

Hands on care

Annual Report 2000-2001

16

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	Contents	Page
	What we do	2
	What we wanted to do during 2001/2001	3
	<i>Performance</i> ●	4
	<i>Pounds</i> ●	7
	<i>People</i> ●	8
	<i>Partnerships</i> ●	9
	The work of the Trust Board	10
	Other key achievements	11
	The year ahead	12
	Financial analysis	13

What we do

Portsmouth HealthCare Trust was established in 1994. It works with other parts of the local NHS to provide a range of specialist and community-based health services for the people of Portsmouth, Fareham, Gosport, Havant, Petersfield and the surrounding areas. Currently, the Trust provides the following services:

- Adult mental health
- Child protection
- Community paediatrics
- Elderly medicine
- Elderly mental health
- Family planning
- Learning disabilities
- Night nursing
- Occupational therapy
- Palliative care
- Primary care counselling
- Psychology
- Substance misuse

In the year covered by this report, the Trust provided a range of other services. These are now managed by primary care trusts (PCTs). There are two PCTs in Portsmouth and South East Hampshire: **Portsmouth City** and **East Hampshire**. They have direct responsibility for the services they provide. Fareham and Gosport is served by a primary care group. This will become a primary care trust in April 2002. Until then, a number of its services will remain the responsibility of Portsmouth HealthCare NHS Trust.

The work of Primary Care Trusts

The following services are provided by **Portsmouth City PCT** and **East Hampshire PCT**:

- District nursing
- Health visiting
- School nursing
- Health promotion
- Health centres and clinics
- Child and adolescent mental health
- Physiotherapy
- Occupational therapy
- Community rehabilitation
- Podiatry
- Community hospitals

Some services are provided by a single primary care trust for the whole of Portsmouth and south east Hampshire. **Portsmouth City PCT**: home loans, speech and language therapy, and services for gay men. **East Hampshire PCT**: community dental services. **Fareham and Gosport Primary Care Group** is to become a trust from April 2002. It will provide a similar range of services to other PCTs in the area.

What we wanted to do during the year

- Meet the workload and financial targets set out in service agreements and by national standards.
- Support the implementation of the Health Improvement Programme.
- Develop joint investment plans for adult mental health care and services for older people.
- Support the establishment of primary care trusts in Portsmouth City and East Hampshire.
- Maintain the high clinical standards adopted by the Trust.
- Comply with the targets set for quality and clinical governance improvements.
- Work to develop replacement mental health facilities under the Private Finance Initiative.
- Support the redevelopment proposals of the Portsmouth Hospitals Trust.
- Maintain standards of estate maintenance, environmental improvements and related access to services.
- Further develop information services and the information technology infrastructure.
- Implement the national 'Working Together' proposals on employment practice.
- Maintain and develop arrangements for staff involvement.
- Develop further collaborative working arrangements with health partners.
- Start to implement the recommendations of the 'whole systems' Learning Disability Review.





Performance matters

Meeting the needs and expectations of patients and carers has remained a central task. This has meant focusing on work to improve care in line with the expectations of the NHS Plan. The Trust has sought better services, faster and easier access, a better environment, improved prevention and education programmes, increased service-user involvement and feedback and has developed its IT systems.

In general, performance targets for the Trust were achieved.

Every week the Trust provides 200 completed courses of consultant led treatment, sees 600 day care patients treats around 325 outpatients and offers some form of care to nearly 23,000 people.

Over one million visits were made by staff to people at home or living in residential settings last year. Around 10,000 clients received a complete course of care or therapy from a Trust consultant and just under 17,000 people attended an outpatient clinic appointment. Some 30,000 people received day care services.

Type of care	Annual target	Total activity	Variation
Finished consultant episodes (FCEs)	11,474	10,451	- 8.92%
Occupied bed days	145,732	150,015	+ 2.94%
Day care attendances	31,462	30,809	- 2.08%
Outpatient total	16,596	16,981	+ 2.32%
Total face to face	1,287,375	1,192,157	- 7.40%

Waiting times

The Trust met national inpatient and outpatient waiting standards. Some 90% of people are seen within 13 weeks of referral and most services were able to see all outpatients within 26 weeks. However, pressures on some services remained intense, including family planning, physiotherapy, occupational therapy, podiatry and child and family therapy.

Clinical Governance

The maintenance and development of effective clinical governance is a cornerstone of high quality care. The Clinical Governance Panel oversees the quality of clinical care provided. During the last 12 months, key clinical and managerial staff have attended workshops aimed at strengthening our approach to clinical audit, risk management, education and continuing professional development. Each service now has its own clinical governance forum where clinical practice is reviewed.

