



ANNUAL REPORT AND ACCOUNTS 2008|09

Guy's and St Thomas' NHS Foundation Trust is part of King's Health Partners Academic Health Sciences Centre (AHSC), a pioneering collaboration between King's College London, and Guy's and St Thomas', King's College Hospital and South London and Maudsley NHS Foundation Trusts.

King's Health Partners is one of only five AHSCs in the UK and brings together an unrivalled range and depth of clinical and research expertise, spanning both physical and mental health. Our combined strengths will drive improvements in care for patients, allowing them to benefit from breakthroughs in medical science and receive leading edge treatment at the earliest possible opportunity.

For more information, visit [www.kingshealthpartners.org](http://www.kingshealthpartners.org)



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Pioneering better health for all

# Guy's and St Thomas' NHS Foundation Trust Annual Report and Accounts

Presented to Parliament pursuant to Schedule 7,  
paragraph 25(4) of the National Health Service Act 2006.

With our partners, King's College Hospital and South London and Maudsley NHS Foundation Trusts and King's College London we have been accredited as one of the UK's first Academic Health Sciences Centres. This will combine the best of basic and translational research, clinical excellence and world-class teaching to deliver groundbreaking advances in physical and mental healthcare.

## Leading teaching hospitals

Guy's and St Thomas' NHS Foundation Trust is made up of two of London's most well known teaching hospitals. The hospitals have a long history, dating back almost 900 years, and have been at the forefront of medical innovation and progress since they were founded. Both hospitals have built on these traditions and continue to have a reputation for excellence and innovation.

Since becoming an NHS Foundation Trust in July 2004, the hospitals continue to perform well both financially and in the delivery of high quality patient care. As well as being one of the most successful Foundation Trusts, we are also one of the busiest with more than 850,000 patient contacts a year.

We provide a full range of hospital services for our local communities in Lambeth, Southwark and Lewisham, as well as specialist services for patients from further afield, including cancer, cardiothoracic, renal and children's services. The Evelina Children's Hospital opened in a landmark building at St Thomas' in October 2005, while Guy's is home to the largest dental school in Europe.

Along with King's College Hospital and South London and Maudsley NHS Foundation Trusts and our shared academic partner King's College London, we are developing our plans for *King's Health Partners* – one of the UK's first Academic Health Sciences Centres, delivering real improvements in patient care and clinical services underpinned by world-leading teaching and research.

This builds on our strong track record for clinical and research excellence and our commitment to the education and training of tomorrow's doctors, nurses and other health professionals. Since December 2006, our comprehensive Biomedical Research Centre (BRC), established with King's College London, has been working to ensure that excellent biomedical research will deliver real change in the management of our patients.

The Trust is one of the largest employers locally, with around 10,000 staff. We work hard to reflect the cultural and ethnic diversity of the communities we serve. As a Foundation Trust, we are strengthening our partnerships with patients and local people, as well as neighbouring NHS organisations, local authorities, GPs and voluntary organisations – and we take pride in playing an active part in the local community.

The success of our hospitals depends on the commitment and dedication of our staff, many of whom are world leaders in the fields of health care, teaching and research. We continue to work hard to recruit and retain the best doctors, nurses, therapists and the full range of other staff on whom the smooth running of our services depends.

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We are working with our primary care and Academic Health Sciences Centre partners to address health proprieties such as obesity, cardiovascular disease and stroke within our diverse local community. Innovative procedures such as fitting gastric balloons via endoscope to encourage weight loss are contributing towards this.

Consultant  
gastroenterologist,  
Dr Jude Oben is  
pictured with  
weight loss patient  
Vivian Kusi.

## Chairman's statement

The Trust's activity during 2008/09 has taken place within the context of our planned Academic Health Sciences Centre. The success of the bid for accreditation marks an important moment in the Trust's development. Commitment from the four partner organisations has brought about substantial and exciting progress.

We are proud again of our performance against our targets. The consistently excellent achievement of the A&E department, despite some very difficult times, demonstrates high quality management which has the foresight and flexibility to respond promptly to peaks in demand. Similarly staff managed to maintain good services during times of flood, cancelled public transport and adverse winter weather.

The Council of Governors (previously the Members' Council) has now been in existence for almost five years and is adding real weight to the Trust's deliberations. Governors have a wide range of interests and have contributed to discussions around patient expectation and experience and our financial and estates strategies, and have participated in ward visits as well as commented on our Healthcare Commission's assessment. The Trust is grateful to those who contribute as Foundation Trust members and governors for their support and enthusiasm. As we mature as a Foundation Trust we are reviewing our constitution in order to create a robust system of governance for the next decade.

The Council of Governors has made two non-executive director appointments over the past year – Diane Summers joined the Board in June 2008, bringing considerable management and financial experience as well as excellent community and local knowledge. Rory Maw, who chairs the Trust's Finance and Investment Committee and serves as the Trust's nominee to Guy's and St Thomas' Charity was reappointed in February 2009 to serve for a further four year term. We were delighted to congratulate Tim Higginson, Director of Strategy and Workforce, on his appointment as Chief Executive of University Hospital Lewisham. Tim had served Guy's and St Thomas' with distinction in a variety of roles, including two periods as Acting Chief Executive. His knowledge and experience of the Trust after 22 years' service are irreplaceable. In November 2008 we welcomed Ann Macintyre as Director of Workforce. Ann brings huge experience of workforce issues and is reviewing and modernising aspects of the directorate as well as addressing future workforce planning.

The Trust has focused this year on improving and formalising our corporate social responsibilities. The introduction of Combined Heat and Power is the major step in reducing our carbon footprint and aligning the Trust with the Mayor's *Green500* initiative. Along with a number of other sustainability initiatives, local employment and new demanding procurement principles, this is helping to introduce greater consistency in delivering our

## Chairman's statement

aspirations. We also aim to launch a new partnership with the Zambian Ministry of Health. This report sees our first steps towards social accounting.

The Trust remains indebted to numerous generous and supportive partners, notably Guy's and St Thomas' Charity. Geoff Shepherd, the Chief Executive, and Patrick Disney, the Chairman, will both leave the Charity during the coming year and the Trust records its warm thanks and good wishes to them both for their hard work on behalf of our patients and staff, and for their foresight and prudence in managing the Charity's assets. We continue to work effectively with local authority leaders, the Metropolitan Police, the Greater London Authority, our Members of Parliament and other South Bank leaders. As we predict further change we can take encouragement from the excellent relationships which are embedded in our day to day life. There is real confidence that we can continue to grow as a strong and innovative organisation during the year ahead.

**Patricia Moberly**

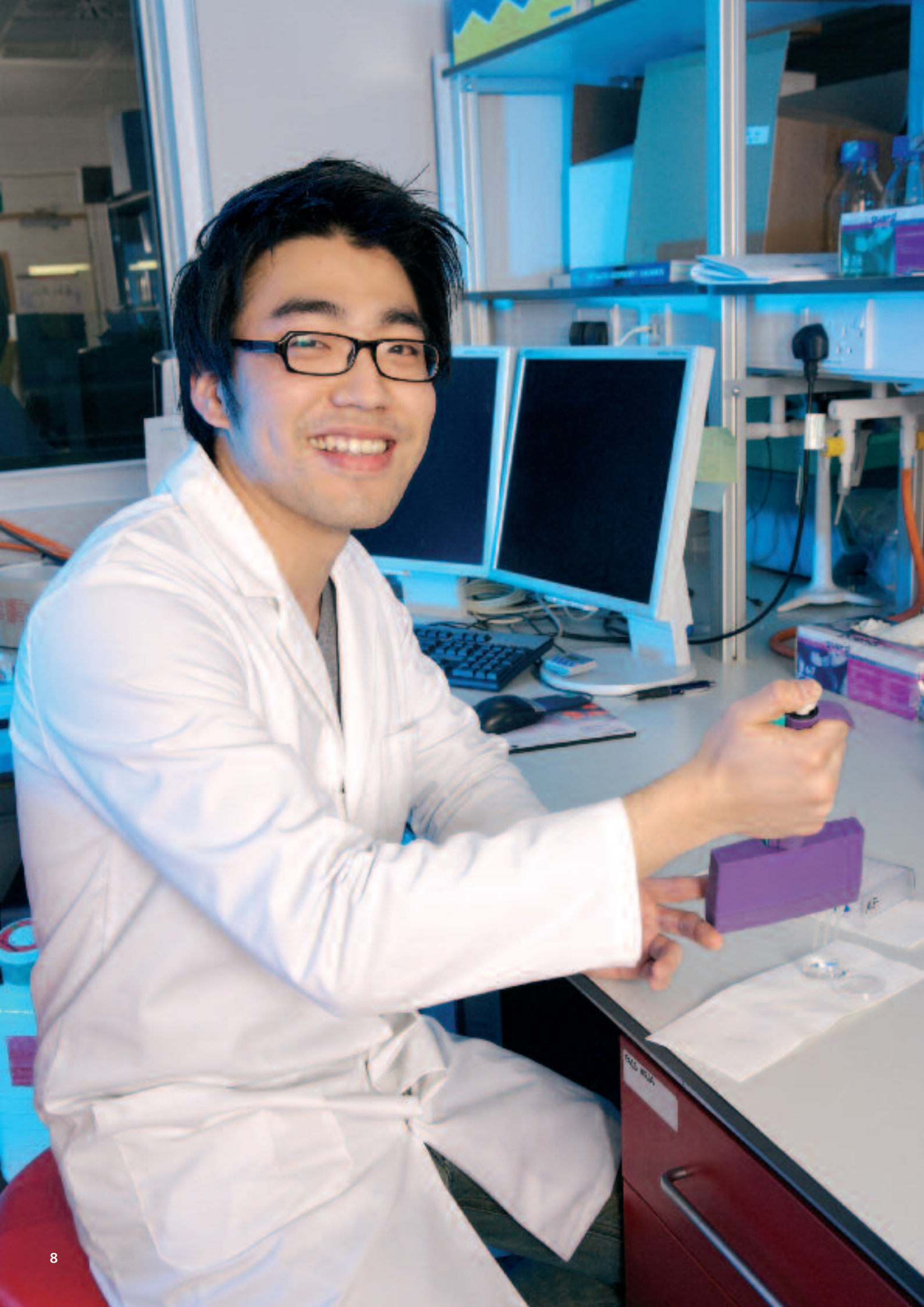
Chairman



State-of-the-art technology is transforming patient care in a range of services, including the Dental Hospital. Two new Cone Beam CT scanners are providing dramatically improved imaging in a fraction of the time x-rays would take – reducing waiting time for patients and improving the information which dentists use to make treatment decisions.

Senior radiographer Sarah Winter studies images produced by the Cone Beam CT Scanner.







Our comprehensive Biomedical Research Centre – one of only five in the UK – has a strong focus on ‘translational’ research. It aims to take medical discoveries from the laboratory into clinical settings at the earliest opportunity to benefit our patients. It is supported by £50 million of National Institute for Health Research funding over five years.

**Pictured is MSc student Youngmin Park working in the comprehensive Biomedical Research Centre.**

## Directors' report

Guy's and St Thomas' NHS Foundation Trust has again enjoyed a very successful year and we continue to use our strong financial position to drive forward ambitious investment plans that deliver service and quality improvements for our patients.

A major focus during the past year has been to progress our proposals, with our partners King's College Hospital and South London and Maudsley NHS Foundation Trusts and our shared academic partner King's College London, to be amongst the UK's first Academic Health Sciences Centres (AHSCs). We were therefore delighted to be one of five AHSCs accredited by the Department of Health in March. This followed a detailed application process, including an interview with a panel of international experts, so we are pleased to have been successful.

We now look forward to building on this success as we finalise the governance arrangements for the AHSC as a whole, and for the Clinical Academic Groups which will be the essential building blocks of the AHSC. They will allow us to ensure that our patients benefit from the seamless integration of service delivery, research and teaching and training that will drive excellence, and will ensure that they have access to the best possible treatments at the earliest opportunity. More information on the AHSC can be found on page 43.

Alongside our work to progress the AHSC, we have been devoting considerable energy over the past year to the development of a clinical service strategy and a complementary and ambitious estates strategy for the Trust. Whilst we recognise that these will need to be aligned with those of the AHSC going forward, it is also essential that we have a clearly articulated vision for Guy's and St Thomas'.

Many staff have been involved in developing the service strategy, creating detailed local plans for each service area and mapping the key interdependencies with other services, as well as identifying the best location for their service or specialty in the future. This is closely linked to the continuing work to draw together a comprehensive estates strategy for the Trust over the next five to 10 years, and we are now moving to a detailed planning stage in a number of areas, including work to transform the way that both emergency patients and planned admissions move through the hospital and major repairs to the East Wing at St Thomas' and Tower Wing at Guy's.

All elements of the strategy are underpinned by a clear framework to guide investment decisions and ensure our plans are complementary to those of our partners, including Guy's and St Thomas' Charity which owns some parts of our sites and adjacent land.

The estates strategy will not only improve the fabric of our buildings over the medium to long term, but will also update facilities for patients at both hospitals over the next 18 months through a £15 million environmental improvement programme which is targeted at wards,

## Directors' report

clinics, corridors and waiting areas throughout the hospitals. Successful implementation of the service and estates strategies will require careful planning and sustained investment over many years, and the Board of Directors has agreed a clear way forward that includes a requirement for a detailed business case for each major project, as well as regular priority setting against available resources.

In terms of our operational performance, we delivered another strong performance in the Healthcare Commission's 2007/08 annual health check for both the quality of our services and use of resources. As a result of hard work and dedication by our staff, we were rated as 'good' for quality of services and 'excellent' for use of resources.

We performed well against nearly all of the targets against which we are assessed. These included the key standards recognised by the Healthcare Commission as being most important for patients such as safety, cleanliness, dignity and respect, standards of care, and the delivery of accessible and responsive services. The Trust also met all access times for cancer treatment, patients attending accident and emergency, and rapid access to a chest pain clinic. We achieved reductions in waiting times for patients treated as both inpatients and outpatients, and for diagnostic tests, in line with national 18 week targets. The Trust also met all its infection control targets and exceeded its planned reduction in instances of MRSA.

We were therefore disappointed that despite these achievements we did not retain our 'excellent' rating for quality of services. This was largely the result of an unexpected IT problem with the national *Choose and Book* system, which forced the Trust to put the safety of patients above the requirements of booking targets. We felt that we had no choice other than to slow down the roll out of the system while the situation was resolved, thereby missing a target relating to the number of services that can be booked directly by GPs.

With regards to the use of resources, we continue to achieve an 'excellent' rating and this reflects the fact that our financial performance in the past year remains one of the best anywhere in the NHS. Under Monitor's rating of the Trust's financial risk, we have achieved a rating of four, in a range of one to five where five is the best performance. We are proud to have achieved a £25.5 million surplus to reinvest in our ambitious and exciting plans to improve services and the hospital environment for patients. We currently await the outcome of this year's rating which will be published later in the year.

We continue to provide a full range of local hospital services to people living in Lambeth, Southwark and Lewisham, and we also provide a wide range of more specialist services to both the local population and to patients from further afield. With our AHSC partners, we remain committed to playing an active part in the local health economy, in particular to ensure sustainable and high quality health services across south east London. We also collaborate with other partners in London, nationally and internationally, and we are committed to a number of exciting global health partnerships.

Initiatives during the year to support and continue to enhance service delivery, research and teaching and training have been wide ranging and, whilst it is impossible to mention them all here, highlights include:

- continued progress with our cancer strategy to improve services for cancer patients at the Trust and across south east London;
- growing momentum in translational research and capacity building as our National Institute for Health Research (NIHR) comprehensive Biomedical Research Centre completes its first year of full funding;
- new initiatives to improve our services, including a further Modernisation Initiative to improve end of life care and services at Gracefield Gardens Health and Social Care Centre;
- a major joint venture with Serco Group plc to improve and grow our pathology services;





- further progress with a wide range of initiatives that reflect our commitment to corporate social responsibility, from reducing energy consumption and procuring goods and services locally to being a good employer and playing an active part in the regeneration of our local communities;
- a continuing drive to reduce hospital acquired infection and to promoting dignity and respect;
- further development of our work to engage patients, as well as our Foundation Trust membership, and secure feedback which can be reflected in future service developments.

This year, the Trust and Guy's and St Thomas' Charity appointed a joint Director of Fundraising, Hugo Middlemas, as part of our commitment to increase philanthropy, both to support our services generally and to help make our ambitious plans to deliver world class cancer services a reality.

## Business review

Guy's and St Thomas' has performed exceptionally well again financially in 2008/09, and the Trust has declared a surplus of £25.5 million for the financial year. The Trust had planned to achieve a surplus of £20 million in 2008/09, recognising the need to achieve a £24.8 million efficiency improvement which builds on the £26.9 million efficiency improvement achieved in previous years as part of a three year programme.

The Trust is planning to achieve a further £25.7 million savings in 2009/10, and also to deliver a further surplus of £20 million in addition to the £25.5 million achieved in 2008/09. These surpluses will then be available to reinvest in service developments and the Trust's estate in support of our strategic vision.

We have identified eight key drivers of change which we believe present both threats and opportunities to our future operation. These are:

- delivering our vision for an Academic Health Sciences Centre;
- the new national contract for the commissioning of services by Primary Care Trusts, including Commissioning for Quality and Innovation (CQUIN);
- the changes to commissioning intentions for clinical services;
- changes in the economic environment;
- the introduction of 'free choice' as part of the national Patient Choice initiative;
- the effects of the financial regime, *Payment by Results*, the Market Forces Factor and the associated national tariff;
- changes to funding for research and development and teaching;
- commercial opportunities.

The Trust has focused on managing the risks associated with the drivers of change which are potential threats, and on ensuring that it is in a position to take advantage of the potential opportunities.

The Trust has a well established financial and operational reporting model that includes detailed monthly scorecard reporting to both the Board of Directors and Trust Management Executive covering national and Trust specific performance targets. In addition, Board sub committees have developed a range of key performance indicators, and local indicators are well developed throughout the organisation.

The Trust has an exemplary record on environmental issues and is proud to be regarded as an NHS and industry leader in this respect, with success ranging from a substantial reduction in energy usage to being one of the first Trusts in the country to install Combined Health and Power (CHP) facilities – due to be fully operational by summer 2009.

## Directors' report

We also take our responsibilities as the largest local employer and a member of the vibrant community on London's South Bank very seriously. We work hard to recruit locally, both in support of our commitment to the environmental agenda and because we are committed to employing a workforce that reflects and is able to meet the needs of the ethnically and culturally diverse communities we serve in South London.

The Trust remains strongly committed to equality and diversity and therefore meeting or exceeding obligations to our workforce regardless of their age, disability, ethnicity, gender, religion or belief, or sexual orientation. The Trust's values support this and our aim is to be both a service provider and an employer of choice. During the year, to ensure we reflect best practice in both our approach to patients and staff in this respect, we have appointed our first dedicated Director of Equality and Diversity, and we have established a single safeguarding team to focus on both child protection and issues relating to vulnerable adults.

As an organisation that spends over £230 million a year with third party suppliers, we recognise that we have a considerable impact locally and we work hard to use the opportunities this presents to positive effect, for example, through a procurement guide that provides guidance to local businesses on how to seek contracts with us.

There will be significant changes to Primary Care Trust contracts in 2009/10, and we also anticipate changes to the national *Payment by Results* tariff linked to the introduction of HRG version 4. The Trust's current three year Foundation Trust contracts expired at the end of the 2008/09 financial year, and we have moved to the new national contract. We had already amended existing contracts for most of the contractual terms proposed in the new national contract, with the exception of the penalty proposals. The new contract has financial penalties for missing waiting times, failure to provide contract performance data in a timely manner and quality performance. The contract also passes the risk of non-payment for activity undertaken above planned levels to the Trust if not approved by Primary Care Trusts or as a result of Patient Choice.

We have a range of well established communications channels in place to ensure regular and effective communication with all staff. We also enjoy a good relationship with staff side representatives and meet with them regularly to ensure their full involvement in key issues, for example, they are consulted on policies that impact on staff and on significant employment issues such as the recent pathology joint venture, the negotiations for which were successful concluded in December 2008.

The Board recognises and regularly pays tribute to staff for their part in the Trust's success, and is very conscious that our operational and financial performance are the result of active engagement and support from front line staff, both clinical and non-clinical, who have championed a collective drive for greater efficiency and improved operational performance. We held our first Trust-wide awards scheme to recognise and celebrate these achievements in May 2009, and hope to build on this in future years.

### Board of Directors

The Board of Directors provides wide ranging experience and expertise, and continues to demonstrate the vision, oversight and encouragement to enable the Trust to flourish. In 2008/09, its membership consisted of the following Executive Directors:

*Chief Executive*, Ron Kerr; *Director of Finance*, Martin Shaw; *Medical Director*, Edward Baker; *Chief Nurse/Chief Operating Officer*, Eileen Sills; *Director of Capital, Estates and Facilities*, Steve McGuire; *Director of Workforce*, Ann Macintyre (from November 1); and *Director of Strategy and Workforce*, Tim Higginson (to December 31, although on secondment to University Hospital Lewisham from April 1 until formally stepping down).



And seven Non-Executive Directors:

*Chairman, Patricia Moberly; Vice Chairman/Non-Executive Director, Vice Principal (Health), King's College London, Robert Lechler; and Non Executive Directors: David Dean, Mike Franklin, Rory Maw, Jan Oliver, Anna Tapsell (to June 2008) and Diane Summers (from June 2008) – see pages 70 to 71 for further details.*

The Board of Directors is not aware of any relevant audit information that has been withheld from the Trust's auditors, and members of the Board take all the necessary steps to make themselves aware of relevant information and to ensure that this is passed to the external auditors as appropriate.

The Board is not aware of any significant differences in any of the market values of its fixed assets as described in the Trust's financial statements. Revaluations took place in 2007/08 and 2008/09. The Trust's auditors have provided an opinion on our 2008/09 accounts, which appears on page 79.

The Board considers the Trust to be fully compliant with the principles of the *NHS Foundation Trust Code of Governance*, as well as with the provisions of Code in all but the following areas where we have alternative arrangements in place: appraisal of the Chairman; the designation of independent directors and a senior independent director; Chief Executive and Executive Director terms of appointment; information about elected governors standing for re-election; and independent professional advice for Non-Executive Directors. Further details can be found in the full compliance statement which is available on the Trust website.

## Looking ahead

The Trust has exciting strategic plans going forward, many of which link to the creation of our Academic Health Sciences Centre which will be known as *King's Health Partners*. With our partners, we are confident that the AHSC will enable us to achieve sustained service improvement, enhanced research and development, and first class teaching and training that will allow us to deliver rapid patient benefit, attract the best possible staff and also compete with the very best healthcare organisations both nationally and internationally – a very exciting prospect.

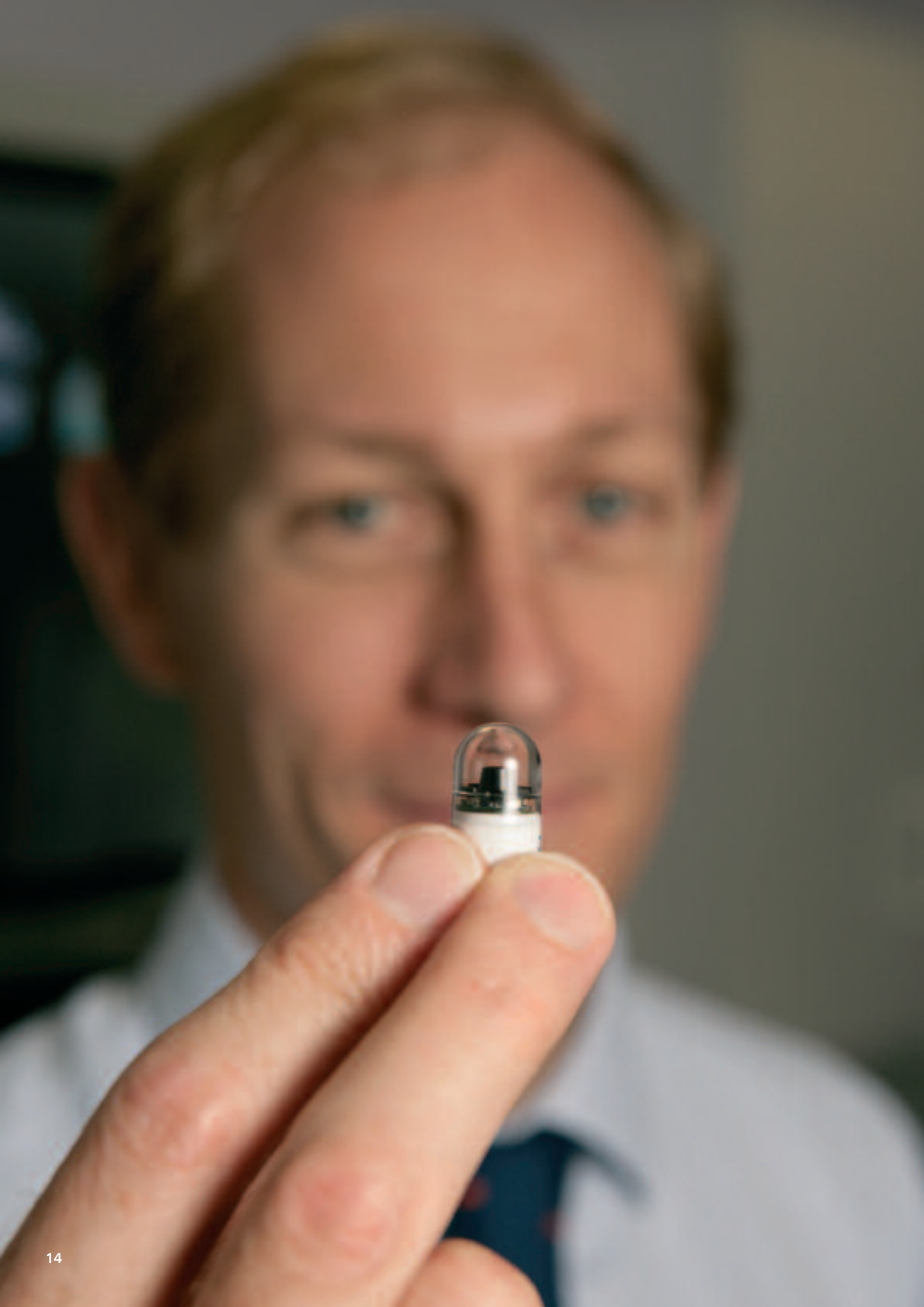
We will use our strong financial performance in recent years, including in 2008/09, to help realise our vision as we move into 2009/10. Underpinning this are the greater freedoms we and our NHS partners have as successful Foundation Trusts – both financially as we generate and retain surpluses to reinvest, and in terms of setting our own strategic direction – and welcome the opportunities this provides.

It remains therefore to thank the people who have helped to make this possible, including our approximately 10,000 staff; our Council of Governors and wider membership; Guy's and St Thomas' Charity for their ongoing backing and generous investment in support of our strategic direction; our AHSC partners; as well as our many external stakeholders and supporters, in particular our local Primary Care Trusts and other NHS organisations in South East London with whom we work closely.

### **Ron Kerr**

Chief Executive

on behalf of the Board of Directors





As part of our commitment to improve efficiency and quality of care, we invest in new technologies which can bring benefits to our patients. Doctors at St Thomas' Hospital have used more than 500 state-of-the-art camera pills to improve diagnosis of gastrointestinal disorders and save more lives.

Consultant gastroenterologist, Dr Simon Anderson is pictured with the camera pill used to diagnose hard to find illnesses.

## Our financial performance

Guy's and St Thomas' has performed well again financially in 2008/09, and the Trust has declared a surplus of £25.5 million for the financial year. The Trust had planned to achieve a surplus of £20 million in 2008/9, recognising the need to achieve a £24.8 million efficiency improvement. The annual accounts reflect not only the performance of the Trust but also the consolidated results of its wholly owned subsidiaries, GST Enterprises, GTI Forces Healthcare Limited, Pathology Services Limited, an associate company SSAFA GSTT Care Limited Liability Partnership, and joint venture GSTS Pathology Limited Liability Partnership.

The year end surplus reflects the fact that the Trust delivered a significant programme of cost reduction and increased efficiency, whilst continuing to improve services and achieve all the key NHS targets which are expected of us. The Trust's income position has exceeded our planned income for this period by £39.2 million, whilst expenditure was £37.3 million above plan reflecting the additional costs of delivering these higher levels of activity.

Interest receivable exceeded plan by £1.1 million and the Trust's depreciation charge was £2.5 million below plan, contributing to the surplus. The Trust also received a benefit from the sale of its pathology assets into the joint venture and an inducement payment to enter the joint venture. After consolidating trading figures, which reflected start up costs in the initial months of trading, subsidiaries, associate and joint venture companies contributed a net benefit of £2.5 million to the Trust.

Table 1 below compares the 2008/09 outturn to the 2008/09 plan.

**Table 1**

	<b>Plan 2008/09 £millions</b>	<b>Actual 2008/09 £millions</b>	<b>Variance £millions</b>
Total income	804.3	843.5	39.2
Expenses	(734.0)	(771.3)	(37.3)
<b>Operating surplus</b>	<b>70.3</b>	<b>72.2</b>	<b>1.9</b>
Depreciation	(37.7)	(35.2)	2.5
PDC	(17.6)	(17.6)	0.0
Interest receivable	5.0	6.1	1.1
<b>Retained surplus</b>	<b>20.0</b>	<b>25.5</b>	<b>5.5</b>

# Our financial performance

The increase in actual income compared with the levels set out in our plan was primarily a result of the Trust undertaking additional activity for a number of Primary Care Trusts, over and above the original contracted levels. This resulted in increased income and expenditure associated with delivering this additional activity.

