all acute services onto the Denmark Hill site, was completed in the financial year. The refurbishment of the upper floors of the Ruskin Wing was completed by the Trust's PFI partner early in the year and this is reflected in the accounts as a Finance Lease. The Trust refurbished the remaining floors, together with a number of other major projects, for example the construction of a new Renal unit, which enabled the remaining acute services to be transferred from Dulwich by the early 2005. Work was also completed on the expansion of the Day Surgery Centre to reflect the increasing move of elective surgery to day care.

For 2005/06, the major challenge facing the Trust is to return to Financial Balance. This is the top strategic priority and enhanced costing and performance management systems are being implemented to assist managers in rigorously controlling their costs.

Statement of directors' responsibility in respect of internal control

A statement detailing the directors' responsibility in respect of internal control is contained in the Annual Financial Statements, a copy of which can be obtained from the Trust free of charge.

Malcolm Lowe-Lauri
Chief Executive Officer
12 July 2005
(on behalf of the Board)

Break-even performance – 5 year trend

	2004/05 £000	2003/04 £000	2002/03 £000	2001/02 £000	2000/01 £000
Turnover	359,904	318,325	300,588	263,789	236,398
Break-even in-year position	(2,734)	182	35	176	25
Break-even cumulative position	(3,766)	(1,032)	(1,214)	(1,249)	(1,425)

Income and expenditure account

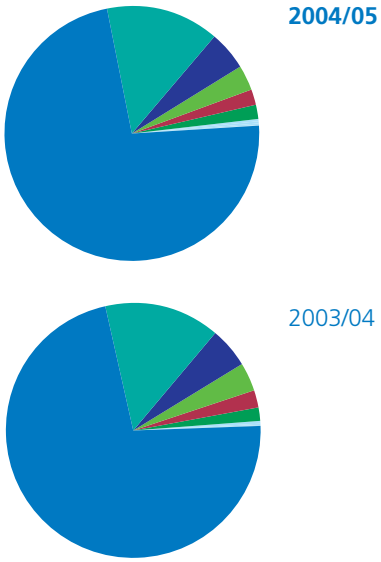
for the year ended 31 March 2005

	2004/05 £000	2003/04 £000
Income from activities	293,291	257,824
Other operating income	66,613	60,501
Operating expenses	(355,202)	(311,911)
OPERATING SURPLUS (DEFICIT)	4,702	6,414
Cost of fundamental reorganisation/restructuring	0	0
Profit (loss) on disposal of fixed assets	0	0
SURPLUS (DEFICIT) BEFORE INTEREST	4,702	6,414
Interest receivable	491	290
Interest payable	(1,0690)	0
Other finance costs – unwinding of discount	(360)	(372)
Other finance costs – change in discount rate on provisions	0	0
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR	3,764	6,332
Public Dividend Capital dividends payable	(6,498)	(6,150)
RETAINED SURPLUS (DEFICIT) FOR THE YEAR	(2,734)	182

Income and expenditure analysis

INCOME

	2004/05 £000	2003/04 £000
Primary care Trusts *	262,583	229,544
Education, training and research	51,728	46,710
Department of Health	17,921	16,358
Non-NHS income (Inc. Private Patients, RTA)	11,518	11,549
Other income (Inc. Interest Receivable) **	7,119	7,018
Non-patient care services to other bodies	6,487	5,407
Charitable and other contributions to expenditure	1,067	1,134
NHS Other	986	–
Transfers from donated assets reserve	703	522
Foundation Trusts	138	–
Health Authorities & NHS Trusts	145	373
	360,395	318,615

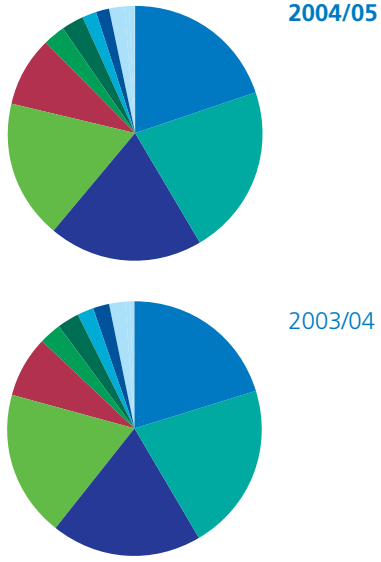


*2004/05 includes £2.372 million (2003/04: £1.601million) to offset fixed asset impairments charged to operating expenses.