A number of improvements were introduced:

- all clinical audit projects are independently reviewed and action plans systematically appraised;
- risk event reports on all services are formally reviewed every three months;
- a programme for reducing the number of falls by elderly people was introduced;
- an Infection Control Committee was established and new infection control arrangements put in place;
- the resuscitation policy was reviewed in the light of national guidelines;
- internet access was established at 140 locations in the Trust;
- training in internet and research appraisal skills was provided; and
- an annual performance appraisal scheme was put in place for all clinical staff.

Research and Development

During the year, two of the Trust's employees were successful in securing external, noncommercial, research grants. One study looked at care home medicine; the other examined the relationship between elderly people and their therapists to see how this can be made more effective.

The Trust also funded three small research projects. These looked into the management of asthma in children with learning disabilities, podiatry (chiroprody) and carbon monoxide poisoning in older adults admitted to hospital.

A further two research projects were completed during the year and four more are currently being pursued.

Complaints

Some 85 complaints were received by the Trust during the year, seven fewer than the previous 12 months and the second successive year that the number has fallen.

Most of the complaints (78) were investigated and resolved locally by Trust staff. Complainants sought an independent review for the remaining seven cases. Of these, two were subject to additional reviews locally, two were resolved by the review panel, two required no additional action and one was awaiting decision as the year ended. It was not possible to meet national performance targets for completing the complaint review process in these seven cases because of difficulties regionally in identifying lay and clinical assessors.

Whenever it can, the Trust tries to involve those making complaints in deciding and planning any further action that may be needed. Over the year, a number of improvements were made following complaints:

- guidelines were developed to help staff break bad news more sensitively;
- monitoring sessions were established with the Trust's transport provider;
- procedures for smear tests were altered;
- alarms were fitted to community hospital doors to alert staff should a patient try to leave;
- weekend catering was improved at a community home.

A beacon of good practice

A service for people with mental health problems in Portsmouth became a leading light of good practice nationally during the year after receiving a prestigious NHS Beacon Award.

The Duty and Assessment and Support teams have championed joint working between health, social services and other agencies caring for people in crisis and needing help during the day and out of hours.

They bring together social workers, community psychiatric nurses, support workers and other specialist staff to offer a central point of access for users of adult mental health services in Portsmouth. They also work closely with GPs and other mental health workers.

People with problems need to ring just one number at any time of the day and night to be put through to immediate assistance and support over the phone, or in touch with one of the many services available so that an urgent home visit can be arranged.

It is one of the most advanced services of its kind in the country, breaking down the barriers between organisations which have hindered the way people gain access to support or help.

The money which different organisations have available for clients and patients can be shared more easily, helping to put resources where they are needed most and pooling expertise and experience.

The service has now been asked by the Department of Health to offer advice to other similar services elsewhere in the country and to share and promote good practice.

The Assessment and Support team provides a point of contact during the evening and weekends and can have contact with up to 1,000 patients every month.

Other key quality improvements.

Special funds were set aside by the Trust to develop specific improvements in key areas.

These included:

- an information leaflet on resuscitation decisions and procedures, aimed at 'at risk' patients and relatives was drafted and tested;
- a 'User Involvement' framework was introduced and a small working group established to help Trust services comply with the user involvement (PALS) proposals set out in the NHS Plan. The working group included patient and service user representatives; and
- a gerontological nurse education programme was established to develop key skills in staff caring for older people.



Single sex accommodation

Work to improve accommodation at King Villa was completed during the year. The Trust is now compliant in most areas with national standards on the use of single sex accommodation. However, difficulties for some patients continue to be experienced. Although concentrated on specific adult mental health and elderly medicine wards, they will be difficult to resolve until replacement accommodation is made available.

Improving local accident services

Many of the Trust's patients, particularly those who are elderly or with mental health problems, make contact with the NHS emergency services. The Trust has supported the local review of accident and emergency arrangements and the establishment of a medical assessment unit at Queen Alexandra Hospital so that people can gain better access to the right type of help as quickly as possible.

