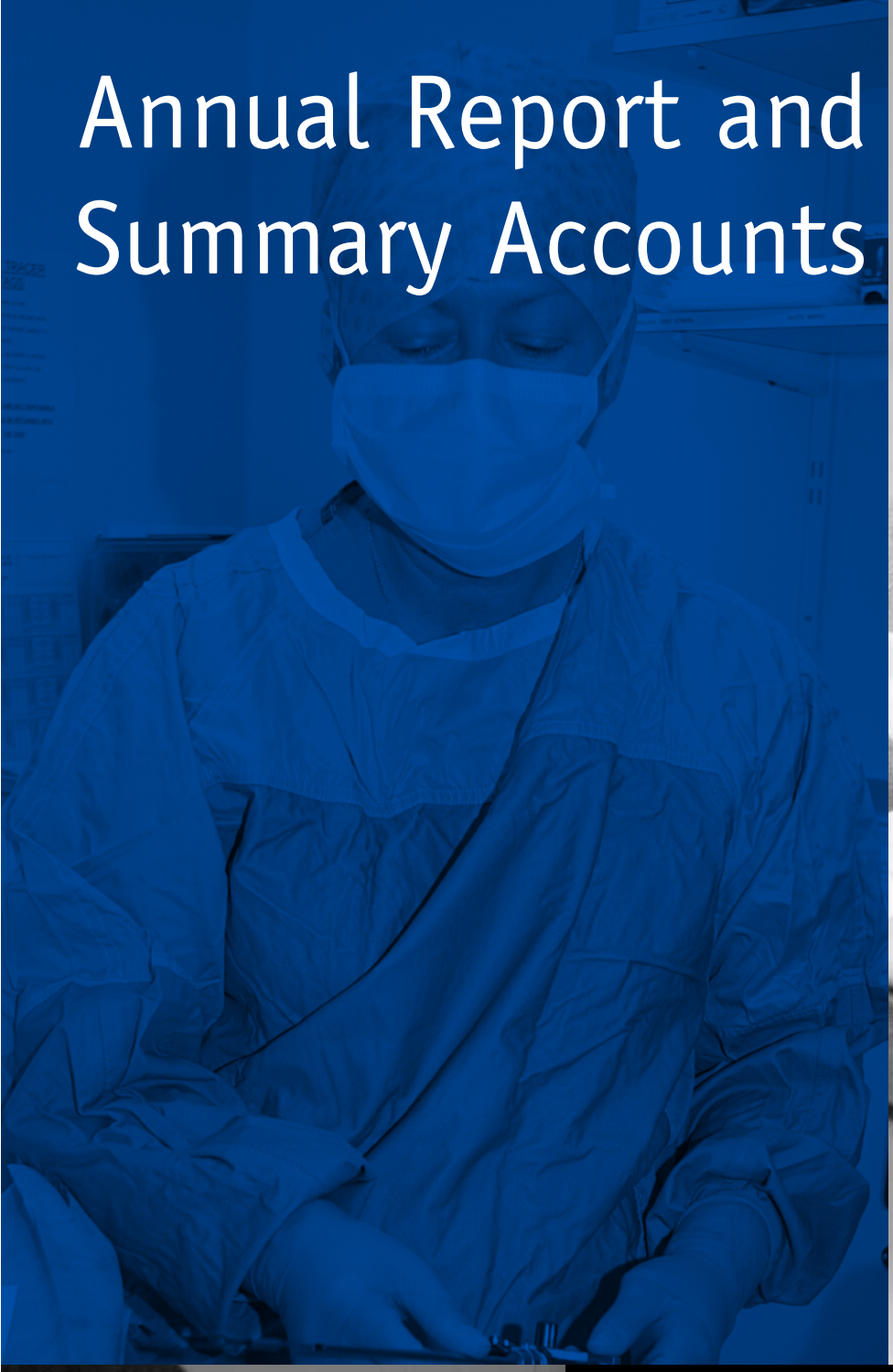
Annual Report and Summary Accounts

2002/03



Meeting the challenge

United Lincolnshire Hospitals NHS
NHS Trust

Contents

Foreword

We are pleased to report that during the year 2002/2003 we have continued to develop services and facilities at all of our hospitals.

Patients speak out

"The nurses were excellent and food very good indeed".
W Edwards

"Gratitude and admiration for all the compassionate care and professional skill employed to help me regain my strength".
S Robertson

"Staff made my stay a much better experience than it might have been. Expertise, skills, professionalism, uncomplaining cheerfulness and, above all, kindness will be long remembered".
J Cutting

Improving Working Lives

Heathcare Support Worker, Denise Bateman, who works at Pilgrim Hospital, has undergone a number of changes to her working pattern over the past year in order to achieve a healthy work-life balance. She initially changed from working three days per week to working five shorter days. Denise then reduced her hours so that she finished at 1.30pm and in September, when her son starts school, will be changing to help fit around school times. Sister Katy Lishman says that although Denise works mornings she does occasional afternoons to help out (and in the interests of fairness) and that her pattern is structured to help cover the busy lunchtime clinics.

We have achieved all our statutory targets and improved on the management of our waiting lists so that by the end of December 2002 no patient was waiting more than 12 months for an inpatient or day case operation. However financial balance was only achieved by obtaining planned financial support from Trent Strategic Health Authority and by imposing stringent and uncomfortable financial controls. This put additional pressure on our staff, but again underlined the urgency of the need for us to modernise the way that we deliver our services.

It has been a difficult year, but we have also been able to bring some real benefits to our patients.

At Boston £2.25 million of Government "Action On" money has been spent on a new state of the art orthopaedic theatre, a new dermatology (skin) unit and a new ear nose and throat (ENT) unit. We can also see the benefits of the refurbishment of the façade scheme with all wards in the tower block having new windows. A further £165,000 (£40,000 of which was generously donated by the Pilgrim Heart and Lung Fund) has been spent on a new four bed heart and lung unit, and £106,000 on improving parent accommodation in the special care baby unit.

At Grantham the money received from the sale of surplus land has been reinvested in a new postgraduate medical education centre, a school of nursing and the refurbishment of residential accommodation for clinical staff. A new specialist treatment suite has been installed as part of a £220,000 "Action On" dermatology development, and there has been an upgrade of the hospital's oxygen system.