In 2008/09 the Trust was the host for the South London Comprehensive Research Network. This increased the Trust's income and expenditure by £7 million. Payments made for research activities at other Trusts totalling £5.5 million are reflected under establishment costs in the accounts.

The income and expenditure figures also include the impact of the pathology joint venture with Serco both in the surplus, as stated above, and in the growth of both income and expenditure of £4.6 million.

The Trust's expenditure includes £5.9 million increased costs associated with the rise in energy prices. The Trust has invested in Combined Heat and Power (CHP) technology in 2008/09 and it is expected that this will deliver significant savings in energy costs and reductions in carbon emissions over the coming years.

## Financial performance 2007/08 and 2008/09

Table 2 below shows the Trust's financial performance for 2007/08 and 2008/09.

Table 2

	Actual 2007/08 £millions	Actual 2008/09 £millions
Income	773.9	843.5
Expenditure (including depreciation)	(708.7)	(806.5)
<b>Operating surplus</b>	<b>65.2</b>	<b>37.0</b>
PDC	(17.8)	(17.6)
Interest etc.	8.6	6.1
<b>Retained surplus</b>	<b>56.0</b>	<b>25.5</b>

The Trust made a £56 million surplus in 2007/8 and planned for a surplus of £20 million in 2008/9. These surpluses have been allocated to further develop our services and to implement the Trust's ambitious estates strategy.

The surpluses are primarily due to the following positive factors:

- additional activity which has resulted in increased income from Primary Care Trusts;
- the successful delivery of a significant cost improvement programme;

- the unexpected recovery of prior year income;
- the establishment of the pathology joint venture;
- interest received on cash deposits.

These 'gains' have been partially offset by:

- some increase in costs associated with providing increased activity for Primary Care Trusts;
- the cost of meeting national waiting time targets;
- increased energy costs.

The Trust developed efficiency proposals of £24.8 million to deliver in 2008/09, and we will also continue to drive down costs in future years as part of our plan to meet anticipated financial risks and to deliver surpluses which we can reinvest in service developments and our estate in support of the Trust's strategic vision.

## Trends in activity, income and expenditure

The charts 1-5 (right) show activity, income and expenditure growth over a five year period from 2004/05 to 2008/09.

### Activity trends

Charts 1-3 show the growth in inpatient and day case activity (measured as completed patient spells) – up by 22 per cent, and growth in outpatient attendances – up by 20 per cent.

The growth in inpatient and day case activity relates to increased demand for specialist (tertiary) services and the increased activity purchased by Primary Care Trusts to achieve national waiting times targets.

Total outpatient activity has grown by 20 per cent (new outpatient referrals increased by 11 per cent and follow-up referrals increased by 24 per cent) over the five year period.

A&E attendances have also increased over the five year period as a whole – up by over one per cent – and the time that patients wait to be diagnosed, treated, admitted or discharged has also improved in line with national targets. We have seen a four per cent reduction in A&E attendances between 2006/7 and 2008/9 as a result of demand management measures agreed with our local Primary Care Trusts.

Chart 4 shows the growth in income over the five year period from April 2004 to March 2009. Income has grown at approximately nine per cent a year over the period. The increase in income, above inflation, is mainly as a result of Primary Care Trusts purchasing additional activity (as described above) but also specific funding for quality improvements in some areas.

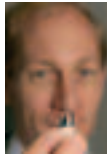


Chart 1: Completed patient spells

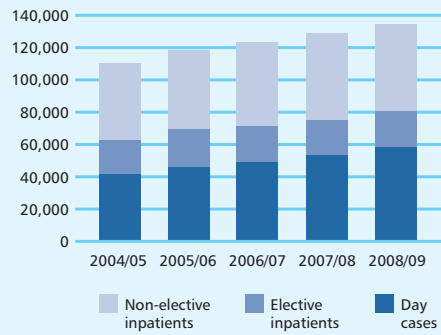


Chart 2: Outpatient attendances

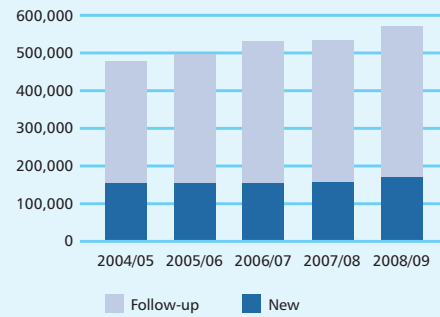


Chart 3: A&E attendances

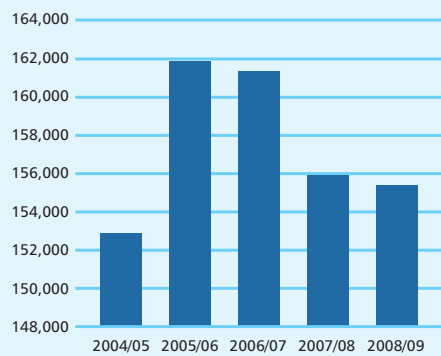


Chart 4: Income £000s

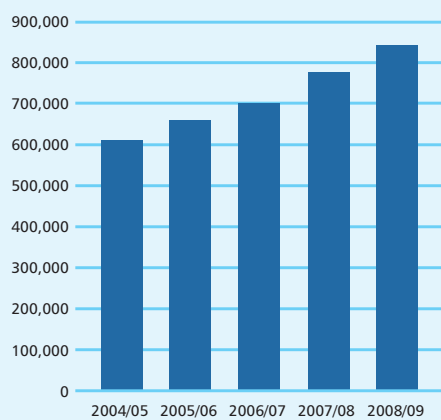
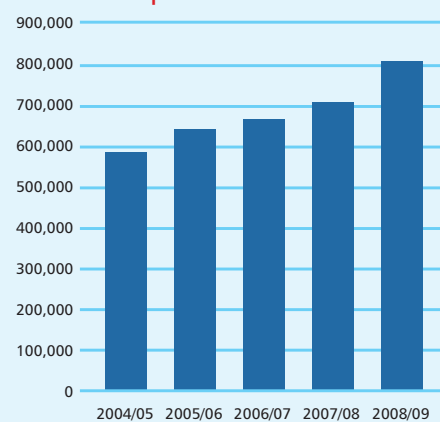


Chart 5: Expenditure £000s



## Our financial performance

The Department of Health increased the funding we received to support the provision of education and research by £6.1 million in 2008/09, compared with the funding received in 2007/08. In addition, the Trust received the first full year effect of the comprehensive Biomedical Research Centre grant from the National Institute for Health Research (NIHR) which was successfully won in 2007/08. The Trust was also successful in winning government funding for the Comprehensive Local Research Network. These new research grants have helped to mitigate the reductions in research levy funding from the Department of Health.

Chart 5 shows the growth in expenditure over the five year period. Expenditure has grown at an average rate of nine per cent per annum over the period. This is primarily as a result of the additional staff and non-pay costs associated with delivering additional activity. In addition to the growth in permanent staff numbers, agency usage has increased. However, it is important to note that in 2008/09 the rate of growth in expenditure has increased significantly above trend due to a number of specific factors including; the increased costs of research and development, the exceptional increase in energy and utility costs and the increased costs of clinical supplies and services, in part due to the transition to the pathology joint venture.

### Cash flow and balance sheet

There have been a number of significant changes in the Trust's balance sheet and working capital during the year.

The Trust ended the year with £155 million cash in the bank, against a plan of £126.1 million. This was an increase in cash of £28.9 million compared to plan, and of £8.6 million when compared with the £146.4 million position at the end of 2007/08. The increase above plan is largely due to the Trust achieving a surplus that is £5.5 million greater than planned for, slippage of £7.7 million in the planned capital expenditure and movement in working capital balances.

The Trust had a projected NHS capital spend of £91 million for the year and also expected to draw-down Public Dividend Capital (PDC) of £20.9 million from the Department of Health. During the year, the Trust has also received a further £1.4 million of PDC capital approvals. The actual capital expenditure during the year was £73.7 million, which was less than planned due to the timing of payments for some elements of the capital programme. The Trust drew down the full £22.3 million PDC due in 2008/09 for completed schemes.

The Trust's land and buildings were subject to a revaluation in 2008/09 which has been completed on an indexation basis. Land values reduced by £16.8 million and building values (including plant and machinery) fell by a total of £17.8 million. The full reduction in asset values was chargeable to the revaluation reserve. In future, the Trust will base valuations on a Modern Equivalent Value in line with International Financial Reporting Standards (IFRS).

There has been no change to the Trust's schedule of protected and non-protected assets during the year.

In 2008/09 the Trust took out a lease on New City Court and relinquished a lease on Colechurch House. In 2009/10 the Trust expects to relinquish its lease with Lewisham Primary Care Trust for the remaining parts of the New Cross Hospital site which Trust services occupy and these services will be relocated as required.

### Charitable funding

The Trust is fortunate to be supported by Guy's and St Thomas' Charity. All the charitable funds that benefit the Trust are administered by this separate charity. In 2008/09, the Trust spent £1.4 million from charitable grants on capital projects and also received £4.9 million in charitable contributions towards revenue expenditure. Following the success of the first phase of the Modernisation Initiative in transforming kidney, stroke and sexual health services in Lambeth and Southwark, the Charity has provided £4.5 million over three years to transform end of life care.

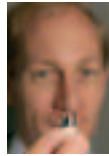
### Capital expenditure

Capital expenditure during 2008/09 was focused on protected assets and included backlog maintenance, the provision of medical equipment and investment in IT projects. Table 3 below shows a breakdown of the different sources of capital and how this has been spent:

**Table 3: Capital expenditure**

	NHS funded £ millions	Donated £ millions	Government grants £ millions
Buildings	11.5	0.0	0.0
Assets under construction	37.6	0.0	0.0
Plant and machinery	13.8	1.4	0.0
Information technology (IT)	9.3	0.0	0.0
Software licences etc	0.1	0.0	0.0
<b>Total</b>	<b>72.3</b>	<b>1.4</b>	<b>0.0</b>





## Commercial income and private patient cap

The Trust has a large commercial portfolio, and much of this income is subject to long term contracts.

In accordance with Foundation Trust legislation, the Trust's private patient income is capped at 2.9 per cent of income from patient care activities based on the Trust's 2002/03 financial outturn. The Trust remained within the private patients cap for 2008/09 (see Note 3.3 of the annual accounts on page 90). Our future plans assume that private income will remain constant in real terms, and will therefore remain within the required limit.

## Prudential Borrowing Limit

A Prudential Borrowing Limit (PBL) is set by Monitor and is reviewed at least annually. The total amount that the Trust borrows must be within this limit. Monitor sets the PBL for each Foundation Trust with reference to financial ratios and the individual Trust's working capital facility. The Trust did not renew its working capital facility beyond July 31 2008 as planned given its healthy cash position.

The Trust had no borrowing against the PBL during 2008/09, and this was in line with expectation. The Trust's performance against the PBL indicators is described in Note 28 of the final accounts on page 103.

## External audit services

The Council of Governors agreed that Deloitte LLP should be the Trust's external auditor for 2008/09. The Trust incurred £146,475 in audit services fees in relation to the statutory audit of the Trust accounts to March 31 2009. The Trust also incurred audit fees for subsidiary and associated companies of £10,500 and other fees of £5,000 for the audit of the IFRS opening balance sheet.

## Monitoring Trust performance

The Trust has developed a 'balanced scorecard' to review and monitor performance at a Trustwide, divisional and directorate level. Incorporated within the Trust level scorecard, which is reported monthly to the Board of Directors, are the metrics used by Monitor to assess the financial risk rating of the Trust.

Monitor uses four criteria to assess the Trust's financial risk rating: underlying financial performance; achievement of the financial plan; financial efficiency; and liquidity. At the end of the financial year the Trust achieved a risk rating of four, in a range of one to five where five is best.

## Identifying potential financial risks and opportunities

In assessing the financial risks faced by the Trust, we have assessed the external factors which are likely to impact on the organisation. We have identified eight key drivers of change which we believe present both threats and opportunities to our future operation at this time. These are:

- delivering our vision for the Academic Health Sciences Centre;
- the new national contract for the commissioning of services by Primary Care Trusts, including Commissioning for Quality and Innovation (CQUIN);
- the changes to commissioning intentions for clinical services;
- the introduction of 'free choice' as part of the national Patient Choice initiative;
- changes in the economic environment;
- the effects of the financial regime, *Payment by Results*, the Market Forces Factor and the associated national tariff;
- changes to funding for research and development and teaching;
- commercial opportunities.

The Trust has focused on managing the risks associated with the drivers of change which are potential threats, and on ensuring that it is in a position to take advantage of the potential opportunities.

The development of the Academic Health Sciences Centre; 'free' Patient Choice and extending our commercial income are all viewed as primarily being opportunities. The changed economic climate, volatility of the national tariff and Market Forces Factor under *Payment by Results*, the new NHS contract and PCT commissioning intentions, and changes to the levy funding for research and teaching, are major uncertainties and viewed as threats which make future planning difficult.

## Responding to potential financial risks and opportunities

In responding to these potential risks and opportunities, in particular the change and uncertainty we face in terms of the external environment, the Trust continues to set itself challenging financial targets.

The Trust is planning to achieve a further £25.7 million savings in 2009/10 and also aims to deliver a surplus of

## Our financial performance

£20 million which will be in addition to the £25.5 million surplus achieved in 2008/09. These surpluses will then be available to reinvest in service developments and our estate in support of the Trust's strategic vision.

The degree to which these targets are achieved will determine the levels of investment that the Trust is able to undertake in future years, and will also provide a financial buffer should the financial risks we have identified materialise.

The following section sets out the key risks and opportunities we have identified in achieving the financial targets that we have set ourselves, and how these will be managed.

### Developing an Academic Health Sciences Centre

Together with King's College Hospital and South London and Maudsley NHS Foundation Trusts and our shared academic partner, King's College London, we have been successfully accredited as an Academic Health Sciences Centre (AHSC). The AHSC is known as *King's Health Partners*. The governance model we are adopting allows the partner organisations to retain their existing identities while delegating key powers for the production and implementation of strategy to the AHSC. Based on the complementary skills of the partners, *King's Health Partners* will be able to provide the full range of world class clinical services as well as excellence in teaching and research to the populations we serve.

Opportunities to improve efficiency and the quality of our services are being actively explored, and the partners in the AHSC believe that opportunities for service development, and income growth and diversification will result. Expectations of the AHSC are high and the Trust and its partners will need to develop capacity and capability to deliver the future vision, whilst also maintaining performance against existing targets.

### New national contract

In 2008/09, the Trust has been able to operate under existing three year contractual agreements with Primary Care Trusts (PCTs). In the year, the PCTs served notice to terminate these existing arrangements with effect from April 1 2009.

The Trust has reluctantly had to accept the new national contract for 2009/10 having decided against a legal challenge. Many of the terms of the new national contract were not negotiated but mandated nationally. The Trust will, together with the Primary Care Trusts,

review any national proposals in the future and may also challenge the imposition of any terms it believes to be unfair legally.

The contract has financial penalties for missing national targets for waiting times, failure to provide contract performance data in a timely manner and quality performance. The contract also passes the risk of non-payment for activity undertaken above planned levels to the Trust if not approved in advance by Primary Care Trusts or as a result of Patient Choice.

The Trust is investing in additional informatics staff, including clinical coders, to ensure that high quality contract performance data is available in a timely fashion to support contract discussions with Primary Care Trusts and to minimise risk of non-payment.

The Trust's performance monitoring systems will give early warning of any risk that we might fail to achieve against waiting times or quality standards so that corrective actions can be taken and any financial penalties avoided.

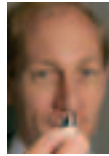
### Changes in commissioning intentions

The Trust is working closely with local Primary Care Trusts (PCTs) as they develop their commissioning intentions and referral management and practice-based commissioning proposals for 2009/10 and beyond. To date the effect of referral management and practice-based commissioning have been relatively minor, although we continue to monitor their impact on the Trust.

With our partners in the Academic Health Sciences Centre, we responded jointly to both the *Healthcare for London – A Framework for Action* and *A Picture of Health*, the consultations on the future of services in the capital and in south east London respectively. We have also participated in discussions about how the proposals will be taken forward as the outcomes of consultation are known.

These proposals, along with any other plans to rationalise specialist services, may be reflected in the future commissioning intentions of GPs, Primary Care Trusts and other purchasing consortia. The Trust is well placed to assist in the consolidation of specialist services and, if asked, would provide services to an agreed population as part of networked pathways of care.

The Trust has been notified of plans to deliver non-specialist cardiac services more locally within Kent. We do not anticipate that this will affect referral patterns for specialist tertiary services, and we will continue to assess the impact on the secondary care that we provide as local provision in Kent changes.



## Free Patient Choice

The Trust has undertaken a number of initiatives to improve the overall experience of patients attending our hospitals, including significant investment in the hospital environment. We believe that this, together with the high quality of our clinical services and our general reputation as leading teaching hospitals, will make us attractive to patients under the 'free choice' initiative.

Our most recent Healthcare Commission rating assessed the Trust as 'good' for the quality of our services and 'excellent' for the use of resources. Furthermore, our maternity service was recently given the best rating in London in a Healthcare Commission review, and we have already seen a significant increase in the number of women booking to have their babies at St Thomas'.

The Trust is working with other NHS and private sector providers to ensure continuity of care for patients whether within the hospital, in the community or in their own home. We are investing in services in ways that will ensure care is delivered in the most appropriate setting and working with GPs and primary care colleagues to develop appropriate care pathways. Where treatment outside of hospital is clinically appropriate and financially advantageous, we will work with local partners to explore how best to make this happen.

## The economic environment

The global economic downturn has clearly impacted adversely upon future funding available to the NHS as outlined by the Chancellor in his budget statement in April 2009. The Department of Health is contributing £2.3 billion in additional savings, as part of £5 billion efficiencies in spending across the public sector in 2010/11. This includes increasing efficiency requirements for NHS Trusts from 4 to 4.5 per cent a year.

The growth in public expenditure had previously been forecast to fall to 1.3 per cent in 2010/11 from growth levels in excess of 5.5 per cent in 2009/10 and up to 10 per cent during the last five years.

The Trust will ensure programmes are developed to respond to the financial challenges we face, driving further improvements in productivity and efficiency whilst improving the quality of patient care and the patient experience. In addition, in the current economic climate there is a risk of Trust suppliers getting into financial difficulty. We will take action to mitigate this.

## The financial regime

Under *Payment by Results*, the introduction of HRG version 4 and changes in the Market Forces Factor have resulted in significant changes to the tariff structure and values which have impacted adversely on the Trust. These losses of £16 million, together with the loss of £2.8 million income for High Cost Area Allowances, have been partially mitigated in 2009/10 through contract negotiations with our local Primary Care Trusts and transitional support of £7.5 million on a non-recurrent basis from NHS London.

The review of the Market Forces Factor has led to a reduction in income which has been capped at 2 per cent in 2009/10, although the Trust expects to lose a further £3.2 million in 2010/11.

The structural changes to the national tariff were not fully implemented in 2009/10 and it is anticipated that there will be changes covering outpatient procedures and other tariffs introduced in 2010/11. A number of these tariff changes were not signalled by the Department of Health and therefore the data is not available to support planning and contracting in 2009/10. The Trust has agreed with Primary Care Trusts that 2009/10 should be a transitional year to ensure that we are not financially impacted by these changes until the information to support the new tariffs has been established.

The Trust faces significant financial risks in 2010/11 as the new tariffs came into effect and the full impact of the Market Forces Factor changes and the removal of non-recurrent support are implemented. In order to reduce these risks, the Trust will ensure that all activity undertaken in the new tariff structure is fully recorded in 2009/10 to ensure full payment in 2010/11.

The Trust has successfully implemented service level reporting. Reports of profit and loss by service, consultant and procedure at a patient level are now available for all the Trust's services. The potential for national tariff changes to alter the signals from these trading accounts remains a concern, although they are being used to inform Trust business planning decisions and proving valuable.

## Changes to funding for research and teaching

Since the publication of the Department of Health's research and development strategy *Best Research for Best Health* in January 2006, we have been working closely with our main academic partner King's College London, as well as with King's College Hospital NHS Foundation Trust, to drive forward proposals which will ensure that we continue to attract and retain research income and

## Our financial performance

that we maximise our shared research potential. This is clearly also a key element of our collective vision for the Academic Health Sciences Centre.

The levy funding that we receive for research and development is being phased out by 2009/10, and we are already planning to make efficiency savings to offset the loss of income. We have also secured a number of successful bids to help mitigate the loss of funding, the most notable being our approval as one of five comprehensive NIHR Biomedical Research Centres, which will attract approximately £50 million of funding over five years.

The Trust did not incur any loss of teaching income in 2008/09 and does not expect any change in 2009/10. We are aware however that the teaching levy is currently under review and it is expected that a new funding formula will apply from April 2010. It is anticipated that these levies will reduce in future and a significant detrimental impact on teaching across London is expected. We are working with NHS London and the Department of Health to ensure that the impact of any proposed changes is fully understood, and we will argue for transitional arrangements if significant change is proposed.

### Commercial opportunities

The Trust benefits from having one of the largest and most successful enterprise units in the NHS. The corporate development team advises and supports innovative initiatives across the Trust and brings a high degree of commercial expertise and professionalism to this work.

For example, during 2008 we created a joint venture partnership to lead the modernisation of the Trust's pathology services, working with Serco Group plc, a commercial partner to ensure we are a leader in the provision of high quality and efficient pathology services for the Trust and for external organisations.

Through an initiative with the Soldiers, Sailors, Airmen and Families' Association (SSAFA) we have expanded the services we deliver for the Ministry of Defence by adding responsibility for the provision of primary health care services to British forces and their dependents in Northern Europe from April 1 2008. This builds on 13 years' experience of successfully managing the provision of hospital services to British forces based in Northern Europe, and has also allowed us to develop innovative approaches to working with other organisations to develop new services.

Other activities which complement core Trust work and support innovation include working with clinicians

and other staff to develop ideas and research with commercial partners where these can be translated into practical solutions that benefit patient care. The team also manages the Trust's private patient services in a way that both generates income and can provide extra capacity for NHS work when needed.

### Countering fraud and corruption

The Board of Directors has established policies and procedures to minimise the risk of fraud or corruption, along with a procedure to be followed in the event of any suspected wrongdoing being reported. Any staff member suspecting irregularities is encouraged to report these, and the Trust's policy is that no employee will suffer as a result of reporting reasonably held suspicions.

The reporting procedure is detailed in the Trust's policy on Raising a Matter of Concern (whistle blowing policy) and Standing Financial Instructions, which have been reviewed and revised this year to reflect best practice. This guidance also includes contact details for the Trust's Local Counter Fraud Specialist (LCFS), and the NHS Fraud and Corruption Reporting Line. The guidance is available to staff on the Trust intranet, along with other useful information about countering fraud, and we regularly remind our staff to be vigilant.

Reported concerns are investigated by the Trust's Local Counter Fraud Specialist, who reports to the Director of Finance, and liaises with the NHS Counter Fraud and Security Management Service and the police as necessary. If the reported concerns or allegations are substantiated, the matter will be pursued in accordance with criminal, civil or disciplinary proceedings, or a combination of these.

We work hard to create an anti-fraud culture in the Trust and to prevent and detect fraud and corruption. The addition of a further counter fraud specialist to the Trust team in 2008/9 has enabled us to provide counter fraud training to substantial numbers of our staff. Reports of any counter fraud activity are made to the Audit Committee, a sub committee of the Board of Directors.



Guy's and St Thomas' Charity generously supports arts and heritage in our hospitals. An extensive performing arts programme including free concerts, bedside and ward events, poetry readings and comedy performances enhances the patient experience. The Charity also manages a diverse collection of over 4,000 works of art.

Cellist Jonathan Rees entertains patients, visitors and staff at a free lunchtime concert at Guy's Hospital, funded by Guy's and St Thomas' Charity.







Trust doctors have piloted an innovative deep brain stimulation device which is small enough to allow children to benefit from the technology for the first time. The pioneering treatment helps patients with neurological movement disorders to control involuntary muscle contractions.

Thomas Melville-Ross, who has benefited from deep brain stimulation, is pictured at home with his parents Georgie and James Melville-Ross and his sister Alice.

## Our operational performance

*The Trust continues to perform well operationally, as well as financially in the current challenging economic climate. We also continue to achieve the targets expected of all NHS organisations. We attain good outcomes in the many external assessments to which we are subject each year, and we take our social and environmental responsibilities seriously, both as a major employer and through our active involvement in the community we serve.*

The overall performance rating that we receive each year is the Healthcare Commission's Annual Health Check, although this is expected to change in future with the establishment of the Care Quality Commission. The current assessment consists of two elements – one measuring the quality of our services and the other assessing how well we use our resources.

In the most recent rating, published in October 2008 and covering the 2007/08 financial year, we performed extremely well in the wide range of measures against which we are assessed, achieving an overall rating of 'good' for quality of services and 'excellent' for use of resources on a scale of weak, fair, good and excellent.

The quality of services assessment covers the key standards recognised by the Healthcare Commission as being most important to patients, including safety, cleanliness, dignity and respect, standards of care, and the delivery of accessible and responsive services. As well as performing well in these areas, we also met all the access times for cancer treatment and for patients attending accident and emergency, or needing rapid access to a chest pain clinic. In addition, we achieved significant reductions in waiting times for patients treated as both inpatients and outpatients, or needing diagnostic tests, in line with national 18 week targets. We also met all the infection control targets, and exceeded our planned reduction in the number of patients with an MRSA blood infection.

We were therefore disappointed that despite these achievements we did not retain our 'excellent' rating for quality of services. This was largely the result of an unexpected IT problem with the national *Choose and Book* system, which forced the Trust to put the safety of patients above the requirements of booking targets. We felt that we had no choice other than to slow down the roll out of the system while the situation was resolved, thereby missing a target relating to the number of services that can be booked directly by GPs.



## Our operational performance

Our 'excellent' rating for use of resources reflects the fact that our financial performance remains one of the best anywhere in the NHS. Once again, we delivered a substantial surplus that can be reinvested in ambitious and exciting plans to improve services and the quality of the hospital environment for our patients.

As an NHS Foundation Trust, the financial element of our assessment is carried out by the independent regulator Monitor, and our financial performance is kept under close review throughout the year. The score is based on how well we manage our finances, as well as how we plan, monitor and report on the money we spend and how we ensure that our services provide value for money.

In November, the Healthcare Commission carried out an annual Inspection on Cleanliness and Infection Control at our hospitals. The Trust performed well against a number of measures to monitor how we protect patients from infections. The inspection report identified a number of areas where further work is needed and we are currently implementing an action plan to address these.

We also value the views of our patients and visitors to our hospitals as key indicators of our performance. More information on the Trust's inpatient survey and other ways in which we record patient views can be found on page 39.

Our achievements are thanks to the hard work and dedication of staff across the Trust and reflect our commitment to high quality clinical care, improving the patient experience, reducing waste and increasing efficiency.

Our staff responded magnificently during the year, particularly during two periods when we experienced unexpected operational difficulties – firstly as a result of an external power failure which affected the Guy's site for 76 hours in April, and again in February when adverse weather conditions caused major disruption to services on both sites. On both occasions staff worked hard to catch up on planned admissions and outpatient appointments which had to be cancelled on the days affected.

### Meeting national targets

Guy's and St Thomas' is one of the largest and busiest Trusts in the country. During 2008/09, we saw 570,000 outpatients, 86,000 inpatients and 58,000 day case patients. On average we have 1,120 beds in use at any one time, with around 850 beds at St Thomas' and 270 at Guy's, as well as up to 44 specialist baby cots.

We continue to place great importance on reducing hospital associated infection, which is a source of concern to patients. Through a continued drive on cleanliness, the implementation of the national *Saving Lives* programme,

the zero tolerance approach to poor hand hygiene and strict compliance with a new dress code and uniform policy that incorporates the 'bare below the elbows' initiative, we have continued to make real progress and have exceeded our own demanding internal targets for the reduction of MRSA and *C.difficile*. This year we achieved a 48 per cent reduction in the number of cases of MRSA blood infections, and a 37 per cent drop in the number of cases of *C.difficile*. Audited hand hygiene compliance has been maintained at 98 per cent.

The Trust continues to meet the ever more challenging national access targets by improving the speed with which patients are diagnosed and treated. As part of our work to achieve these targets, we are shifting our focus away from looking at waiting times for individual stages of care to dramatically reducing the time from initial referral to treatment starting.

The Trust continues to reduce waiting times for planned (elective) admissions and for a first outpatient appointment. We know that waiting times matter to our patients, and we continue to work hard to minimise and further reduce any delays while delivering high quality care. In March 2009, 90 per cent of patients who began treatment as inpatients or daycases, and 95 per cent of patients who began treatment as outpatients, waited less than 18 weeks from original referral.

Within the Trust's busy accident and emergency department, we consistently met the 98 per cent target for patients to be diagnosed, treated, discharged or admitted within four hours.

