Changing the face of healthcare
This is our report to you about The Ipswich Hospital NHS Trust. We are one of the busiest and largest NHS Trusts in the East of England providing health care to more than 400,000 people who live in Ipswich and East Suffolk.

The title of this report, Changing the face of healthcare, sums up how health services are changing to make sure that our patients are at the centre of everything that we do. This is the clear focus of the NHS National Plan – a 10-year programme of investment and reform, which was launched in 2000 and updated this summer.

Putting patients at the centre involves working with everyone involved in managing health services, local communities and people who use our services.

In East Suffolk there are three Primary Care Trusts – Central Suffolk, Ipswich and Suffolk Coastal. Together with our hospital Trust, Social Services and the specialist mental health Trust – Suffolk Mental Health Partnership Trust, we work together as the East Suffolk health and social care system.

Listening to and acting on the viewpoints of people who use services and to the dedicated staff who work within the NHS is vital if we are going to be able to really put patients at the centre of what we do. Community and voluntary groups are closely involved with the work of each Trust and in our Trust we have the Ipswich Hospital User Group (IHUG), which includes the chair of each of our 12 patient partnership (or user) groups. Each user group represents a different service – for example, cancer services, cardiology or hearing services.

We believe one word best captures the past year in our hospital – exceptional.

It has been an exceptionally busy year with unprecedented pressure on beds because of the increasing demand for emergency treatment. Our bed occupancy rates have been the highest ever experienced – well above the national recommendation of 84 to 86%. There have been many times when the occupancy rate has risen to 99.8%.

We were awarded two stars in this year’s NHS Performance Indicators, also known as ‘star ratings’. Keeping two stars against this background is a real achievement and entirely due to the exceptional hard work and dedication of everyone who works at and is involved with the Trust. Our challenge now is to capture three stars in the coming years.

Our star rating does not detract from the excellent clinical care, and the high regard our community has for this hospital.

There are nine key performance indicators, which form the basis of the criteria used to assess each Trust's star ratings. We achieved eight out of the nine key indicators. We ‘marginally failed’ the financial balance standard having a deficit of less than 1% of turnover. However the Trust would have had a balanced income and expenditure if the costs of the new Consultant Contract, which became known in the later part of the year, had been fully funded by the Government.

This must also be seen in the context of our acknowledged high levels of efficiency, the Trust’s costs being 13% less than the national average.

It was also an exceptional year for investing in new services – £10.7 million which is part of our £34 million development programme for the Trust. This meant that we were able to develop the first stage of this programme with the opening of Framlingham Ward, two new day surgery theatres and the Stour Gynaecology Oncology Centre.

Much careful and detailed work in developing the Garrett Anderson Centre – our new critical care centre, day surgery suite, accident and emergency department and elective treatment centre, has continued throughout the year. The Garrett Anderson Centre is due to be completed in 2007. This is a partnership project through the Private Finance Initiative.

Changing the way we care – transforming the face of healthcare by putting people at the centre of all we do, and working collectively with all our health care partners is the shared aim of all NHS and social care...
What we’re here to do

Our purpose is to provide high quality diagnosis, treatment and care and to work in partnership with other organisations and agencies to improve the health of our community. We are dedicated to providing fair, equal and prompt access to our services for all.

We have five clear objectives

- To nurture a culture where increasing focus is placed on improving the patient experience and developing staff within a learning organisation.
- To deliver an all-round level of performance that ensures the Trust progresses towards recognition as a three-star hospital.
- To develop the hospital in line with the NHS Plan with an emphasis on quality.
- To work in partnership with, and support, other organisations to develop the local health and social care economy and promote The Ipswich Hospital NHS Trust as the secondary care provider of choice.
- To create a framework of Governance that integrates corporate, financial, clinical, estates & facilities and information issues, using a risk management approach.

The way we will do this is based on our principles which are to

- Strive for excellence in everything we do.
- Invest in our staff.
- Work for and alongside our patients, their families and carers.
- Be active partners in promoting better health in our community.
- Be accountable for our performance and governance.