**The Trust also received £491,000 from interest on treasury deposits in the financial year 2004/05 (£290.000:2003/04).

EXPENDITURE

	2004/05 £000	2003/04 £000
Nursing staff	71,663	68,398
Other staff	78,425	66,762
Medical staff	70,832	59,980
Clinical supplies	63,814	58,268
Other (Inc. Clinical Negligence)	31,913	24,229
Depreciation and amortisation	10,056	8,793
Premises	10,263	8,738
Public dividends payable and other finance costs	6,498	6,522
Establishment & transport expenses	6,066	6,492
Services from other NHS bodies/Trusts	7,052	6,407
General Supplies	2,076	1,954
Fixed asset impairments and reversals	2,450	1,601
Bad debts	379	110
Audit fees	213	179
	361,700	318,433



Capital cost absorption rate

The trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital, totalling £6,498,000 (2003/04 £6,150,000), bears to the average relevant net assets of £188,520,000, that is 3.4%. The variance from 3.5% is within the Department of Health's materiality range of 3.0% to 4.0%.

External financing

The Trust is given an external financing limit which it is permitted to undershoot. In 2004/05 this external financing limit was £29,196,000. Cash flow financing of £29,507,000 less capital receipts of £755,000 resulted in an undershoot of £444,000 in 2004/05.

Capital Resource Limit

The Trust is given a Capital Resource Limit which it is not permitted to overspend. In 2004/05 the Capital Resource Limit was £43,111,000, against which an underspend of £25,000 was reported.

Balance Sheet

as at 31 March 2005

	2004/05 £000	2003/04 £000
FIXED ASSETS		
Intangible assets	132	13
Tangible assets	209,049	198,383
	209,181	198,396
CURRENT ASSETS		
Stocks and work in progress	6,121	6,967
Debtors	40,686	32,084
Investments	0	0
Cash at bank and in hand	1,156	934
	47,963	39,985
Creditors: Amounts falling due within one year	(39,202)	(39,759)
Net current assets (liabilities)	8,761	226
Total assets less current liabilities	217,942	198,622
Creditors: Amounts falling due after more than one year	(14,971)	0
PROVISIONS FOR LIABILITIES AND CHARGES	(12,442)	(11,801)
Total assets employed	190,529	186,821
FINANCED BY:		
Taxpayers' equity		
Public dividend capital	143,900	116,961
Revaluation reserve	26,141	54,130
Donated asset reserve	17,797	16,412
Government grant reserve	0	0
Other reserves	0	0
Income and expenditure reserve	2,691	(682)
Total taxpayers' equity	190,529	186,821

Statement of total recognised gains and losses

for the year ended 31 March 2005

	2004/05 £000	2003/04 £000
Surplus (deficit) for the financial year before dividend payments	3,764	6,332
Fixed asset impairment losses	0	0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	(21,098)	14,571
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	1,304	1,491
Reductions in the donated asset and government grant reserve due to the depreciation, impairment and disposal of donated and government grant financed assets	(703)	(522)
Additions/(reductions) in "other reserves"	0	0
Total recognised gains and losses for the financial year	(16,733)	21,872
Prior period adjustment	0	0
Total gains and losses recognised in the financial year	(16,733)	21,872