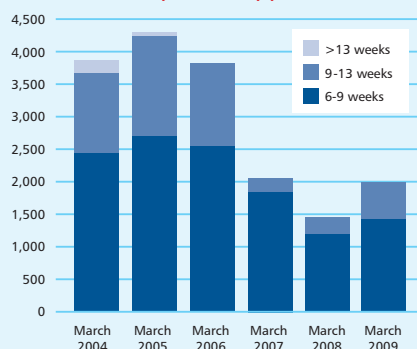
We are speeding up access to cancer treatment, and again ensured that all patients referred urgently by their GP were seen by a specialist within two weeks. The proportion of patients who begin treatment within two months of an urgent GP referral has also improved during 2008, and we exceeded the target that 95 per cent of patients should begin their treatment within 62 days. In achieving this, we have worked closely with colleagues in other hospitals who refer patients to us.

For patients with heart conditions, we continue to ensure that no patient waits longer than three months for a cardiac re-vascularisation operation, and that all patients referred to the rapid access chest pain clinic are seen within two weeks.

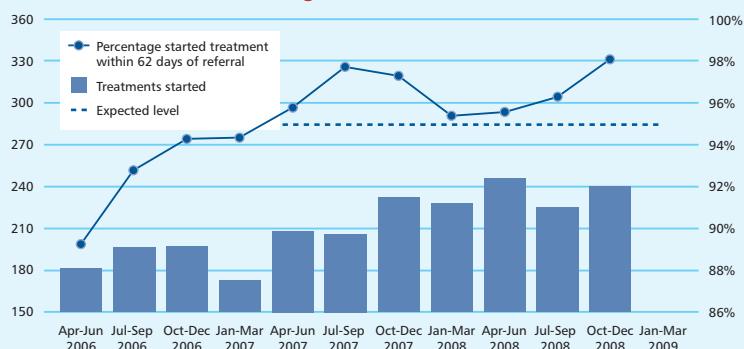
Under the Government's *Choose and Book* initiative, the Trust offers all patients a choice of dates for their hospital admission or outpatient appointment, and during the current year we expect an increasing proportion of appointments to be booked at the point when the patient attends their GP surgery and the need for a referral is identified.



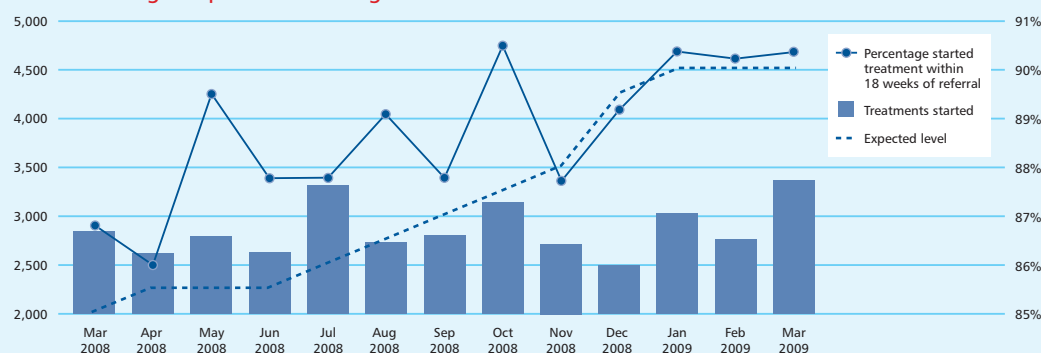
### Patients waiting over six weeks for an outpatient appointment



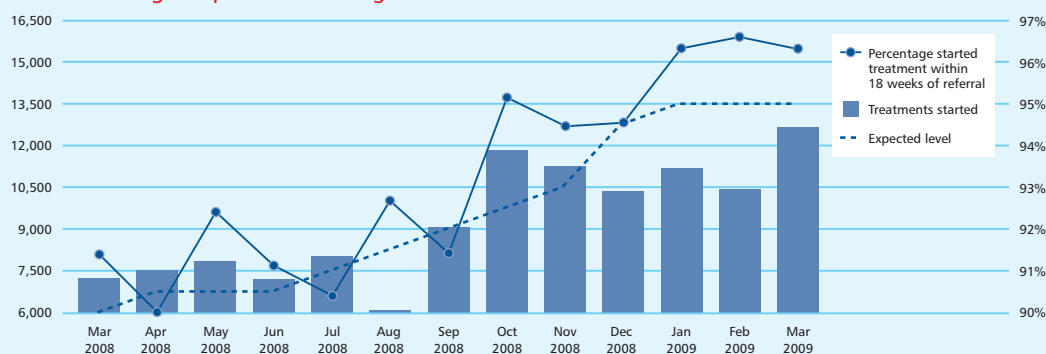
### Urgent cancer referrals – patients starting treatment within two months of urgent GP referral



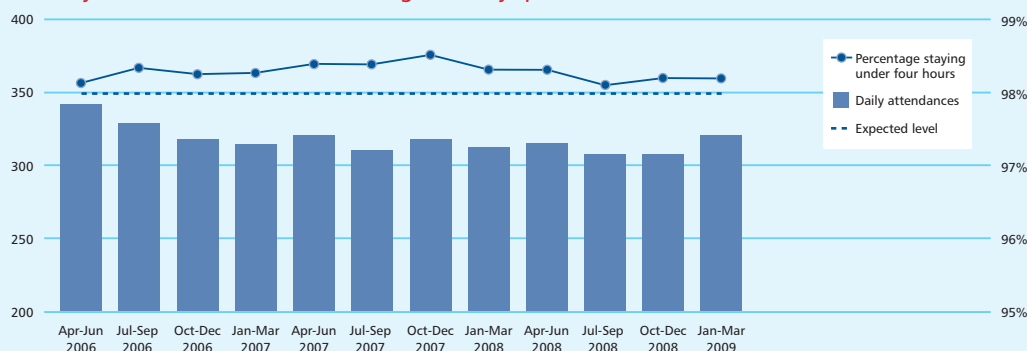
### Percentage of patients starting admitted treatment within 18 weeks of referral



### Percentage of patients starting non-admitted treatment within 18 weeks of referral



### Daily A&E attendances and waiting times by quarter



## Our operational performance

We work hard to minimise any delays when patients are transferred to another organisation for continuing care, and to keep the number of patients whose operations are cancelled at short notice to a minimum. However, we know that we need to improve our performance around cancellations further and continue to prioritise this as an area for action this year.

As an NHS Foundation Trust we are also required to agree an *Annual Plan* with Monitor that sets out detailed service and financial plans for the current year and broader plans over a three year period. Our fourth plan was submitted in May 2009.

### NHS Litigation Authority

In December, the Trust was inspected by the NHS Litigation Authority against their Risk Management Standards for Acute Trusts, in which we were pleased to achieve a high pass at level 2.

This wide ranging assessment looks at fifty risk management standards in five key areas: governance; competent and capable workforce; safe environment; clinical care; and learning from experience. It measures the effectiveness of the Trust's processes and procedures for managing risk, and successful accreditation at this level indicates that we have robust standards and practices in place to manage risk and protect patient safety across clinical and non-clinical areas throughout the organisation.

Maternity services, which are evaluated separately, are currently assessed at level 3 by the Clinical Negligence Scheme for Trusts (CNST), which is the highest standard attainable. The Trust will be assessed against newly revised CNST Maternity Clinical Risk Management Standards in 2009/10.

### Our Vision

The Trust continues to be guided by the vision agreed by the Board of Directors in December 2004, which is that:

*'over the next five years, the Trust will continue to provide top quality care to the local community and become both the first choice for clinical care in south east England (from Kent to Hampshire), and internationally distinctive in research, teaching and the management of health services.'*

To drive forward our vision, our key priorities for 2008/09 were:

- **Quality:** providing services of the highest quality, with patient safety at their heart, designed to be responsive to the needs of the individual patient and their family;
- **Operational and financial performance:** ensuring that the Trust seeks constantly to improve the efficiency and productivity of its services, to avoid wasting any resource and to sustain the Trust's ability to generate surpluses for reinvestment in service improvement and development;
- **Strategic development:** developing the Trust's role as a leading centre of clinical and research excellence, meeting the needs of the populations it serves into the future;
- **Regulatory compliance:** meeting the requirements of the Trust's various external regulators at a consistently high standard, exceeding those requirements wherever this is strategically or commercially advantageous to the Trust.

### Environmental impact

The Trust is committed to minimising its impact on the environment through initiatives including the *Earthcare and Energy* campaign which we launched in February 2007 and which has brought impressive savings. Gas consumption has continued to fall, down by 16 per cent, with electricity consumption also down by over 5 per cent – equal to 3,110 and 2,000 tonnes of CO<sub>2</sub> respectively – when compared with the previous year. This year, the Trust has created a Project Officer role to co-ordinate the network of 60 local energy representatives who support staff to reduce energy use. In recognition of the importance of sustainability issues to the Trust, we have also created a Sustainability Manager role to lead work across the organisation.

The installation of Combined Heat and Power (CHP) Plants on both sites is almost complete and these will be operational by summer 2009, allowing us to further reduce energy consumption and our dependence on external energy supplies. Through this initiative, we expect to achieve annual cost savings in 2009/10 of £1.7 million, with a reduction in carbon emissions of 7,300 tonnes of CO<sub>2</sub>. This will help us to exceed our original, ambitious targets to reduce energy consumption by 10 per cent and CO<sub>2</sub> emissions by 3,000 tonnes over three years. Therefore, we have already achieved the NHS's national target to reduce carbon emissions by 10 per cent by 2011, and we will strive to achieve further reductions.



The Trust is an active member of the *Green500* scheme, part of the Mayor of London's Climate Change Action Plan, targeting the top 500 organisations in London occupying commercial property. Membership has enabled us to build on the work we have already done to establish the Trust as an NHS leader on sustainability initiatives. We are now working across the Academic Health Sciences Centre to develop initiatives that will raise awareness of sustainability issues, including liaising with local councils to improve recycling practices.

The Trust is committed to an extensive recycling programme which continues to bring impressive results. Since April, the Bycycler enhanced recycling programme has recycled 416 tonnes of dry materials including paper, cardboard, aluminium and steel cans, drink cartons and plastic bottles. In addition, through the recycling of confidential waste we have saved over 750kw of energy, as well as 3,000 trees.

## Social accounting

The Trust places great importance on being an active and positive participant in the communities it serves, and we also recognise that we have responsibilities that range from helping local people into work or training opportunities to adopting an ethical and sensitive approach to energy consumption and purchasing decisions. Collectively this is sometimes referred to as 'social accounting' or corporate social responsibility.

In January the Board approved a plan to focus our efforts in two key areas:

- **Society** – securing and creating jobs for people in the local community
- **Economic** – promoting local procurement practice.

Our efforts within the year are described here and elsewhere in this report, for example on page 51 where we describe initiatives to support local recruitment and to help unemployed people back into work. This work will be led by the Trust's newly appointed Director of Equality and Diversity.

The Trust continues to host the national MOSAIC project, an NHS-wide scheme which brings together diversity and procurement activities to deliver beneficial economic impact to our local communities. Our activities to improve procurement and business processes through the Enterprise Project are described in more detail on page 46.

We take our responsibility to play an active part in the regeneration of Lambeth and Southwark very seriously.

We recognise the challenges and opportunities presented by our diverse local communities as these include both areas of considerable affluence, as well as significant areas of deprivation and poor housing which have an adverse impact on health and well being. We continue to engage with local organisations such as the South Bank Employers' Group, Transport for London and Better Bankside to ensure collaboration when tackling shared issues within our local community.

This year we have been working closely with the Legible London project, a scheme to provide better information throughout the capital for people who want to walk. We are collaborating with the project to improve wayfinding to St Thomas' from local transport hubs. We have also been working with Network Rail and the developers of the 'Shard' to manage the impact of these major redevelopments at London Bridge on patients, staff and visitors to nearby Guy's Hospital.

At a more strategic level, we believe that our plans for the Academic Health Sciences Centre have considerable potential to bring economic, as well as health benefits to south east London. With our AHSC partners we are working to bring together our social responsibility and environmental agendas as a *Good Corporate Citizenship* collaboration. Across the four organisations we have a wide range of innovative work which demonstrates our commitment to play an active and positive role in the communities we serve and impact positively on the broad determinants of health in Lambeth and Southwark. This is an important feature of our AHSC which complements our overarching commitment to deliver clinical, research and teaching excellence that matches the leading institutions internationally.

The Board continues to review the range of activities taking place in the Trust which demonstrate the progress we are making towards becoming an increasingly socially responsible organisation, from supporting the local economy to providing training and employment opportunities for local people. The Board also backs a number of corporate and individual staff-led initiatives that support international aid and development from working on Mercy Ships bound for Liberia to providing medical equipment and expertise to communities in Uganda. Also, we have recently launched an exciting initiative to establish formal links with the healthcare community in Zambia.

Moving forward, the Board is keen to ensure that its commitment to social accounting becomes part of normal business, and that we have systems in place to measure progress, through a form of 'corporate social accounting'.

## Our operational performance

### Information risks

Following guidance from Monitor, the Trust is required to assess and report information risks and data losses in a standard format provided by the regulator. The table (below) contains a summary of three incidents, which related to the loss of electronic equipment or documents containing personal data from outside secured NHS premises.

We take all incidents very seriously and these are investigated in the same way as clinical incidents so that we learn lessons and take action to prevent similar issues occurring.

**Table 1 – Summary of personal data related incidents in 2008/09**

Category	Nature of incident	Total
1	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	0
2	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	3
3	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
4	Unauthorised disclosure	0
5	Other	0



## Performance against national and local targets

### National targets

Existing commitments		National standard	2008/09		2007/08
A&E access	% patients discharged within 4 hours in A&E and MIU	>98%	98.2%	●	98.3%
Inpatient and outpatient access	Outpatients waiting more than 13 wks (GP referrals only)	<3 / mth	0.2	●	0.1
	Inpatients waiting more than 26 weeks	<2 / mth	2.3	●	1.2
Cardiac access	Patients seen within 2 weeks for rapid access chest pain	>99%	99.7%	●	100.0%
	Patients waiting >3 months for revascularisation	<1%	0%	●	0%
Cancelled operations	% elective operations cancelled on day of operation	<0.8%	1.17%	●	1.58%
	% cancellations not re-admitted within 28 days	<5%	1.2%	●	0.0%
Transfers of care	Inpatients with delayed transfer of care (monthly average)	<5	1	●	2
Health and well-being	Patients seen within 48 hours of referral to GUM clinic	>99%	99.8%	●	99.5%
	Ethnic coding levels of inpatients	>90%	91.2%	●	88.5%
Clinical quality	Door to needle times for thrombolysis – % under one hour	Primary angioplasties used			

### National priorities

Infection control	MRSA bacteraemia reduction (to 41 for 2008-9)	<41	24	●	46
	C Diff acquisitions in over 2's reduction (to 112 for 2008-9)	<112	84	●	124
18 week referral to treatment times	% admissions within 18 weeks in month (Jan-Mar)	>90%	90.2%	●	86.8%
	% non-admissions within 18 weeks in month (Jan-Mar)	>95%	96.1%	●	91.4%
	% direct access audiology within 18 weeks in month (Jan-Mar)	>95%	99.2%	●	n/a
Cancer access (April – Dec)	Urgent GP referrals seen within 2 weeks	100%	100%	●	100%
	Cancer treatments started within 1 month of decision to treat	>98%	99.5%	●	100.0%
	Cancer treatments started within 2 months of urgent GP referral	>95%	96.6%	●	96.5%
Cancer access (revised definitions Jan – Mar)	Urgent GP referrals seen within 2 weeks	>95%	95%	●	n/a
	Cancer treatments started within 1 month of decision to treat	>98%	99.8%	●	n/a
	Cancer treatments started within 2 months of urgent GP referral	>85%	79.5%	●	n/a
Cancer access (new targets from from Jan 2009)	Subsequent treatments within 1 mth of decision to treat	>98%	99.6%	●	n/a
	Treatments started within 2 mths of screening programme referrals	>96%	100%	●	n/a
	Treatments started within 2 mths of consultant upgrade referrals	>96%	100%	●	n/a
Infant health	Smoking during pregnancy and breastfeeding initiation			●	
Clinical quality	Participation in heart disease audits – 5 audits			●	
	Stroke care – national sentinel audit of stroke			●	
	Engagement in clinical audits			●	
	Maternity statistics – data quality indicator	Comparators not available			
Staff satisfaction	NHS staff satisfaction – results from National Staff Survey	Comparators not available			
Patient experience	Results of patient survey – 5 domains	Comparators not available			

### Local targets

Clinical quality		Target	2008/09		2007/08
Infection control	% clinical staff compliant with hand hygiene (mthly audit)	>98%	99%	●	n/a
	MRSA acquisitions from clinical specimens	<80	67%	●	74
	GRE bacteraemias (per month)	<2 in mth	75%	●	1.3
	Readmission rate (emergency readm. within 28 days)	<4.5%	4.6%	●	n/a
	Standardised mortality ratio (for quarter)	<80	79.6%	●	n/a
	Hospital mortality - unadjusted counts of deaths (mthly averages)	<100	99.8%	●	n/a
Cleaning	% compliance vs national target for cleaning	>90%	94%	●	91%
Complaints	% of complaints with response within 25 working days	>80%	92%	●	78%
Patient satisfaction					
Patient survey findings	% patients who “would speak highly of GST”	>80%	83%	●	83%
	% patients satisfied with the quality of care	>90%	92%	●	94%
	% inpatients describing ward as “clean”	>90%	95%	●	95%

● Target fully achieved      ● Target partially achieved



Housekeeping  
assistant,  
Amelia Alipio  
is pictured in  
Borough Wing  
at Guy's  
Hospital.

Through a continued drive on cleanliness, a zero tolerance approach to poor hand hygiene and strict compliance with a new 'bare below the elbows' dress code, we have continued to reduce hospital infections. In the last year, MRSA infection rates have fallen by 48 per cent and the number of cases of *C.difficile* has reduced by 33 per cent.

## Our commitment to quality

Guy's and St Thomas' NHS Foundation Trust is committed to ensuring that our staff are able to provide the highest quality care to our patients in clean, comfortable surroundings. This commitment is enshrined in our strategic priorities which commit us to provide 'services of the highest quality, with patient safety at their heart, designed to be responsive to the needs of the individual patient and their family'.

As leading teaching hospitals, and following our accreditation as one of the UK's first Academic Health Sciences Centres, our commitment is to deliver excellence in everything that we do, and to ensure that first class patient care lies at the heart of this.

This strong focus on quality reflects the priorities of the NHS as a whole, and we very much welcome the practical steps to support this agenda which are set out in Lord Darzi's report *High Quality Care for All* and reinforced by the changing regulatory environment. This includes Monitor's decision to introduce quality reporting for Foundation Trusts for the first time this year, in advance of the wider roll out of this initiative across the NHS. We also welcome the introduction of Commissioning for Quality and Innovation (CQUIN) as we believe this will act as a further positive force to ensure a strong focus on quality from the 'ward to the Board'.

The Trust is working hard to bring these new initiatives and programmes of work together into a coherent, overarching strategy which will drive improvements in the quality of clinical care and the patient experience at our hospitals. Actions range from a new Trust-wide campaign *Showing we care* to improvements in the way that we engage with patients, members of the public, staff and our Foundation Trust members.

Both our Board of Directors and Council of Governors are taking a keen interest in this work and we look forward to building on achievements to date and reporting on progress in 2010.

This new section within our annual report reflects our commitment to publish *quality accounts* for the first time, and we will also be producing a summary for wider distribution.



**Ron Kerr**  
Chief Executive



## Our performance in 2008/09

The Trust is subject to a range of external assessments each year to monitor our performance against national standards and targets. We continue to attain good outcomes in these assessments through the hard work of our staff and the robust policies and structures we have in place. Details of our performance against these national standards and targets are summarised in a table on page 31, with further information on pages 26 and 28.

Last year we once again declared full compliance with the Healthcare Commission's 24 core standards as part of our Annual Health Check, and no matters of concern were raised by the internal or external auditors.

We encouraged and received feedback on our submission to the Healthcare Commission from a range of local representative groups including our local Safeguarding Children Boards, Scrutiny Committees and the Council of Governors' patient experience working group. This group provided positive feedback on the Trust's progress throughout the year and identified a number of areas for further work, including increasing awareness among staff and patient groups of the PALS service and processes for providing feedback on quality issues; recruiting further healthcare assistants to enable wider provision of services such as food and hot drinks out of hours; and ensuring that work to improve our buildings and facilities has minimal impact on patients.

In March, the Healthcare Commission published a report on the quality of children's services at the Trust. As a result of the submission of incomplete data by the Trust, this report presented an incomplete picture of our services. The report highlighted four areas where the Trust could do better. These are already being tackled as part of our constant programme of improvements to patient care. We will also ensure that in future we can provide the most accurate and up-to-date information on the nature and quality of our services.

### Local priorities

In addition to national targets, we chose to focus on a number of further areas to drive quality improvements spanning clinical effectiveness, patient safety and patient experience. In 2008/09, these were: achieving low standardised mortality rates; improving care for seriously ill patients; improving medicines safety; reducing hospital associated infections; and ensuring that we treat all patients, especially older patients, with dignity, compassion and respect. We are pleased to report that we continue to make progress in all these areas.

The Hospital Standardised Mortality Ratio (HSMR) measures the overall death rates within an NHS trust and compares it with a national benchmark of the number of deaths that would be expected for that trust given the type of care that is provided. The figures are an important indication of the quality of care provided by hospitals, and are intended to help patients compare the clinical quality of NHS hospitals.

The Trust has consistently achieved low standardised mortality rates in recent years, and overall mortality as well as the standardised mortality has fallen significantly. Government statistics released in May 2009 on the NHS Choices website show that we have one of the lowest mortality rates in the country, with patient survival rates nearly 25 per cent better than the national average.

We have an active patient safety and quality improvement programme which focuses on a wide range of issues, from ensuring patients have rapid access to a medical assessment by senior clinicians when required to effective monitoring of patients' progress and safe use of antibiotics. We also have a rigorous risk management system in place to ensure that we are constantly identifying actions that will improve the safety of our care.

We know that patients are concerned about hospital associated infections such as MRSA and *C.difficile* and our staff have worked extremely hard to reduce infection rates across the Trust through a co-ordinated programme of activities that has included: implementing the national *Saving Lives* programme; a zero tolerance approach to poor hand hygiene; and strict compliance with a new dress code and uniform policy that incorporates the 'bare below the elbows' initiative.

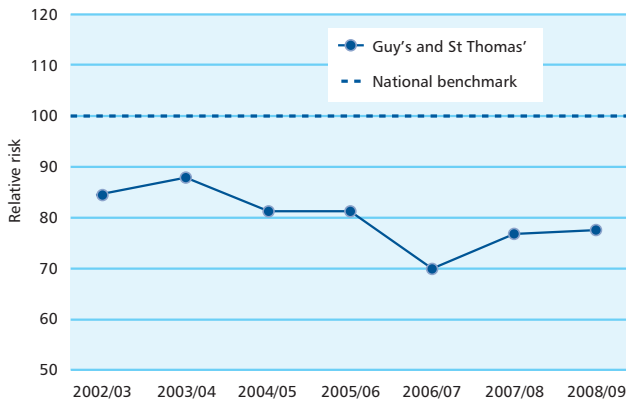
We are proud to report that we have significantly reduced our rates of hospital associated infections yet again this year, exceeding both national targets and the challenging internal targets that we set ourselves. This year, we achieved a 48 per cent reduction in the rate of MRSA blood infections (bacteraemias), from 46 cases in 2007/08 to just 24 cases in 2008/09, and for *C.difficile* the number of cases fell to 83, compared to the target figure of 112 cases. This was a 37 per cent drop from the previous year when 124 cases were recorded.

In addition, we continue to focus considerable effort on cleanliness, and clinical staff work closely with non-clinical colleagues to manage this and ensure the highest possible standards. And the Trust's most senior nurses continue to work in clinical practice every Friday, to support and develop more junior staff and to monitor quality standards through a range of indicators – meeting as a group to discuss any issues and how to tackle these at the end of the day.





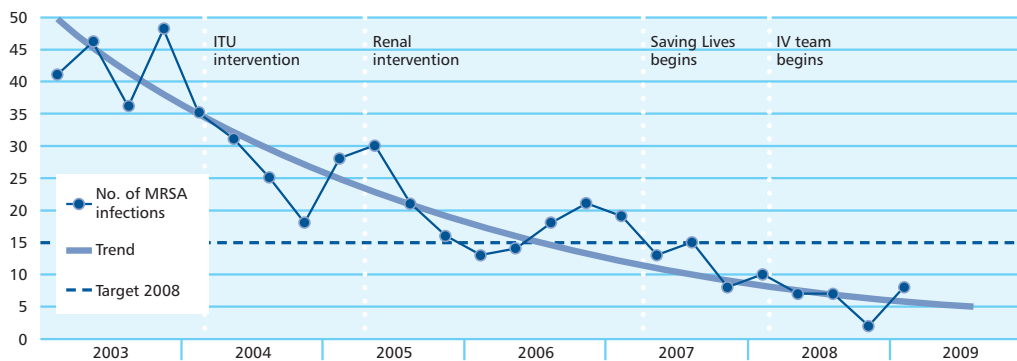
### Hospital standardised mortality ratio



### National inpatient survey measures

	2007/08 results	2008/09 results	National average
Percentage of patients who felt they were treated with dignity and respect (those patients reporting 'yes, always')	80%	84%	79%
Percentage of patients who described the ward as 'clean'	93%	96%	95%
Percentage of patients who would recommend our hospitals to a relative/friend	93%	95%	No data available

### Rate of MRSA blood infections – key initiatives impacting on performance



We are committed to ensuring that every patient is treated with dignity, compassion and respect while receiving the highest quality clinical care. To achieve this, we implemented an initial programme of activities known under the banner *Delivering Compassionate Care*.

The Trust has over 120 dignity champions, including doctors, nurses, allied health professionals and support staff, who are committed to improving dignity for patients and the delivery of personalised and compassionate care within their areas. We are also awarding *Beacon status* to wards and departments demonstrating excellent practice so that we can promote this and share it with other areas.

We know from the results of the national patient survey, as well as the additional telephone surveys that we commission from the independent research organisation, Ipsos MORI, that these initiatives are having a positive impact on how our patients feel about the way that they were treated at our hospitals. However, we are not complacent, and we know that we could improve further. Dignity and respect will therefore remain a key quality priority in 2009/10.

### Priorities for 2009/10

We have identified the following priorities for the coming year, within the context of the national standards and assessments against which we are measured by external organisations including the Care Quality Commission. The views of our patients, visitors and staff have also been key to the selection of these priorities, spanning patient safety, clinical effectiveness and the patient experience. These will feed into our Quality Accounts and, where appropriate, align with the Commissioning for Quality and Innovation (CQUIN) targets that we have agreed with our Primary Care Trusts.

#### Patient safety

##### Care for acutely ill patients

A National Patient Safety Agency report, *Safer Care for the Acutely Ill Patient* recommends a number of ways to improve care for this vulnerable patient group. The Trust already monitors care for the most seriously ill patients using the 'Patient At Risk' (PAR) scores, an early warning

system which identifies any abnormalities in routine observations to ensure prompt escalation and appropriate action is taken if a patient begins to deteriorate.

Last year, we set up a multi-disciplinary team to lead this work and improve the quality of patient observations and our escalation processes. We have already improved the quality and completeness of patient observations and increased the number of patients assessed by a specialist team. In 2009/10, we plan to build on this work and ensure 95 per cent or greater compliance with these patient observation standards.

### **Medicines safety**

The safe prescribing and administering of medicines is vital, and we have a number of initiatives in place that support the safe and cost effective use of medicines, including a robust and detailed medicines policy. Last year our medicines safety programme focused on a number of key areas such as the introduction of a new policy on the use of antibiotics, and we have already seen a reduction in the number of cases of *C.difficile* linked to antibiotic use.

Building on a strong culture of incident reporting in the Trust, in 2009/10 we aim to increase reporting of drug misadventure 'near misses' by 10 per cent. These are cases where, although no harm came to the patient, there is often important learning that can be used to reduce the likelihood of similar events happening in the future.

### **Fluid balance reporting**

Accurate recording of a patient's fluid balance helps healthcare professionals to monitor kidney and heart function, as well as how a patient is responding to medicines and treatment. In the past year, linked to work to improve care for the most seriously ill patients in our hospitals, we undertook a comprehensive audit of fluid balance charts on our general wards to identify opportunities to improve clinical practice and reporting.

As a result, in 2009/10 we will redesign our fluid balance charts to build in clear guidance for nursing and medical staff. We will then implement an education and training programme to ensure compliance with best practice.

### **Nasogastric tubes**

These feeding tubes are inserted through the nose of seriously ill patients to ensure they receive appropriate levels of nutrition, and the National Patient Safety Agency recently issued best practice guidance on their management so they are correctly inserted and used.

In 2009/10, we will review our policy and procedures to ensure compliance with best practice, revising guidance and documentation as required.

## **Clinical effectiveness**

### **Unplanned readmissions**

Unplanned readmissions to a hospital within 28 days of a patient being discharged may be an indication that a patient has been discharged too soon. However, this indicator has to be treated with care as it may indicate that we are responding to patients' wishes to return home or receive care outside a hospital setting even if there is a risk of readmission. Our multi-disciplinary elderly care team hold regular meetings to identify the reasons for any readmission, and to identify areas for improvement.