At Lincoln we have started a £4.25 million scheme to replace two medical wards, to provide a new stroke unit and to enable the transfer of the Ashby rehabilitation ward from the St George's site. £750,000 has been spent creating a new medical emergency assessment unit to provide rapid assessment and investigation for patients with acute medical symptoms, and £250,000 has been spent on a new dermatology unit. There have also been improvements to the fracture and orthopaedic clinics and 110 more car parking spaces have been added.

At Louth we have invested £110,000 in information technology providing a "high tech" computer network system and, in partnership with East Lincolnshire Primary Care Trust and Louth and District Hospice, have developed a specialist respite care facility.

By the end of the year our planned transfer of the management of the community hospitals in Skegness, Gainsborough and Spalding to their respective Primary Care Trusts had taken place.

We have been heartened by the response from patient satisfaction questionnaires. We do not always get it right and sometimes receive complaints. We treat these very seriously and regard them as an opportunity to learn and improve, so it is particularly heartening to see that during the year our response rate to complaints has improved. Understanding the valuable contribution that patients can bring to shaping the way we deliver our services, we successfully applied to be one of the national pilot sites for Patient Forums. We have also continued to involve patients in support groups and special interest groups.

During the year we had our first assessment by the Commission for Health Improvement (CHI). Their report highlighted a number of the difficulties the Trust had faced since the merger and has been a useful trigger for an action plan that will ensure high quality clinical governance and its associated constant improvement in the way we care for patients. Formulating and implementing this plan has been one of the identified top three priorities for the Trust. The other two are steering the Trust into a more robust financial position and, together with our Lincolnshire health care partners, developing an acute services strategy – Keeping Our NHS Local. This Trust was formed to provide high quality clinical care with equal access for all and the strategy strives to achieve this.

New technology, modernisation of the delivery of health care, enhanced patient expectations and the ever increasing pressure on resources means that our staff have to adapt the way we perform and the way we treat and discharge patients. To achieve these changes requires a considerable investment in training and education. We provide a structured learning opportunity to over 200 doctors in training and more than 300 student nurses, midwives and other health care professionals. Of special note was our achievement of more than 300 new registrations for National Vocational Qualifications which support the workforce without professional qualifications. We are blessed with loyal and hard working staff who are undoubtedly our greatest asset. We appreciate that the severe financial pressures have made life difficult for many and we appreciate how they have responded to the challenge.

We also owe a great deal to the dedication of our volunteers. The Trust currently has many volunteers helping in lots of different ways. We are also indebted to all those individuals and organisations who contributed to supporting our charitable funds. Money raised in this way has enhanced the care we are able to provide by enabling us to purchase specialist equipment and add benefits to patient care at all of our hospitals, and has also supported research into diseases such as cancer.

During the year we have had some changes in personnel as people have taken up opportunities to progress their careers elsewhere. In May 2003 David Loasby, our former Chief Executive, left the NHS to pursue a career in the private health care sector. During the last three years David had devoted himself to the Trust and there were significant developments across the sites under his leadership. I am happy to announce that Roger Paffard was appointed Chief Executive and joined the Trust in August 2003 and that John Willetts was appointed Interim Chief Executive from May to September 2003.

Finally we should like to record our thanks to all our staff, each of whom contributes in a unique way.

Signature Removed

Jenny Green OBE
Chairman

Trust Objectives 2002/2003

- **Developing the acute services strategy in Lincolnshire**

The Trust and its partner organisations across the health community published the draft acute services strategy consultation document "Keeping our NHS Local" in line with the project time-scales.

- **Achieve national targets to reduce the length of time that patients wait**

The Trust met or bettered all the targets for waiting times. This included the national guarantee of maximum waits of 12 months for inpatients and 21 weeks for outpatients. The Trust saw a significant reduction in the number of patients on the waiting list and a consistently high percentage of patients were seen within two weeks of referral for suspected cancer.

- **Manage winter pressures**

The Trust completed an escalation plan to ensure that it was able to respond effectively to winter pressures. By March 2003 over 92% of patients were admitted, discharged or transferred from A & E within four hours. To sustain and improve performance further, a major project was started to develop and reform all aspects of emergency care.

- **Meet financial targets**

The Trust met all its statutory financial targets with planned financial support from Trent Strategic Health Authority.

- **Improving quality by ensuring the principles for clinical governance are achieved across the Trust**

Clinical governance arrangements have been implemented and improved across the Trust. The Board's leadership has been improved through the establishment of an integrated Clinical Governance Sub-Committee and robust structures have been implemented at divisional and directorate levels.

The clinical effectiveness unit introduced a mechanism to ensure implementation of National Institute for Clinical Excellence (NICE) guidance. The Trust has continued to implement the standards set out in "Your Guide to the NHS".

Patients speak out

"This has been my first time in and staff have all been brilliant and supportive".
M Walters

"Thank you for making my stay in hospital a pleasant one".
J Short

"Many thanks for looking after me so well. I could almost say it was a pleasure to be there!".
M Mutch

Improving Working Lives

Prisca Furlong, Team Leader Waiting Lists Louth has reduced her hours from 37 to 30, now taking Fridays off. This was done for health reasons and Prisca says her manager, Andrea Blakeley, was very receptive to the idea. When asked how the work that used to be done on Fridays was now covered Prisca says: "The work is covered with the use of an answerphone on Fridays for me to pick up messages on Mondays and by me using very careful prioritisation. I find this works fine".

- **Continue to implement the Government's NHS Plan and to modernise services**

The Trust has continued to take account of NHS Plan targets across divisions and directorates and these have been included in the Trust's service planning process. The Trust has continued to be proactive and involved in "Action On" orthopaedics and the Orthopaedic Collaborative and was successful in gaining "Action On" orthopaedic capital for a specialist theatre at Pilgrim Hospital. Progress was also made in respect of "Action On" ophthalmology and "Action On" dermatology. In urology and general surgery similar modernisation schemes have helped to achieve performance targets. The Trust has continued its commitment to involving patients and carers in the development of the Trust's services by supporting the establishment of a Pilot Patient Forum.

- **Ensure capital schemes proceed on time and budget**

The Pilgrim façade scheme remained on schedule. The emergency medical admissions unit at Lincoln was completed in 16 weeks and replacement of old-style Nightingale wards at Grantham and Lincoln continued to make progress.