Pounds matter

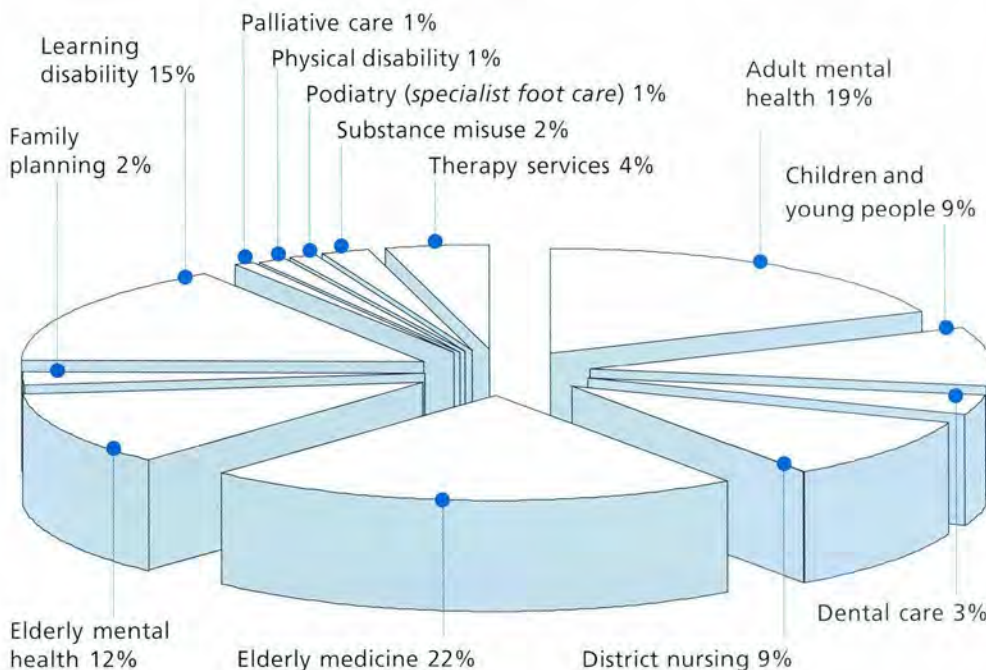
The Trust spends some £10,000 every hour of the day and night, 365 days a year to ensure that the local community receives the services it needs. Last year the Trust invested some £120 million in services - an increase of 9.3%.

Pressures on budgets remained intense but all of the Trust's principal financial duties were met. Careful financial management allowed the Trust to remain within its spending limits. Indeed, the Trust secured a marginal underspend of just £57,000 - less than 0.24% of its budget.

Staff costs accounted for the lion's share of the budget, around two-thirds, although the cost of services provided by other trusts and maintenance of the Trust's buildings and premises were other major draws on the budget. Pay rises for managers were retained within the 2.7% limit.

Prior to the establishment of primary care trusts in April this year, the Trust had direct responsibility for a variety of services. The biggest spenders were Elderly Medicine, Adult Mental Health and Learning Disabilities.

Where the money goes



Management costs remained very low at £5,397,000. This was marginally above the target of £5,311,200 but represented a reduction to 4.5% from 4.7% of income during the previous year

Capital programme

The Trust invested around £2.3 million in building improvements and new equipment. Just under £1 million was spent modernising the Trust's health centres and clinics whilst some £150,000 was spent updating computer and IT systems.

A New Year spring clean

Several Portsmouth HealthCare Trust buildings benefited from a new year spring clean thanks to a £100,000 scheme to improve cleanliness in hospitals.

The money came from national funding linked to the NHS Plan and was spent on projects which brought immediate and tangible improvements to standards of cleanliness.

All the trust's premises were audited to identify where the money could be spent most effectively and around 30 projects were funded.

Amongst the schemes were redecoration work at St Christopher's and St James' hospitals and in the Department of Elderly Medicine at Queen Alexandra Hospital.

Improvements to grounds and gardens were planned for Gosport War Memorial and Petersfield hospitals as were new flooring and carpets at Summervale, Jubilee House and Rivendale.

Staff awards recognise excellence and effort

The outstanding efforts of staff from Portsmouth HealthCare NHS Trust were recognised at the Trust's annual award ceremony last year.

Four individual and five team awards were presented, reflecting work to improve performance, develop partnerships with other organisations and support people - either colleagues or carers.

The Summervale centre in Sarisbury was recognised for its outstanding work to establish a dementia care resource centre as were the efforts over many years of the minor injuries unit at Gosport War Memorial Hospital.

The efforts of staff at Foxleigh ward at St James' Hospital and the former Gables Community Home in Emsworth were also rewarded with both centres ensuring the successful resettlement of patients with complex needs.

The impressive impact made by the area's recently formed children's community nursing service was recognised too.

Individual awards were made to Linda Butchers for the support she has given colleagues in the Department of Elderly Medicine, health visitor Susan Davies, for improving services for women with post natal depression; senior nurse Betty Woodland for her work as a RCN steward; and auxiliary nurse Janet Marshall for her support of families in Gosport.

People matter

The Trust is one of the largest employers in the area, deploying the skills of nearly 3,500 people. It employs over 400 more people than it did when it was established in 1994, an increase of 14%.

The largest staff groups are nursing and health care support workers which together account for two-thirds of all employees.