In 2009/10, we will extend the best practice model developed by the elderly care team to ensure the effective monitoring of unplanned readmissions across the Trust, highlighting variances and benchmarking our performance against other NHS hospitals. This will allow us to drive improvements, whilst also respecting the wishes of individual patients.

### **Access to maternity care**

Early assessment and screening of pregnant women leads to better birth outcomes for mother and baby, and enables us to provide timely access to services and advice to expectant mothers on managing their pregnancy. It also allows us to screen for infectious diseases and for conditions such as Down's syndrome so that women can make informed choices.

In 2009/10, we will increase the percentage of women who have their initial health and social care risk assessment by 13 weeks.

### **Caesarean rate**

Low caesarean rates demonstrate that women feel supported in having as natural a delivery as possible; enhance the patient experience; and also reduce length of hospital stay. In addition, they are consistent with high standards of patient safety by minimising the need for surgical intervention.

In 2009/10, we will reduce our overall caesarean rate.

### **Smoking cessation**

Smoking during pregnancy carries a number of health risks for both mother and baby and can lead to a low birth weight and increased risk of infant mortality. We are working closely with our local Primary Care Trusts to reduce smoking amongst all patients, but in particular pregnant women.

In 2009/10, we will further reduce the number of expectant mothers who smoke during their pregnancy.



## Patient experience

### Dignity and respect

Our achievements in improving the way we ensure that patients are treated with dignity, compassion and respect are earlier in this chapter.

In 2009/10, through a major campaign and series of initiatives under the banner *Showing we care*, we will build on existing progress to ensure that all our patients and visitors benefit from the best possible patient experience, as well as receive excellent clinical care.

### Staff attitude and communication

The way that staff communicate with patients is a vital component of their care and we know from the national inpatient and our own telephone surveys that some patients are unhappy with the way we communicate with them. We recognise this is an important area where we need to improve and we are introducing additional training to help to tackle this.

In 2009/10, we will reduce the number of patients telling us that staff 'talk in front of them as if they were not there', and we will increase the proportion of patients who say they are 'very satisfied' that they were listened to and supported when expressing their needs.

### Involving patients in their care

Patient-centred care enables healthcare professionals to work with patients to develop treatment plans which meet their needs and provide the best possible clinical outcomes.

In 2009/10, we will increase the proportion of patients who say they are 'very satisfied' with how they were involved in decisions about their care.

### Single sex accommodation

The Department of Health has launched new single sex accommodation guidance so that all NHS trusts maintain or achieve 100 per cent single sex accommodation compliance by March 2010. Since the launch of the original guidance in 2007, we have worked towards maximum compliance, while also ensuring that patients receive safe, prompt and appropriate care.

In 2009/10, a new steering group will lead work to achieve 100 per cent compliance with the latest national guidance, as well as high levels of patient satisfaction with our facilities and will survey our patients regularly to better understand their needs and perceptions.

All the priorities identified for delivery in 2009/10 will be regularly reviewed and monitored by the Board of Directors and the Council of Governors to ensure good progress towards achieving these ambitious quality targets.

## Summary of the Trust's quality measures for 2009/10

Quality measure	2008/09 performance	2009/10 targets
<b>Patient safety</b>		
Observation of acutely ill adults	96% compliance with Trust policy	Maintain minimum 95% compliance
Medicines safety reporting	Identified best practice	Roll out best practice to increase reporting of 'near misses' by 10%
Fluid balance reporting	75% compliance with Trust policy	Minimum 95% compliance
Nasogastric tube management in adults	No data available. New target for 2009/10	100% compliance with new Trust policy
<b>Clinical effectiveness</b>		
Access to maternity assessment in 13 weeks	57% of mothers assessed within 13 weeks	80% of mothers assessed within 13 weeks
Reduce overall caesarean rate	28% of total deliveries by caesarean	Reduce total caesarean rate below 27%
Reduce smoking during pregnancy	5% of women smoking at delivery	Reduce number smoking at delivery below 5%
Monitor and reduce unplanned readmissions	Identified best practice	Roll out best practice to achieve 100% monthly monitoring
<b>Patient experience</b>		
Treat patients with dignity and respect	82.5% satisfied that staff did not 'talk in front of them as if they were not there'	Improve 2008/09 result by 4%
Improve staff attitude and communication	62% of patients 'very satisfied' that they were listened to and supported	Improve 2008/09 result by 4%
Involve patients in their care	59% 'very satisfied' that they were involved in their care	Improve 2008/09 result by 4%
Single sex accommodation	100% compliance with pre-2009 guidance	Minimum 98% compliance with latest guidance





As part of our commitment to 'put patients first', over 120 doctors, nurses, allied health professionals and support staff at the Trust act as dignity champions – ensuring that all older people cared for at our hospitals are treated with dignity, compassion and respect.

Patient Stan Lane is pictured with staff nurse and dignity champion, Penny Minchin on Blundell Ward at Guy's.

## Listening to our patients

*We aim to put patients at the centre of everything we do and we recognise the importance of their views, as well as those of relatives and carers, as only they can help us to make simple but effective changes that improve the experience of patients in hospital. Patients and their families also play a key role in ensuring new service developments meet the needs of the diverse communities we serve.*

### Patient feedback

This year the Trust continued to consult with a large number of patients through our extensive patient satisfaction survey, which covers inpatient and day case patients attending for diagnostic tests, surgery or other procedures. Independent research organisation, Ipsos MORI, conducts a telephone survey of around 4,000 patients twice a year and this provides valuable information about how patients feel about their care at the Trust.

The results continue to show a high level of satisfaction with the Trust's services, with an average of 90 per cent of patients being satisfied or very satisfied with the overall quality of care.

In order to explore the themes that emerge from our telephone survey in more detail, this year the Trust conducted patient focus group research with the independent expertise of Ipsos MORI. The focus groups included patients from the diverse communities we serve and explored perceptions of 'dignity and respect' and 'cleanliness'. The findings from this research have been very valuable in developing the Trust's programme of activities to address issues of dignity and respect, and will inform our ongoing programme of refurbishment and improvement to our buildings and facilities.

We continue to participate in the national Healthcare Commission patient survey programme which requires an annual inpatient survey. This year, we also undertook an emergency department survey. These surveys continue to show a high level of satisfaction among patients, with 92 per cent of inpatients and 85 per cent of emergency department patients rating the care they received as excellent or good overall.

In the past year, the inpatient survey also indicated that ongoing improvements to our buildings are beginning to have a positive impact on patients experience when they visit the Trust. This survey indicates that over 90 per cent of inpatients rate our toilet and bathroom facilities as very or fairly clean, a 4 per cent improvement on results in 2007.



## Listening to our patients

We continue to use the findings of our survey work to inform service improvement and are pleased that patients are largely very positive about the care that we provide.

### Driving service improvement

The results of the surveys are fed back to clinical teams for action and reported to both the Board of Directors and to the Council of Governors' patient experience working group. This information is supplemented by reports from the Patient Advice and Liaison Service (PALS) and the complaints team so that areas have a rounded view of how their service is perceived.

To ensure this information is used effectively, clinical areas produce 'patient feedback action plans' that identify specific areas for improvement and set out clear actions against which performance can be measured.

For example, in response to the findings of the emergency department survey 2008, staff in the accident and emergency department have identified a number of ways to improve their service. A paediatric nurse now assesses young patients on arrival in the department, speeding up the provision of pain relief to those in need.

Across the Trust, we continue to develop a range of wide-reaching initiatives to support our clinical teams in delivering high quality patient care. For example, our *Every patient, every day* campaign focuses on developing communications skills amongst clinical staff so that patients and relatives understand their care and treatment plans. This initiative, supported by staff training, has been well received by patients and visitors.

### Involving patients and the public

A major focus this year has been the implementation of the Trust's comprehensive *Patient and Public Involvement Strategy*, a three year vision to embed a positive approach to involvement across the organisation. The strategy focuses on improving and expanding how we gather and respond to patient feedback. Individual departments and the wider Trust involve patients and the public in planning and organising services, including patient representatives on multi-disciplinary committees and service user groups.

For example, the pharmacy at Guy's Hospital has been refurbished to incorporate state-of-the-art robotic technology in the dispensary. This refurbishment also brought changes to the waiting area. Before building work began patients completed a questionnaire and participated in a focus group on the proposed changes. Patient feedback, including suggestions to make the reception desk more accessible was incorporated into the refurbishment plans.

This year the Trust, with generous funding from Guy's and St Thomas' Charity, launched a new Modernisation Initiative to tackle issues around end of life care. This project will involve hospital and community based services, as well as representatives of the care home sector and relevant charities. Patients and carers are currently involved in identifying the themes and areas of work for this initiative.

A further and valuable way in which we continue to engage with both patients and the public is through the Trust's very successful Open Day. This year's event was held at St Thomas' Hospital and over 40 informative and interactive stalls provided plenty of opportunity to learn about our services and a wide range of health issues. There were also opportunities to visit many hospital departments, including operating theatres and the dental polyclinic.

The Council of Governors' patient experience working group continues to provide a focus for patient and public involvement across the Trust, working hard to ensure that the views of patients remain at the heart of what we do. This year, their comments on the results of our survey work contributed to the design of the patient focus group research.

Representatives of the working group have also played an active role in the nutrition steering group, overseeing significant changes to patient food menus and the way in which food is served to ensure greater choice and access to appropriate food for patients. These changes have been very positively received.

Local Involvement Networks (LINKs) replaced Patient and Public Involvement Forums in April 2008 as a means of engaging existing networks and the wider community in general. Lambeth and Southwark Councils have contracted host organisations to establish governance structures and engage with members of the local community. We are developing ways of communicating and working with our local LINKs host organisations and look forward to greater partnership working in the future.

### Providing patient information

Good information is important as it helps patients and their carers to make informed decisions and become more involved in their care. It can also remind them what they have been told by hospital staff.

The Trust has developed a systematic process for producing reliable, high quality patient information, encapsulated in a new Patient Information Policy. The communications department provides advice and support to clinical staff to ensure the information is evidence-based, meets national standards and includes patient



feedback. Consideration is also given to the format and distribution of information to make sure that it is accessible and meets the needs of patients.

All patient leaflets are reviewed by members of a readers' group who provide feedback on the clarity, quality and relevance of the content. During the year, the Trust has produced over 100 new patient publications while continuing to review existing publications to ensure that they are accurate and up to date.

Where good external information already exists, staff liaise with the patient information team in the Knowledge and Information Centre (KIC) to ensure consistent information is provided to patients across the hospitals and we direct them to the best external resources. We also offer an 'information prescription' service for patients, encouraging them to play a more active part in their care.

The KIC user group, which includes patient representatives, meets regularly to provide feedback on patient information initiatives. This year, London South Bank University evaluated the KIC service. Users surveyed commented that information provided was high quality and staff were approachable and sensitive. Improvements suggested by survey participants are currently being developed into an action plan.

From April to December, KIC staff received more than 8,000 queries and almost 70,000 people used the facilities, which include free internet access, help finding reliable information about health conditions and walk in access to the Patient Advice and Liaison Service (PALS).

Themes identified through queries to the PALS team are now reported quarterly to senior staff, and the team works closely with clinical colleagues and the complaints team to resolve concerns at an early stage wherever possible.

The Trust offers a comprehensive Language Support Service and can provide interpreters for patients, their family and carers, and members of the public. Language support lines in the most common languages are also used in the hospital to allow patients to phone and communicate in their first language, and facilities exist for the translation of information, including into formats such as audio or Braille if required.

We are proud to have an active team of over 300 volunteers who support the work of our hospitals in a number of ways. They provide a 'meet and greet' service, whereby volunteers clearly identified by a blue NHS welcome sash offer help to direct and assist patients and visitors. Volunteers also escort patients from the wards to our very own MediCinema to see the latest films several times a week, and provide a ward book trolley service.

## Learning from complaints

Feedback from patients and relatives not only helps us to improve new and existing services, but it can help us to learn lessons and sometimes may even help to make services safer or more accessible. Comments and complaints are an essential part of the way in which we evaluate our services, particularly whether they are meeting the needs and expectations of patients.

A complaints leaflet is widely available and we will shortly be re-launching a comment card scheme to make it easier for patients, relatives and visitors to feedback their views. We aim to create an atmosphere where patients and their representatives feel able to raise any concerns directly with senior staff if they are unhappy with their treatment or care – and our policies and staff training programmes reinforce this. Alternatively, comments and complaints can also be handled over the telephone, in writing or through our PALS team.

Increasingly our complaints team is focused on working to tackle complaints in a way that is tailored to the individual requirements and issues raised by the complainant, for example, by offering meetings with staff at an early stage as this can often help to resolve matters.

During the year we received 899 formal complaints, which was a decrease of 4.5 per cent from 2007/08, and 6 cases concluded during the past year were subject to review by the Healthcare Commission.

## Freedom of Information

The Trust continues to work hard to ensure that requests for information received under the Freedom of Information Act are responded to promptly and as fully as possible. During the year we received 344 requests for information, and 224 were handled under our official Freedom of Information procedures. The remaining 120 requests were handled outside these procedures, and were primarily requests for access to medical records or to see Trust policies.





We invest over £70 million each year in building new facilities and improving the hospital environment. This year, the newly refurbished assisted conception unit opened, treating patients in improved surroundings and providing better facilities for translational research, including a pioneering embryo-testing technique which has helped over 150 couples to conceive.

Pictured  
at home with  
her son Andrew,  
Michelle Hower  
benefited from  
preimplantation  
genetic diagnosis  
after suffering  
a number of  
miscarriages.

## Transforming our services

*We constantly strive to develop our services, both to improve the experience of our patients and our clinical outcomes and effectiveness. A great deal has been happening in the past year, in many cases with a strong focus on increased efficiency and the modernisation of systems and processes, and we have made substantial investment in key strategic priorities such as cancer services and research.*

### Creating an Academic Health Sciences Centre

This year, we were delighted to achieve formal accreditation by the Department of Health as one of the UK's first Academic Health Sciences Centres (AHSCs). With our partners King's College Hospital and South London and Maudsley NHS Foundation Trusts and our academic partner King's College London, we will work together under the name *King's Health Partners* to make our vision a reality. This means creating an AHSC that combines the best of basic and translational research, clinical excellence and world-class teaching to deliver groundbreaking advances in physical and mental healthcare.

With our partners, we bring together three of the country's most successful NHS Foundation Trusts and one of the world's leading research-led universities. As one of the UK's first AHSCs, we are also unique in providing a full range of clinical specialties and sub-specialties, including mental health services. These are complemented by major academic strengths that will allow us to bring service delivery and research together, pushing the boundaries of medical science, and driving new treatments and clinical innovation.

We are financially successful organisations, and as Foundation Trusts are able to reinvest any surpluses that we generate. There is a long standing track record of clinical excellence and innovation that spans all the partners – and with access to a diverse population of around five million people, we have a powerful opportunity to ensure medical breakthroughs are rapidly transferred from the laboratory into new treatments that will give our patients access to the best possible care at the earliest opportunity.

Since accreditation, we have made good progress in the development of the Clinical Academic Groups (CAGs) which are the essential building blocks of the AHSC. These groups are where service delivery, teaching and research will come together around a particular clinical specialty or group of specialties. Initially, the Clinical Academic Group model will be piloted in cardiovascular; dementia and older people's mental health; and diabetes and



## Transforming our services

obesity, all of which have been identified as significant health issues in our local community.

As we build momentum, the AHSC will play a crucial role in enabling us to attract the highest calibre health care professionals and support staff, academics and researchers, as well as the brightest and best students and trainees. It will support our role as a major training and education provider with responsibility for developing the leading health care professionals and scientists of tomorrow, and will also ensure that we remain internationally competitive and are able to deliver excellent clinical care.

Working together as partners in the AHSC, we will also be in a stronger position to maximise new funding and charitable opportunities, ranging from research grants and commercial partnerships to innovative fundraising initiatives that will complement existing income streams.

Considerable work to drive forward our AHSC vision has taken place during the past year, and this continues to be a major focus for the Trust going forward. Many senior clinicians, as well as non-clinical staff, have been involved in the work so far and clinical engagement in particular is driving much of our thinking. As we move forward with the implementation of our vision for the AHSC, we have established a Partnership Board and a Transitional Executive to oversee the work, and we have launched a website to keep both internal and external audiences updated on progress at [www.kingshealthpartners.org](http://www.kingshealthpartners.org)

### Improving cancer services

During the past year, the Trust has also made considerable progress in developing its strategy for cancer services, working closely with partners King's College Hospital NHS Foundation Trust, King's College London and the South East London Cancer Network. Our vision, as the Integrated Cancer Centre, is to provide the very best cancer services to our patients combining first class clinical care with groundbreaking research.

This year work has focused on implementing detailed plans for improving cancer services, led by Professor Arnie Purushotham, Director of the Integrated Cancer Centre and Fran Woodard, who was appointed Director of Implementation following her successful leadership of the Modernisation Initiative in Kidney, Stroke and Sexual health services. Guy's and St Thomas' Charity has provided £8.8 million of funding to take forward early plans.

A key focus of the strategy continues to be the integration of service delivery with an ambitious research

programme and, in this respect as well as with its strong focus on partnership working, the cancer strategy and its implementation is very much seen as an example of how the Academic Health Sciences Centre will develop.

With King's College London, we opened a new £6 million centre for cancer research which will use translational research to better target therapy for cancer patients. The new *Richard Dimbleby Laboratory of Cancer Research* brings together scientists from a range of disciplines to translate basic research into molecular diagnostics for cancer drugs with the aim of improving targeted therapy for cancer patients. A wide range of Trust clinicians are now involved in research work, including Dr Andrew Tutt, head of the new *Breakthrough Breast Cancer Unit*, which is described more fully on page 60.

Other significant developments during the year include a new nurse-led service for survivors of breast and prostate cancer being piloted at the Trust in partnership with Pfizer Health Solutions and King's College London. *Surviving Cancer, Living Life* is a telephone-based service offering health and lifestyle support to improve quality of life among patients.

We also received a further £3.9 million investment from Guy's and St Thomas' Charity to develop a purpose built chemotherapy day unit at Guy's Hospital which is due to open in 2010. This new, patient-centred unit will focus treatment in a single location and include a satellite pharmacy offering prescribing advice. Staff and patients are currently contributing to the design of the unit through consultation and representation on the steering group.

This year, the existing day units have also introduced a pilot scheme which sees volunteers work alongside staff, offering additional support to patients and their families when they attend for treatment, and the service is already proving popular.

### Building for the future

This year, we have continued to implement our ambitious estates strategy to transform the hospital environment and reorganise services to better meet the needs of our patients.

The Trust's capital programme is currently around £70 million per year, and includes major investment in infrastructure projects ranging from lift refurbishments and electrical systems to operating theatre refurbishments and expanded on site accommodation for patients who no longer need to be cared for in a hospital bed, but who need to stay close to the hospital. As part of regular Patient Environment Action Team (PEAT) assessments, our





rolling programme has included approximately £1 million worth of environmental improvements to 23 wards and departments and an additional £1 million to upgrade residential accommodation for staff.

A key element of our estates strategy is the creation of distinct areas within the hospitals, which will allow the smooth flow of patients in different areas depending on their clinical need. For example, there will be a greater separation of planned and emergency care. Inpatient services will be brought together in a smaller number of areas, and we will create dedicated facilities for ambulatory care to meet the needs of patients who do not require an overnight hospital stay.

At St Thomas' the major internal and external refurbishment of East Wing is almost complete and includes re-cladding the building, as well as the modernisation and refurbishment of the wards, theatres and lifts. Two modular theatres have been installed at the hospital to enable clinical activity to continue during the refurbishment of operating theatres.

We are transforming the main entrance and catering facilities at St Thomas', improving wayfinding for patients and visitors and developing longer term plans for a new 'welcome centre'. Plans are also being developed for the expansion and refurbishment of our busy accident and emergency department, which will increase capacity and improve access and the way that patients move through the hospital.

At Guy's, we also have a comprehensive plan, including improvements to the main hospital entrance, which are expected to begin this summer. We have already centralised our finance and human resources teams in new office accommodation at New City Court to free up space on the main hospital site for clinical departments.

This year, the £100,000 refurbishment of the waiting area for children's dentistry and orthodontic clinics was completed with a giant toothbrush bench and toothpaste reception desk creating an imaginative and welcoming environment for our young patients. We have also completed the £4 million refurbishment of the Trust's Assisted Conception Unit, funded by Guy's and St Thomas' Charity, the Medical Research Council and King's College London, to improve facilities for patients and provide greater opportunities for translational research.

We continue to work closely with our partners on the development and implementation of our estates strategy to ensure that it is closely aligned with the plans of our AHSC partners and will support the delivery of both our clinical and research strategies going forward.

For example, in October we opened a new Clinical Research Facility at St Thomas', funded in partnership with King's College London, with a generous grant from Tate and Lyle and funding from the British Heart Foundation and Guy's and St Thomas' Charity. A complementary facility located alongside the Biomedical Research Centre's Faculty of Translational Medicine on the 15th and 16th floors of Guy's Tower is currently being developed. Guy's is also home to a new research unit, funded by Breakthrough Breast Cancer which brings together scientists and clinicians from the Trust and King's College London to investigate an aggressive form of breast cancer.

We continue to involve patients, staff and visitors in the design of new facilities and environmental improvements through successful events such as the Trust's Open Day and Annual Public Meeting, as well as through consultation with patients who use particular services.

Work to improve the way that patients and visitors find their way to our hospitals and through our buildings continues. The wayfinding strategy, developed in consultation with patients, visitors and staff, includes colour coding of our buildings, new signage and maps, as well as work with the Legible London project to improve wayfinding from local transport hubs. The link between the improved environment and staff attitudes and behaviour has continued to be a theme in this project, with front line staff, including receptionists and porters, receiving training to help patients and visitors understand the changes.

This is part of the wider Face initiative, a major project supported by a £3.6 million grant from Guy's and St Thomas' Charity over three years to improve the hospital environment, particularly public areas, and to develop new design standards for a wide range of developments from ward refurbishments to corridors and waiting areas. The Face team has supported the development of the estates strategy by involving patients and the public in discussions about the hospital environment, including by seeking their views on privacy and dignity issues.

## Transforming the way we deliver services

A number of projects have both transformed the hospital environment and also the way we work – so that care is organised and delivered in the most patient-focused and responsive way.

Gracefield Gardens, a new health and social care centre in Streatham provides us with the opportunity to

## Transforming our services

take our services into the community, closer to the patients we serve. The centre, which is a collaboration with Lambeth Primary Care Trust and Lambeth Council, enables the Trust to offer a range of services including obstetric and diabetes clinics and ECG (heart) and phlebotomy (blood) testing in a community setting.

This year, the Trust also opened a new purpose-built Kidney Treatment Centre in Tunbridge Wells. The new centre has more than doubled the capacity of the previous unit at Pembury Hospital, enabling a greater number of patients from the local area to access services in a more convenient location. Its staff also support patients who wish to carry out their own haemodialysis (self care) at the centre or at home, championing the participation of patients in their treatment.

Bringing together service delivery and leading edge research allows us to ensure medical breakthroughs are rapidly transferred from the laboratory into new treatments for our patients. A multidisciplinary team at the new £1.3 million children's allergy and dermatology centre at St Thomas' will treat over 3,000 children each year with conditions including eczema, asthma and food allergies. The centre also provides evidence-based health education and health promotion to children and young people with allergic conditions, as well as support to enable a smooth transition for adolescent patients as they move in to adult care. The centre was supported by generous funding from Guy's and St Thomas' Charity and the Clore Duffield Foundation.

### End of life care

This £4.5 million programme, generously supported by Guy's and St Thomas' Charity aims to help people to die with dignity in a place of their choosing. The three year programme, launched in June 2008, will also open up discussions amongst care providers about planning for death, building on learning from both hospital services, and others such as community services and hospices. We will also be focussing on the needs of people living with dementia at the end of their lives.

The programme will build on successes such as the Trust's implementation of the Liverpool Care Pathway and the opening of the new Bereavement Centre at St Thomas' which provides a dedicated private space where people can complete the necessary paperwork and receive any assistance needed following the loss of a relative or friend.

It aims to bring together health and care professionals, as well as people with end of life care needs and their carers to address areas for improvement. The

team will link with other organisations working in the field, such as the Marie Curie Delivering Choice project for south east London and researchers at King's College London, investigating End of Life Care issues to develop effective models of care to achieve the best possible outcomes for people.

The initiative follows the success of the original *Modernisation Initiative* – a £15 million programme which radically transformed kidney, stroke and sexual health services in Lambeth and Southwark, also funded by Guy's and St Thomas' Charity.

### Clean and safer care

The last year has seen considerable progress and investment in both infection control and cleaning across the hospitals – with these two strands of our work increasingly aligned. The Trust's cleaning strategy has been implemented with positive effect and compliance with cleaning standards is now constantly above 90 per cent.

To support continued improvement, the Trust continues to invest £6 million a year in additional cleaning and infection control activities, including: rapid response cleaning and maintenance teams; a 'Credits for Cleaning' database to feed back the results of audits to ward teams for immediate action; additional cleaning hours on all inpatient wards and investment in specialised cleaning equipment.

Over the last 12 months, the Trust has continued to make excellent progress in reducing rates of hospital acquired infections, including MRSA and *C.difficile*. For more information on these significant achievements see pages 34 and 35.

A number of developments within nursing and midwifery have helped to drive our focus on quality of care and patient safety this year. We continue to build on the 'back to the floor' initiative which sees more than 100 of our most senior nurses return to clinical duties every Friday.

This scheme has been expanded to include general management teams, who carry out weekly patient safety walkabouts. Our 56 matrons spend around 75 per cent of their time in clinical practice, and we have released ward sisters from many of their administrative responsibilities to focus on delivering care to an exceptional standard, providing additional training and support to more junior staff, and giving patients regular opportunities to discuss their treatment.



## The Enterprise Project

As well as improving the hospital environment and clinical services, we are also working to transform business processes which will release staff time back into patient care.

The first phase of the *Enterprise Project* which aims to deliver new business processes and systems for the finance and procurement activities of the Trust went live in October. The project aims to improve efficiency and cost effectiveness. In an organisation that spends over £230 million a year with external suppliers, the transformational potential of this project is huge, not only in terms of improved financial control, but also in reducing the time that both clinical and non-clinical staff spend on ordering goods and services and managing supplies.

In December, the first stock management cabinets were installed in clinical areas. The cabinets help to monitor usage and minimise wastage of expensive clinical items that often have a 'use by' date. They also virtually eliminate the need for ward and theatre staff to spend time re-ordering goods.

An online 'shopping' facility for items such as stationery, office equipment and clinical supplies is being rolled out across the Trust. This replaces paper systems with a familiar online catalogue.

In addition, the Trust continues to invest substantially in information technology. In the past year, this has included both improvements to essential infrastructure to increase capacity and improve reliability, and investment in a wide range of new clinical and non-clinical systems which will increase operational efficiency and improve the working lives of staff, freeing up extra time for direct patient care in many cases.

## Commercial opportunities

We continue to use our freedoms as an NHS Foundation Trust to enter into new partnerships and pursue business development opportunities. In 2006/07 we established Guy's and St Thomas' Enterprises Limited and Guy's and St Thomas' Forces Healthcare Limited, and we continue to take forward new opportunities when these arise, either because they will generate income to support our NHS activities or because they present opportunities to improve patient care or modernise services.

This year, the Trust has entered into a pioneering partnership with Serco Group plc to modernise and expand pathology services and target the significant national and international pathology market. The joint

venture, known as GSTS Pathology will improve patient care and increase efficiency for the Trust by taking advantage of new technologies and extending the range of pathology services offered. We are grateful to the 550 pathology staff at the Trust who have worked so hard to make this partnership possible and we look forward to playing an active part in its success.

Last year, we extended our role managing the delivery of hospital services in Northern Europe for the Ministry of Defence to include primary care and mental health services. Following the implementation of a new comprehensive mental healthcare system for military personnel in Germany, Trust staff were awarded a prestigious Military and Civilian Health Partnership award.

We are also actively exploring a number of commercial partnerships and opportunities closer to home which aim to improve quality of care and operational efficiency. In 2009, Guy's and St Thomas' Charity launched an initiative to identify and support the commercial development of very early stage medical device innovations. £250,000 has been earmarked for the *Guy's and St Thomas' Innovation Fund for Technology Transfer* (GIFTT) programme and support includes up to £25,000 per project, as well as advice to take a concept from the drawing board to prototype stage, and then through the patenting process.

As we develop plans for our Academic Health Sciences Centre with our strategic partners, we will also explore the unique commercial opportunities that this collaboration can bring for the benefit of our patients and the communities we serve.







Our pioneering strategic partnership with Serco Group plc, under the name GSTS Pathology will enable our 550 pathology staff to improve patient care and increase efficiency. It will also help the Trust to bring its expert pathology services to the national and international marketplace.

Sangeetha Rajendran, senior biomedical scientist is pictured in the GSTS Pathology blood bank.

## Working in partnership

*Partnership working continues to take many forms, and is key to the Trust's ability to develop and deliver services which meet the needs of our local and wider patient communities. Some of these activities are described in this chapter, while others such as our Academic Health Sciences Centre and cancer programme are described on pages 43 and 44. Collaborative working also enables us to play an increasingly active part in the wider community, contributing to local regeneration, employment initiatives and environmental sustainability described more fully on pages 28 and 29.*

Located along London's busy South Bank, in the heart of one of the most vibrant parts of the capital, Guy's and St Thomas' has a long tradition of working with a wide range of organisations. The Trust strives to play an active and positive role in the diverse communities served by both hospitals, and is also a major local employer with around 10,000 staff.