The Outline Business Cases for critical care at Lincoln, the South Holland Project (a new hospital for Spalding) and the upgrade and rationalisation of Trust-wide sterile services and disinfection units were progressed. The modernising radiology project at Lincoln was superseded by the Trust purchasing significant amounts of radiology equipment.

- **Develop cancer services**

The Trust continued to work closely with the Mid-Trent Cancer Network in developing plans to ensure that key cancer targets were met. A third linear accelerator (a specialist machine used to treat cancer with radiation) was integrated into the service as planned.

- **Manage the information management and technology (IM&T) programme as part of the strategy to deliver an electronic patient record (EPR) by 2005**

The Trust has worked hard to achieve national IM&T targets, such as the implementation of a system to support the issue of NHS numbers to babies.

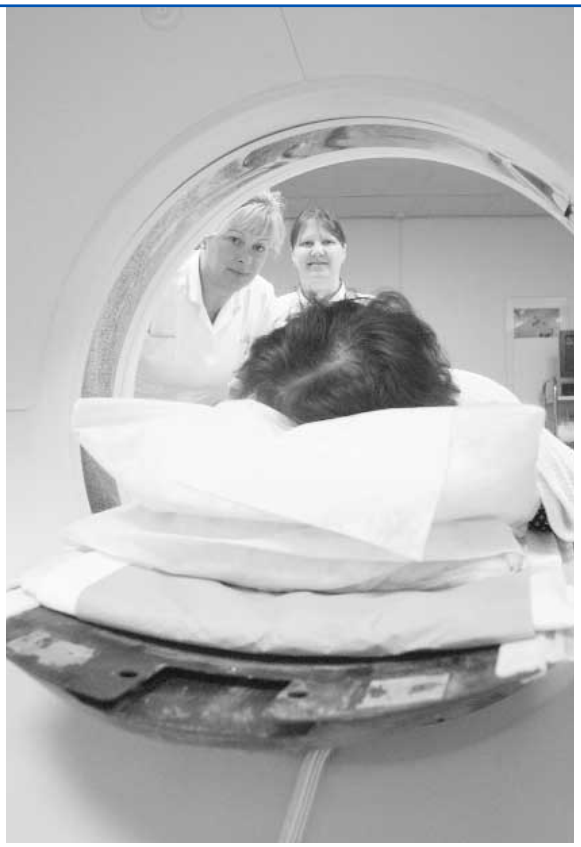
In particular the Trust has prepared itself for the introduction of the electronic patient record. Staff from all areas have designed new ways of working and continue to prepare for the introduction of the electronic patient record.

- **Manage the Trust's estate and facilities to support patient care**

The Trust implemented plans to achieve the installation of patient entertainment systems in all hospitals by March 2004.

The Trust piloted the new ward housekeeper role on four wards which brought significant improvements to patient satisfaction.

A Trust-wide travel plan was completed by March 2003 to assess future needs.



Facts and figures

The Trust continues to provide hospital care on nine sites:

- County Hospital – Louth
- Grantham and District Hospital
- Johnson Hospital –Spalding
  (managed by East Lincolnshire Primary Care Trust)
- Welland Hospital – Spalding
  (managed by East Lincolnshire Primary Care Trust)
- Lincoln County Hospital
- Pilgrim Hospital – Boston
- John Coupland Hospital – Gainsborough
  (managed by West Lincolnshire Primary Care Trust)
- St George's Hospital – Lincoln
- Skegness and District Hospital
  (managed by East Lincolnshire Primary Care Trust)

Number of patients treated

	2002/2003	2001/2002
Planned inpatients	16,634	17,103
Day cases	40,782	40,666
Emergency inpatients	81,165	77,494
New outpatients	114,516	119,699
Follow up appointments	328,784	329,515

The total income for the Trust was £240 million. This included £3.15 million of planned revenue support from the Strategic Health Authority, which enabled the Trust to achieve its statutory duty to break even.

Further details and Summary Financial Statements are included on pages 16-17.

Managing our waiting lists

The guaranteed 12 month maximum wait for inpatient and day case operations was met by the end of December 2002 and sustained throughout the year, as was achieving the reduction in those patients waiting more than 9 months for their operation. Similarly the 21 week maximum length of wait for an outpatient appointment was achieved by the end of December 2002 and sustained throughout the remainder of the year.

The number of patients on the Trust's waiting lists was reduced in the year by 1033 from 11,873 to 10,840.

Patients speak out

"Care, from admission to discharge, was of the highest standard. Everyone was so kind, efficient and cheerful, and we know he could not have been nursed better anywhere".
A, E, & G Moulds

"I have nothing but praise for one and all".
J Brewer

"I couldn't have been in better hands".
P Credland

Review by Commission for Health Improvement

A major event during the year was the review by the Commission for Health Improvement (CHI) of the Trust's arrangements for clinical governance. Clinical governance is defined by CHI as "the system of steps and procedures adopted by the NHS to ensure that patients receive the highest possible quality of care, ensuring high standards, safety and improvement in patient services".

The review team interviewed a wide range of staff and visited many departments across all hospital sites. They sought the views of patients, carers, GPs and the public.

Following this review an action plan was prepared with more than 100 points grouped into the main clinical governance headings.

The action plan is divided into four main projects and the work on these continues:

- Development and implementation of care pathways
- Further development of the Trust-wide clinical audit database system which records all audits undertaken and the changes made as a result
- Purchase of a new computer system to record, analyse and report adverse incidents
- Development of a human resources strategy and infrastructure to support a learning culture to underpin education, training and continuous personal development.

Improving Working Lives

Clinical secretary Wendy Fielding recently returned to work after maternity leave. Just before she came back to work she decided that full time hours would not suit her now that her circumstances had changed. Wendy contacted her manager, Teresa Brown, and between them they worked out a job share scheme with the secretary who had covered Wendy's maternity leave. Wendy says: "My manager and my colleagues were all great; supportive and very understanding. I can`t begin to tell you what a difference it has made to have such support and flexibility. All of this has made my return to work a very happy experience and as a result has taken a lot of pressure off life outside work".