Christine Smart
Chairman

Chris Dooley
Chief Executive (Acting)
The Ipswich Hospital NHS Trust is a National Health Service Trust providing hospital-based health care to more than 400,000 people who live in Ipswich and East Suffolk. The Secretary of State for Health approved Trust status for The Ipswich Hospital in April 1993.

It is one of the largest general hospitals in the Norfolk, Suffolk and Cambridgeshire Strategic Health Authority and provides a full range of hospital services including specialist services such as Oncology and Radiotherapy. The hospital has 800 beds on its 46-acre site. More than 4,000 staff work at the Trust.

Improving the health and well-being of people who live in East Suffolk is the shared aim of all NHS and social care organisations in our health system. A Local Delivery Plan is drawn up each year together with all health and social care colleagues to take forward the goals of the NHS Plan and to tackle health inequalities.

The overall management of the Trust is the responsibility of the Trust Board which is made up of a Chairman, five non-executive and five executive directors.

All non-executive directors are appointed by the NHS Appointments Commission. Each post is widely advertised in the media and applications are encouraged from anyone who feels they have skills and expertise which will benefit an NHS Trust. Open competition and a selection process designed to ensure fairness and equality is in place.

The Chairman and all non-executive directors are members of the Trust Board, Remuneration Committee and Communications Forum. Tony Schur, Liz Harlaar and John Mowles are members of the Audit Committee.

The Chairman and Non-Executives

Christine Smart  Chairman
Tony Schur   Vice Chairman
Liz Harlaar    Non-Executive Director
Celia Drakard  Non-Executive Director
John Mowles    Non-Executive Director
John Carnall  Non-Executive Director **
Geoffrey Arrand  Non-Executive Director *

* Geoffrey Arrand retired as a Non-Executive Director on 30 October 2003.
** John Carnall took up his appointment as a Non-Executive Director on 1 November 2003.

The Trust Executive Directors are

Chris Dooley  Chief Executive (acting)*
Ian Scott    Trust Medical Director
Clare Barlow  Director of Nursing & Operations
Jennifer Jones  Director of Human & Corporate Resources
Craig Black  Director of Finance & Performance (acting)

* Paul Forden who is Chief Executive of The Ipswich Hospital NHS Trust is currently on a six month secondment as Chief Executive (acting) at the Norfolk and Norwich University Hospital NHS Trust. He took up this responsibility on 14 June 2004.

Chris Dooley, who is our Director of Finance & Performance is currently Chief Executive (acting) of The Ipswich Hospital NHS Trust. Craig Black is currently Director of Finance and Performance (acting).

More about OUR TRUST
Making sure staff have every opportunity to be fully involved and informed about what is planned and happening at the Trust is at the heart of the Trust’s approach to staff involvement and engagement.

Colleagues working throughout the Trust are encouraged and supported to be part of working groups tackling particular issues or projects on behalf of the Trust.

We were one of the first Trusts in the Eastern Region this year to be awarded the prestigious national Investor in People award, which recognises excellence in people management.

Regular forums are also held for staff to debate issues of importance and interest with senior executives including the Trust’s Communication Forum and the Joint Consultative/Negotiating Group (JCN), both of which meet monthly. The Trust also publishes a weekly news briefing, monthly newsletter and a quarterly news magazine to keep staff up-to-date with news.

A Race Equality Scheme has been drawn up which includes a strategy and action plan detailing how the Trust will promote equality of opportunity, good relations between people of different racial groups to promote racial equality, and eliminate unlawful racial discrimination. This, together with a supporting action plan, is designed to make sure that we recognise and value the contribution of each person and richness of a diverse community.

There is a BME (black and minority ethnic) Network for staff working throughout the NHS in East Suffolk. We also have a patient partnership group called Respecting Diversity, which looks at how we respect different cultures, traditions and ethnic issues. The Trust is an equal opportunities employer and has a range of employment policies and practices in place to make sure that our commitment to equality of opportunity is enacted in the workplace.

More about OUR TRUST
We are also committed to making sure that no job applicant or employee receives less favourable treatment because of their race, colour, disability, ethnic or national origin, nationality or on the ground of their sex or marital status or sexual orientation; or is disadvantaged by conditions or requirements which are not justified by the job to be done.