As a member of the local healthcare community, the Trust meets regularly with its key health partners, including Lambeth and Southwark NHS Primary Care Trusts and King's College Hospital and South London and Maudsley NHS Foundation Trusts. There is also regular liaison with King's College London, our main academic partner. This year, our partnership working with King's College Hospital and South London and Maudsley NHS Foundation Trusts and King's College London has taken a major leap forward as we have worked together to develop our Academic Health Sciences Centre (AHSC) which will be known as King's Health Partners.

The membership of our Council of Governors includes representatives from many of our partner organisations, as well as elected representatives made up of patients, public and staff. Through them, together with the wider membership of our NHS Foundation Trust, we have been able to strengthen our links with the communities we serve, primarily in south east London but also from further afield as we provide specialist services to a wide area.

The Trust continues to enjoy a strong relationship with Guy's and St Thomas' Charity, and the Charity provides valued support that ranges from funding for innovation, service developments, environmental improvements and arts and heritage projects to major grants for both research delivery and infrastructure. Many of the projects that the Charity has supported are described throughout this report.

# Working in partnership

## The NHS in south London

The Trust continues to work closely with our local Primary Care Trusts (PCTs) in Lambeth and Southwark, both on immediate operational issues and to develop longer term plans that will enhance local health services and ensure these are responsive to the needs of patients.

Increasingly, we are developing new 'pathways of care' and ways of delivering services, for example, to bring services closer to where our patients live. This year, the Trust has worked in partnership with Lambeth PCT to provide a number of services at Gracefield Gardens, a new health and social care centre in Streatham which has been highlighted by Healthcare for London as one of five centres across the capital that exemplify the polyclinic service model.

The services offered, which are usually provided in a hospital setting, include diabetes and obstetric clinics as well as diagnostic services including walk-in phlebotomy (blood tests) and ECG testing. This pilot has offered significant opportunities for the Trust and Lambeth PCT to lead the development of polyclinic and out-of-hospital care services in London.

In the year, the Trust worked closely with Lambeth and Southwark PCTs and King's College Hospital to develop plans to tackle priority health issues across the two boroughs in service areas spanning both primary and hospital care. The four organisations have agreed on five key priority areas (musculoskeletal conditions, eye conditions, diabetes care, stroke services and maternity care) for the development and delivery of improved services, and we will be working together to develop plans over the coming months.

With Lambeth PCT, the Trust has contributed to its *Fit for the Future* programme to develop a vision for future community-based services, in response to Lord Darzi's report *High Quality Care for All*. We have also worked with Lambeth PCT as part of the National Support Team for Health Inequalities, which focuses on reducing the gap in life expectancy and mortality rates from major conditions.

We work closely with South London and Maudsley Trust as the local provider of mental health services, as well as a partner in our AHSC, and host their facilities on both our main hospital sites. There is regular liaison between our two organisations, particularly in relation to patients attending the accident and emergency department at St Thomas' who may require mental health support.

We have also contributed to the *A Picture of Health* programme to improve healthcare services across outer

south east London, led by colleagues at University Hospital Lewisham, Queen Mary's Sidcup, the Queen Elizabeth Hospital in Greenwich and Bromley Hospitals NHS Trust. We have been particularly keen to support the maintenance of services at Lewisham Hospital and will continue to work closely with colleagues there in the coming year, particularly on plans for surgical and women's and children's services.

## Our local health scrutiny committees

The Trust is committed to working closely with our local authority health scrutiny committees, providing early and detailed briefings on key issues such as potential service change. As part of this we attend meetings of the committees when required. This year, for example, we have attended meetings to keep the committees informed about progress with our AHSC and what this might mean for the local community. We have also briefed the committees on the Trust's view on Healthcare for London's consultations on stroke and trauma services.

The Trust is engaged in both the Lambeth and Southwark Local Strategic Partnerships to improve local health and social care provision and reduce inequalities. We participate in Lambeth's Citizen Focus Programme to improve services provided to local community groups, including parents and older people, through joined up working and information sharing. We also participate in Lambeth Council's annual health debate and both the Trust's Chair and Chief Executive are actively involved in the annual local business leaders' forum.

## Guy's and St Thomas' Charity

Guy's and St Thomas' Charity supports the Trust by using its funds from donations to both our hospitals to improve services and the hospital environment for patients, invest in world class research facilities, and support the translation of research findings from 'bench to bedside'. It also carries out dedicated fundraising campaigns to support major initiatives at the Trust, such as the Tiny Lives campaign to raise £1 million over two years for the neonatal intensive care unit.

Guy's and St Thomas' NHS Foundation Trust is the main beneficiary of the Charity and, over the year, we received funding for 11 service based projects valued at approximately £2.8 million. Two major initiatives supported this year aim to transform cancer services and end of life care. These are described in more detail on pages 44 and 46. Other projects include:



- £194,000 to determine how the management of gastrointestinal disease can be re-shaped to provide world class, patient focused care to our communities.
- £347,000 to set up and evaluate a community programme for obese pregnant women, helping them to change their diet and lifestyle to improve their own health and that of their children.
- £400,000 to establish the Critical Care Research Unit which will support research into issues such as organ failure and translate learning into local clinical practice, giving very ill patients access to new treatments sooner.

The Charity also made more than 50 smaller grants (each less than £20,000) to support projects which enhance existing services and the hospital environment. These included funding for feasibility studies, art projects, and faith-led celebrations and cultural events which benefit patients, staff and visitors. A grant of £19,500 was used to develop a virtual rehabilitation system to help children with neurological disabilities to improve their range of movements, and funding was also provided (through a legacy from Thomas Snelling) to buy equipment for the Bypass Unit at St Thomas' Hospital.

We are enormously grateful to the Charity and its supporters for funding these initiatives, as well as for their continuing support of an exciting visual and performing arts programme, which provides therapeutic benefit to patients and enhances the hospital environment for staff and visitors.

## Local partnerships

The Trust works closely with many local groups and partnerships which are well established in the areas surrounding both our hospital sites. These include:

- the London Development Agency, which supports a number of important initiatives through the South Bank Employers Group;
- the South Bank Partnership and South Bank Forum, which consider community and environmental issues in the north of Lambeth and Southwark;

This year, we have taken significant steps to connect further with the local community through work placement and employment initiatives. The Trust's two-week work placement scheme, supported by funding from the South Bank Employers Group, is now in its first full year of operation. Devised to help local residents back into employment, it has provided placements to 65 local people since February 2008, with over half going on to secure paid employment.

A clinical placement scheme is now being established to encourage local students to explore careers in clinical professions. Eight local students have taken part in a series of pilot placements, and Trust staff have delivered presentations at local colleges and secondary schools to support clinical recruitment within the community.

In addition, as part of our ongoing commitment to ensure that our workforce represents the diversity of our local communities, the Trust makes particular efforts to engage with groups such as Southwark Works and the Gain Project working with people with disabilities and the long-term unemployed.







New, short-sleeved tunics for all grades of medical staff from consultants to junior doctors allow patients to identify doctors easily and also ensure the Trust meets its own stringent infection control standards and supports the national 'bare below the elbows' initiative.

Manager for linen, laundry and uniforms, Madgelyn Glenn was honoured with a Trust award for her work to introduce new uniforms for all doctors. She is pictured with Dr Carlos Carrasco and Dr Rebekah Garnham.

## Valuing our staff

*Our organisation's success is inseparable from our around 10,000 staff – from housekeeping staff to nurses and consultants, both clinical and non-clinical employees lie behind our achievements. They ensure we provide high quality care to patients, actively engage in teaching and research, meet numerous targets and standards, and continue to improve efficiency.*

In last year's challenging economic climate, the contribution of employees to the Trust's clinical and financial performance has been outstanding. Throughout the organisation staff have played a central role in improving operational efficiency, whilst also ensuring that we remain focused on patient needs and quality of care.

The Trust recently participated in a national pilot *Taking Care 24/7*, to ensure that junior doctors' working hours comply with the European Working Time Directive 2009 when it comes into effect this year. As part of the initiative we have extended the role of some of our most senior nurses, known as site nurse practitioners, providing timely expert care for patients on the wards and increasing the training and support available for both nurses and junior doctors. We have also appointed eight clinical assistant practitioners, who provide support on wards and in the accident and emergency department to release doctors' time for patient care. These changes have contributed to the Trust achieving 80 per cent compliance with the Working Time Directive this year, and we expect to achieve 100 per cent compliance by August 2009.

During the year, the Trust's nursing and midwifery staff committed to a detailed *Strategic Direction for Nursing and Midwifery 2008-10*. This focuses on strengthening leadership in nursing and midwifery to ensure the fundamentals of care are delivered to an exceptional standard. The strategic direction was launched during Nurses' and Midwives' Week, when Parliamentary Under Secretary of State for Health Services and former nurse Ann Keen visited the Trust. She also helped to present awards to outstanding members of our nursing and midwifery team.

The Joint Staff Committee continues to meet six times a year and receives regular presentations on performance, as well as other subjects of interest. It provides a valuable consultative forum where a range of perspectives can be considered and frank discussions can take place. Subgroups of the main committee are established when needed, for example to consider pay and conditions, and staff side representatives are also vital in contributing to discussions at the Health and Safety Committee.

# Valuing our staff

## Communicating with staff

The Trust has a range of well established communication channels to ensure all staff are updated on key issues and have regular opportunities to discuss these with their manager.

The monthly *Team Briefing* and staff magazine, *People* are widely available across the Trust and provide news on service developments, innovations and new practices. The extensive Trust intranet, GTi is a central source for Trust policies, guidance and online tools which is maintained by editors throughout the organisation. The electronic *Daily Bulletin* provides staff with a daily alert of important messages and activities across the Trust. Managers have responsibility for cascading information to those without regular email or internet access, and some areas also have local newsletters or staff notice boards to supplement corporate communication.

The Knowledge and Information Centre (KIC) at St Thomas' provides a drop in centre where staff can access email and the intranet, and the KIC regularly hosts training or question and answer sessions aimed at staff. Our two day corporate induction programme is also a valuable source of information for new recruits, and points them to the range of ways in which they can access information once working at the Trust.

## Staff involvement

The opinions and ideas of staff are vital in an organisation where we strive for excellence and seek to learn lessons if we need to improve things. Listening to and involving staff in the issues that affect them underpins our approach and we seek to consult with staff in decision making and change, particularly service redesign and improvement work.

This year, we have worked closely with staff groups in a number of different areas about the ways in which services are run and delivered. Most notably among these developments, we consulted with staff-side representatives and the 550 Trust staff involved in the joint venture with Serco Group plc to deliver Trust pathology services under the GSTS Pathology partnership. Through regular meetings, roadshows and information sharing sessions, staff were able to discuss plans, raise questions and feedback on proposals.

Consistent with the requirements of the Healthcare Commission, we participate in the national staff survey. This year, we went beyond the requirement to survey a randomly selected sample of 850 staff, and invited all staff to participate in the survey. We were delighted that

over 4,000 staff responded, and this has provided a wealth of information to help shape an action plan to further benefit staff. For example, the Trust has commissioned research with Ipsos MORI to identify and understand perceptions of harassment and put in place effective strategies to tackle this important issue.

During the year, the Trust ran a pilot mediation scheme to explore effective ways of resolving disputes. Nine staff members have been trained as accredited mediators and the service has conducted a number of successful mediations with positive feedback from all participants. In addition, the Trust has updated a number of our HR policies and introduced new policies. For example, new policies covering grievances and disciplinary issues have allowed us to incorporate new practices which strengthen our commitment to effective communication and consultation with employees and staff-side representatives.

## Equality and diversity

This year, the Trust appointed its first Director of Equality and Diversity, demonstrating our ongoing commitment to the diversity agenda by increasing capacity to lead the development and implementation of the Trust's equality and diversity strategy for both workforce and clinical service issues.

In October, the Trust hosted its third highly successful Diversity Leadership Conference attended by around 150 staff. This year's event celebrated the 60th anniversary of the founding of the NHS. An impressive line up of speakers included former cabinet minister and MP, Tony Benn, and Trust Non-Executive Director and Commissioner of the Independent Police Complaints Commission (IPCC), Mike Franklin.

During the year, the Trust continued its work to implement the *Single Equality Scheme* and action plan. This single overarching framework incorporates our legal responsibilities, as well as our broader commitment to value and celebrate all aspects of diversity, reflecting this in service provision, our employment practices and the culture of the organisation.

In 2009, the Trust became one of only 20 in the country to be awarded *Positively Diverse* 'lead site status'. This designation is awarded by NHS Employers, who praised the Trust for its commitment to embedding equality, diversity and human rights into all aspects of our core business. We are now working to share good practice, learning and expertise with other NHS organisations.

Aspire, the Trust's equality and diversity staff network brings together staff, Non-Executive Directors and



members of the local community to support the Trust in achieving a diverse workforce at all levels, and in providing sensitive services that meet the needs of our diverse patient community.

We continue to focus considerable effort on training and development for all staff groups. This includes delivering diversity training to help senior managers involved in staff recruitment and selection, and tailored training events for other staff groups such as nurses and housekeeping assistants to help them to fulfil their roles more effectively.

We also provide managers with guidance to ensure that they understand the requirements of the Disability Discrimination Act and are able to support disabled job applicants and staff, including anyone who becomes disabled during the course of their employment. We are committed to using the Positive about the Disabled 'two tick' symbol on recruitment materials, which signals our positive approach to employing people with disabilities.

In response to the national *Dignity Challenge*, the Trust has now appointed over 120 local dignity champions to represent clinical areas, clinical teams and support services. Whilst the primary focus of this initiative is on the dignity of patients, especially older people, we believe it will deliver wider benefits that support the culture and behaviours we want to reinforce throughout the organisation. 'Beacon status', launched in 2009, will enable us to identify teams offering exceptional care that can be shared across the Trust to benefit staff learning and enhance patient care.

## Training and development

The Trust places a high priority on training and development for all staff groups, including continuing professional development – see also pages 57 and 58 – and also personal development opportunities which provide staff with enhanced skills that enable them to perform their role more successfully.

The Trust is one of the largest providers of NVQs in the NHS offering the widest possible range of staff opportunities to develop their skills. Staff can now undertake NVQs in over twenty different subject areas including customer service, leadership and health and social care.

All staff are required to attend the Trust induction programme, which is supplemented by additional training and local induction arrangements to ensure staff are familiar with their role, area of work and what is expected of them.

Prominence is given to the Trust's values, which were

developed with significant input from staff. These are used to guide both how staff interact with patients, relatives, visitors and the public, and with one another. Two training courses have been introduced this year to support the Trust values, enabling frontline staff and managers to deliver excellent services to patients.

Over the past year considerable attention continues to be directed at mandatory training, making this more accessible and easier for staff to complete, through enhanced online provision and the introduction of consolidated training days for clinical staff that bring together a number of elements of training in a single session. The Trust has also introduced a training course to support staff planning for their retirement.

This year, the Trust was successful in renewing its *Investors in People* accreditation – a national standard that focuses on ensuring organisations support and value their staff as a key asset. This follows a detailed assessment in June involving interviews with more than 150 staff, ranging from front line clinical staff to directors.

## A safe working environment

It is important for staff, as well as patients and visitors, that we place a high priority on health and safety in the workplace. We have developed a strong working relationship with our link inspector from the Health and Safety Executive (HSE), building on the implementation of our action plan following an HSE Inspection in January 2007.

Our occupational health service is one of the largest in the country and employs a team of doctors, nurses, counsellors and support staff who provide a comprehensive occupational health service to Trust managers and staff, as well as contracted services to a number of local businesses.

Services include pre-employment screening of new staff, work-related health checks, vaccination and immunisation programmes, and advice on reducing risks in the workplace. This year has seen particular success for the smoking cessation campaign coordinated with our local Primary Care Trusts, and a retrospective measles immunity screening programme for medical and nursing staff.

We provide training to senior staff through a training programme accredited by the Institution of Occupational Safety and Health. We continue to promote the importance of reporting any incidents or potential incidents to all staff so that we can investigate and learn any lessons.







The multidisciplinary simulation centre provides clinical and non-clinical staff and students from King's College London with the opportunity to practice skills such as resuscitation and anaesthesia on breathing, talking mannequins.

Staff nurse Amy Lam, Dr Yenushka Ilangakoon, and A&E consultant Shumontha Dev are pictured in the simulation centre.

## Teaching and research and development

*This has been another busy year for research and development (R&D) at the Trust, as we have continued to work closely with partner organisations to develop and deliver our shared vision of clinical, teaching and research excellence. Following our accreditation as one of the UK's first Academic Health Sciences Centres, we are committed to combining the best of basic and translational research, clinical excellence and world-class teaching to deliver groundbreaking advances in physical and mental healthcare for the benefit of our local and wider communities.*

### Teaching

The Trust plays an important role in clinical education and the training of a wide range of health professionals, including doctors, dentists, nurses, allied health professionals and many other laboratory and technical staff who are vital to the delivery of first class health care.

Teaching and training are central to our responsibilities as leading teaching hospitals and a major academic centre, and underpin our vision for the Academic Health Sciences Centre.

During the year, we have continued to build on our extensive undergraduate and postgraduate education opportunities for nurses and midwives, running a number of successful nursing conferences focusing on leadership and patient care. In addition, we have launched an enrichment week for students destined to work in the Evelina Children's Hospital to provide them with a unique insight into the leadership and day-to-day running of this busy children's hospital.

### Undergraduate education

Trust staff continue to make an important contribution to the training of medical students studying at King's College London. This year, the General Medical Council (GMC) visited the Trust as part of its routine review of the quality of undergraduate medical education and praised the Trust and medical school for innovation and good practice in a number of areas, including the opportunities for students to consolidate their learning in clinical environments

## Teaching and research and development

at the hospitals. It also highlighted the need to address the challenges of providing high quality and consistent learning experiences for students across multiple locations.

Teaching sessions are recognised within consultant job plans and on average consultants deliver around two hours of undergraduate teaching a week, and also provide learning opportunities in their clinics, on the wards and in operating theatres and other clinical settings. All new consultants are informed of the teaching opportunities within the Trust and are contacted by one of the undergraduate teaching leads when they take up their appointment.

Other health care professionals also provide valuable teaching to medical undergraduates and inter-professional education continues to be an area of development. Regular meetings between Guy's and St Thomas' 'teachers' and staff from King's College London take place to ensure that Trust staff can provide advice on the development of the curriculum and also help to maintain and assure the delivery of a high quality learning experience for students.

### Postgraduate education

The Department of Postgraduate Medical and Dental Education has had another busy and productive year.

In August, the Trust successfully provided an induction programme for 320 new trainees who were starting simultaneously. A significant element of the Trust induction was delivered through a new web-based interactive induction programme completed prior to the trainees' arrival at the Trust. This has streamlined the induction process and improved quality control of junior doctors' induction.

During the year, the department has also been successful in securing £850,000 from the London Deanery for simulation training equipment to support the ongoing development of trainees. The multidisciplinary simulation centre within the Sherman Education Centre at Guy's Hospital was opened in May 2008, and visited by Lord Darzi, Parliamentary under Secretary of State and David Nicholson, NHS Chief Executive in September 2008.

The centre is equipped with life-sized, high-fidelity mannequins for use by trainees and clinical staff to enhance their technical and non-technical skills in an environment which promotes patient safety. In the centre, trainees can practice skills such as resuscitation and administering anaesthesia and also practice the techniques needed to perform clinical tasks such as key hole surgery and giving epidurals.

To enhance the culture of excellence in education at the Trust, this year we have also introduced a training programme for all clinical and education supervisors to develop their skills. A rolling programme will ensure that we meet the quality assurance standards required by the Postgraduate Medical Education and Training Board (PMETB) and the London Deanery.

### Research and development

This has been an exceptionally busy year for the research and development department at the Trust, as well as for the Trust and King's College London staff who lead our National Institute for Health Research (NIHR) funded comprehensive Biomedical Research Centre and its various research themes.

Over 400 research projects have been initiated at the Trust this year, many involving close collaboration with partner organisations both locally and across the UK. Research projects attracted £27.2 million of non-commercial grant funding, and we also received £7.5 million of transitional funding from the NHS research and development levy to support non-commercial research. This is the final award of transitional funding before it is phased out in April 2009. The Trust also attracted significant funding from the NIHR, including a grant of £3.2 million for three research programmes.

This year, the Trust was part of a successful application to run the new NIHR funded Research Design Service for London. The joint bid with universities across London including King's College, Imperial College, University College, Queen Mary University, London School of Economics and St George's University secured £5.3 million in funding. The service will advise NHS and academic researchers on how to develop high quality research proposals, improving opportunities to secure funding for studies to answer clinical, organisational or public health questions.

This year, the NIHR has also appointed seven leading clinicians at the Trust to its College of Senior Investigators. These prestigious appointments are made to researchers from the NHS who are recognised for their outstanding contribution to health and social care research.

The Trust itself has funded a new initiative which sees almost 100 consultant level staff awarded three half days a week, known as programmed activities or PAs, to devote to research. This provides protected time to enable them to increase their research activity and output and is a significant investment which supports our ambition for the AHSC where we provide the best possible care to our patients by closely integrating service delivery with high quality research.



## Joint Clinical Trials Office

The Joint Clinical Trials Office, a collaboration with King's College London and King's College Hospital set up in 2008, is already having a positive impact on research activity across the AHSC partner organisations. This year, the office has implemented a set of robust governance structures to ensure regulatory compliance and increase capacity to run clinical trials, making us more attractive to external collaborators such as pharmaceutical companies.

In the year, we underwent a Medicines and Healthcare products Regulatory Agency (MHRA) inspection of our clinical trials governance processes. The report recorded a very positive outcome for the JCTO and an action plan is being implemented to enable us to improve further.

The inspection focused on how the Office's partner organisations work together to ensure that clinical trials are well managed and staff involved in research have the skills and qualifications they need to carry out their work in ways that both meet legal requirements and reflect best clinical research practice.

## Biomedical Research Centre

The NIHR funded comprehensive Biomedical Research Centre (BRC), a major collaboration with King's College London and King's College Hospital NHS Foundation Trust, received its first full year revenue funding of £11 million from April 2008. Receiving total funding of over £50 million over five years, the Centre will secure the Trust's position as a major funder for NHS research.

Our Biomedical Research Centre has a strong focus on translational research – ensuring that we 'translate' scientific discoveries into improvements in treatment which will benefit patients at the earliest opportunity. A key strength lies in access to a uniquely diverse patient population of around five million people in London and the South East as this enables us to drive forward research and establish clinical trials into the widest possible range of diseases and medical conditions.

The Centre's work is focused around seven key research themes: allergy and asthma; atherosclerosis (heart disease and stroke); cancer; dermatology, immunology and infection; oral health; and transplantation. There are also a number of 'cross-cutting' areas that span the themes: genetics; paediatrics; imaging; health and social care; stem cell research; the Wolfson Centre for Age-Related Disease; cell and molecular biophysics; and developmental neurobiology.

In October 2008, the Biomedical Research Centre approved £6.45 million of funding for eight major Interdisciplinary Programmes of research which will lead

to real advances in the clinical care delivered to our patients in the next few years.

Many of the projects span more than one of the seven research themes of the Biomedical Research Centre, harnessing our strengths across a number of different diseases and disciplines. For example, one study undertaken by the BRC's researchers and clinicians, with the MRC Asthma UK Centre in Allergic Mechanisms of Asthma and Barts and The London School of Medicine and Dentistry, will increase understanding of the combined effects of pollution and vitamin D deficiency on poor respiratory health in children.

Since the creation of the BRC, the Trust has introduced a number of innovative training programmes and fellowship schemes aimed at clinicians, allied health professionals and scientists undertaking translational research. In the year, the Centre launched the Clinical Research Consultant (CRC) programme to enable junior consultants to develop their translational research skills while maintaining their NHS clinical commitments. Funding for 12 posts has been awarded by the BRC so far, and three consultants are already in post.

Other highlights include the launch and development of several research fellowships. The new post-doctoral research fellowships are aimed at attracting outstanding postdoctoral scientists to conduct translational research programmes. The clinical training fellowships and allied health care professional research training fellowships, both in their second year, continue to be extremely successful. These schemes which open up high quality research opportunities to a wider range of health professionals have appointed 13 outstanding candidates this year.

A unique element of the Centre is the monthly Biomedical Forum which showcases translation in biomedical and clinical research and fosters collaboration between clinicians, allied health professionals and basic scientists. Speakers have ranged from leading international scientists to our own theme leaders and researchers, tackling subjects including steroid resistant asthma and diagnosis and treatment of blistering skin diseases.

The Biomedical Research Centre continues to provide the Trust with the opportunity to attract funding and develop links with a diverse range of partners including major pharmaceutical and biotechnology companies. This year, the Centre has entered into a strategic agreement with BD Biosciences, a leading global medical technology company, which will help to advance research into the diagnosis and treatment of patients with a range of auto-immune and inflammatory diseases. Scientists and clinical staff at the Centre will have access to

immuno-diagnostic technologies which will increase their understanding of these diseases and their triggers.

This year has seen significant capital investment to provide world-class facilities for research and development which will enhance our ability to attract a wide range of clinical trials and other investigations.

In October, the new Clinical Research Facility (CRF) at St Thomas' Hospital, funded by Tate and Lyle, the British Heart Foundation and King's College London, was opened officially by HRH The Princess Royal. The centre is an important collaboration between the Trust and King's College London, and will make it easier for researchers and clinical staff to undertake a wide range of multi-disciplinary research with a major focus on nutrition, obesity and cardiovascular health.

The Facility at St Thomas' will be complemented by similar facilities which are being developed at Guy's Hospital which will focus on major areas including cancer, transplantation, asthma and allergy and rheumatology and dermatology. This development is funded by Guy's and St Thomas' Charity (including a donation from the Barrowclough Legacy for Cancer Research) and King's College London, and will also house the BRC Resource Centre. A further unique feature of the Centre at Guy's is the plan to create a physical home for the new Faculty of Translational Medicine, providing a place where researchers, trainees and clinicians can meet to interact and share research ideas on a regular basis.

In February 2009, Breakthrough Breast Cancer and King's College London opened a new £4.2 million research unit at Guy's Hospital which will investigate triple negative breast cancer. This aggressive type of breast cancer is more common among younger women and those of African origin, groups strongly represented in our local communities. The research team, led by Dr Andrew Tutt, will be working to find out which genetic changes in the tumour cause or drive its growth. With this knowledge they will try to identify new ways to diagnose, treat and ultimately prevent this form of breast cancer.

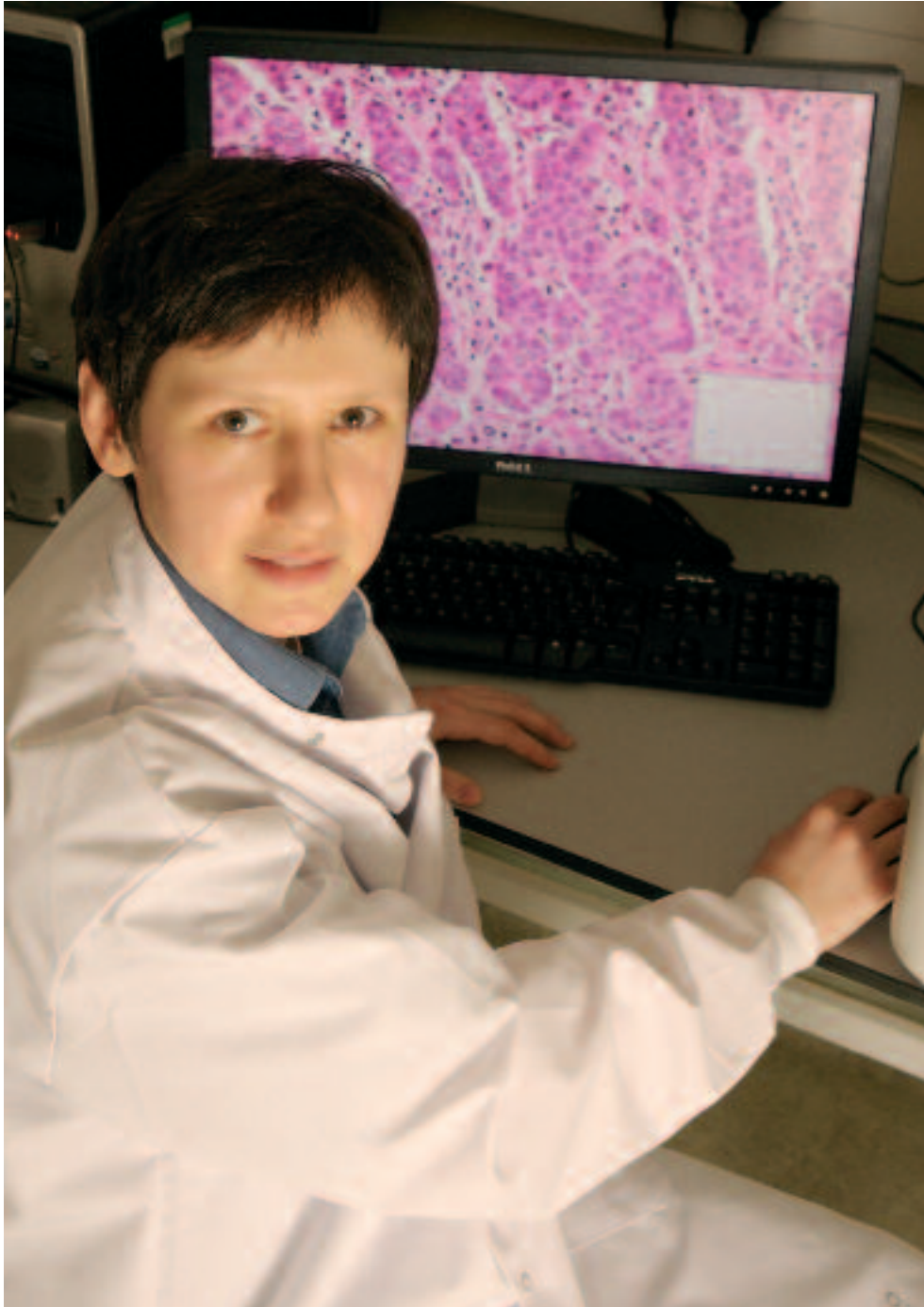
## Comprehensive Local Research Network

The Trust is pleased to host the South London Comprehensive Local Research Network – part of a national clinical research network which provides governance support for research, as well as a mechanism for NHS organisations to help fund clinical trials work and other research studies. The team is engaged in establishing an infrastructure across the Network to streamline the undertaking of research projects and increase patient recruitment to national multi-centre clinical trials.