Service developments and new appointments

With the continued support of the Lincolnshire Primary Care Trusts, a significant number of services have been developed over the last year and these include:

- In Cardiology – Dr Andrew Houghton, Consultant Cardiologist joined the Trust based at Grantham and with Dr Upul Wijayawardhana set up rapid access chest pain and heart failure clinics

- In Neurology – Dr John Bowen, Consultant Neurologist joined the Trust. Based at Lincoln County Hospital, Dr Bowen also has outpatient clinics at Grantham Hospital

  A Multiple Sclerosis Nurse Specialist was appointed to work in conjunction with the Consultant Neurologists, and a multiple sclerosis centre was established in Lincoln. These two posts are part of the Trust's strategy to develop a local neurology service with Nottingham and Sheffield

- In Orthopaedics – a Discharge Advisory Nurse for Orthopaedics was appointed at Pilgrim Hospital to co-ordinate discharge arrangements for hip and knee patients

  Trauma Co-ordinators were introduced at Lincoln County and Pilgrim hospitals. Their role is to improve the patient journey through the system. In addition, regular weekend trauma operating lists were introduced

- In Ear Nose and Throat (ENT) – two ENT Sisters, one at Lincoln County Hospital and one at Pilgrim Hospital, were appointed to set up nurse led clinics

- Other health care professional developments include a Lead Nurse for Tissue Viability and the first Nurse Extended Prescribing Role, to treat a broad range of medical conditions

  Three smoke free family advisors were appointed to work with pregnant women and their families to try to help them stop smoking.

Cancer services

The redesign of services and processes continues in working towards the Cancer Plan targets, with lessons learned from Phase II of the Cancer Services Improvement Partnership being rolled out.

Waiting times for radiotherapy have continued to improve and different ways of working are helping to achieve maximum efficiency.

By the end of 2002/03 the Trust had achieved the following milestones against the cancer targets:

- 88% of those patients urgently referred by their GP were seen within 2 weeks
- 100% of patients treated for testicular cancers and acute leukaemia received their treatment within 31 days of diagnosis
- 96% of patients treated for breast cancer received their treatment within 31 days of diagnosis
- There was a continued increase in the numbers of diagnosed cancer patients having their treatment planned and agreed in cancer multi-disciplinary team meetings
- An increase in the numbers of patients receiving booked appointments for their first consultation, for their first diagnostic test and for their first definitive treatment also continued.

Patients and carers continue to influence the development and planning of cancer services through the Lincolnshire Cancer Patients and Carers Forum.

The activities in which users have been involved include:

- Provision of information for patients/carers
- Primary Care Trust commissioning meetings
- Training workshops in user involvement
- Improved facilities.

There are now two user representatives on the Lincolnshire Cancer Modernisation Partnership Team.

Patients speak out

"Thank you very much for the kindness and warmth I received during my hospital stay".
V Frivasan

"The quality of care was second to none".
R Henson

"A very big thank you to the surgeon, physios and staff for their dedication and gentle care to me during my stay after my hip replacement operation".
C Johnson

Improving Working Lives

A good example of a work pattern constructed to help the individual and the needs of the Trust comes from Medical Finance at Pilgrim Hospital. Kerrie Asbrey, assistant management accountant, has two children and lives 20 miles from work. She approached her manager, Richard Vinter, to ask if she could work her 30 hours over four days. Between them they worked out a system whereby this was possible provided Kerrie could be very flexible to help cover the busiest two weeks in the month experienced by the finance department. Richard says "Kerrie understands when the busy times are and when I need support from her to meet deadlines. She is able to give me a plan of the days she intends to work that fit in with those priorities. There are also occasions when Kerrie will work five days in one week and three days in another".

Working with Health Community Partners

The Trust is closely involved in working with the health community in managing demand for services based upon service redesign and evidence based practice.

A joint initiative has successfully trained and introduced new roles of General Practitioners with a Specialist Interest (GPWSI) in the following specialties:

- ENT (ear, nose and throat)
- Dermatology (skin)
- Diabetes
- Palliative Care (relief of symptoms)
- Ophthalmology (eyes)
- Endoscopy (diagnostic test to view internal parts of the body)
- Orthopaedics (bones and muscles)
- Orthodontics (dental irregularities).

Pathways of care have been developed in general surgery, ENT, pain management and orthopaedics.

Modernisation

Modernisation schemes have been successfully introduced based on service redesign, evidence based practice, and best practice evidence from elsewhere.

Our successes include:

- Nurse led services in ENT, ophthalmology, urology, breast surgery, general surgery and anti-coagulation therapy, all of which helps to reduce waiting times for patients
- A nurse endoscopist
- A physiotherapy triage scheme in orthopaedics and pain management to ensure patients are seen and treated in the most appropriate place
- Care co-ordinators to improve and optimise patient care, ensuring that patients do not stay longer than necessary in hospital
- New referral criteria for the pain service
- One stop services in dermatology and urology to ensure that patients' visits to clinics are kept to a minimum
- Minor injuries streaming in A&E to further ensure patients are treated in a timely manner
- Early assessment of pregnancy difficulties to reduce the need for women to be admitted to hospital unnecessarily.

Keeping our NHS local

Patients, staff and the general public are having their chance to comment on the details of plans for acute hospital services in Lincolnshire.

Plans are explained in the public consultation document "Keeping Our NHS Local" which details the acute services strategy for the county. The strategy has been put together by all of the organisations that provide NHS care in the county.

The formal public consultation was launched on 15 May 2003 and people had three months to make their comments.

The plans include some important changes, most of which will mean more of the services people need most often are available to them closer to where they live.

During the autumn of 2003 the Trust Boards will consider the results of the public consultation and will then make recommendations for the future.

Valuing our patients' views

The Trust greatly values and recognises the importance of listening to the views of our patients and carers.

A major survey of patients attending outpatient departments and accident and emergency departments was conducted in November 2002, using a random sample.

850 outpatients were surveyed, 562 returned their form;
850 A&E patients were surveyed, 449 returned their form.

The overall impression gained from the surveys indicates that patients feel they were treated with respect and dignity and received good care.

A survey of the three maternity units at Lincoln, Boston and Grantham reported that overall, care in all areas of pregnancy, labour and after the birth was rated in the majority as very good or good.

Changes at local community hospitals

At the end of 2002/03 the Trust agreed to the transfer of the management of local community hospitals at Skegness and Spalding to East Lincolnshire Primary Care Trust, and at Gainsborough to West Lincolnshire Primary Care Trust – in line with Government proposals to allow the local development of appropriate services to meet the needs of local people.