Staff in post	Number*
Nurses	1,159
Sponsored students	27
Health care support workers	1,099
Professions allied to medicine	230
Technical and scientific	129
Managers, administration & ancillary	706
Doctors and dentists	130
Total	3,483

* whole-time equivalent

Wastage rates, or the proportion of people leaving the Trust, have declined sharply since the mid-1990s. In 1995/96, the wastage rate stood at 18% or nearly one in five of the workforce. Career development remains the single most popular reason for leaving the Trust. As of April 1st this year, the figure had fallen to 11.2%. Sickness rates stood at 5.3% and remained similar to previous years.

Disabled employees

The Trust has implemented the Disability Discrimination Act and has advanced work in health premises. Many of the Trust's premises are accessible by wheelchair users and others. The Trust has achieved the standards set by the Department of Employment and has received its two ticks award. This recognises that the Trust has established procedures and working arrangements that reflect a positive attitude towards the recruitment and employment of people with disabilities.

Consultation with staff

The year brought significant change for staff, including the establishment of primary care trusts. Extra effort was made to help ensure staff were kept informed of and consulted on the changes they faced. The Joint Negotiation Committee was an active partner, making a major contribution to the change process. It also played a major role in determining Trust terms and conditions.



Partnerships matter

Work continued to develop and maintain arrangements for involving staff, service users and carers in the decisions made by the Trust.

The new primary care trusts maintained arrangements to involve staff in the drawing up of replacement working policies and practices. A new consultative body - the Health Economy Consultative Forum - was established and included both staff and management representatives from all parts of the local NHS. An employee survey sought opinions about many aspects of working life and helped to shape new working arrangements.

An action plan was drawn up to support 'Vital Connection', a national initiative to promote the greater involvement of people from minority backgrounds. Training sessions took place for board members and directors so that they were familiar with the obligation and responsibilities set out under the initiative and by other policies.

The Trust has met all the targets within *Opportunity 2000*, which encouraged equal opportunities in the workplace for women. It has also ensured that all staff have personal development plans and access to appropriate training. The Trust also supports the Black and Ethnic Health Worker Network which draws its members from people working in the local health economy.

The Trust has participated in the work of the Hampshire and Isle of Wight Education Purchasing Consortium - the lead body for education and training. This has involved around £750,000 worth of in-service training and nurse sponsorship.

Private Finance Initiative

The Trust's proposals to develop replacement adult mental health facilities under the Private Finance Initiative did not make the progress which had been hoped for and the Regional Office of the Department of Health has now ceased discussions with potential partners. A business case to develop the following schemes from NHS capital funds is now being drawn up.

- 35 bed acute facility - Portsmouth
- 14 bed rehabilitation facility - Portsmouth
- 30 bed acute facility - Havant
- 14 bed rehabilitation facility - Havant

Tony is an 'Unsung Hero'

Tony Weaving's outstanding efforts helping to run a social centre at St James' Hospital earned him a place as finalist in the national 'Unsung Hero' awards run by Norwich Union Healthcare and the Institute of Healthcare Management.

Tony has spent the last nine years of his life devoting five days a week and more to working voluntarily at the 'Country Cottage', overlooking the cricket pitch at the entrance to the hospital.

And if this wasn't enough, he has also had to learn to cope with a severe spinal condition that would have forced most people to give up on work and into a less than active life.

"It may seem like a cliché but working with the people who come here helps me put aside my own problems or see them as less significant," said Tony.

"We're not counsellors but we can provide a listening ear and give people the chance to spend some time in a relaxed environment."

The Country Cottage is celebrating its tenth anniversary and is thriving thanks to the work of Tony and the centre's other volunteers.

Between 9.00am and 4.30pm, every day, Mikala Holland, the centre's coordinator and her volunteer team welcome visitors, befriend them, offer a listening ear, a hot drink and even a game of pool.

"We try to give people a break from the ward environment. Whether it is just a cup of tea, a planned activity like our art group, pottery or crafts, or even a karaoke session, we try to meet the needs of everyone who comes through the door," explained Mikala.

"We're limited on funding, space and staffing so the place just wouldn't function without the efforts of the volunteers and Tony typifies their commitment. He deserves the recognition he has received."

Tony made the shortlist of 12 regional finalists put forward for the national award ceremony in Harrogate from an initial nomination list of 300 people. Although he was pipped at the post for the main prize, he did pick up a cheque for charity and a certificate to mark his achievement.