The Trust has been recognised by the Employment Service (Department for Work and Pensions) for having sound employment policies and practices which make sure that all applicants and employees are treated fairly, including people who already have a disability or become disabled during the course of their employment. This recognition takes the form of the ‘two ticks disability symbol’. Our Equal Opportunities and The Employment of People with Disabilities policies are also frequently reviewed.

The Trust’s Research and Development Strategy (which also contains a policy and operational procedure for the management of intellectual property), is well established throughout the Trust since being introduced in Autumn 2000. Staff working in the Research and Development office provide support and guidance to all Trust colleagues.

The Research Office has over 300 research projects registered across all the clinical specialities.

The hospital is now the Research Management and Governance lead for four of the five primary care trusts in Suffolk. As part of this initiative, the hospital is taking a leading role in the establishment of the East & West Suffolk Research Consortium.

**Governance**

Clinical Governance is about continual improvement in the quality of care provided by NHS organisations, and ensuring that improvements, where needed, are made in a climate which is supportive, open and learning. The Trust has a Clinical Governance Committee chaired by a non-executive director. The Clinical Governance Committee has a vital role in bringing change, and considers clinical developments, service improvements, risk management and internal control issues throughout the Trust. The Trust complies with the new clinical governance reporting framework issued in November 2002.

**Major incident planning**

The Trust has in place a major incident plan which is fully compliant with ‘Handling Major Incidents: An Operational Doctrine’ and accompanying NHS guidance on major incident preparedness and planning.

**A learning organisation**

We strongly encourage people who use the Trust – patients, their relatives and friends – to tell us what they think about their treatment and care. This helps us to continually improve services and to address problems quickly. Information leaflets and posters in wards, clinics and reception areas set out how people can make their views known.

The number of written complaints received during 2003/2004 was 301, of which 298 were resolved locally. During this year, there were 12 requests for complaints to be considered by an independent review panel. However, nine were resolved locally and three were considered by an independent review panel.

There are nationally set performance targets for the time limit for local resolution of complaints. The Trust met this target in 74% of all cases. The complexity of complaints accounts for the 26% of cases where we were not able to meet the 20 day deadline.

Improvements to services arising from complaints investigation include:

- Strengthening interpreting service
- Putting in place a better system for dealing with patients’ lost property
- Continuing to improve catering and cleaning and review policies and procedures.

We comply with all the national guidelines on privacy and dignity regarding single sex accommodation and are working towards achieving the guidelines on bathing facilities.
At a glance

ACTIVITY
In 2003/04 The Ipswich Hospital NHS Trust treated
Patients attending Accident & Emergency 55,943
Patients attending Out Patients Departments 267,672
Patients treated as In Patients
  Elective In Patients 10,457
  Elective Day Cases 15,788
  Non-Elective In Patients (including Maternity) 31,664
Total In Patients 57,909
Number of Operations 20,964
Number of Pathology Tests 5,000,000
Number of Births 3,511

FINANCE
In 2003/04 The Ipswich Hospital NHS Trust spent
Pay £93.7m
Non-Pay £50.4m
Non-Pay expenditure included
  Drugs £10.3m
  Medical & Surgical Equipment £8.3m
  Energy £0.7m
In addition we invested £10.7m in Capital Schemes
For 2004/05 The Ipswich Hospital NHS Trust has an income of £164m which includes an income growth of £18.49m. In addition we also plan to invest £5.1m in capital schemes.
The Trust generated an income of £5.5m in 2003/04. Two of the largest areas of income generation are private patients and our pharmacy manufacturing unit.

STAFF
In 2003/04 The Trust employed w.t.e
Doctors and Dentists 321
Nurses, Midwives, Health Visitors, HCAs and support staff 1,373
Scientific, therapeutic and technical staff 673
Administration and Estates 572
Other 120
Total 3,059

These figures represent whole time equivalent staff. The Trust actually employs about 4,000 local people.
A £34 million development programme for The Ipswich Hospital NHS Trust is underway and this year more than £10 million has been invested in new services.