The Trust continues to provide some clinical and support services to these hospitals.

Similarly, as part of a planned agreement, some Trust consultants ceased to provide services at Newark hospital as part of that hospital's reorganisation. Those consultants now have more clinical sessions at Grantham hospital.

Improving the quality of care

The Trust was once again very successful in achieving level 2 of the Clinical Negligence Scheme for Trusts, a national scheme which assesses systems for clinical risk management against a series of national targets.

In addition to the significant work undertaken in preparation for the CHI review, the Trust has continued to implement the Clinical Governance Annual Plan. This plan has concentrated on:

- the development of a strategy for patient and public involvement in partnership with the Pilot Patients Forum and PALS (Patients Advocacy Liaison Service)
- developing a clinical effectiveness strategy which sets out the direction of travel for the next five years
- maintaining and developing Trust-wide clinical care and risk management policies and risk assessments
- undertaking essence of care benchmarking to assess and improve the quality of care
- a clinical audit programme with planned local, cross-organisational and national audits
- introduction of a Trust-wide process for staff appraisal and personal development plans.

A Clinical Governance Annual Report for 2002/2003 has also been produced which gives a comprehensive overview of the work taking place within the Trust and progress towards improving the quality of clinical care covering all aspects of clinical governance. It is available on the Trust's website – www.ulh.nhs.uk

Patients speak out

"Thank you for all your loving and dedicated care given to me during my stay. Without your encouragement I would have given up".
B Oxby

"Breakfast in bed – I've never had it so good!".
S Power

Improving the way we deliver our emergency care services

A Reforming Emergency Care Advisor was appointed during the year to work with primary and secondary care in developing and introducing new ways of managing and reducing emergency admissions.

The first success of this project was to reach the target in every Trust A&E department of no patient waiting longer than four hours from arrival to treatment.

As a direct result of this project the new Medical Emergency Assessment Unit opened at Lincoln County Hospital and the DART (Discharge Assessment and Rehabilitation Team) was set up.

Improving Working Lives

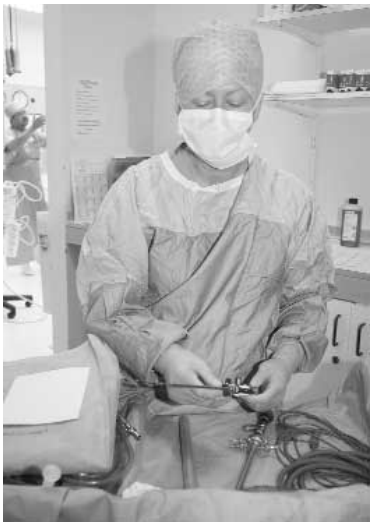
Diane Lynch, Radiology Manager at Lincoln, has arranged that (service permitting) she will deliver her contracted hours flexibly. This also includes working from home occasionally and she says her line manager and clinical director are fully supportive as long as the service is delivered in a stable way. Diane has only recently joined the Trust and says "I was in a managerial position before and worked flexibly there, and with two young children it was important that I transferred to a similarly flexible organisation".

Research and development

The Trust and the University of Lincoln have developed a joint collaborative partnership to promote research and development.

The collaborative is jointly funding research (£300,000 over three years) and has already awarded grants to support research for the benefit of local people.

Clinical effectiveness



Clinical effectiveness concentrates on giving the patient the right treatment at the right time in the right place.

The Trust is developing a strategy for clinical effectiveness.

Examples of the changes in clinical effectiveness include:

- Cardiac services – these continue to make good progress towards achieving the National Service Framework (NSF) standards. By 2002 86% of eligible patients were receiving special heart medicines within the time set out in the standards – a 71% improvement since last year
- Haemodialysis treatments – senior staff at the renal unit at Lincoln County Hospital wanted to establish evidence based practice for haemodialysis treatments, due to conflicting reports in the literature, and so have undertaken their own research. This work has been presented at conferences in The Hague, Bristol and Leicester
- Pain control – staff in the obstetric service at Lincoln County Hospital wanted to know if patients' pain after Caesarean section was well controlled. Audit revealed that there were a number of areas where pain management could be improved. As a result a pain chart has been introduced to assess patients' pain more accurately, drug charts have been amended and pain relief is more readily available
- Website – a clinical effectiveness area for staff was launched on the Trust's intranet site in March 2003 and is designed to offer health professionals and managers a "one stop shop" for information relating to clinical audit, evidence-based practice and research and development
- National Institute for Clinical Excellence (NICE) – the Trust has a successful process in place for implementing new clinical guidance. This involves clinical teams and managers working together to discuss the guidance, develop action plans and, where required, business cases to ensure that clinical practice is altered to reflect best practice.

Investment in our staff

The Trust invested in the continuing development of nurses, midwives and other professional staff such as physiotherapists and pharmacists. Specialist education and development is provided by the Universities of Nottingham, Hull and to a growing degree Lincoln.

The Trust is a pilot site for modernising multi-professional undergraduate education for the Allied Health Professionals working with Sheffield Hallam University. Over £430,000 was committed to delivering professional update training to this critical group of staff in addition to the time they spend developing their practice.

During the year we invested over £1 million to ensure all our staff are paid according to national pay scales. The ending of local pay arrangements has produced a fairer base on which the new national pay arrangements, called "Agenda for Change", will be implemented from October 2004.

A staff attitude survey was completed in the last quarter of the year. Results show the Trust still has progress to make in consulting with staff and engaging them in our overall objectives. Each month the hospital directors lead the team brief process following the board meeting so that our staff are informed promptly of important developments. The establishment of hospital management forums is one of a number of ways we also ensure the Trust's objectives are met by listening to the ideas and concerns of our staff.

There has been a useful series of meetings during the year between the directors and the formal Staff Side Executive Committee. This forum for consultation and discussion has identified a number of important issues including recognition of the actions necessary to achieve financial economies as well as positive support for training and development initiatives. These have included investment in training staff to help improve and modernise patient services.

It was a disappointment that the Trust did not achieve accreditation at the end of the year against the standards for Improving Working Lives. The assessors were not convinced that the good practice in parts of the Trust was available to all staff consistently. We will be reassessed in September 2003 and expect to achieve the standard at that time.

In this report are examples of staff who have made changes to the way they work. These show how these changes can benefit the way services are delivered to patients as well as helping us recruit and retain staff.