The work of the Trust Board

		Related interests
Chairman	Mrs. Margaret Scott	<ul style="list-style-type: none"> • Governor, Portsmouth Grammar School.
Chief Executive	Mr. Max Millett	<ul style="list-style-type: none"> • Member of Portsmouth Housing Association. • Director of Portsmouth Foyer.
Non-Executive Members	Mr. Graham Heaney	<ul style="list-style-type: none"> • Director of Portsmouth Foyer. • Member of Portsmouth City Council.
	Miss Sandra Jones	<ul style="list-style-type: none"> • Vice-Chair of Leonard Cheshire Care at Home Service
	Mr. David Lee (to October, 2000)	<ul style="list-style-type: none"> • Trustee of Zurich Insurance Company's United Kingdom Pension Fund.
	Mrs. Anne Monk	<ul style="list-style-type: none"> • Independent Member of Portsmouth College Audit Committee.
	Mr. Andrew Sylvester	<ul style="list-style-type: none"> • Governor of Chichester College of Arts, Science and Technology. • Member of Portsmouth City Council. (from October 2000)
	Mr. Ray Palmer (from October 2000)	
Executive Members	Mr. Anthony Horne Operational Director (to March 2001)	<ul style="list-style-type: none"> • TEC nominated Governor of South Downs College
	Mr. Ian Piper Finance Director (to March 2001) Operational Director (from March 2001)	<ul style="list-style-type: none"> • JP, Portsmouth & SE Hampshire Bench. • Governor, Fernhurst Junior School
	Dr. Ian Reid	<ul style="list-style-type: none"> • Vice President of the Ashton Club, Moorgreen Hospital, Southampton
	Dr. Eileen Thomas	<ul style="list-style-type: none"> • Trust Board Member of the Health Advisory Service (registered charity)
	Mr. Andrew Wood Finance Director (from March 2001)	
	Mr. Peter King (<i>non-voting</i>)	<ul style="list-style-type: none"> • Member of the Human Resources Committee, NHS Federation. • Member of Management Board, Development Forum South & West.

Pay and Remuneration Panel

This panel meets monthly to oversee pay and terms of service for all staff within the Trust. Its members are: Sandra Jones (chair), Andrew Sylvester, Peter King, Ian Piper (to March 2000) and Andrew Wood (from March 2000).


Accounting for its decisions.

The Trust seeks to maintain open relationships with groups and individuals with which it must work. The Trust Board meets in public four times a year. Its annual meeting was held in September 2000 and was well attended by a wide variety of organisations who were able to question the Trust about its plans, policies and decisions. The Trust's website provides direct email access to service and lead managers, including the chief executive and directors.

Other key achievements

- **Launch of older person's nursing development programme** - in conjunction with the Royal College of Nursing - training in leadership, management and clinical issues for trained nurses working with older people.
- **Improved library access for staff** - doubling the number of library Internet access points for staff, and increasing the scope of training and support for users of the library service.
- **Launch of information and support service for staff suffering from domestic abuse** - run by trained staff who have volunteered to help their colleagues.
- **Improvements to Continuous Professional Development Scheme** - including a trial scheme to improve mentor support for participants.
- **Clinical waste segregation campaign** - to promote the correct use of waste facilities as a significant means of saving money and helping the environment.
- **Introduction of 'life long learning advisers'** - in conjunction with *UNISON* to enable trained staff to offer guidance on education and training opportunities to colleagues.
- **New employee assistance programme introduced** - run by *CoreCare* to help or counsel staff or their families experiencing difficulties in their home or work lives.
- **Involvement in running intermediate care schemes** - a series of initiatives to help winter pressures and reduce waiting times.
- **Introduction of a new risk management strategy and better reporting systems** - enabling a comprehensive approach to the reduction of risks and monitoring of trends.
- **Implementation of new Information Management and Technology strategy** - a comprehensive plan for ensuring staff have access to the right IT set up to assist them in delivering their clinical workloads, whichever organisation or service they work in.
- **Developing a joint mental health IT system** - to fully support joint working between health and social services mental health professionals.
- **Working with NHS Supplies to reduce overheads** - work to reduce the cost of buying goods and services resulted in money being redirected into patient care.
- **Improving our premises** - hundreds of thousands of pounds were invested in better facilities, either through upgrading environments, improving health and safety standards or meeting the requirements of the *Cleanliness in Hospitals* initiative.
- **Maintaining financial stability** - all financial targets were met for the year, with an underspend of £57,000 reported on revenue budgets of £120 million - a tiny fraction of one per cent.