Scientists and clinicians at the Breakthrough Breast Cancer Unit are investigating new ways to diagnose and treat an aggressive type of cancer. Through their focus on 'translational' research, they are working to take medical discoveries from the laboratory into clinical settings at the earliest opportunity to benefit our patients.

Dr Patrycja Gazinska, breast pathology research scientist is pictured in the new Breakthrough Breast Cancer Research Unit.





Our health psychology service enables people living with chronic conditions such as sickle cell disease and haemophilia to better manage their own condition, by equipping them with strategies to cope with pain, depression and anxiety. This is also consistent with our Academic Health Sciences Centre's focus on health and well-being.

Consultant health psychologist, Nicky Thomas is pictured with patient Andrew Lashley.

## Our organisational structure

### Council of Governors

The Council of Governors (our equivalent of the Board of Governors as described in legislation, and formerly known as the Members' Council) advises the Trust on how to carry out our work to help us best meet the needs of our patients and the wider community.

It has a number of statutory duties, including to appoint the Chairman and Non-Executive Directors, and to ratify the appointment of the Chief Executive. The Council of Governors also determines the remuneration of the Chairman and Non-Executive Directors, receives the Trust's Annual Report and Accounts and Auditor's report, and appoints the Trust's external auditor.

The patient, public and staff members of the Council of Governors are elected from the Foundation Trust membership by the members to serve for three years. Elections for the 27 positions originally took place in April 2004. Elections were held in April 2007 and again in April 2009, which will be reported in next year's annual report.

A full list of who's who on the Council of Governors can be found on page 64.

The Council of Governors had three working groups which met during the last year outside the formal meetings of the full Council to focus on specific issues. They were:

**Service strategy** – this group has kept the Trust's developing service strategy under review and has continued to contribute to its development. The group has also taken a particular interest in the Trust's work, with its partners, in developing our Academic Health Sciences Centre.

**Patient experience** – this group reviewed the results of the annual postal survey of inpatients, as well as our quarterly patient experience telephone surveys. They also continue to participate in and monitor the outcome of the implementation of the Nursing Standards Toolkit across the Trust.

**Membership development, involvement and communications** – this group has reviewed the outcome of an initial survey to determine whether our membership is fully representative of the communities we serve. It has also reviewed options for increasing communication and involvement with the members. It has now developed a strategy to help increase our membership over the coming years and to increase members' involvement. Following agreement by the Council of Governors and the Board, the group is now supporting implementation of this strategy.



# Our organisational structure

## Who's who

Patient members	From date shown for 3 years	Actual/possible attendance
Mr Michael Craft	July 1 2006	4 / 4
Ms Susan Hardy	February 2008	4 / 4
Mr John R Hyde	July 1 2006	2 / 4
Mr Jeremy Marsh	July 1 2006	4 / 4
Dr John Mathews	July 1 2007	4 / 4
Ms Niamh O'Sullivan	July 1 2007	4 / 4
Mr John Taylor	July 1 2007	4 / 4
Dr Sir Richard Thompson	July 1 2007	4 / 4
Ms Jane Wardle	July 1 2006	4 / 4
Mrs Yvonne White	July 1 2008	3 / 3
<b>Public members</b>		
Mrs Pauline Anderson	July 1 2006	2 / 3
Miss Susan Brooks	July 1 2007	2 / 4
Mrs Jenny Cobley	July 1 2007	3 / 4
Mr Edward Heckels	July 1 2006	4 / 4
Mrs Wendy Mathews	July 1 2007	4 / 4
Mrs Daphne McKenzie	July 1 2007	3 / 4
Mrs Patricia Prendergast	July 1 2006	2 / 4
Mrs Victoria Silvester	July 1 2006	4 / 4
Cllr Peter Truesdale	July 1 2007	4 / 4
Mr Simon Wallace	July 1 2006	4 / 4

Staff members	Constituency	From date shown for 3 years unless indicated	Actual/possible attendance
Ms Lesley Blackburn	Nursing and Midwifery	January 2008	4 / 4
Dr John Coltart	Medical and Dental Practitioners	July 1 2007 (to Dec 31 2008)	2 / 3
Ms Liz Dunn	Nursing and Midwifery	July 1 2006	4 / 4
Mrs Margaret Evison	Other Health Professionals	July 1 2008	2 / 3
Mr Brian Johnson	Other	July 1 2006	4 / 4
Mr Shamin Khan	Medical and Dental Practitioners	July 1 2006	3 / 4
Ms Jacky Lewis	Other	July 1 2007	3 / 4
Mr Hamish Wallis	Other Health Professionals	July 1 2006 (to May 31 2008)	1 / 1

Stakeholder members		Actual/possible attendance
Lambeth Council	Cllr Dr Neeraj Patil	2 / 4
Southwark Council	Cllr Nick Stanton	2 / 4
Lambeth PCT	Ms Caroline Hewitt	4 / 4
Southwark PCT	Ms Susanna White	3 / 4
Lewisham PCT	Mr Martin Wilkinson	2 / 4
King's College London	Dr Lynn Carlisle	1 / 4
London South Bank University	Prof David Sines	2 / 4
NHS London	Mr Stephen Webb	2 / 4
South London and Maudsley NHS Foundation Trust	Ms Madeliene Long	4 / 4
South Bank Employers Group	Ms Julia Barfield	3 / 4

To view the register of interests of our Council of Governors, please contact the Head of Corporate Affairs.





## Nominations Committee

The Nominations Committee makes recommendations to the Council of Governors on the appointment of the Chairman and Non-Executive Directors. The committee also provides advice to the Council of Governors on levels of remuneration for the Chairman and other Non-Executive Directors, which are then decided at a general meeting. The committee also receives reports on behalf of the Council of Governors on the process and outcome of appraisal for the Chairman and Non-Executive Directors.

The appointment of one new Non-Executive Director was confirmed by the Council of Governors last year, acting on the advice of the Nominations Committee, and we are delighted to welcome Diane Summers to the Trust. Rory Maw was also reappointed as Non-Executive Director in February 2009 to serve a further four year term.

The committee also recommended the further extension of the Chairman's appointment, as reported on page 70.

### Membership and attendance

Name	Actual	Possible
Patricia Moberly (Chair)	3	3
Pauline Anderson	5	5
John Coltart (to Dec 31 2008)	3	3
Shamin Khan	2	2
Jane Wardle	5	5

## Our membership

The Trust membership is a prized and valued asset. The membership supports the activity of the Trust, helps guide decision making and ensures that the Trust remains true to its NHS values and purpose. The Trust is accountable to its members.

The membership provides an additional way for the Trust to communicate with patients, the public and our staff, and we have three membership categories:

- **Patient membership** – people over 18 years of age who are registered with the Trust as a patient and have received treatment within the last three years. Carers, who are not eligible for the other categories of membership, will also be offered patient membership.
- **Public membership** – people over 18 years of age who live in either Lambeth or Southwark.

- **Staff membership** – employees of the Trust with an employment contract which means that they will be working with the Trust for a year or more. Staff who are based at the Trust, but work for a partner organisation or as a contractor are also eligible, as are registered volunteers who are not eligible for the other categories of membership.

The Trust has 17,668 members, of whom 3,614 are patient members, 4,400 are public members and 9,654 are staff members.

The Trust aims to have a membership that is as representative as possible of the diverse communities which we serve – and analysis of the membership shows that this diversity is broadly reflected in the membership profile.

We are committed to regular communication with our membership and are keen to hear their views. Members receive regular mailings updating them on developments and events in the Trust, and are invited to seminars and the Trust's Open Day, as well as meetings of the Council of Governors and the Trust's Annual Public Meeting. The seminars in particular have proved popular, and recent topics have included tooth and gum health, accident and emergency services and healthy living.

Members wishing to communicate with Directors and elected members of the Council of Governors, or anyone interested in finding out more about membership, should contact:

**Membership Office**  
Ground Floor, West Wing  
Guy's Hospital, Great Maze Pond  
London SE1 9RT  
Tel: 020 7188 0012  
Email: [members@gstt.nhs.uk](mailto:members@gstt.nhs.uk)

# Our organisational structure

## Board of Directors

The role of the Board of Directors is to manage the Trust by:

- setting the overall strategic direction of the Trust within the context of NHS priorities;
- regularly monitoring our performance against objectives;
- providing effective financial stewardship through value for money, financial control and financial planning;
- ensuring that the Trust provides high quality, effective and patient-focused services through clinical governance;
- ensuring high standards of corporate governance and personal conduct;
- promoting effective dialogue between the Trust and the local communities we serve.

The Board of Directors is made up of our Chairman, Patricia Moberly, and six other Non-Executive Directors. There are currently six Executive Board Directors, including the Chief Executive.

The membership of the Board of Directors is balanced, complete and appropriate as demonstrated by the biographical details of Board members on pages 68 to 71. The Trust considers that all the Non-Executive Directors are independent in character and judgment, and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the judgment in this respect. The Trust has therefore decided not to appoint a senior independent director.

Monthly board meetings are open to the public, who can come and listen to the discussions. Agendas, papers and minutes are published on our website, along with dates of future meetings.

In September we hold an Annual Public Meeting, where members of our Foundation Trust, local people, patients, staff and other local stakeholders are invited to hear about how we have performed during the year and to meet the Board of Directors and the Council of Governors. There is also an opportunity to ask questions of the Chief Executive, Chairman and Executive Board Directors. Around 200 people attended our Annual Public Meeting in September 2008.

## Attendance at Board of Directors meetings

Name	Actual / Possible	Notes
Dr Edward Baker	12 / 12	
David Dean	12 / 12	
Mike Franklin	10 / 12	
Tim Higginson	n / a	Seconded to University Hospital Lewisham
Ron Kerr	12 / 12	
Professor Robert Lechler	7 / 12	Including absences to focus on AHSC development.
Ann Macintyre	5 / 5	From Nov 2008
Steve McGuire	12 / 12	
Rory Maw	12 / 12	
Patricia Moberly	12 / 12	
Jan Oliver	11 / 12	
Martin Shaw	12 / 12	
Eileen Sills	11 / 12	
Diane Summers	9 / 9	From June 2008
Anna Tapsell	2 / 3	To June 2008

Committee	Membership
Assurance & Risk	Mike Franklin (Chair), Jan Oliver, David Dean, Ron Kerr, Edward Baker, Eileen Sills, Steve McGuire
Audit	David Dean (Chair), Rory Maw, Diane Summers
Board in Committee	Patricia Moberly (Chair) All Board Directors
Estates (replaced by Board in Committee in July 2008)	Patricia Moberly (Chair), David Dean, Robert Lechler, Jan Oliver, Steve McGuire, Ron Kerr, Martin Shaw
Finance & Investment	Rory Maw (Chair), David Dean, Robert Lechler, Martin Shaw, Ron Kerr, Steve McGuire, Diane Summers
Personnel & Workforce	Jan Oliver (Chair), Mike Franklin, Diane Summers, Ron Kerr, Ann McIntyre, Eileen Sills, Steve McGuire
Remuneration	Patricia Moberly (Chair) All Non-Executive Directors



## Audit Committee

The Audit Committee provides the Board of Directors with a means of independent and objective review of financial and corporate governance and risk management in the Trust. It also provides assurance of independence for external and internal audit, and ensures that standards are set and compliance with them is monitored in the non-financial, non-clinical areas of the Trust that fall within the remit of the Committee.

The Committee is authorised by the Board of Directors to investigate any activity within its terms of reference and to seek any information it requires from any member of staff. In discharging these responsibilities last year, the Committee approved both the internal and external audit work plans, and received regular reports from internal and external audit. The Committee reviewed the draft management letter from the external auditors for the year ended March 31 2008, and recommended the letter for formal acceptance by the Board of Directors.

At its meeting in May, the Committee reviewed the draft annual accounts and approved their submission to the auditors. The Committee also approved revisions to the Trust policies governing corporate conduct, and recommended the adoption of these by the Board of Directors. In addition, the Committee received reports on counter fraud work at the Trust, including the annual report of the Local Counter Fraud Specialist.

At its meeting in November 2007, the Council of Governors (then known as the Members' Council) accepted the Audit Committee's recommendation that Deloitte & Touche LLP be appointed as the Trust's external auditors for the two years commencing April 1 2007 and therefore no further resolution was required last year. Deloitte and Touche LLP were also employed by the Trust during the year to undertake a review and recommend improvements in IT security arrangements. In order to safeguard the auditor's objectivity and independence, this work was performed by a separate audit team and partner.

### Membership and attendance

Name	Actual / Possible	Notes
Anna Tapsell	1 / 1	Chair to June 2008
David Dean	3 / 3	Chair from June 2008
Rory Maw	3 / 3	
Diane Summers	2 / 2	From June 2008

## Remuneration Committee

The Remuneration Committee decides the pay and allowances, and other terms and conditions of the Executive Directors.

### Membership and attendance

Name	Actual	Possible
Patricia Moberly (Chair)	5	5
Professor Robert Lechler	2	5
Anna Tapsell (To June 2008)	0	1
Jan Oliver	5	5
David Dean	5	5
Rory Maw	2	5
Mike Franklin	2	5
Diane Summers (From June 2008)	3	4

## Working with the Council of Governors

The Board of Directors interacts with the Council of Governors to ensure that it understands their views – and through them – those of our members. To support this process:

- Board meetings are attended by a number of members of the Council of Governors, one of whom presents a formal report of the activities of the Council of Governors and its working groups to the Board;
- Similarly, Board members are invited to attend all Council of Governors meetings and a member of the Board presents a formal report of the activities of the Board to the Council of Governors;
- Meetings of the Council of Governors' working groups are attended by a Non-Executive and Executive Director of the Board;
- The format and agenda for Council of Governors' meetings brings Board members and governors together in workshop discussions to support a lively exchange of ideas and views.

## Who's who

### Trust Management Executive

The membership of the Trust's Management Executive brings together Executive Board Directors, Trust Directors, Divisional Directors and other senior clinical managers.

The role of the Trust Management Executive is to:

- monitor the management of risk, including agreement of any action plans or resources;
- contribute to the development of the Trust's service strategy and agree the strategy to be submitted to the Board of Directors for approval;
- review and agree detailed business plans and performance contracts;
- monitor the delivery of the Trust's service activity and financial objectives;
- agree policies and procedures to ensure the delivery of external and internal governance;
- develop and monitor the implementation of plans to improve the efficiency, effectiveness and quality of the Trust's services.

The Management Executive has the following sub-committees:

- Capital Investment;
- Clinical Governance and Risk Management;
- Enterprise Executive;
- Information Strategy Group;
- Medical Workforce.



**Ron Kerr CBE**  
**Chief Executive**

Ron took up the position of Chief Executive in October 2007. He brings a wealth of experience from his extremely successful and wide ranging NHS career, including roles at a local, regional and national level. He was most recently the Chief Executive of United Bristol Healthcare NHS Trust.

Previous roles include Director of Operations for the NHS Executive, Regional Director for North Thames Regional Office, and Chief Executive of the South East London Commissioning Agency. His early career also included work at several central London teaching hospitals and, prior to moving to Bristol, he was Chief Executive of the National Care Standards Commission. At United Bristol Healthcare, he led a major transformation in the Trust's financial position and the Trust's preparation for NHS Foundation Trust status.



**Dr Edward Baker**  
**Medical Director**

Ted Baker has been Medical Director since 2003. He has been a consultant paediatric cardiologist at the Trust and a senior lecturer at King's College London since 1987. Ted has held a number of Trust positions including Assistant Medical Director, Clinical Director of Children's Services and Group Director of Women and Children's Services. He led the projects that established the Evelina Children's Hospital and the Women's Centre at St Thomas'.

Ted trained in both the UK and the USA. He pioneered the use of magnetic resonance imaging in the treatment of congenital heart disease, and has published and lectured widely on this and related topics. He is editor-in-chief of the leading international scientific journal in his specialty and author of a major clinical textbook, now in its third edition. Recently he has led a project for the Department of Health reviewing the provision of specialist children's services nationally.





### Tim Higginson

**Director of Strategy and Workforce**

until December 2008

Tim Higginson has a long history of service within the Trust, which has included appointments as Personnel Director, Director of Strategy and Policy, and Director of Strategy and Workforce. Tim was previously the Trust's Assistant Chief Executive, and before that worked at both St Thomas' Hospital and West Lambeth Health Authority.

He served as Acting Chief Executive for six months prior to the arrival of Ron Kerr as Chief Executive in October 2007.

*From March 31 2008 Tim was seconded to University Hospital Lewisham to serve as Chief Executive, and was appointed to the substantive post with effect from January 1 2009.*



### Ann Macintyre

**Director of Workforce**  
from November 2008

Ann joined the Trust from Barts and The London NHS Trust, where she was Director of Human Resources. Previously, Ann has held Executive Director posts in Hertfordshire and at Northwick Park and St Mark's Hospital in London.

She has over 30 years of NHS experience working at national, regional and local level. Ann is the current joint Chair of the national JCC (seniors) which is the negotiating committee for consultant medical staff in England; she is a member of the national Social Partnership Forum working with Health Ministers and Trade Union organisations on workforce policy implementation and recently stepped down as Chair of Association of UK University Hospitals HR directors' forum.



### Steve McGuire

**Director of Capital, Estates and Facilities Management**

Steve McGuire joined the Trust as its first Director of Capital, Estates and Facilities Management in April 2003 from Leeds Teaching Hospitals NHS Trust where he was Director of Property and Support Services.

Steve joined the NHS in 1992 and has been Director of Facilities at both Leeds Health Authority and St James and Seacroft NHS Teaching Trust. Previously Steve worked for the British Coal Corporation where he held a variety of posts. He is a Chartered Mining Engineer.



### Martin Shaw

**Director of Finance**

Martin Shaw joined the Health Service in 1981. Martin joined West Lambeth Health Authority in 1983 where he held a variety of posts and was deputy Director of Finance there until 1993 when he joined Guy's and St Thomas', first as Business and Financial Planning Manager, before becoming Strategy Director and Projects Director. Since 1998 he has been Finance Director of the Trust.

Martin chairs the Healthcare Financial Management Association's Finance Directors' Group and is a member of the Foundation Trust Network's Finance Directors' Group.



### Eileen Sills CBE

**Chief Nurse, Chief Operating Officer and Director of Infection Prevention and Control**

Eileen Sills joined the Trust in February 2005 from Whipps Cross University Hospital NHS Trust where she had been Director of Nursing, Deputy Chief Executive and Acting Chief Executive.

She qualified as a Registered General Nurse in 1983, and held a number of nursing and clinical leadership posts before moving into nursing management roles at University College London, Homerton and the Royal Free Hospitals. Eileen's first Director post was at the Royal National Orthopaedic Hospital in 1999.

She is a visiting Professor at the Florence Nightingale School of Nursing at King's College London and at London South Bank University, and a Trustee of both the Burdett Trust and the Florence Nightingale Museum. She is a member of the Prime Minister's Commission on the Future of Nursing and Midwifery, set up in 2009.

## Who's who



**Patricia Moberly**  
**Chairman**

Patricia Moberly chairs both the Board of Directors and the Council of Governors. Patricia has significant experience of local health services. Before joining the Guy's and St Thomas' Board in December 1997, initially as a Non-Executive Director, she had been Chairman of Lambeth Community Health Council and a member of West Lambeth Community Health Council. She was also a member of West Lambeth District Health Authority and a lay member of the Research Endowments Committee and the St Thomas' Ethics Committee. Patricia is a magistrate and, until recently, was a lay member of the General Medical Council. She was Head of Sixth Form at Pimlico School until 1998.

Patricia was reappointed as Chairman in June 2002 and again in February 2006. The Council of Governors extended her appointment further in September 2008, and she will now serve until October 31 2010.



**Professor Robert Lechler**  
**Vice Chairman**

Professor Lechler, having been the Dean of Guy's, King's and St Thomas' School of Medicine since September 2004, became Vice Principal for Health at King's College London in October 2005. He has a distinguished career in academic medicine which began in 1979 as a Medical Research Council Training Fellow in the Department of Immunology at the Royal Postgraduate Medical School, London.

He has held many senior posts, including Lead Clinician for Renal Transplantation and Chief of Immunology Services at Hammersmith Hospital NHS Trust; Professor of Molecular Immunology at the Royal Postgraduate Medical School; and Professor and Director of Immunology and Head of the Division of Medicine at Imperial College London.

Robert joined the Board of Directors in November 2004.

*In April 2009, Robert stood down from the Trust Board to focus on his commitments as Transitional Director of King's Health Partners. He is replaced by Professor Frank Nestle.*



**David Dean**  
**Non-Executive Director**

David Dean enjoyed a long and successful career in investment banking, having worked for Nomura International in both London and Hong Kong and for New Japan Securities Europe, with extensive experience in corporate finance and the capital markets. He lives in Dulwich where he is actively involved in organising the Dulwich Festival. He is a part-time concert pianist and Licentiate of the Royal Schools of Music. David also enjoys long distance running.

David joined the Board in June 2007 and chairs the Audit Committee.



**Diane Summers**  
**Non-Executive Director**  
from June 2008

Diane is a former Managing Editor of the Financial Times, where she worked for 19 years as a writer, editor and executive. Her experience before joining the Financial Times spanned the voluntary and private sectors and included senior positions at the consumers organisation Which? and the homelessness charity Shelter. Since 2006, Diane has been a freelance writer, editor and consultant. She has lived all her adult life in South-East London and has been involved with many local organisations, including serving as a school governor.

Diane joined the Board in June 2008.



**Mike Franklin**  
**Non-Executive Director**

Mike Franklin is currently a Commissioner and board member of the National Independent Police Complaints Commission (IPCC), having formerly been HM Assistant Inspector of Constabulary (HMIC). He was previously a member of the TUC race relations committee and a member of the Metropolitan Police Service Independent Advisory Group set up following the Stephen Lawrence Inquiry.

He has extensive legal experience, gained both in the voluntary sector and as a union official. He has a long association with Lambeth, where he lives, and has played an active part in race relations, race equality issues and community policing.

Mike joined the Board in November 2007 and chairs the Assurance and Risk Committee.



**Rory Maw**  
**Non-Executive Director**

Rory Maw is Chief Financial Officer of Bridges Community Ventures, a private equity firm which makes investments which achieve a clear social purpose as well as delivering financial returns for investors. He read economics at Trinity College, Cambridge before qualifying as a Chartered Accountant. He joined Schroders' Investment Banking division in 1989, specialising in mergers and acquisitions and providing strategic advice to a number of major international clients, particularly in the consumer products sector. In 2000 he moved to Morgan Stanley, a leading US-based investment bank, becoming Head of its European Consumer Products Group.

Rory joined the Board in March 2005 and was reappointed in 2009. He chairs the Finance and Investment Committee.



**Jan Oliver**  
**Non-Executive Director**

Jan Oliver has considerable experience in the area of diversity, ensuring that organisations have a culture where diversity is embedded in their day to day business. She was previously Diversity Manager for Factual and Learning at the BBC, responsible for raising the profile of diversity issues, developing training and other initiatives. From 1999 to 2001, she was Chair of the BBC Black and Asian Forum, a campaigning and support group for minority ethnic staff.

She was previously a Trustee of the Stephen Lawrence Charitable Trust, where she led on event management. She also works as a coach and mentor at Imperial College London and has recently gained a BSc in psychology from London South Bank University.

Jan joined the Board in January 2004 and was reappointed in 2007. She chairs the Personnel and Workforce Committee.

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## **Anna Tapsell**

**Non-Executive Director**  
until June 2008

Anna Tapsell has a long history of involvement in local health services. She was Chairperson of West Lambeth Community Health Council and was a local councillor for ten years.

Ann joined the Board in July 1999 and was reappointed in 2006. She completed her second term of office in June 2008.







The Trust has received recognition from UNICEF for its commitment to breastfeeding. We have one of the best breastfeeding initiation rates in the country – nearly 91 per cent of women who give birth in our highly rated maternity unit start breastfeeding thanks to an informative and supportive programme.

Mother Shakira  
Keddo is pictured  
breastfeeding her  
baby Jaylan with  
midwifery  
practice leader  
Louise Nisbeth.

## Remuneration report

The remuneration and expenses for the Trust Chairman and Non-Executive Directors are determined by the Council of Governors (formerly known as the Members' Council), taking account of the guidance issued by organisations such as the NHS Confederation and the NHS Appointments Commission. Remuneration for the Trust's most senior managers (Executive Directors who are members of the Board of Directors) is determined by the Board of Directors' Remuneration sub-committee, which consists of the Chairman and the Non-Executive Directors.

Details of remuneration, including the salaries and pension entitlements of the Board of Directors, are published in the annual accounts on page 93. Senior managers' salaries (as defined above) may include a non-recurrent bonus related to performance.

The only non-cash element of senior managers' remuneration packages are pension related benefits accrued under the NHS Pensions Scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme which applies to all NHS staff in the scheme.

Pay levels are informed by executive salary surveys conducted by independent management consultants and by the salary levels in the wider market place. Affordability, determined by corporate performance and individual performance, are also taken into account. Where appropriate, terms and conditions are consistent with the new NHS pay arrangements such as *Agenda for Change*.

The Trust's strategy and business planning process set key business objectives which in turn inform individual objectives for senior managers. Performance is closely monitored and discussed through both an annual and ongoing appraisal process. All senior managers' remuneration is subject to performance.

Senior managers are employed on contracts of service and are substantive employees of the Trust. Their contracts are open ended employment contracts which can be terminated by either party with six months notice, or 12 months in the case of the Chief Executive. The Trust's normal disciplinary policies apply to senior managers, including the sanction of instant dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff.



**Ron Kerr**, Chief Executive, June 8 2009







# Annual accounts

## Foreword to the accounts

These accounts, for the year ending March 31 2009, have been prepared by Guy's and St Thomas' NHS Foundation Trust in accordance with the NHS Act 2006.



**Ron Kerr**, Chief Executive and Accounting Officer, June 8 2009

### Statement of the Chief Executive's responsibilities as the accounting officer of Guy's and St Thomas' NHS Foundation Trust.

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts (Monitor).

Under the NHS Act 2006, Monitor has directed Guy's and St Thomas' NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Guy's and St Thomas' NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.



**Ron Kerr**, Chief Executive and Accounting Officer, June 8 2009

# Statement on internal control 2008/09

## Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Guy's and St Thomas' NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Guy's and St Thomas' NHS Foundation Trust for the year ended March 31 2009 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The Trust has in place a Risk Management Policy which makes it clear that while I have overall accountability to the Board for risk management within the Trust, operational responsibility for the implementation of risk management has been delegated to Executive and other named directors. Risk management is a core component of the job descriptions of senior managers within the Trust.

A range of risk management training is provided to staff and there are policies in place which describe the roles and responsibilities in relation to the identification and management of risk. All relevant policies are available to staff via the Trust intranet.

The Trust learns from good practice through a range of mechanisms including clinical supervision and reflective practice, individual and peer reviews, performance management, continuing professional development programmes, clinical audit and application of evidence-based practice.

## The risk and control framework

The Risk Management Policy and supporting procedures set out the key responsibilities for managing risk within the organisation, including the ways in which the risk is identified, evaluated and controlled.

A traditional risk assessment matrix is used to ensure a consistent approach is taken to assessing and responding to clinical and non-clinical risks and incidents. This determines the Trust's appetite for risk with clear processes for the management and monitoring of proactive risk assessments defined within the Risk Management Policy and supporting procedures. All Serious Untoward Incidents and serious risks are reported to the Board of Directors via the established governance committee structures. The Trust's governance arrangements are founded on the operation of the Assurance Framework agreed by the Board and the presentation and regular scrutiny of information at both Board and Management Executive level.

All staff are responsible for responding to incidents, hazards, complaints and near misses in accordance with the appropriate policies. Local management teams, via clinical governance groups, are responsible for developing and maintaining local risk registers and overseeing the management of adverse incidents. Management teams are responsible for reviewing risk action plans and ensuring they are implemented through business planning and other established routes. Risk processes are monitored and reviewed by the Trust Management Executive, the Assurance and Risk Committee and the Audit Committee.