Policies relating to staff with disabilities

We have an obligation to make adaptations to our premises and facilities for staff who may become disabled whilst in employment. We also link with the disability service to try and find suitable jobs for disabled people seeking employment. We guarantee an interview to a disabled person who applies for a job providing he or she meets the essential person specification. The Trust's Occupational Health Physician is proactive in monitoring the Trust's performance and in giving advice on what changes may be made.

The use of information and IT

Good progress has been made this year in making good quality information available to clinicians and managers...

Patients speak out

"Grateful thanks for the excellent care I have received during my two admissions".
J Sutton

"Many thanks for the kindness shown to me during my short stay".
D Rossington

Improving Working Lives

Grantham has an example of flexible working hours with Jane Walton. Jane has worked in theatre for 18 years and needed to reduce her hours to allow her to collect her child from school when she starts this September. This has been agreed. Jane says "I was pleasantly surprised when my manager allowed me to do this". In return Jane says she can be very flexible with her working hours outside the 'school run' commitment.

Good progress has been made this year in making good quality information available to clinicians and managers to assist in the delivery and modernisation of services.

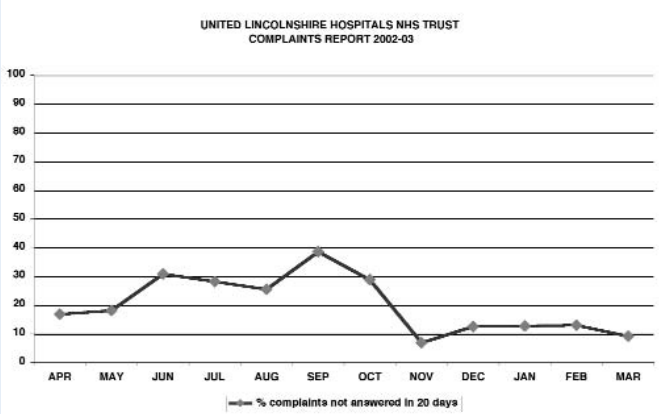
A number of information management and technology (IM&T) developments have been successfully delivered this year including:

- The introduction of teledermatology – this enables images of a patient's skin condition to be sent to the hospital consultant from the GP surgery resulting in quicker treatment and fewer visits for the patient
- The Trust website which includes up to date details about the Trust, including services provided, information for patients, details of job vacancies
- The HeLLO website (Health Lincolnshire Libraries Online) to support NHS and Social Services staff and local students, including access to evidence based practice and professional development for the whole community
- The roll-out of the clinical results reporting system at Pilgrim Hospital to more than 600 users. Preparatory work is under way for phase 2 of the roll-out to Lincoln County Hospital. This computerised system ensures that records of patients' pathology test results are immediately available for clinical staff
- A 'new' centralised computer system to support the clinical engineering departments in the maintenance and repair of medical equipment across the Trust
- Upgrading of the theatre management system to ensure consistency across the Trust

- Unification of the A&E system across the Trust to improve the management of A&E services
- New training and education management system for the post-graduate medical education centre and human resources departments on all sites
- A system which gives doctors off site access to view radiology images such as CT scans, thus allowing quicker diagnosis and treatment
- In conjunction with Northern Lincolnshire and Goole Hospitals NHS Trust the implementation of a new system to enable the modernisation of pathology services
- All consultants now have desktop access to email and internet and all other staff have been allocated an email account and have received email and internet manuals.
- Email and internet training has been delivered to 1500 staff. This training programme is ongoing.

Complaints

Improvements have continued during the year to speed up responses to patients' complaints.



This level of response is within the top 20% nationally.

Examples of improvements to care which have resulted from complaints include:

- Appointing dedicated staff to help patients eating and drinking at meal times
- Clearer signage in outpatients department at Pilgrim Hospital
- Improved facilities and practice for gynaecology patients in outpatients to support privacy and dignity
- Revised practices for administration of drugs in neonatal units
- Better parking and signage for disabled users

	LINCOLN	BOSTON	GRANTHAM
% acknowledgement within 2 days	97.3%	96.6%	98.4%
% response within 20 days	82.9%	75%	90.6%
Total number of complaints	379	265	66

This procedure allows complainants who are dissatisfied with the Trust's response to appeal to a local convenor who is a non-executive director. The convenor decides whether the complaint should be heard by an Independent Review, referred back for local resolution or whether no further action should be taken. Complainants also have the right to refer their complaint to the Ombudsman.

Total number of requests for Independent Review	8
Number of panels convened	0
Number referred back for local resolution	4
Number of requests refused	4
Number referred to the Ombudsman	1
Number to be investigated by Ombudsman	0

Financial accounts

During the financial year ended 31 March 2003, the Trust faced a number of challenges...

Financial Performance for the year ended 31 March 2003

During the financial year ended 31 March 2003, the Trust faced a number of challenges including continuing high activity levels and demanding waiting list targets as well as service developments, building refurbishments and replacement of the Nightingale wards at Lincoln and Grantham.

Added to which the Trust has faced cost pressures such as recruitment difficulties leading to the use of agency staff. Despite this, through the hard work of front line and support staff and with the planned support of Trent Strategic Health Authority, the Trust has achieved all of its financial targets as follows:

- Ensuring that expenditure is contained within income levels for the year (financial break-even)
- Managing cash resources to ensure compliance with the External Financing Limit
- Absorbing the cost of capital at a rate of 6% against net relevant assets
- Containing capital expenditure within its Capital Resource Limit.

In addition the Trust has reduced its management costs as a percentage of income and improved achievement against the Public Sector Payments Policy Target.

Summary Financial Statements 2002/03

These Summary Financial Statements have been prepared from the Trust's full financial statements, which were adopted by the Board of United Lincolnshire Hospitals NHS Trust at its meeting held on 1 August 2003.

Signature Removed

Signed:.....
Date: 1 August 2003
John Willetts, Interim Chief Executive

Signature Removed

Signed:.....
Date: 1 August 2003
Philip Sheward, Interim Director of Finance

Copies of the Trust's full audited financial statements can be obtained without charge from:
The Director of Finance, United Lincolnshire Hospitals NHS Trust, Trust Headquarters, Grantham & District Hospital,101 Manthorpe Road, Grantham, Lincolnshire, NG31 8DG

Statement of Director's responsibility in respect of internal control

The Board is accountable for internal control. As Accountable Officer, and Chief Executive Officer of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's objectives, and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the organisation's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. The system of internal control is underpinned by compliance with the requirements of the core controls assurance standards:

- Governance
- Financial management
- Risk management.