These include:
- A state of the art new ward at the hospital welcomed its first patients in October. This specially designed and purpose-built ward was delivered to the hospital by a convoy of 27 lorries.
- Clinicians and staff based in the new ward were delighted that Framlingham Town Council readily agreed with their suggestion to call the latest addition to the hospital Framlingham Ward.
- Terry Hunt, editor of the East Anglian Daily Times, who grew up in Framlingham, together with Christine Smart, Chairman of The Ipswich Hospital NHS Trust and David Griffiths, Chairman of Framlingham Town Council formally opened the new ward in September 2003.
- The £1.8 million ward cares for people with diabetes and endocrine (hormone) problems. It also has a clinical investigation unit.
- Framlingham Ward has its own treatment unit and has given clinicians and staff the chance to develop new ways of working together and caring for people.
- Our new Ophthalmic Day Theatre Unit opened straight after the New Year. The specialist theatre suite complete with the latest equipment has meant that people now have much faster access to operations, care and treatment.
- Ivan Henderson MP formally opened a £600,000 extension to the hospital’s major renal unit on Friday, 16 January 2004. The new wing means that more patients will be able to be treated closer to home. People living in North Essex who need dialysis for kidney disease will now have much shorter travelling times. At the moment, people living in North Essex have to travel to Cambridge or London for dialysis, for some people this can mean a six-hour journey.
- The spacious treatment centre with six stations, and the latest state-of-the-art medical equipment, will benefit patients living throughout Suffolk and North Essex. The new wing will offer very specialist care for people including expert support for patients.
- The first Chemotherapy Outreach programme in Britain is underway at The Ipswich Hospital NHS Trust.
- Cancer patients are now able to have chemotherapy much closer to home, in local community hospitals, GP surgeries and even in their own homes throughout East Suffolk. This pioneering service is proving to be hugely beneficial for people, who no longer have to make often tiring journeys into hospital for treatment.
- Jo Henriott, chemotherapy outreach nurse specialist, leads the programme, which has been funded by national cancer monies and The Ipswich Hospital NHS Trust. “We now have people receiving chemotherapy in Aldeburgh Community Hospital, Violet Hill Health Centre in Stowmarket and Orwell Road Health Centre in Felixstowe. In the New Year we launched the service in Hadleigh,” explained Jo, who was ward sister of the hospital’s specialist cancer in-patient centre, Somersham Ward, for three years before taking up her new role in May.
- “The first step for us in setting up the new service was to ask our patients who were receiving chemotherapy treatment in hospital, to tell us where they would ideally like to have this treatment, listing five places in the community and the hospital itself,” Jo explained.
- “The results of the survey strongly supported providing chemotherapy and blood-related products in the community and the vast majority of people considered distance to travel and convenience to be the most important reason for choosing a community setting,” Jo continued. “Some people travel up to 30 miles to reach the hospital which is a long round trip,” she added.
- Thanks to funding from The Ipswich Hospital NHS Trust and the National Cancer Action Team, support from all three Primary Care Trusts in East Suffolk, and the generosity of the Somersham Ward Support Group who funded some of the equipment needed to launch the service, the programme is proving to be highly successful and valued by people.

Dedicated to BETTER CARE
Our staff are our stars – without them nothing would be possible and teams of colleagues are working throughout the Trust to put into action plans and ideas about how to bring a better balance between work and home life. Improving Working Lives is a national initiative within the NHS and we were the first Trust in the Eastern Region to receive Improving Working Lives accreditation. Now we are working hard to achieve Practice Plus accreditation – the final stage of this initiative.

Here are some of the good things about working at The Ipswich Hospital NHS Trust, which our staff have identified.