The Trust has a Board Assurance Framework which sets out the principal risks to delivery of key priorities and objectives such as the strategic corporate objectives. The Executive Director with delegated responsibility for managing and monitoring each risk is clearly identified. The Board Assurance Framework identifies the assurances available to the Board of Directors in relation to the achievement of the Trust's key priorities and objectives. The principal risks to the delivery of these objectives are mapped to key controls. There were limited gaps in control in relation to identified risks – these included further development of processes and reporting. The Board Assurance Framework is underpinned by the robust Standards for Better Health process embedded within the Trust.





Working with our partners we explore potential risks which may impact upon other organisations and public stakeholders.

The Trust annually assesses compliance with the requirements of the Connecting for Health Information Governance Toolkit for the management and control of risks to information. Through the Information Governance Assurance Programme we have reviewed in detail our understanding of the risks to information and are continuing to strengthen controls and assurance.

The Trust is fully compliant with the core Standards for Better Health.

As an employer with staff entitled to membership of the NHS Pensions Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that Pension Scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust is currently reviewing the systems in place to care for people with learning disabilities in light of the following documents and recommendations within them:

**Healthcare for All** – an independent inquiry into access to health care for people with learning disabilities (Department of Health July 2008);

**Valuing people now** – a new three-year strategy for people with learning disabilities (Department of Health, January 2009);

**Valuing people now** – the delivery plan (Department of Health, January 2009);

**Six lives** – the provision of public services to people with learning disabilities (Parliamentary and Health Service Ombudsman March 2009).

The Trust has developed an action plan to ensure it is compliant with the various recommendations, and to further improve the systems in place to effectively care for people with learning disabilities. The action plan will be updated as necessary in light of any new requirements.

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

During 2008/09 the first phase of the Trust's Enterprise Project went live, streamlining finance and procurement processes and enabling the Trust to achieve greater economy, efficiency and effectiveness in its use of resources. In a related and innovative project, an automated stock management system for holding and managing stocks at ward level is being introduced, releasing clinical staff time from administrative tasks and achieving considerable economies from strengthened stock control.

As part of their annual audit, our external auditors are required to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. They do this by examining documentary evidence and through discussions with senior managers. The audit working papers in relation to this work are made available to the Trust and presented to the Audit Committee. These confirm they have drawn positive conclusions from their work.

The emphasis of our internal audit work is on risk management, governance and internal control processes. Individual assignments have also raised issues relating to economy, efficiency and effectiveness. Where scope for improvement, in terms of value for money was identified during an internal audit review, appropriate recommendations were made and action plans were agreed with management for implementation.

The Board ensures that the procurement and other processes devised to ensure that the Trust's resources are used efficiently and productively are, at all times, complied with.

### Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The Board keeps its arrangements for internal control under continuous review with major reviews at annual "away day" meetings and periodic reviews throughout the year often leading to refinements to the process.

The Audit Committee has provided the Board of Directors with an independent and objective review of financial and corporate governance, and internal financial control within the Trust. The

sub-committee has received reports from external and internal audit. Internal audit has reviewed and reported upon control, governance and risk management processes, based on an audit plan approved by the sub-committee. The work included identifying and evaluating controls and testing their effectiveness, in accordance with NHS Internal Audit Standards. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management.

The Trust's Executive Directors and managers and the Assurance and Risk Committee have provided the Board of Directors with reports on risk management, performance management and clinical governance.

The Board of Directors reviewed the 2008/2009 Board Assurance Framework following approval of the Trust's strategic priorities. The Assurance Framework was regularly updated throughout the year to reflect the risks associated with failing to achieve these objectives. The Trust has a proven structured approach in its self-assessment for Standards for Better Health. As well as an annual review of evidence for each standard, the Board of Directors reviewed information from existing intelligence sources, including the reports of external agencies, for potential non-compliance issues. This approach builds on the concept of separating the evidence collation and evidence assurance, allowing the board to have greater confidence in its declaration. The Trust achieved compliance with the NHS Litigation Authority's Risk Management Standard for Acute Trusts which offers considerable assurance of compliance within the areas passed.

## Conclusion

No significant internal control issues have been identified.

A handwritten signature in blue ink, appearing to read 'Ron Kerr', with a stylized flourish extending to the right.

**Ron Kerr**, Chief Executive and Accounting Officer, June 8 2009



## Independent Auditor's Report to the Board of Governors and Board of Directors of Guy's and St Thomas' NHS Foundation Trust

We have audited the financial statements of Guy's and St Thomas' NHS Foundation Trust for the year ended March 31 2009 under the National Health Service Act 2006 ("the Act") which comprise the Consolidated Income and Expenditure Account, Consolidated Balance Sheet, Consolidated Statement of Total Recognised Gains and Losses, Consolidated Cash Flow Statement and the related notes 1 to 32. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Guy's and St Thomas' NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not, in giving our opinion, accept or assume responsibility to anyone other than the Trust and the Boards, as a body, for this report, or for the opinions we have formed.

### Respective responsibilities of the Accounting Officer and Auditors

The Accounting Officer's responsibilities for preparing the financial statements in accordance with directions issued by Monitor – Independent Regulator of NHS Foundation Trusts are set out in the Statement of Accounting Officer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements (including statute and the Audit Code of NHS Foundation Trusts) and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the financial statements have not been prepared in accordance with directions made under paragraph 25 of Schedule 7 of the Act, the financial statements do not comply with the requirements of all other provisions contained in, or having effect under, any enactment applicable to the financial statements, or proper practices have not been observed in the compilation of the financial statements.

We review whether the statement on internal control reflects compliance with the requirements of Monitor contained in the NHS Foundation Trust Financial Reporting Manual. We report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the statement on internal control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent

misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information outside the Annual Report.

### Basis of audit opinion

We conducted our audit in accordance with the Audit Code for NHS Foundation Trusts issued by Monitor, which requires compliance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

the financial statements give a true and fair view of the state of affairs of Guy's and St Thomas' NHS Foundation Trust as at March 31 2009 and of its income and expenditure for the year then ended in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and the information given in the directors' report is consistent with the financial statements.

### Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts.

June 8 2009  
Nigel Johnson, FCA, BA (Hons)  
Senior Statutory Auditor  
For and behalf of Deloitte LLP  
Chartered Accountants  
St Albans

## Consolidated Income and Expenditure account for the year ended March 31 2009

	NOTE	2008/09 £000	2007/08 £000
<b>Income (including share of joint venture)</b>		<b>644,148</b>	590,630
Less share of joint venture income		(3,722)	–
<b>Group income from activities</b>	3	<b>640,426</b>	590,630
<b>Other operating income</b>	4	<b>203,120</b>	184,721
<b>Operating expenses</b>	5-7	<b>(806,496)</b>	(710,172)
<b>OPERATING SURPLUS</b>		<b>37,050</b>	65,179
Share of operating (loss) in:			
Joint venture	8	(840)	–
Associate	8	(1)	–
Profit on disposal of fixed assets	9	<u>943</u>	<u>2,046</u>
<b>SURPLUS BEFORE INTEREST AND TAX</b>		<b>37,152</b>	67,225
Interest receivable:			
Other interest receivable	10	<b>6,085</b>	6,600
Interest payable:			
Share of joint venture interest payable	11	(17)	–
Unwinding of discount	20	<u>(203)</u>	<u>(193)</u>
<b>SURPLUS BEFORE TAX</b>		<b>43,017</b>	73,632
Taxation on ordinary activities	12	<u>(4)</u>	<u>168</u>
<b>SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>43,013</b>	73,800
Public Dividend Capital dividends payable	27	<u>(17,560)</u>	<u>(17,810)</u>
<b>RETAINED SURPLUS FOR THE YEAR</b>		<b><u>25,453</u></b>	<b><u>55,990</u></b>

The notes on pages 84 to 107 form part of these accounts.  
All income and expenditure is derived from continuing operations.





## Balance sheets as at March 31 2009

	NOTE	GROUP 2008/09 £000	2007/08 £000	TRUST 2008/09 £000	2007/08 £000
<b>FIXED ASSETS</b>					
Intangible assets	14	846	124	846	124
Tangible assets	15	835,939	832,391	835,939	832,391
Investment in subsidiaries	16	–	–	–	–
Investment in associate Joint venture		(1)	–	–	–
Share of gross assets		5,816	–	–	–
Share of gross liabilities		(6,546)	–	–	–
		<u>836,054</u>	<u>832,515</u>	<u>836,785</u>	<u>832,515</u>
<b>CURRENT ASSETS</b>					
Stocks and work in progress	17	7,529	7,905	7,529	7,905
Debtors: Amounts falling due:					
within one year	18.1	60,788	47,869	60,871	47,869
after one year	18.2	3,835	1,097	4,946	1,097
Cash at bank and in hand	23.3	155,047	146,435	154,892	146,435
		<u>227,199</u>	<u>203,306</u>	<u>228,238</u>	<u>203,306</u>
<b>CREDITORS: Amounts falling due within one year</b>	19.1	<u>(109,491)</u>	<u>(92,937)</u>	<u>(109,409)</u>	<u>(92,937)</u>
<b>NET CURRENT ASSETS</b>		<u>117,708</u>	<u>110,369</u>	<u>118,829</u>	<u>110,369</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>953,762</u>	<u>942,884</u>	<u>955,614</u>	<u>942,884</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	19.2	<u>(5,580)</u>	<u>(2,124)</u>	<u>(5,580)</u>	<u>(2,124)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	20	<u>(10,364)</u>	<u>(11,747)</u>	<u>(10,364)</u>	<u>(11,747)</u>
<b>TOTAL ASSETS EMPLOYED</b>		<u>937,818</u>	<u>929,013</u>	<u>939,670</u>	<u>929,013</u>
<b>FINANCED BY:</b>					
<b>TAXPAYERS' EQUITY</b>					
Public Dividend Capital	27	352,067	329,763	352,067	329,763
Revaluation reserve	22	221,683	250,507	221,683	250,507
Donated asset reserve	22	244,111	258,661	244,111	258,661
Other reserves	22	743	743	743	743
Income and expenditure reserve	22	119,214	89,339	121,066	89,339
<b>TOTAL TAXPAYERS' EQUITY</b>	21	<u>937,818</u>	<u>929,013</u>	<u>939,670</u>	<u>929,013</u>

**Ron Kerr**

Chief Executive and Accounting Officer  
June 8 2009

## Consolidated statement of total recognised gains and losses for the year ended March 31 2009

	2008/09 £000	2007/08 £000
Surplus for the financial year before dividend payments Group	43,013	73,800
Fixed asset impairment losses	–	(15,119)
Unrealised (deficit)/surplus on fixed asset revaluations/indexation	(33,949)	118,916
Increases in the donated asset reserve due to the receipt of donated assets	3,182	3,508
Reductions in the donated asset reserve due to the depreciation, impairment and disposal of donated assets	(8,185)	(8,181)
<b>Total gains and losses recognised in the financial year</b>	<b>4,061</b>	<b>172,294</b>



## Consolidated cash flow statement for the year ended March 31 2009

	NOTE	£000	2008/09 £000	2007/08 £000
<b>OPERATING ACTIVITIES</b>				
Net cash inflow from operating activities	23.1	69,871	69,871	111,826
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received		6,255	6,255	6,507
Net cash inflow from returns on investments and servicing of finance			6,255	6,507
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets		(77,429)		(50,567)
Receipts from sale of tangible fixed assets		2,209		20,374
Payments to acquire intangible assets		–		(1,226)
Net cash (outflow) from capital expenditure			(75,222)	(31,419)
<b>DIVIDEND PAID</b>			(17,560)	(17,810)
Net cash (outflow)/inflow before financing management of liquid resources and financing			(16,656)	69,104
<b>MANAGEMENT OF LIQUID RESOURCES</b>				
(Purchase) of current asset investment		(120,500)		(60,000)
Sale of current asset investment		120,500		100,000
Net cash inflow from management of liquid resources			–	40,000
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>			(16,656)	109,104
<b>FINANCING</b>				
Public Dividend Capital received		22,304		6,476
Other capital receipts		2,964		4,515
Net cash inflow from financing			25,268	10,991
<b>Increase in cash</b>			<b>8,612</b>	<b>120,095</b>

# Notes to the accounts

## 1 Accounting policies

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trusts Financial Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2008/09 NHS Foundation Trust Financial Reporting Manual issued by Monitor. The accounting policies contained in that manual follow UK generally accepted accounting practice for companies (UK GAAP) and HM Treasury's Resource Accounting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Going concern

After making enquiries, the directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of the accounts.

### 1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the Group and entities controlled by the Trust (its subsidiaries) and incorporate its share of the results of jointly controlled entities (joint ventures) using the gross equity method of accounting and associates using the equity method of accounting. The financial statements of the subsidiaries are prepared for the same reporting year as the Trust, using consistent accounting policies.

All intragroup balances and transactions, including unrealised profits arising from intragroup transactions, have been eliminated in full. Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is no longer held by the Group. Where the Group ceases to hold control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which the Group held control.

The Group's investment in its joint venture is accounted for under the gross equity method of accounting. Under the gross equity method, the investment is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of gross assets and liabilities of the joint venture, less any impairment in value. The income statement shows the Group's share of the income and post tax profits from the joint venture.

The Group's investment in its associate is accounted for under the equity method of accounting. Under the equity method, the investment is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in value. The income statement reflects the Group's share of post tax profits from the associate.

A separate income and expenditure account for the parent organisation has not been presented in accordance with the guidelines in the NHS Foundation Trust Financial Reporting Manual.

### 1.3 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of tangible fixed assets at their value to the business by reference to their current costs. NHS Foundation Trusts, in compliance with HM Treasury's Financial Reporting Manual, are not required to comply with the FRS 3 requirements to report "earnings per share" or historical profits and losses.

### 1.4 Acquisitions and discontinued operations

Activities are considered to be 'discontinued' where they meet all of the following conditions:

- a) The sale (this may be at nil consideration for activities transferred to another public sector body) or termination is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved;
- b) If a termination, the former activities have ceased permanently;
- c) The sale or termination has a material effect on the nature and focus of the reporting NHS Foundation Trust's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular activity or from a material reduction in income in the NHS Foundation Trust's continuing operations; and
- d) The assets, liabilities, results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Activities are considered to be 'acquired' whether or not they are acquired from outside the public sector.





## 1.5 Income recognition

Income is accounted for applying the accruals convention. The main source of income for the Trust is under contracts from commissioners in respect of healthcare services. Income is recognised in the period in which services are provided including where treatment is underway but not completed. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income related to 'partially completed spells' is accrued based on the number of occupied bed days per care category, and an average cost per bed day per care category.

2008/09 was the third year of the Trust's three year contracts. The contracts take into account most, but not all, of the Department of Health model contract.

## 1.6 Expenditure

Expenditure is accounted for by applying the accruals convention.

## 1.7 Pooled budgets

The Group has not entered into any pooled budget arrangements for the 2008/2009 financial year. In 2007/2008, the Trust was in a pooled budget with the London Borough of Lambeth. Under the arrangement funds were pooled under S31 of the Health Act 1999. The Trust accounted for its own share of the pooled budget's income and expenditure and assets and liabilities as the pooled budget was not an entity in its own right.

## 1.8 Intangible fixed assets

Intangible assets are capitalised when: they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

EU Emissions are at fair value. All other Intangible fixed assets held for operational use are valued at historical cost and are amortised over the estimated life of the asset on a straight line basis. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

## 1.9 Tangible fixed assets

### i. Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; or
- collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

### ii. Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the fixed assets are not capitalised but are charged to the income and expenditure account in the year to which they relate.

All land and buildings are restated to current value using professional valuations in accordance with FRS15 every five years. A three year interim revaluation is also carried out.

Valuations are carried out by the District Valuation Service, professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation manual. The next full valuation was due in 2009/10 but, in light of market changes, a further interim valuation was performed at the prospective valuation date of April 1 2009. Since the change in valuation was material, the revaluation has been reflected as at March 31 2009.

The valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. Depreciated replacement cost assumes that the asset will be replaced by an asset of similar design and construction materials, rather than by a modern equivalent substitute, as this is consistent with the interim valuation as at March 31 2008.

Buildings in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation, or when brought into use.

Operational equipment with the exception of IT equipment, which is considered to have nil inflation, is valued at net current replacement cost.

Equipment surplus to requirements is valued at net recoverable amount.

### iii. Depreciation, amortisation and impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land and assets surplus to requirements.

Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

The Trust depreciates assets over the following ranges:

- Equipment 3 to 15 years;
- Buildings 2 to 67 years;
- Software licences 3 to 7 years.

Fixed asset impairments resulting from consumption of economic benefits are charged to the income and expenditure account. All other impairments are taken to the revaluation reserve and reported in the statement of total recognised gains and losses to the extent that there is a balance on the revaluation reserve in respect of the particular asset.

## 1.10 Investments

Deposits and other investments that are readily convertible into known amounts of cash, at or close to, their carrying amounts are treated as liquid resources in the cash flow statement.

## 1.11 Donated fixed assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the income and expenditure reserve.

## 1.12 Government grants

Government grants are grants from government bodies other than income from Primary Care Trusts or NHS Trusts for the provision of services. Grants from the Department of Health, including those for achieving three star status, are accounted for as government grants, as are grants from the Big Lottery Fund. Funding received as Public Dividend Capital is accounted for as NHS capital. Where the government grant is used to fund revenue expenditure it is taken to the income and expenditure account to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to the income and expenditure account over the life of the asset on a basis consistent with the depreciation charge for that asset. Material balances on these grants are shown separately as government grants (deferred income).

## 1.13 Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value.

## 1.14 Cash, bank and overdrafts

Cash, bank and overdraft balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see "third party assets" below). Account balances are only offset where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

## 1.15 Research and development

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:

- there is a clearly defined project;
- the related expenditure is separately identifiable;
- the outcome of the project has been assessed with reasonable certainty as to:
  - its technical feasibility;
  - its resulting in a product or service which will eventually be brought into use;
- adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.



Expenditure so deferred is limited to the value of future benefits expected and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project. It is revalued on the basis of current cost. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible, the NHS Foundation Trust discloses the total amount of research and development expenditure charges in the income and expenditure account separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified, and is therefore not separately disclosed.

Fixed assets acquired for use in research and development are depreciated over the life of the associated project.

### 1.16 Provisions

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms.

#### i. Clinical negligence costs

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

Since financial responsibility for clinical negligence cases transferred to the NHS LA at April 1 2002, the only charge to operating expenditure in relation to clinical negligence in 2008/09 relates to the Trust's contribution to the Clinical Negligence Scheme for Trusts.

#### ii. Non-clinical risk pooling

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

### 1.17 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 26 where an inflow of economic benefits is probable.

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in Note 26 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

### 1.18 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.pensions.nhsbsa.nhs.uk](http://www.pensions.nhsbsa.nhs.uk). The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five year valuation cycle), and a FRS17 accounting valuation every year. An outline of these follows:

#### i. Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at March 31 2004 and covered the period from April 1 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at March 31 2004. However, after taking into account the changes in the benefit and contribution structure effective from April 1 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, scheme contributions may be varied from time to time to reflect changes in the Scheme's liabilities. Up to March 31 2009, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From April 1 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

## ii. FRS17 Accounting valuation

In accordance with FRS17, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued.

The valuation of the Scheme liability as at March 31 2009, is based on detailed membership data as at March 31 2006 (the latest midpoint) updated to March 31 2009 with summary global member and accounting data.

The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

## Scheme provisions as at March 31 2009

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending September 30 in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity is payable of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid. The maximum gratuity payment amount is equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement.

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

The Scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

## 1.19 Value Added Tax

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

## 1.20 Taxation

NHS Foundation Trusts can be subject to corporation tax in respect of certain commercial non-core health care activities they undertake in relation to the Finance Act 2004 amended S519A Income and Corporation Taxes Act 1988.

Recent guidance issued by HMRC states that the earliest date corporation taxation will be applicable to Foundation Trusts is now April 1 2010.

## 1.21 Foreign exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Resulting exchange gains and losses are taken to the income and expenditure account.

## 1.22 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 31 to the accounts.

## 1.23 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

When Trust assets are leased to other entities under operating leases, the assets remain treated as Trust assets and are depreciated on the same basis as other similar fixed assets. Amounts receivable under such lease arrangements are included in Other Operating Income in the Accounts.





### 1.24 Public Dividend Capital

Public Dividend Capital (PDC) represents the outstanding public debt of a NHS Foundation Trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid over as Public Dividend Capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

### 1.25 Other reserves

The other reserves balance of £743,000 that was created by a technical accounting adjustment when the original NHS Trust was created in 1993.

### 1.26 Financial assets and financial liabilities

#### Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

#### De-recognition

Financial assets are no longer recognised (de-recognised) when the rights to receive cashflows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

#### Financial assets and financial liabilities at 'Fair Value through Income and Expenditure' Classification and Measurement

##### i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise NHS debtors, accrued income, other debtors, current asset investments and cash at bank and in hand.

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

Interest on loans and receivables is calculated using the effective interest method and credited to the income and expenditure account.

##### ii. Financial liabilities

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

They are included in current liabilities except for amounts payable more than 12 months after the balance sheet date, which are classified as long-term liabilities. The Trust's financial liabilities comprise NHS creditors, other creditors and accruals.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to the income and expenditure account.

##### iii. Determination of fair value

Fair value is determined from market prices, independent appraisals and discounted cashflow analysis as appropriate to the financial asset or liability. Where required, cashflows are discounted at the Treasury's discount rate of 2.2%.

##### iv. Impairment of financial assets

At the balance sheet date, the Trust assesses whether any financial asset is impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset.

Consistent with the measurement of financial assets at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the income and expenditure account and in the case of trade debtors, the carrying amount of the asset is reduced through the use of an allowance for irrecoverable amounts, and for other financial assets the carrying amount is reduced directly.

Bad debt provisions are calculated based on the Trust's bad debt provision policy which prescribes rates of provision based on the type of debtor, ageing of the outstanding debt and knowledge of specific queried balances.

## 2 Segmental analysis

The Trust has not reported the results of the different segments of its activities separately. It is the opinion of the Directors that this would be seriously prejudicial to the interests of both the Trust and its related parties.

## 3 Income from activities

### 3.1 Income from activities by source

	2008/09 £000	2007/08 £000
Strategic Health Authorities	522	2,115
Primary Care Trusts	542,234	503,592
Local Authorities	–	35
Department of Health	77,104	68,612
NHS other	2,207	1,460
Non NHS:		
– Private patients	14,295	12,348
– Overseas patients (non-reciprocal)	2,050	1,555
– Road Traffic Act	905	614
– Other	1,109	299
	<b>640,426</b>	<b>590,630</b>

### 3.2 Income from activities by type

	2008/09 £000	2007/08 £000
Elective income	154,777	132,472
Non-elective income	116,594	107,685
Outpatient income	122,059	112,451
Other type of activity income	217,127	210,388
A&E income	15,574	15,286
Private patient income	14,295	12,348
	<b>640,426</b>	<b>590,630</b>

Other type of activity by income includes critical care, renal dialysis, chargeable drugs and devices , HIV, radiotherapy, direct access pathology and other diagnostic services, genetics, PET scans, monetary adjustments and RTA income.

### 3.3 Private patient income

	2008/09 £000	2007/08 £000
Private patient income	14,295	12,348
Total patient related income	640,426	590,630
<b>Proportion as a percentage</b>	<b>2.23%</b>	<b>2.09%</b>

Section 15 of the 2003 Act requires that the proportion of private patient income to the total patient related income of NHS Foundation Trusts should not exceed 2.87 per cent, its proportion when the organisation was an NHS Trust in 2002/03.



## 4 Other operating income

	2008/09 £000	2007/08 £000
Education, training and research	103,291	95,707
Charitable and other contributions to expenditure	4,906	9,046
Transfers from donated asset reserve	8,185	8,181
Non-patient care services to other bodies	20,822	16,399
Other income	65,916	55,388
	<b>203,120</b>	<b>184,721</b>

Other income includes income from commercial activities, staff accommodation rentals, clinical excellence awards, catering, foreign currency gains of £3,312,000 (losses of £1,196,432 in 2007/08 included in other operating expenses) and other direct credits.

The Trust also received a benefit from the sale of its pathology assets into the joint venture and an inducement payment to enter the joint venture. After consolidating trading figures, which reflected start up costs in the initial month of trading, subsidiaries, associate and joint venture companies contributed a net benefit of £2,500,000 to the Trust.

## 5 Operating expenses

### 5.1 Operating expenses comprise:

	2008/09 £000	2007/08 £000
Services from other NHS Trusts	2,098	1,886
Services from other NHS bodies	4,850	4,056
Services from NHS Foundation Trusts	1,021	1,194
Purchase of healthcare from non-NHS bodies	3,175	3,189
Executive Directors' costs	1,306	1,092
Non-Executive Directors' costs	183	161
Staff costs	459,682	411,368
Drugs	80,053	76,303
Supplies and services – clinical	85,853	70,235
Supplies and services – general	7,712	7,842
Establishment	13,960	5,645
Transport	5,792	5,310
Premises	51,016	39,707
Bad debts	1,961	1,774
Depreciation and amortisation	35,187	34,495
Fixed asset impairments	–	2,861
Audit fees	157	121
Other auditor's remuneration	5	14
Clinical negligence	5,300	4,690
Other	47,185	38,229
	<b>806,496</b>	<b>710,172</b>

Other operating expenses includes expenditure on commercial activities, training and legal fees.

### 5.1.1 Audit fees

	2008/09 £000	2007/08 £000
Audit services for statutory audit	146	121
Audit fee for associated companies	11	–
Other audit related services	5	14
	<u>162</u>	<u>135</u>

## 5.2 Limitation on auditor's liability

There is no limitation on auditor's liability for the financial years 2008/09 and 2007/08.

## 5.3 Operating leases

### 5.3.1 Operating expenses include:

	2008/09 £000	2007/08 £000
Hire of plant and machinery	1,632	1,575
Other operating lease rentals	3,611	2,757
	<u>5,243</u>	<u>4,332</u>

### 5.3.2 Annual commitments under non-cancellable operating leases are:

	Land and buildings £000	2008/09 Other leases £000	Land and buildings £000	2007/08 Other leases £000
<b>Operating leases which expire:</b>				
Within 1 year	287	276	236	206
Between 1 and 5 years	86	979	89	1,142
After 5 years	1,519	22	1,914	7
	<u>1,892</u>	<u>1,277</u>	<u>2,239</u>	<u>1,355</u>





## 5.4 2008/09 Salary and pension entitlements of senior managers

### A) Remuneration

Name	Title	Basic salary £000	Non-recurrent bonus re: 2007/08 £000	Other remuneration £000
<b>Executive Directors</b>				
<b>E. Baker</b>	Medical Director	139	–	86
<b>R. Kerr</b>	Chief Executive	270	–	–
<b>A. Macintyre</b>	Director of Workforce – joined November 3 2008	60	–	–
<b>S. McGuire</b>	Director of Capital, Estates and Facilities Management	155	13	–
<b>M. Shaw</b>	Director of Finance	155	13	–
<b>E. Sills</b>	Chief Nurse/Chief Operating Officer	170	13	–
<b>Non-Executive Directors</b>				
<b>D. Dean</b>	Non-Executive Director and Chairman Audit Committee	19	–	–
<b>M. Franklin</b>	Non-Executive Director	17	–	–
<b>R. Lechler</b>	Vice-Chairman	17	–	–
<b>R. Maw</b>	Non Executive Director	17	–	–
<b>P. Moberly</b>	Chairman	61	–	–
<b>J. Oliver</b>	Non-Executive Director	17	–	–
<b>D. Summers</b>	Non Executive Director – joined June 17 2008	13	–	–
<b>A. Tapsell</b>	Non-Executive Director and Chairman Audit Committee left June 16 2008	4	–	–

### B) Pension benefits

Name	Title	Real increase in pension and related lump sum at age 60 £000	Total accrued pension and related lump sum at age 60 at March 31 2009 £000	Cash equivalent transfer value at March 31 2009 £000	Real increase in cash equivalent transfer value £000
<b>E. Baker</b>	Medical Director	*	*	*	*
<b>R. Kerr</b>	Chief Executive	122	367	3,062	846
<b>S. McGuire</b>	Director of Capital, Estates and Facilities Management	25	74	460	100
<b>M. Shaw</b>	Director of Finance	55	166	1,126	264
<b>E. Sills</b>	Chief Nurse/Chief Operating Officer	51	154	855	189
<b>A. Macintyre</b>	Director of Workforce – joined November 3 2008	38	113	674	57

As Non-Executive Directors do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive Directors.

\* The Medical Director is recharged to the Trust from King's College London.

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, 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.

## 6 Staff costs and numbers

### 6.1 Staff costs

	Permanently employed £000	Other £000	2008/09 Total £000	Restated 2007/08 Total £000
Salaries and wages	351,054	–	351,054	322,130
Social security costs	28,946	–	28,946	27,365
Employer contributions to NHSPA	38,688	–	38,688	35,396
Agency and contract staff	–	38,911	38,911	27,540
Seconded staff	3,390	–	3,390	29
	<b>422,078</b>	<b>38,911</b>	<b>460,989</b>	<b>412,460</b>

2007/08 figures have been restated as consultant and scientist agency staff costs were incorrectly classified as permanent whereas in 2008/09 they have been classified as other.