The year ahead

- The next 12 months will see the further transfer of services currently managed by the Trust to other NHS organisations in the area.
 - Work to determine the most appropriate location for the future management of services will continue and plans made for their smooth transfer to successor organisations.
 - It is likely that the Trust will need to work towards a formal dissolution date of March 31st, 2002.
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- A third primary care trust for the area, serving Fareham and Gosport, will be introduced. As with the area's other primary care trusts, the aim will be to ensure that local people get access to the best possible services as close to their home as possible.
 - The replacement of adult mental health inpatient facilities for people in East Hampshire and Portsmouth City remains a priority. The Trust will work to develop a business case for the construction of new facilities by January 2002 and press for their completion.
 - The Trust will work to achieve the highest possible levels of care and support for the many thousands of people who rely on its services in the months to April 2002.
 - In addition it will support the development of the Health Improvement and Modernisation Plan, contribute to the Local Modernisation Review and develop further improved partnership working.

Financial Analysis 2000/2001

This section of the Annual Report summarises the Trust's 2000/2001 financial performance using information taken from its Annual Accounts. Copies of the Trust's Annual Accounts are available from Andrew Wood, Finance Director, Portsmouth HealthCare NHS Trust, Trust Central Office, St. James' Hospital, Locksway Road, Portsmouth, Hants PO4 8LD.

The areas covered in this section of the report are:

- Performance against Financial Duties
- Summary of Income and Expenditure
- Sources of Income
- How the Money was Spent
- The Board's Remuneration
- Management Costs
- Performance in Paying Suppliers
- Balance Sheet
- Capital Expenditure
- Cash Flow
- Schedule of Recognised Gains and Losses
- Compliance Statement on NHS Managers' Pay
- Non-Medical Education and Training
- Directors' and Auditor's Reports
- Internal Financial Controls Assurance

During 2000/2001 the National Health Service changed its Accounting Policy with regard to Financial Reporting Standard 11 "Impairment of Fixed Assets and Goodwill". As a result of these changes the Trust, in common with most other NHS organisations, has had to make a prior period adjustment relating to its 1999/2000 accounts and restate a number of comparative figures within its 2000/2001 accounts.

Performance against financial duties

The Trust complied with all of its 3 financial duties for the year:

Table 1 - Performance against Financial Duties

Financial Duty	Target	Actual
1) Achieve a balanced Income and Expenditure position	Breakeven	£57,000 surplus
2) Remain within External Financing Limit	£258,000	£258,000
3) Achieve required return on assets	5.5% to 6.5%	6.4%

Summary of Income and Expenditure

In 2000/2001 the Trust reported a surplus, after the payment of dividends and interest, of £57,000 (see table 2)

Table 2 - Income and Expenditure for the year ended 31st March 2001

	2000/01 £000	1999/00 £000
Income	120,410	109,868
Operating Expenses	(116,476)	(106,543)
Operating Surplus	3,934	3,325
(Loss) / Profit on Disposal of Assets	6	(10)
Surplus Before Interest	3,940	3,315
Interest Receivable	220	262
Interest Payable	(75)	(641)
Dividend Payable	(4,028)	(3,170)
Retained (Deficit)/Surplus for the Year	57	(234)

Sources of Income

The Trust's total income in 2000/2001 was £120.4 million, an increase of 9.6% on 1999/00 (see Table 3)

Table 3 - Analysis of Income

	2000/01		1999/00	
	£000	%	£000	%
Health Authorities and Primary Care Groups	107,080	88.9	98,245	89.4
NHS Trusts	2,366	2.0	2,067	1.9
Private Patients	4	-	2	-
Other	52	-	2	-
Education	1,582	1.3	1,148	1.0
Social Care Income	2,867	2.4	2,602	2.4
Other	6,459	5.4	5,802	5.3
Total	120,410	100	109,868	100

How the money was spent

The Trust's operating expenses were £116.5 million in 2000/2001, an increase of 9.3% on 1999/2000 (see table 4)

Table 4 - Analysis of Operating Expenses

	2000/01		1999/00	
	£000	%	£000	%
Services from Other NHS Bodies	8,643	7.4	7,917	7.4
Directors' Costs	375	0.3	358	0.3
Staff Costs	80,145	68.8	73,444	68.9
Supplies & Services - Clinical	5,009	4.3	3,808	3.6
Supplies & Services - General	2,287	2.0	2,171	2.0
Establishment	4,213	3.6	3,670	3.4
Transport	297	0.3	335	0.3
Premises	10,013	8.6	8,463	7.9
Bad Debts	32	-	15	-
Depreciation and Impairments	1,962	1.7	3,138	2.9
Audit Fees	95	0.1	51	-
Other Auditors' Remuneration	0	-	37	-
Clinical Negligence	112	0.1	(28)	-
Other	3,293	2.8	3,164	3.3
	116,476	100	106,543	100

The Board's Remuneration

The total remuneration paid to Board members in 2000/01, inclusive of pension contributions but excluding Employers' National Insurance Costs, was £401,000.