**Good things about working at our hospital**

- Self-referral to Occupational Health
- Mediation service
- Fast-track physiotherapy
- Workshops to reduce bullying and harassment issues, & clear policy in place
- Personal safety training
- Aerobics, yoga, head massage available on site
- International recruitment
- Job Shop held each month

- Courses available to deepen understanding of different faiths and cultures
- Respecting Diversity User Group
- Black & minority ethnic networks for staff
- Ethnicity online – cultural awareness in healthcare
- Outreach work with all our communities
- Self-Rostering (wherever possible)
- Annualised hours
- Term-time only contracts
- Hunnitots on-site nursery, holiday club – extended opening hours of nursery from 7am to 7pm

- Personalised annual leave (opportunity to buy or sell leave)
- Workshops on flexible working
- Flexible working available to everyone – each application is considered individually
- Central Staff Bank
- Training & education available for everyone
- Bite Size courses run in hospital
- Flexible nurse training
- Skills escalator
- NHS Apprenticeships

- Flexible Retirement
- Charter for Family Carers in Suffolk
- Special Leave
- Child-care co-ordinator
- Retirement seminars
- CARE – Listening Service for Staff
- Staff Communication via Inform, In Touch, This Week
- Intranet providing the latest news and information for staff
- Online Staff Suggestion Box
- Zero tolerance attitude towards violence & harassment
- On-site security
- Community police station and dedicated police officers on-site
- A friendly, family atmosphere helped by Maternity/Adoption/Paternity/Parental Leave
- Diploma, Degree & Masters Pathways
- Individualised Induction and Orientation Packages
- Information, advice and guidance on personal and professional development by nationally accredited staff
- Staff Benefits including discounted shopping
- NHS Pension Scheme
- Career break scheme
- Secondment opportunities

We have an on-site Occupational Health department and all staff can ‘self-ref’ to the team of specialist doctors, nurses and advisers working in the service. Making sure the hospital is a safe and healthy workplace is a key priority for the Trust. Health and safety advisers and risk managers work throughout the hospital to support and advise colleagues. All front line staff who work with patients undertake safe moving and handling courses each year.
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<th>Key Targets</th>
<th>Apr-03</th>
<th>May-03</th>
<th>Jun-03</th>
<th>Jul-03</th>
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<td>Total time in A&amp;E: % of patients waiting less than 4 hrs in A&amp;E from arrival to admission, transfer or discharge</td>
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</tr>
<tr>
<td>Two Week Cancer Waits</td>
<td></td>
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<tr>
<td>Percentage of patients seen within 2 weeks of urgent GP referral for suspected cancer</td>
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</tr>
<tr>
<td>Percentage of patients seen within 2 weeks of urgent GP referral for suspected cancer</td>
<td>Target</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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</tr>
<tr>
<td>Percentage of patients seen within 2 weeks of urgent GP referral for suspected cancer</td>
<td>Actual</td>
<td>100%</td>
<td>100%</td>
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<td>100%</td>
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</tr>
<tr>
<td>Improving working lives</td>
<td></td>
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</tr>
<tr>
<td>Achievement of Improving Working Lives (IWL)</td>
<td></td>
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<tr>
<td>Achievement of IWL</td>
<td>Target</td>
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<td>Achievement of IWL</td>
<td>Actual</td>
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<tr>
<td>Hospital cleanliness</td>
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</tr>
<tr>
<td>Whole hospital score, including cleanliness, formulated against Patient Environment Action Team (PEAT) visits.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Hospital cleanliness</td>
<td>Target</td>
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<tr>
<td>Hospital cleanliness</td>
<td>Actual</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Delayed Transfers of Care</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>% patients whose transfer of care from hospital was delayed</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>% patients whose transfer of care from hospital was delayed</td>
<td>Target</td>
<td>2.3%</td>
<td>3.5%</td>
<td>3.8%</td>
<td>2.0%</td>
<td>5.2%</td>
<td>5.2%</td>
<td>8.4%</td>
<td>4.7%</td>
<td>3.8%</td>
<td>4.8%</td>
<td>3.8%</td>
</tr>
<tr>
<td>% patients whose transfer of care from hospital was delayed</td>
<td>Actual</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Daycases, % of Basket of 25 Admitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Basket of 25 Admitted</td>
<td>Target</td>
<td>57%</td>
<td>57%</td>
<td>60%</td>
<td>63%</td>
<td>69%</td>
<td>74%</td>
<td>74%</td>
<td>76%</td>
<td>72%</td>
<td>79%</td>
<td>73%</td>
</tr>
<tr>
<td>% of Basket of 25 Admitted</td>
<td>Actual</td>
<td>57%</td>
<td>57%</td>
<td>60%</td>
<td>63%</td>
<td>69%</td>
<td>74%</td>
<td>74%</td>
<td>76%</td>
<td>72%</td>
<td>79%</td>
<td>73%</td>
</tr>
<tr>
<td>Cancelled operations not admitted within 28 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of patients not readmitted within 28 days of operation cancelled for non-clinical reasons on the day.</td>
<td>Plan</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No. of patients not readmitted within 28 days of operation cancelled for non-clinical reasons on the day.</td>
<td>Actual</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>% of Elective Admissions</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Elective Admissions</td>
<td>Target</td>
<td>0.15%</td>
<td>0.25%</td>
<td>0.25%</td>
<td>0.35%</td>
<td>0.30%</td>
<td>0.04%</td>
<td>0.08%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>% of Elective Admissions</td>
<td>Actual</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.15%</td>
</tr>
</tbody>
</table>
Value for money activities
We have undertaken numerous reviews during the year to identify opportunities for maximising value for money in the use of Trust resources. Our external auditors, PricewaterhouseCoopers LLP, have carried out on behalf of the Audit Commission reviews of the Trust's facilities management, IT and records, pathology, therapy and dietetics services, comparing performance in these areas against that of other Trusts. We are actioning the recommendations arising from these reviews.