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control has taken account of the work of the executive management team within the organisation who have responsibility for the development and maintenance of the internal control framework, and of the internal auditors. I have also taken account of comments made by external auditors and other review bodies in their reports.

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

The actions taken so far include:

- The organisation has continued to undertake a self-assessment exercise against the core controls assurance standards (governance, financial management and risk management). A revised plan of action has been developed and implemented to meet any gaps
- The organisation has in place arrangements to monitor, as part of its risk identification and management processes, compliance with other key standards, including relevant controls assurance standards covering areas of potentially significant organisational risk
- Risk awareness training for key staff.

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

- review internal performance management systems (Quarter 2 2003/04)
- review effectiveness of risk management processes (Quarter 4 2003/04)
- review reporting arrangements for non-clinical risks (Quarter 3 2003/04)
- review and address training issues relating to complaints management (Quarter 3 2003/04)

Signature Removed

Signed:.....
Date: 1 August 2003
John Willetts, Interim Chief Executive (on behalf of the Board)

Independent Auditor's Report to the Directors of United Lincolnshire Hospitals NHS Trust on the Summary Financial Statements

I have examined the summary financial statements set out on pages 14 to 19.

This report is made solely to the Board of United Lincolnshire Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 54 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements 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 are consistent with the statutory financial statements of the Trust for the year ended 31 March 2003 on which we have issued an unqualified opinion.

Signature Removed

Signed:.....
Date: 4 August 2003
Neil Bellamy, District Auditor, 1st Floor, Bridge Business Park, Bridge Park Road, Thurmaston, Leicester LE4 8BL

Summary Income and Expenditure Account for the year ended 31 March 2003

	2002/03 £000	2001/02 £000
Income from activities (continuing operations)	**221,170**	203,088
Other operating income (continuing operations)	**19,006**	16,019
Operating expenses (continuing operations)	**(230,422)**	(210,607)
OPERATING SURPLUS (DEFICIT)	**9,754**	8,500
Exceptional gain: on write-out of clinical negligence provisions	**0**	12,812
Exceptional loss: on write-out of clinical negligence debtors	**0**	(12,812)
Cost of fundamental reorganisation/restructuring	**0**	0
Profit (loss) on disposal of fixed assets	**5**	45
SURPLUS (DEFICIT) BEFORE INTEREST	**9,759**	8,545
Interest receivable	**343**	249
Interest payable	**(30)**	0
Other finance costs - unwinding of discount	**(21)**	(321)
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR	**10,051**	8,473
Public Dividend Capital dividends payable	**(9,972)**	(8,470)
RETAINED SURPLUS (DEFICIT) FOR THE YEAR	**79**	3

The Trust is continuing to put plans in place to achieve a recurrent balanced I&E position through three year recovery plans agreed with the Strategic Health Authority. The Trust's Financial Plan for 2003/04 (approved by the Board in June 2003) includes proposals for delivering £9.1 million of savings required to manage back to balance, of which £2.5 million has been assessed as high risk.

Balance sheet as at 31 March 2003

	31 March 2003 £000	31 March 2002 £000
FIXED ASSETS	**122**	188
Intangible assets	**189,159**	164,078
Tangible assets	**189,281**	164,266
CURRENT ASSETS	**3,641**	3,205
Stocks and work in progress	**11,607**	10,968
Debtors	**0**	0
Investments	**1,313**	928
Cash at bank and in hand	**16,561**	15,101
CURRENT LIABILITIES	**(21,106)**	(20,087)
CREDITORS: Amounts falling due within one year		
NET CURRENT ASSETS (LIABILITIES)	**(4,545)**	(4,986)
TOTAL ASSETS LESS CURRENT LIABILITIES	**184,736**	159,280
CREDITORS: Amounts falling due after more than one year	**(152)**	(356)
PROVISIONS FOR LIABILITIES AND CHARGES	**(2,154)**	(1,875)
TOTAL ASSETS EMPLOYED	**182,430**	157,049
FINANCED BY TAXPAYERS' EQUITY		
Public dividend capital	**153,989**	148,937
Revaluation reserve	**21,396**	3,642
Donated Asset reserve	**3,839**	3,851
Government grant reserve	**0**	0
Other reserves	**190**	190
Income and expenditure reserve	**3,016**	429
TOTAL TAXPAYERS EQUITY	**182,430**	157,049

Summary Cash Flow Statement for the year ended 31 March 2003

	2002/03 £000	2001/02 £000
OPERATING ACTIVITIES		
Net cash inflow/(outflow)	**18,852**	22,946
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Net cash inflow/(outflow)	**318**	244
CAPITAL EXPENDITURE		
Net cash inflow/(outflow)	**(14,013)**	(14,017)
DIVIDENDS PAID		
Net cash inflow/(outflow)	**(10,072)**	(8,470)
MANAGEMENT OF LIQUID RESOURCES		
Net cash inflow/(outflow)	**0**	0
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	**(4,915)**	703
FINANCING		
Net cash inflow/(outflow)	**4,922**	(703)
INCREASE/(DECREASE) IN CASH	**7**	0

Summary Statement of Total Recognised Gains and Losses for the year ended 31 March 2003

	2002/03 £000	2001/02 £000
Surplus (deficit) for the financial year before dividend payments	**10,051**	8,473
Fixed asset impairment losses	**0**	0
Unrealised surplus (deficit) on fixed asset revaluations/indexation	**20,791**	3,339
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**288**	882
Reductions in the donated asset and government grant reserve due to the depreciation, impairment and disposal of donated and government grant financed assets	**(479)**	(472)
Additions/(reductions) in "other reserves"	**0**	0
Total recognised gains and losses for the financial year	**30,651**	12,222
Prior period adjustment		
- Pre-95 early retirement (Note 11.1)	**(352)**	0
- Other	**0**	0
Total gains and losses recognised in the financial year	**30,299**	12,222