Cash Flow Statement

for year ended 31 March 2005

	2004/05 £000	2003/04 £000
OPERATING ACTIVITIES		
Net cash inflow/(outflow) from operating activities	5,618	23,330
Returns on investments and servicing of finance:		
Interest received	491	279
Interest paid	0	(371)
Interest element of finance leases	(1,069)	0
Net cash inflow/(outflow) from returns on investments and servicing of finance	(578)	(92)
CAPITAL EXPENDITURE		
(Payments) to acquire tangible fixed assets	(27,908)	(16,363)
Receipts from sale of tangible fixed assets	0	0
(Payments) to acquire intangible assets	(141)	(13)
Receipts from sale of intangible assets	0	0
(Payments to acquire)/receipts from sale of fixed asset investments	0	0
Net cash inflow/(outflow) from capital expenditure	(28,049)	(16,376)
DIVIDENDS PAID	(6,498)	(6,150)
Net cash inflow/(outflow) before management of liquid resources and financing	(29,507)	712
Management of liquid resources		
(Purchase) of current asset investments	0	0
Sale of current asset investments	0	0
Net cash inflow/(outflow) from management of liquid resources	0	0
Net cash inflow/(outflow) before financing	(29,507)	712
FINANCING		
Public dividend capital received	54,011	15,475
Public dividend capital repaid (not previously accrued)	(24,700)	(9,601)
Public dividend capital repaid (accrued in prior period)	0	(7,948)
Loans received	0	0
Loans repaid	0	0
Other capital receipts	755	1,479
Capital element of finance lease rental payments	(444)	0
Cash transferred (to)/from other NHS bodies	0	0
Net cash inflow/(outflow) from financing	29,622	(595)
Increase/(decrease) in cash	115	117

Management Costs

	2004/05 £000	2003/04 £000
Management costs	13,932	12,623
Total Income	359,904	318,325

Salary and Pension entitlements of senior managers

Remuneration

Name and Title	2004-05 Salary◆	2004-05 Other Remuneration◆ £000	2004-05 Benefits in Kind• £000	2003-04 Salary◆	2003-04 Other Remuneration◆ £000	2003-04 Benefits in Kind• £000
CHAIRMAN & NON-EXECUTIVES						
M. Parker – Chairman	20 – 25	0	0	20 – 25	0	0
A. McGregor – Non-Executive Director	5 – 10	0	0	0 – 5	0	0
C. Hewitt – Non-Executive Director	5 – 10	0	0	0 – 5	0	0
H. Gilmour – Non-Executive Director	5 – 10	0	0	5 – 10	0	0
R. Foster – Non-Executive Director	5 – 10	0	0	0	0	0
M. James* – Non-Executive Director	0 – 5	0	0	0	0	0
P. Brown – Non-Executive Director	0	0	0	0 – 5	0	0
J. Roscoe – Non-Executive Director	0	0	0	5 – 10	0	0
EXECUTIVE DIRECTORS						
M. Lowe-Lauri – Chief Executive	165 – 170	0	0	140 – 145	0	0
J. Moxham – Director of Medicine	40 – 45	105 – 110	0	30 – 35	85 – 90	0
J. Docherty – Dir. of Nursing & Operations	125 – 130	0	0	110 – 115	0	0
S. Taylor – Director of Finance & ISD	115 – 120	0	0	100 – 105	0	0
M. Griffin – Director of Human Resources	95 – 100	0	0	0	0	0
CO-OPTED MEMBERS OF TRUST BOARD						
N. Moberly – Dir. of Strategic Development	95 – 100	0	0	0	0	0
A. Toumadj – Director of Facilities	100 – 105	0	0	0	0	0
J. Walters – Dir. of Corporate Affairs	65 – 70	0	0	0	0	0

* has served May 2004 – March 2005 ◆ bands of £5000 • rounded to the nearest £100

Pension

Name and Title	Real increase in pension and related lump sum at age 60 (bands of £2500) £000	Total accrued pension & related lump sum at age 60 at 31/03/05◆ £000	Cash Equivalent Transfer Value 31/03/05 £000	Cash Equivalent Transfer Value at 31/03/04 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension•
EXECUTIVE DIRECTORS						
M. Lowe-Lauri – Chief Executive	0 – 2.5	125 – 130	454	422	21	0
J. Moxham – Director of Medicine	15 – 17.5	260 – 265	0	0	0	0
J. Docherty – Director of Nursing	0 – 2.5	130 – 135	562	530	17	0
S. Taylor – Director of Finance & ISD	0 – 2.5	110 – 115	347	321	16	0
M. Griffin – Director of Human Resources	5 – 7.5	55 – 60	263	225	32	0
CO-OPTED MEMBERS OF TRUST BOARD						
N. Moberly – Director of Strategic Development	7.5 – 10	50 – 55	163	129	30	0
A. Toumadj – Director of Facilities	5 – 7.5	110 – 115	514	468	33	0
J. Walters – Director of Corporate Services	7.5 – 10	75 – 80	305	251	46	0