Future Prospects
2004/05 begins with no change to the significant financial pressures facing the Health system within East Suffolk. It is imperative that we continue to work with our local Primary Care Trusts to address the underlying financial problem and in seeking ways to minimise the increase in emergency activity as far as possible. We face significant challenges in continuing to reduce the waiting times for both inpatient and outpatient treatment whilst delivering shorter waiting times to patients receiving treatment within the Accident and Emergency department.

One of the most significant challenges facing the Trust, and the rest of the Health Service, in this year is the change to the pay system under which the majority of staff are remunerated. Agenda for Change represents a huge management task for the Trust and could bring with it a considerable financial risk.

In the longer term, the Trust is likely to benefit financially through the new Payment by Results framework. Payment will be made according to a national tariff, which should result in an increase in income. This will give the Trust a chance to address longstanding areas of underinvestment and acknowledged low levels of staffing throughout the organisation. Notwithstanding this future gain, it is as vital as ever that the Trust achieves financial balance this year.

Details of the Trust’s compliance with the Better Payment Practice Codes are given on page 28. The Trust complied with the NHS Executive’s letter on managers pay for 2003/04. Details of management and administrative costs are also given on page 28.
### Income and expenditure account for the year ended 31 March 2004

<table>
<thead>
<tr>
<th></th>
<th>2003/04</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income from activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>132,439</td>
<td>119,676</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuig operations</td>
<td>13,751</td>
<td>12,788</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>(144,174)</td>
<td>(126,224)</td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>2,016</td>
<td>6,240</td>
</tr>
<tr>
<td><strong>Loss on disposal of fixed assets</strong></td>
<td>(10)</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>SURPLUS BEFORE INTEREST</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,006</td>
<td>6,225</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>149</td>
<td>133</td>
</tr>
<tr>
<td>Other finance costs – unwinding of discount</td>
<td>(41)</td>
<td>(61)</td>
</tr>
<tr>
<td>Other finance costs – change in discount rate on provisions</td>
<td>(142)</td>
<td>0</td>
</tr>
<tr>
<td><strong>SURPLUS FOR THE FINANCIAL YEAR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,972</td>
<td>6,297</td>
</tr>
<tr>
<td>Public Dividend Capital dividends payable</td>
<td>(3,376)</td>
<td>(5,305)</td>
</tr>
<tr>
<td><strong>RETAINED (DEFICIT)/SURPLUS FOR THE YEAR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,404)</td>
<td>992</td>
</tr>
</tbody>
</table>

### NOTE TO THE NHS TRUST INCOME AND EXPENDITURE ACCOUNT

These statements summarise the information contained in the Trust’s full financial statements for the year ended 31 March 2004, the auditors’ report on which was unqualified, and a copy of which can be obtained from Craig Black, Director of Finance & Performance (Acting), The Ipswich Hospital NHS Trust, Heath Road, Ipswich IP4 5PD, Tel 01473 702120.
Balance sheet as at 31 March 2004