Salary and Pension Entitlements of Senior Managers

Name and Title	Age	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Golden hellos compensation for loss of office £000
TRUST BOARD				
Chair				
Mrs J Green OBE	**54**	**20-25**	**0**	**0**
Non Executive Directors				
Councillor M Anderson	**47**	**5-10**	**0**	**0**
Mr B Gosling	**63**	**5-10**	**0**	**0**
Mrs E Grenfell	**61**	**5-10**	**0**	**0**
Mr J Hanlon OBE	**58**	**5-10**	**0**	**0**
Mrs J Makinson-Sanders	**54**	**5-10**	**0**	**0**
Mr N Mapstone	**48**	**5-10**	**0**	**0**
Dr W Proudlock	**62**	**5-10**	**0**	**0**
Chief Executive				
Mr D Loasby	**45**	**110-115**	**0**	**0**
Director of Finance				
Mr M Gibbs (until 15-11-02)	**39**	**50-55**	**0**	**40**
Mr P Sheward (acting 11-10-02 to 7-2-03)	**56**	**"Consent to disclose withheld"**		
Mr A Waite (joint acting 10-2-03 to present)	**37**	**5-10**	Salary and pension costs included in the accounts of their employing organisation.	
Mr K Simkins (joint acting 10-2-03 to present)	**39**	**5-10**	Salary and pension costs included in the accounts of their employing organisation.	
Medical Director				
Dr M Fairman (until 18-8-02)	**57**	**35-40**	**5-10**	**0**
Dr K Sands (from 19-8-02)	**54**	**70-75**	**16-20**	**0**
Director of Nursing and Midwifery				
Miss S Skelton	**53**	**75-80**	**0**	**0**
Director of Human Resources				
Mr A Avery	**55**	**75-80**	**0**	**0**
OTHER DIRECTORS				
Director of Facilities				
Mr N Schofield	**44**	**60-65**	**0**	**0**
Director of IM&T				
Mr M Przystupa	**46**	**60-65**	**0**	**0**
Director of Strategic Development				
Mrs S Wallace (seconded 24-11-02)	**46**	**45-50**	**0**	**0**
Mrs J King (acting 25-11-02 to present)	**56**	**20-25**	**0**	**0**
Divisional Director				
Mr P Howie	**40**	**60-65**	**0**	**0**
Mr D Libiszewski	**52**	**55-60**	**0**	**0**
Mrs K Rossdale	**44**	**55-60**	**0**	**0**

Non-Executive Directors' benefits in kind relate to payments of tax and national insurance contributions in respect of travel expenses. All other benefits in kind relate to leased vehicles.

The Pensions/Benefits In Kind disclosures in respect of the Joint Acting Directors of Finance (A Waite and K Simkins) have been included in the accounts of their employing organisation (Queen's Medical Centre, Nottingham University Hospital NHS Trust). The amounts shown as Salary relate to recharges from that organisation.

Mr P Sheward (Acting Director of Finance) is an external consultant.
The Director of Strategic Development pension increases are shown gross of secondments out of the organisation/other posts held.

Benefits in kind £000	Real increase in pension at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2003 (bands of £5000) £000
2	0	0
2	0	0
1	0	0
0	0	0
0	0	0
2	0	0
2	0	0
1	0	0
0	0-2.5	30-35
0	0-2.5	5-10
1	0-2.5	40-45
2	0-2.5	35-40
0	0-2.5	30-35
0	0-2.5	5-10
0	0-2.5	10-15
0	0-2.5	20-25
0	0	20-25
0	0-2.5	15-20
1	0-2.5	15-20
2	0-2.5	20-25
0	0-2.5	15-20

Public Sector Payment Policy

Better Payment Practice Code - measure of compliance

	Number	£000
Total bills paid in the year	**93,367**	**63,412**
Total bills paid within target	**83,441**	**53,731**
Percentage of bills paid within target	**89.37%**	**84.73%**

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

The Late Payment of Commercial Debts (Interest) Act 1998

	2002/03 £000	2001/02 £000
Amounts included within Interest Payable (Note 9) arising from claims made under this legislation	1	0
Compensation paid to cover debt recovery costs under this legislation	0	0

Management costs

	2002/03 £000	2001/02 £000
Management costs	**8,240**	7,600
Income	**240,176**	219,107

Our staff

Staff in post as at 31 March 2003

	WTE	Headcount
Admin & Clerical	818.71	1048
Ancillary	660.57	985
Maintenance	94.00	94
Medical & Dental	564.41	603
Nursing & Midwifery - Qualified	1767.16	2168
Nursing & Midwifery - Unqualified	796.88	1012
Senior Managers	161.38	164
Scientific, Professional & Technical	312.51	362
AHPs (Allied Health Professionals)	332.85	389
Totals	5508.47	6825

The Trust Board

Chairman	Jenny Green OBE+
Chief Executive	David Loasby (until May 2003)+
	John Willetts (May 2003 until August 2003)+
	Roger Paffard (from 1 September 2003)
Non Executive Directors	Councillor Mark Anderson+
	Barrie Gosling+
	Liza Grenfell*+
	John Hanlon OBE+
	Jill Makinson-Sanders+
	Nicholas Mapstone*+
	Dr Bill Proudlock*+
Executive Directors	Dr Martin Fairman, Medical Director (until August 2002)
	Dr Keith Sands, Medical Director (from August 2002)
	Sarah Skelton, Director of Nursing & Midwifery
	Mark Gibbs, Director of Finance (until November 2002)*
	Phil Sheward, Director of Finance (Acting from October 2002 to February 2003)*
	Tony Waite, Director of Finance (Joint Acting from February 2003 to end of financial year)*
	Karl Simkins, Director of Finance (Joint Acting from February 2003 to end of financial year)*
	Andrew Avery, Director of Human Resources
Other Directors	Sue Wallace, Director of Strategic Development (until November 2002)
	Janet King, Director of Strategic Development (Acting from November 2002)
	Mick Przystupa, Director of Information Management & Technology
	Nigel Schofield, Director of Facilities
	David Libiszewksi, Director of Surgery (until April 2003)
	Peter Howie, Director of Surgery (from April 2003)
	Karen Rossdale, Divisional Director for Medicine
	Peter Howie, Divisional Director for Women's, Children's and Clinical Support Services (until April 2003)
	Sandra Boardman, Divisional Director for Women's, Children's and Clinical Support Services (Acting from April 2003)

* denotes member of Audit Committee

+ denotes member of Remuneration Committee

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