Table 5 - Directors' Pay

	2000/01	1999/00
	£000	£000
Chairman	23	24
Chief Executive	88	85
Non-Executive Directors	26	25
Executive Directors	264	243
	401	377

The highest paid Director of the Trust received £97,000 in 2000/2001 (1999/00: £87,000).

The Total Remuneration of Board members, excluding pension contributions, fell within the following ranges:

Table 6 - Analysis of Directors' Pay

	2000/01	1999/00
£0 to £5,000	3	0
£5,001 to £10,000	4	5
£20,001 to £25,000	2	2
£60,001 to £65,000	1	2
£65,000 to £70,000	1	0
More than £80,000	2	2
	13	11

The Trust also employs a Personnel Director who is a co-opted member of the Trust Board

Management Costs

The Trust's 2000/2001 management costs were £5,397,000, marginally above the target of £5,311,200. This represents an increase of 5.3% compared to the previous year.

Table 7 - Management Costs

	2000/01 £000	% of Income	1999/00 £000	% of Income
Management Costs	5,397	4.5%	5,125	4.7%

Performance in Paying Suppliers

The NHS Executive requires NHS Trusts to pay their non-NHS trade creditors in accordance with the CBI prompt payment code and Government Accounting Rules. The target is to pay bills within 30 days of receipt of goods or a valid invoice for the goods, whichever is the later. The Trust's performance against this target is shown in table 8.

Table 8 - Performance in Paying Suppliers

	2000/01 Number	£000	1999/00 Number	£000
Total Bills Paid	54,490	26,048	52,325	20,357
Total Bills Paid within Target	50,447	24,856	47,861	18,809
Percentage of Bills Paid within Target	92.6%	95.4%	91.5%	92.4%

Balance Sheet as at 31st March 2001

Table 9 - Balance Sheet at 31st March 2000

	£000	31/3/01 £000	31/3/00 £000
Fixed Assets		70,103	69,601
Current Assets	6,345		3,114
Creditors: due within one year	(8,514)		(6,088)
Net Current Liabilities		(2,169)	(2,974)
Total Assets Less Current Liabilities		67,934	66,627
Creditors: due after more than one year		(1,024)	(1,125)
Provisions for Liabilities and Charges		(1,466)	(761)
TOTAL ASSETS EMPLOYED		65,444	64,741
FINANCED BY:			
Public Dividend Capital		41,804	41,755
Revaluation Reserve		22,976	22,533
Donation Reserve		359	381
Income and Expenditure Reserve		305	72
TOTAL CAPITAL AND RESERVES		65,444	64,741

Capital Expenditure

During the year the Trust spent £2.435million on capital schemes. An analysis of this is shown in table 10.

Table 10 - Capital expenditure 2000/2001

	£000
Health Centre Improvements	142
Disabled Access	118
Vehicles	132
Learning Disability Community Homes	518
Community Mental Health Team Bases	391
Small Hospitals Improvements	343
Dental Access Centre & Equipping	728
Information Technology	38
Equipment	25
Total	2,435

In addition to the above a total of over £2million was spent on improving environments in premises that the Trust leases from the NHS Executive (St. James' Hospital, St. Christopher's Hospital and parts of the former Coldeast Hospital).

Cash Flow Statement

The Cash Flow Statement for the year ended 31st March 2001 is shown in table 11.

Table 11 - Cash Flow Statement for the year ended 31st March 2001

	£000	2000/01 £000	1999/00 £000
OPERATING ACTIVITIES			
Net Cash Inflow from Operating Activities		5,466	5,981
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest Received	211		263
Interest Paid	(0)		(605)
Interest Element of Finance Leases	(74)		(81)
Net Cash Outflow from Returns on Investments and Servicing of Finance		137	(423)
CAPITAL EXPENDITURE			
Payments to Acquire Tangible Fixed Assets	(2,416)		(1,415)
Receipts from Sale of Tangible Fixed Assets	598		13
Payments to Acquire Intangible Fixed Assets	(15)		(9)
Net Cash outflow from Capital Expenditure		(1,833)	(1,411)
DIVIDENDS PAID		(4,028)	(3,170)
Net (outflow) /inflow before Financing		(258)	977
FINANCING			
Public Dividend Capital Received /(Repaid)	50		(1,534)
Capital Element of Finance Leases	(52)		(58)
Other Capital Receipts	0		0
Net Cash outflow from Financing		(2)	(1,592)
Increase (Decrease) in Cash		(260)	(615)

Statement of Recognised Gains and Losses

Table 12 - Statement of Recognised Gains and Losses for the Year Ended 31st March 2001