31 March 2004 2002/03

**FIXED ASSETS**

Intangible assets 1,418 272
Tangible assets 104,678 95,591

**CURRENT ASSETS**

Stocks and work in progress 1,653 1,404
Debtors 10,427 5,128
Cash at bank and in hand 346 346

**CREDITORS**

Amounts falling due within one year (13,994) (7,825)

**NET CURRENT (LIABILITIES)**

(1,568) (947)

**TOTAL ASSETS LESS CURRENT LIABILITIES**

104,528 94,916

**PROVISIONS FOR LIABILITIES AND CHARGES**

(3,425) (1,185)

**TOTAL ASSETS EMPLOYED**

101,103 93,731

FINANCED BY

**TAXPAYERS’ EQUITY**

Public dividend capital 60,243 55,959
Revaluation reserve 42,340 38,386
Donated Asset reserve 477 399
Income and expenditure reserve (1,957) (1,013)

**TOTAL TAXPAYERS EQUITY**

101,103 93,731

Statement of total recognised gains and losses for the year ended 31 March 2004

<table>
<thead>
<tr>
<th>2003/04</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the financial year before dividend payments</td>
<td>1,972</td>
</tr>
<tr>
<td>Unrealised surplus on fixed asset revaluations/indexation</td>
<td>4,439</td>
</tr>
<tr>
<td>Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets</td>
<td>107</td>
</tr>
<tr>
<td>Reductions in the donated asset and government grant reserve due to the depreciation, impairment and disposal of donated and government grant financed assets</td>
<td>(54)</td>
</tr>
</tbody>
</table>

**Total recognised gains and losses for the financial year**

6,464 18,292

Prior period adjustment

- Pre-1995 early retirement 0 (663)

**Total gains and losses recognised in the financial year**

6,464 17,629

Chris Dooley
Acting Chief Executive Officer
15th July 2004

Craig Black
Acting Director of Finance
15th July 2004
Salary and Pension entitlements of senior managers 2003/04

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Salary (bands of £5000)</th>
<th>Other Remuneration (bands of £5000)</th>
<th>Company Cars £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Forden – Chief Executive Officer</td>
<td>115-120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christopher Dooley – Director of Finance &amp; Performance</td>
<td>90-95</td>
<td></td>
<td>4,300</td>
</tr>
<tr>
<td>Christopher Dooley – Deputy Chief Executive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jennifer Jones – Director of Human &amp; Corporate Resources</td>
<td>75-80</td>
<td></td>
<td>8,700</td>
</tr>
<tr>
<td>Clare Barlow – Director of Nursing &amp; Operations</td>
<td>80-85</td>
<td></td>
<td>3,200</td>
</tr>
<tr>
<td>Christine Smart – Chairman</td>
<td>20-25</td>
<td></td>
<td>2,800</td>
</tr>
<tr>
<td>John Mowles – Non-Executive Director</td>
<td>5-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elizabeth Harlaar – Non-Executive Director</td>
<td>5-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anthony Schur – Non-Executive Director</td>
<td>5-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geoffrey Arrand – Non-Executive Director</td>
<td>0-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Celia Drakard – Non-Executive Director</td>
<td>5-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Carnall – Non-Executive Director</td>
<td>0-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deborah Oades – Director of Strategy &amp; Service Improvement</td>
<td>70-75</td>
<td></td>
<td>3,400</td>
</tr>
<tr>
<td>Steve Harrup – Director of Estates &amp; Facilities</td>
<td>70-75</td>
<td></td>
<td>1,900</td>
</tr>
</tbody>
</table>

Company cars are included at the P11D value. There is no net cost to the Trust in providing a car to the Chairman, as the difference between the actual cost and reimbursable business mileage is being reimbursed by her to the Trust.

Under the Data Protection Act 1998 all the Executive Directors have withheld consent to disclose information relating to the accrued pension at normal retirement age as at the balance sheet date and the increase in accrued pension in real terms during the financial year. This does not apply to the Non-Executive Directors for whom no pension is payable.