### 6.2 Average number of persons employed

	Permanently employed number	Other number	2008/09 Total number	2007/08 Total £000
Medical and dental	1,248	56	1,304	1,224
Administrative and estates	2,060	334	2,394	2,131
Healthcare assistants and other support staff	737	236	973	787
Nursing, midwifery and health visiting staff	2,833	198	3,031	2,789
Nursing, midwifery and health visiting learners	517	14	531	527
Scientific, therapeutic and technical staff	1,595	110	1,705	1,532
	<b>8,990</b>	<b>948</b>	<b>9,938</b>	<b>8,990</b>

### 6.3 Management costs

	2008/09 £000	2007/08 £000
Management costs	29,667	27,258
Income	843,546	775,351
Management costs as a percentage	3.52%	3.52%

Management costs are defined as those on the management costs website at [www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSMManagementCosts/fs/en](http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSMManagementCosts/fs/en)

### 6.4 Retirements due to ill-health

During 2008/09 there were 9 early retirements from the Trust agreed on the grounds of ill-health (11 in the year ended March 31 2008). The estimated additional pension liabilities of these ill-health retirements is £ 618,977 (£539,112 in 2007/08). These retirements represented 0.9 per 1,000 active scheme members. The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

## 7 Better Payment Practice Code

### 7.1 Measure of compliance

	Number	2008/09 £000	Number	2007/08 £000
Total bills paid in the year	204,882	421,409	164,557	418,964
Total bills paid within target	157,780	297,013	126,672	334,472
Percentage of bills paid within target	77%	70%	77%	80%

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.



## 7.2 The Late Payment of Commercial Debts (Interest) Act 1998

The Trust did not incur any expenditure relating to the late payment of commercial debts.

## 8 Share of joint venture and associate operating surplus/(loss)

	2008/09 £000	2007/08 £000
SSAFA GSTT CARE LLP – started trading April 1 2008	(1)	–
GSTS PATHOLOGY LLP* – started trading February 1 2009	(840)	–
	<u>(841)</u>	<u>–</u>

\* The operating loss is due to one off start up costs.

## 9 Profit/(loss) on disposal of fixed assets

Profit/(loss) on the disposal of fixed assets is made up as follows:

	2008/09 £000	2007/08 £000
Profit on disposal of land and buildings	–	2,410
Profit/(Loss) on disposal of plant and equipment	943	(364)
	<u>943</u>	<u>2,046</u>

## 10 Interest receivable

	2008/09 £000	2007/08 £000
Other interest receivable	<u>6,085</u>	<u>6,600</u>

## 11 Interest payable and similar items

	2008/09 £000	2007/08 £000
Share of joint venture and associate interest payable	<u>(17)</u>	<u>–</u>

## 12 Taxation

	2008/09 £000	2007/08 £000
<b>UK corporation tax</b>		
Current tax on income at 28 per cent	<u>(4)</u>	<u>168</u>

Corporation tax is applicable to the profits of GTI Forces Healthcare Ltd.

Guidance issued by HMRC states that the earliest date corporation taxation will be applicable to Foundation Trusts is now April 1 2010.

## 13 Surplus attributable to the Trust

The surplus for the financial year dealt with in the financial statements of the parent was £27,305,000 (2007/08 surplus of £55,990,000). As permitted by Section 230 of the Companies Act 2006, no separate Income and Expenditure Account is presented in respect of the parent.

## 14 Intangible fixed assets

<b>Group and Trust</b>	<b>Software licences £000</b>	<b>Allowances £000</b>	<b>Total £000</b>
Cost April 1 2008	129	1	130
Other revaluation	–	662	662
Additions purchased	69	–	69
<b>Gross cost at March 31 2009</b>	<b>198</b>	<b>663</b>	<b>861</b>
Amortisation April 1 2008	6	–	6
Provided during the year	9	–	9
<b>Amortisation at March 31 2009</b>	<b>15</b>	<b>–</b>	<b>15</b>
<b>Net book value</b>			
Purchased assets April 1 2008	123	1	124
<b>Total at April 1 2008</b>	<b>123</b>	<b>1</b>	<b>124</b>
Purchased at March 31 2009	183	663	846
<b>Total at March 31 2009</b>	<b>183</b>	<b>663</b>	<b>846</b>





## 15 Tangible fixed assets

### 15.1 Tangible fixed assets at the balance sheet date comprise the following elements

Cost	Land £000	Buildings excluding dwellings £000	Assets under construction and payments on account £000		Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
<b>At April 1 2008*</b>	184,500	595,490	6,550		114,297	130	41,688	2,199	944,854
Additions purchased	–	11,465	37,604		13,765	–	9,351	–	72,185
Additions donated	–	14	–		1,417	–	–	–	1,431
Reclassifications	–	6,328	(6,328)		–	–	–	–	–
Other in year revaluation	(16,800)	(17,811)	–		–	–	–	–	(34,611)
Disposals	–	–	–		(2,316)	–	–	–	(2,316)
<b>At March 31 2009</b>	<b>167,700</b>	<b>595,486</b>	<b>37,826</b>		<b>127,163</b>	<b>130</b>	<b>51,039</b>	<b>2,199</b>	<b>981,543</b>
<b>Depreciation</b>									
<b>At April 1 2008</b>	–	20,186	–		71,769	128	19,035	1,345	112,463
Provided during the year	–	20,332	–		9,039	2	5,719	86	35,178
Disposals	–	–	–		(2,037)	–	–	–	(2,037)
<b>Depreciation at March 31 2008</b>	<b>–</b>	<b>40,518</b>	<b>–</b>		<b>78,771</b>	<b>130</b>	<b>24,754</b>	<b>1,431</b>	<b>145,604</b>
<b>Net book value</b>									
– Purchased assets	109,250	402,840	5,820		30,838	2	21,968	260	570,978
– Donated assets	75,250	172,464	730		11,690	–	685	594	261,413
<b>Total at April 1 2008</b>	<b>184,500</b>	<b>575,304</b>	<b>6,550</b>		<b>42,528</b>	<b>2</b>	<b>22,653</b>	<b>854</b>	<b>832,391</b>
– Purchased assets	99,200	392,203	37,826		37,583	–	25,297	245	592,354
– Donated assets	68,500	162,765	–		10,809	–	988	523	243,585
<b>Total at March 31 2009</b>	<b>167,700</b>	<b>554,968</b>	<b>37,826</b>		<b>48,392</b>	<b>–</b>	<b>26,285</b>	<b>768</b>	<b>835,939</b>

\* Buildings are shown at net book value.

### 15.2 Fixed assets at open market value

Of the totals at March 31 2009, none of the assets were valued at open market, but were valued in line with valuation methods set out in Note 1.9 ii.

### 15.3 The net book value of land, buildings and dwellings at March 31 2009 comprises

	Total £000	Protected £000
Freehold	722,668	722,668

## 16 Fixed asset investments

The NHS Foundation Trust's principal subsidiary undertakings, associates and joint ventures as included in the consolidation at March 31 2009 are set out below. The accounting date of the financial statements for the subsidiaries is March 31 2009, for the joint venture is January 31 2010 and the associate is December 31 2009. For the joint venture and associate undertakings that have different accounting year end dates, interim accounts to March 31 2009 for these have been consolidated.

<b>Subsidiary undertakings</b>	<b>Country of incorporation</b>	<b>Beneficial interest</b>	<b>Principal activity</b>
GST ENTERPRISE	UK	100%	Holding
GT I Forces Healthcare Ltd*	UK	100%	Healthcare services
Pathology Services Ltd*	UK	100%	Healthcare services
<b>Joint venture</b>			
GSTS PATHOLOGY LLP*	UK	50%	Healthcare services
<b>Associate</b>			
SSAFA GSTT CARE LLP*	UK	50%	Healthcare services

\* Not directly owned by NHS Foundation Trust

## 17 Stock and work in progress

	<b>GROUP</b>		<b>TRUST</b>	
	<b>2008/09</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2007/08</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>7,529</b>	7,905	<b>7,529</b>	7,905

## 18 Debtors

### 18.1 Amounts falling due within one year

	<b>GROUP</b>		<b>TRUST</b>	
	<b>2008/09</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2007/08</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
NHS debtors	<b>30,258</b>	23,373	<b>30,258</b>	23,373
Other prepayments and accrued income	<b>10,448</b>	9,517	<b>10,448</b>	9,517
Other debtors	<b>31,785</b>	25,819	<b>31,868</b>	25,819
Provision for doubtful debts	<b>(11,703)</b>	(10,840)	<b>(11,703)</b>	(10,840)
	<b>60,788</b>	47,869	<b>60,871</b>	47,869

The amount of debtors relating to SSAFA GSTT CARE LLP, the associate, included in the above figure is £143,500. The amount relating to GSTS Pathology LLP, the joint venture, included in the debtors figures is £840,511.



## 18 Debtors

### 18.2 Amounts falling due after more than one year

	GROUP		TRUST	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
NHS debtors	539	506	539	506
Other debtors	3,296	591	4,407	591
	<u>3,835</u>	<u>1,097</u>	<u>4,946</u>	<u>1,097</u>

Other Debtors include an amount of £2,500,000 which relates to a loan to the joint venture – GSTS Pathology LLP with a maturity date of January 29 2011 and a variable rate of interest (Libor + 2%).

## 19 Creditors

### 19.1 Creditors at the balance sheet date

	GROUP		TRUST	
	2008/09 £000	Restated 2007/08 £000	2008/09 £000	Restated 2007/08 £000
<b>Amounts falling due within one year</b>				
Payments received on account	956	564	956	564
NHS creditors	14,687	12,525	14,687	12,525
Non-NHS other creditors	20,152	13,748	20,151	13,748
Tax and social security costs	10,080	8,866	10,080	8,866
Accruals and deferred income	63,616	57,234	63,535	57,234
	<u>109,491</u>	<u>92,937</u>	<u>109,409</u>	<u>92,937</u>

NHS creditors include £5,195,603 outstanding pensions contributions at March 31 2009 (£4,122,167 at March 31 2008). 2007/08 figures have been restated as the NHS Pension creditor was classified as Tax and social security costs whereas in 2008/09 it has been classified as NHS Creditor.

### 19.2 Long term creditors at the balance sheet date

	GROUP		TRUST	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
Government grants deferred income	1,178	2,124	1,178	2,124
Accruals and deferred income	4,402	–	4,402	–
	<u>5,580</u>	<u>2,124</u>	<u>5,580</u>	<u>2,124</u>

## 20 Provisions for liabilities and charges

	Pensions relating to other staff £000	Legal claims £000	Dilapidations £000	Other £000	Total £000
<b>As at April 1 2008</b>	8,664	706	–	2,377	<b>11,747</b>
Arising during the year	417	257	670	287	<b>1,631</b>
Utilised during the year	(779)	(233)	–	(30)	<b>(1,042)</b>
Reversed unused	–	(332)	–	(1,843)	<b>(2,175)</b>
Unwinding of discount	191	–	–	12	<b>203</b>
<b>At March 31 2009</b>	<b>8,493</b>	<b>398</b>	<b>670</b>	<b>803</b>	<b>10,364</b>
<b>Expected timing of cashflows:</b>					
Within one year	757	398	–	264	<b>1,419</b>
Between one and five years	2,867	–	–	113	<b>2,980</b>
After five years	4,869	–	670	426	<b>5,965</b>
	<b>8,493</b>	<b>398</b>	<b>670</b>	<b>803</b>	<b>10,364</b>

The provision relating to former staff category consists of provisions for pre-1995 early retirements and has been calculated using information provided by the NHS Pensions Agency.

£62,315,278 is included in the provisions of the NHS Litigation Authority at March 31 2009 in respect of clinical negligence liabilities of the Foundation Trust (£43,185,318 at March 31 2008).

## 21 Movements in taxpayers' equity

	GROUP		TRUST	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
Opening taxpayers' equity	<b>929,013</b>	755,991	<b>929,013</b>	755,991
Surplus for the financial year	<b>43,013</b>	73,800	<b>44,865</b>	73,800
Public Dividend Capital dividends paid	<b>(17,560)</b>	(17,810)	<b>(17,560)</b>	(17,810)
(Losses)/Gains from revaluation of purchased fixed assets	<b>(33,949)</b>	69,622	<b>(33,949)</b>	69,622
New Public Dividend Capital receivable	<b>22,304</b>	17,908	<b>22,304</b>	17,908
Fixed assets impairments	–	(12,787)	–	(12,787)
Transfers (from)/to the donated asset reserve	<b>(5,003)</b>	42,289	<b>(5,003)</b>	42,289
Net addition to taxpayers' equity	<b>8,805</b>	173,022	<b>10,657</b>	173,022
<b>Closing taxpayers' equity</b>	<b>937,818</b>	929,013	<b>939,670</b>	929,013





## 22 Movements on reserves

<b>GROUP</b>	<b>Revaluation reserve £000</b>	<b>Donated asset reserve £000</b>	<b>Other reserves £000</b>	<b>Income and Expenditure reserve £000</b>	<b>Total £000</b>
April 1 2008	250,507	258,661	743	89,339	599,250
Transfer from the Income and Expenditure account	–	–	–	25,453	25,453
Deficit on other revaluations	(24,439)	(9,510)	–	–	(33,949)
Transfers of realised profits (losses) to the Income and Expenditure reserve	(4,385)	(37)	–	4,422	–
Receipt of donated assets	–	3,182	–	–	3,182
Transfers to the Income and Expenditure account for depreciation, impairment, and disposal of donated assets	–	(8,185)	–	–	(8,185)
<b>At March 31 2009</b>	<b>221,683</b>	<b>244,111</b>	<b>743</b>	<b>119,214</b>	<b>585,751</b>

<b>TRUST</b>	<b>Revaluation reserve £000</b>	<b>Donated asset reserve £000</b>	<b>Other reserves £000</b>	<b>Income and Expenditure reserve £000</b>	<b>Total £000</b>
April 1 2008	250,507	258,661	743	89,339	599,250
Transfer from the Income and Expenditure account	–	–	–	27,305	27,305
Deficit on other revaluations	(24,439)	(9,510)	–	–	(33,949)
Transfers of realised profits (losses) to the Income and Expenditure reserve	(4,385)	(37)	–	4,422	–
Receipt of donated assets	–	3,182	–	–	3,182
Transfers to the Income and Expenditure account for depreciation, impairment, and disposal of donated assets	–	(8,185)	–	–	(8,185)
<b>At March 31 2009</b>	<b>221,683</b>	<b>244,111</b>	<b>743</b>	<b>121,066</b>	<b>587,603</b>

## 23 Notes to the consolidated cash flow statement

### 23.1 Reconciliation of operating surplus to net cash flow from operating activities

	2008/09 £000	2007/08 £000
Total operating surplus	37,050	65,179
Depreciation and amortisation charge	35,187	34,495
Fixed asset impairments and reversals	–	2,861
Transfer from donated asset reserve	(8,185)	(8,181)
Transfer from the government grant creditor	(773)	(1,885)
Decrease/(Increase) in stocks	376	(59)
(Increase) in debtors	(15,608)	(807)
Increase in creditors	23,436	21,459
(Decrease)/Increase in provisions	(1,612)	(1,236)
<b>Net cash inflow from operating activities</b>	<b>69,871</b>	<b>111,826</b>

### 23.2 Reconciliation of net cash flow to movement in net debt

	2008/09 £000	2007/08 £000
Increase in cash in the period	8,612	120,095
Change in net debt resulting from cashflows	8,612	120,095
Net debt April 1 2008	146,435	26,340
<b>Net debt at March 31 2009</b>	<b>155,047</b>	<b>146,435</b>

### 23.3 Analysis of changes in net debt

GROUP	At March 31 2008 £000	Cash changes in year £000	At March 31 2009 £000
Cash at bank and in hand –	142,349	(2,440)	139,909
Office of the Paymaster General (OPG)			
Cash at bank and in hand – commercial bank accounts	4,086	11,052	15,138
	<b>146,435</b>	<b>8,612</b>	<b>155,047</b>

TRUST	At March 31 2008 £000	Cash changes in year £000	At March 31 2009 £000
Cash at bank and in hand –	142,349	(2,440)	139,909
Office of the Paymaster General (OPG)			
Cash at bank and in hand – commercial bank accounts	4,086	10,897	14,983
	<b>146,435</b>	<b>8,457</b>	<b>154,892</b>



## 24 Capital commitments

Commitments under capital expenditure contracts at the balance sheet date were £4,467,354 (£7,834,859 at March 31 2008) for the Group and the Trust.

## 25 Post balance sheet events

There are no post balance sheet events.

## 26 Contingencies

	2008/09 £000	2007/08 £000
Contingent liability for other claims against the Group and the Trust	230	561
<b>Net contingent liability</b>	<b>230</b>	<b>561</b>

## 27 Public Dividend Capital dividend

The Trust is required to demonstrate that the PDC dividend paid is in line with the forecast rate of 3.5% of average relevant net assets. The Dividend paid for the 2008/09 period of account was £17,560,000 and, based on the average relevant net assets of £542,624,000 the Trust's performance was 3.2% (3.4% for 2007/08).

## 28 Financial performance targets

The following information relates to the Prudential Borrowing Limit (PBL) with which Guy's and St Thomas' NHS Foundation Trust is required to comply.

- A) The Foundation Trust had no long term borrowing at March 31 2009.
- B) The Dividend Cover ratio is 4.459 compared to a minimum cover required of 1 (5.967 in the year ended March 31 2008, restated to include interest received).

## 29 Related party transactions

Guy's and St Thomas' NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

The Trust has taken advantage of the exemption provided by FRS8 'Related Party Disclosure', where the parent's own financial statements are presented together with the consolidated financial statements and any transactions or balances between group entities have been eliminated on consolidation. The debtors trading balances with the Trust's associate and joint venture are presented in note 18. There are no outstanding creditors balances with the Trust's associate and joint venture as at March 31 2009.

The Board members of SSAFA GSTT CARE LLP include the following directors from the Trust: Mr Ron Kerr as Non-executive Director and Chairman, Mr Martin Shaw as Non-Executive Director, Dr Robert O'Leary as Deputy Managing Director, Mr Alistair Scarborough as Commercial Director and Mr Michael Powell as Director of Secondary Health care.

The Department of Health is regarded as a related party. During the year Guy's and St Thomas' NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. The main local commissioners are Lambeth PCT, Southwark PCT and Lewisham PCT from whom the Trust received £205,535,850 at March 31 2009 for health care contracts (£203,781,322 at March 31 2008). Additionally the Trust has transacted with a large number of other PCTs and NHS Trusts including Croydon PCT, West Kent PCT, Bromley PCT, Greenwich PCT and Bexley PCT, as well as the NHS Litigation Authority and NHS Logistics.

The debtors balance for NHS bodies as at March 31 2009 stood at £30,797,000 (£23,879,000 at March 31 2008).

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. £36,059,018 at March 31 2009 (£32,756,631 at March 31 2008) has been received from the Ministry of Defence for health services supplied. There were also many transactions with King's College London totalling £10,460,176 at March 31 2009 (£6,894,141 at March 31 2008).

The Trust has also received revenue and capital payments from a number of charitable funds, principally Guy's and St Thomas' Charity to the amount of £10,952,313 at March 31 2009 (£10,238,320 at March 31 2008). The balance for Guy's and St Thomas' Charity debtors was £2,987,628 for March 31 2009 (£2,047,901 at March 31 2008) and for creditors £787,570 for March 31 2009 (£578,509 for March 31 2008). Guy's and St Thomas' Charity is regarded as a related party.

Ron Kerr, Chief Executive, and Eileen Walsh, Director of Assurance, rent accommodation from the Trust.

Professor Robert Lechler (Vice Chairman) is Vice-Principal (Health) at King's College London. Rory Maw (Non-Executive Director) is a Trustee of Guy's and St Thomas' Charity.

Tony West (Chief Pharmacist) is Chair of an Advisory Board for GlaxoSmithKline. Amanda Scott-Clark (Associate Chief Pharmacist) is married to the Deputy Director of Public Health for Eastern and Coastal Kent PCT. Gary French (Professor of Microbiology) is a member of Advisory Boards for Pfizer, Wyeth, Destiny Pharma and Astellas.

The Council of Governors includes representatives from organisations that work closely with the Trust including Lambeth Council, Southwark Council, Lambeth PCT, Southwark PCT, Lewisham PCT, London South Bank University, South Bank Employers Group, NHS London, King's College London and South London and Maudsley NHS Foundation Trust.

Aside from these transactions none of the other Board members, the members of the Council of Governors, members of the key management staff or parties related to them have undertaken any material transactions with Guy's and St Thomas' NHS Foundation Trust.

## 30 Financial instruments

The NHS Foundation Trust has limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities. Financial risks are listed below.

### Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds made available from Government under an agreed borrowing limit. Guy's and St Thomas' NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

### Interest rate risk

0.5% of the Trust's financial assets carry a fixed rate of interest. The Trust seeks to optimise its returns by investing on the money market at fixed rates, as its cash flow forecasts allow. The balance is held in deposit accounts with its bankers. 100% of the financial liabilities carry nil or fixed interest rate. Guy's and St Thomas' NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk.

### Foreign currency risk

The Trust takes measures to minimise foreign currency risk by ensuring that income relating to costs incurred in a foreign currency is paid in that currency. The Trust also seeks to match foreign currency assets and liabilities to avoid any material foreign currency exchange exposure arising. The Trust policy is to seek to hedge currency risks where these become significant.

### Credit risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations. Bad debt provisions are calculated based on the Trust's bad debt provision policy which prescribes rates of provision based on the type of debtor, ageing of the outstanding debt and knowledge of specific queried balances.

### 30.1 Financial assets

	GROUP		TRUST	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
Floating Rate				
Denominated in £ sterling	206,188	191,757	207,227	191,757
In other currencies, restated in £ sterling	11,098	3,644	11,098	3,644
<b>Gross financial assets at March 31 2009</b>	<b>217,286</b>	<b>195,401</b>	<b>218,325</b>	<b>195,401</b>

### 30.2 Analysis of financial liabilities

	GROUP		TRUST	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
Floating Rate				
Denominated in £ sterling	108,819	95,254	108,819	95,254
<b>Gross financial assets at March 31 2009</b>	<b>108,819</b>	<b>95,254</b>	<b>108,819</b>	<b>95,254</b>





### 30.3a Financial assets by category

GROUP	Total £000	Loans and receivables £000
<b>At March 31 2009</b>		
<b>Assets as per balance sheet</b>		
NHS debtors	30,797	30,797
Accrued income	8,064	8,064
Other debtors	35,081	35,081
Provision for doubtful debts	(11,703)	(11,703)
Cash at bank and in hand	155,047	155,047
<b>Total at March 31 2009</b>	<b>217,286</b>	<b>217,286</b>
<b>At March 31 2008 (restated)</b>		
NHS debtors	23,879	23,879
Accrued income	9,517	9,517
Other debtors	26,410	26,410
Provision for doubtful debts	(10,840)	(10,840)
Cash at bank and in hand	146,435	146,435
<b>Total at March 31 2008</b>	<b>195,401</b>	<b>195,401</b>
<b>TRUST</b>		
	<b>Total £000</b>	<b>Loans and receivables £000</b>
<b>At March 31 2009</b>		
<b>Assets as per balance sheet</b>		
NHS debtors	30,797	30,797
Accrued income	8,064	8,064
Other debtors	36,275	36,275
Provision for doubtful debts	(11,703)	(11,703)
Cash at bank and in hand	154,892	154,892
<b>Total at March 31 2009</b>	<b>218,325</b>	<b>218,325</b>
<b>At March 31 2008 (restated)</b>		
NHS debtors	23,879	23,879
Accrued income	9,517	9,517
Other debtors	26,410	26,410
Provision for doubtful debts	(10,840)	(10,840)
Cash at bank and in hand	146,435	146,435
<b>Total at March 31 2008</b>	<b>195,401</b>	<b>195,401</b>

### 30.3b Financial liabilities by category

	GROUP £000	TRUST £000
<b>At March 31 2009</b>		
NHS creditors	14,687	15,643
Other creditors	20,152	20,152
Accruals	63,616	63,535
Provisions under contracts	10,364	10,364
<b>As at March 31 2009</b>	<b>108,819</b>	<b>109,694</b>
<b>At March 31 2008 (restated)</b>		
NHS creditors	12,525	12,525
Other creditors	13,748	13,748
Accruals	57,234	57,234
Provisions under contracts	11,747	11,747
<b>Total at March 31 2008</b>	<b>95,254</b>	<b>95,254</b>

### 30.4 Fair values of financial assets at March 31 2009

	GROUP		TRUST	
	Book value £000	Fair value £000	Book value £000	Fair value £000
Debtors over one year – Agreements with commissioners to cover creditors and provisions	3,835	3,835	4,946	4,946
Other	155,047	155,047	154,892	154,892
	<b>158,882</b>	<b>158,882</b>	<b>159,838</b>	<b>159,838</b>

As allowed by FRS 25, short term trade debtors and creditors measured at amortised cost may be excluded from the above disclosure as their book values reasonably approximate their fair values.

### 30.5 Maturity of financial liabilities

	GROUP		TRUST	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
Less than one year	(108,819)	(95,254)	(108,819)	(95,254)
	<b>(108,819)</b>	<b>(95,254)</b>	<b>(108,819)</b>	<b>(95,254)</b>

### 30.6 Ageing of debtors

	GROUP		TRUST	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
Not past due date	55,195	35,004	55,278	35,004
Up to three months	4,048	5,457	4,048	5,457
In three to six months	1,668	1,218	1,668	1,218
Over six months	3,712	7,287	4,823	7,287
	<b>64,623</b>	<b>48,966</b>	<b>65,817</b>	<b>48,966</b>



## 30.7 Financial assets interest risk

GROUP					Weighted average interest rate %
	Total £000	Floating rate £000	Fixed rate £000	Non- interest bearing £000	
<b>Currency</b>					
<b>As at March 31 2009</b>					
Sterling	144,563	143,931	607	25	0.3
Other	11,098	11,072	–	26	0.6
<b>Gross financial assets</b>	<b>155,661</b>	<b>155,003</b>	<b>607</b>	<b>51</b>	
<b>As at March 31 2008</b>					
Sterling	143,331	142,763	534	29	5.0
Other	3,646	3,565	–	78	3.1
Gross financial assets	146,977	146,328	534	107	

TRUST					Weighted average interest rate %
	Total £000	Floating rate £000	Fixed rate £000	Non- interest bearing £000	
<b>Currency</b>					
<b>As at March 31 2009</b>					
Sterling	143,524	142,892	607	25	0.3
Other	11,098	11,072	–	26	0.6
<b>Gross financial assets</b>	<b>154,622</b>	<b>153,964</b>	<b>607</b>	<b>51</b>	
<b>As at March 31 2008</b>					
Sterling	143,331	142,763	534	29	5.0
Other	3,646	3,565	–	78	3.1
Gross financial assets	146,977	146,328	534	107	

## 31 Third party assets

The Trust held £11,413.77 cash at bank and in hand at March 31 2009 (£15,211 at March 31 2008) which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

The Trust held £34,325.85 cash at bank and in hand at March 31 2009 (nil at March 31 2008) which relates to monies held by the Trust on the Guy's and St Thomas' NHS Foundation Trust Pathology Settlement Account.

## 32 Losses and special payments

There were 1,704 cases of losses and special payments totalling £1,322,996 (£2,457,238 in 2007/08) approved during the year to March 31 2009. This includes cash payments during the year. These are not calculated on an accruals basis.



## Contact information

### Chief Executive

If you have a comment for the Chief Executive, contact:

Ron Kerr, Chief Executive

Tel: 020 7188 0001

Email: [chief.executive@gstt.nhs.uk](mailto:chief.executive@gstt.nhs.uk)

### Patient Advice and Liaison Service (PALS)

If you require information, support or advice about our services, contact:

PALS

Tel: 020 7188 8801 (St Thomas')

or 020 7188 8803 (Guy's)

Email: [pals@gstt.nhs.uk](mailto:pals@gstt.nhs.uk)

### Membership

If you are interested in becoming a member of our NHS Foundation Trust, contact:

Tel: 0845 143 4017

Email: [members@gstt.nhs.uk](mailto:members@gstt.nhs.uk)

### Recruitment

If you are interested in applying for a job at Guy's and St Thomas', contact:

The Recruitment Centre

Tel: 020 7188 0044

<http://jobs.gstt.nhs.uk>

### Further information

If you have a media enquiry or require further information, contact:

Anita Knowles, Director of Communications

Tel: 020 7188 5577

Email: [anita.knowles@gstt.nhs.uk](mailto:anita.knowles@gstt.nhs.uk)

[www.guysandstthomas.nhs.uk](http://www.guysandstthomas.nhs.uk)

Front cover – Clinical researchers at St John's Institute of Dermatology are using new microscopy techniques to learn more about the behaviour of skin cells, leading to better understanding and improved treatments for problems such as skin ageing, delayed wound healing and skin cancer.

Page 74 – *Seeing eggs everywhere* by Gina Glover  
purchased with generous funding from Guy's and St Thomas' Charity  
for the Assisted Conception Unit at Guy's Hospital.



[www.guysandstthomas.nhs.uk](http://www.guysandstthomas.nhs.uk)  
[www.kingshealthpartners.org](http://www.kingshealthpartners.org)

**Guy's and St Thomas' NHS Foundation Trust**

Guy's Hospital Great Maze Pond London SE1 9RT

St Thomas' Hospital Westminster Bridge Road London SE1 7EH

Tel: 020 7188 7188