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Public sector payment policy

Better Payment Practice Code – measure of compliance	Number	£000
Total bills paid in the year	98,019	155,612
Total bills paid within target	62,376	109,546
Percentage of bills paid within target	64%	70%

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

Malcolm Lowe-Lauri – Chief Executive
12 July 2005

Simon Taylor – Director of Finance
12 July 2005

Independent Auditors' Report to the Directors of King's College Hospital NHS Trust on the Summary Financial Statements

I have examined the summary financial statements set out on pages 27 to 31.

This report is made solely to the Board of King's College Hospital NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 54 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 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 2005 on which I have issued an unqualified opinion.

Susan Exton (District Auditor)
Audit Commission
1st Floor
Millbank Tower
Millbank
London SW1P 4HQ

12 July 2005

King's Facts & Figures

- We have 936 beds in the Trust
- We have 18 operating theatres for inpatients and 7 for day case patients
- More than 180 liver transplants are performed per year

From April 2004 to March 2005:

- More than 112,000 people attended our A&E
- 21,474 women were screened for breast cancer (from start of April 2003 to end of March 2004)
- 190,011 x-rays, CT, MRI and ultrasound scans were performed
- Our pharmacies dispensed and issued a total of 592,000 items to our inpatients and outpatients
- More than 4,500 babies were born at King's
- We delivered 81 sets of twins
- Our home birth rate was 8.2% – the highest rate in London and well above the national rate of 2%
- The caesarean section rate was reduced by nearly 5% to 22.8%. This is just under the national rate of 23%.

Find out more about King's

This annual report contains a brief outline of the work done at King's College Hospital. More information can also be found in our other annual reports on: Equality & Diversity and Patient and Public Involvement.

Visit our website at **www.kingsch.nhs.uk** to read to read these publications, our latest news, career opportunities, and more detailed information about patient care.

Translations of information found in this report are available upon request. Please contact Corporate Communications

T 020 7346 3723

The Patient Advice and Liaison Service (PALS) offers support, information and assistance to patients, relatives and visitors.

(Spanish)
El Servicio de Atención al Paciente ofrece ayuda, información y asistencia a pacientes, familiares y visitas.

(Portugese)
Serviço de interligação e assessoria ao paciente oferece apoio, informação e assistência aos pacientes, familiares e pessoas que os visitam.

(Turkish)
Hasta iletisim ve bilgi(yardim)servisi hastaya, akrabalarina ve ziyaretcilerine bilgi destek yardimi onerir.

(Somalian)
Qaybta talada siisa dadka jirran iyo ururka a deegayaasha waxay usoo-bandhigayaan taageerid, faahfaahin iyo caawinaad dada jirran familkooda iyo dadka soo booqanaya.

(French)
Le Service Liaison et Conseils aux Patients propose soutien, information et assistance aux patients, membres de la famille et visiteurs.

King's College Hospital NHS Trust
Denmark Hill
London SE5 9RS
T 020 7737 4000
F 020 7346 3445

www.kingsch.nhs.uk

Patient Advice and Liaison Service
If you require a service which offers support, information and assistance to patients, relatives and visitors, please contact the PALS Office between 9.00am and 6.00pm:

Telephone: 020 7346 3601
Text phone: 020 7346 1878
Fax: 020 7346 3626 Email: pals@kingsch.nhs.uk

Human Resources
If you are interested in applying for a job at King's, please visit **www.kingsch.nhs.uk/careers**

Membership
If you are interested in becoming a member of King's, please contact:

T 020 7346 4348
E members@kingsch.nhs.uk

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