	2000/01 £000	1999/00 £000
Surplus (Deficit) for the year before Dividend Payments	4,085	2,936
Fixed Asset Impairment Losses	(11)	(3,194)
Unrealised Surplus (Deficit) on Fixed Asset Revaluations / Indexation	636	11,109
Increase in the Donation Reserve due to Receipt of Donated Assets	0	37
Prior Period Adjustment	(733)	169
Reduction in the Donation Reserve due to the Depreciation of Donated Assets	(28)	(213)
Total Gains and Losses Recognised in the Financial Year	3,949	10,844

Compliance Statement on NHS Managers' Pay

During the financial year ended 31st March 2001 the Trust has complied with the NHS Chief Executive's letter of 16th March 2000, about limits on NHS Managers' pay rises. All staff employed by the Trust received a cost of living increase in line with the nationally agreed levels in 2000/2001.

Non - Medical Education and Training (NMET)

The Trust is a member of the Hampshire and Isle of Wight Education Consortium, which is responsible for commissioning non-medical education and training for all health bodies in the area. In 2000/2001 the Lead Trust, in terms of accounting for the income and expenditure of the consortium, was North Hampshire Hospitals NHS Trust.

Controls Assurance Statement 2000-2001

The Board acknowledges and accepts its responsibility for maintaining a sound system of internal control including risk management and for reviewing its effectiveness.

As part of the NHS Controls Assurance Project, I as Chief Executive confirm that for the year ending 31 March 2001, and in accordance with NHS Executive circulars HSC 2001/005 and HSC 1999/123 and supporting guidance, the Board has reviewed and endorsed an action plan resulting from an organisation-wide self-assessment against relevant risk management and organisational control standards produced by the NHS Executive. The Board will oversee implementation of the action plan.

I confirm that in the Board's judgement, the Trust has attained level 1 of the NHS Executive's "control and risk maturity matrix" (see Annex A, HSC 2001/005)

Code A

Signed

Chief Executive

Date: 14/08/01

Directors' and Auditor's Reports

Summary Financial Statements

DIRECTOR OF FINANCE'S STATEMENT

I certify that the preceding summary financial statements have been compiled from, and are in accordance with, the financial records maintained by the Trust and with the accounting standards and policies for the NHS approved by the Secretary of State.

Date 14/08/01

Signature

Code A

CHIEF EXECUTIVE'S STATEMENT

I acknowledge the preceding summary financial statements which have been prepared and certified by the Director of Finance, as the summary financial statements which the Trust is required to submit to the Secretary of State.

Date 14/08/01

Signature

Code A

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF PORTSMOUTH HEALTHCARE NHS TRUST ON THE SUMMARY FINANCIAL STATEMENTS

We have examined the summary financial statements set out on pages¹³ to¹⁸ and the summary directors' statement on internal financial control.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements and the summary directors' statement on internal financial control with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any mis-statements or material inconsistencies with the summary financial statements.

Basis of Opinion

We conducted our work in accordance with Bulletin 1999/6 "The auditor's statement on the summary financial statements" issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summary financial statements and the summary directors' statement on internal financial control are consistent with the statutory financial statements of the Trust for the year ended 31st March 2001 on which we have issued an unqualified opinion.

Date 14/08/01

Signature

Code A

District Audit

North Wing, Southern House
Sparrow Grove, Otterbourne
Winchester

Summarised statement of directors' responsibility in respect of internal financial control

The Chief Executive as Accountable Officer, together with the other directors, has a responsibility for ensuring that an effective* system of internal financial control is maintained and operated in connection with the organisation's resources. To be effective the system must provide reasonable assurance of:

- a) the safeguarding of assets against unauthorised use or disposal
- b) the maintenance of proper accounting records
- c) the reliability of financial information used within the organisation or for external publication.

No system can provide absolute assurance against material mis-statement or loss, but the system should provide reasonable assurance that material errors, irregularities or fraud are either prevented or would be detected within a timely period.

The Chief Executive, as Accountable Officer, together with the other Directors, has a responsibility for reviewing the effectiveness (*) of the organisation's system of internal financial control. In carrying out the review in accordance with EL(97)55, Directors are required to confirm that the "minimum control standards" laid down by the NHS Executive (available with the full accounts) have been in existence within the organisation throughout the financial year.

The directors confirm that they have undertaken the review and the above requirements have been met.

The auditors' report on the internal financial control statement is on the previous page.

By order of the Board.

Code A

Date 14/08/01

Chief Executive

* the judgement on "effectiveness" is informed by the work of the internal auditors and managers who have responsibility for the development and maintenance of the financial control framework, and by comments made by the external auditors in their management letter and other reports.

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