Both the Executive and Non-Executive Directors have withheld consent to disclose their age.
Salary and Pension entitlements of senior managers 2002/03

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Salary (bands of £5000)</th>
<th>Other Remuneration (bands of £5000)</th>
<th>Company Cars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Bye – Chairman* (left 17/05/02)</td>
<td>0 - 5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Christine Smart – Chairman* (NED until 16/05/02, then Chairman from 17/05/02)</td>
<td>15 - 20</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>John Mowles – Non-Executive Director</td>
<td>5 - 10</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Celia Drakard – Non-Executive Director</td>
<td>5 - 10</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Geoffrey Arrand – Non-Executive Director</td>
<td>5 - 10</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Gillian Lewis – Non-Executive Director (left 30/09/02)</td>
<td>0 - 5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Elizabeth Harlaar – Non Executive Director (from 01/12/02)</td>
<td>0 - 5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Anthony Schur – Non Executive Director (from 01/12/02)</td>
<td>0 - 5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Peter Morris – Chief Executive** (left 21/05/02)</td>
<td>15 - 20</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Paul Forden – Chief Executive** (from 30/09/02)</td>
<td>50 - 55</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Christopher Dooley*** – Director of Finance &amp; Performance*** – Acting Chief Executive 22/05/02 - 29/09/02</td>
<td>80 - 85</td>
<td>-</td>
<td>3,900</td>
</tr>
<tr>
<td>Craig Black*** – Acting Director of Finance &amp; Performance 22/05/02 - 29/09/02</td>
<td>20 - 25</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Jennifer Jones – Director of Human &amp; Corporate Resources</td>
<td>60 - 65</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>Clare Barlow – Director of Nursing &amp; Operations</td>
<td>60 - 65</td>
<td>4,400</td>
<td></td>
</tr>
<tr>
<td>Ian Scott – Medical Director</td>
<td>45 - 50</td>
<td>60 - 65</td>
<td>2,800</td>
</tr>
</tbody>
</table>

* Two individuals held the post of Chairman during the year.
** Three individuals held the post of Chief Executive during the year.
*** Two individuals held the post of Director of Finance and Performance during the year.

Under the Data Protection Act 1998 all the Executive Directors have withheld consent to disclose information relating to the accrued pension at normal retirement age as at the balance sheet date and the increase in accrued pension in real terms during the financial year. This does not apply to the Non-Executive Directors for whom no pension is payable.

Both the Executive and Non-Executive Directors have withheld consent to disclose their age.

Management costs

<table>
<thead>
<tr>
<th></th>
<th>2003/04 £000</th>
<th>2002/03 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management costs</td>
<td>5,548</td>
<td>4,836</td>
</tr>
<tr>
<td>Income</td>
<td>146,190</td>
<td>132,464</td>
</tr>
</tbody>
</table>

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

Public Sector Payment Policy

Better Payment Practice Code – measure of compliance

<table>
<thead>
<tr>
<th></th>
<th>2003/04 £000</th>
<th>2002/03 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total bills paid in the year</td>
<td>62,018</td>
<td>60,050</td>
</tr>
<tr>
<td>Total bills paid within target</td>
<td>54,197</td>
<td>54,759</td>
</tr>
<tr>
<td>Percentage of bills paid within target</td>
<td>87.39%</td>
<td>91.19%</td>
</tr>
</tbody>
</table>

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

External Auditors

PricewaterhouseCoopers LLP are appointed by the Audit Commission as the Trust's external auditors. Fees payable for work performed by the auditors were £147,000 (2002/03 £183,000). These were all in respect of statutory audit services specified by the Audit Commission.
The Ipswich Hospital NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with The Ipswich Hospital NHS Trust. Mr John Mowles who is Non-Executive Director of the Trust is also a member of Ipswich Borough Council and the Labour Party, and a Non-Executive Director of Ipswich Buses Ltd with whom the Trust had transactions during the year in the ordinary course of its business.

Ms Christine Smart (Chairman and Non-Executive Director) and Ms Elizabeth Harlaar (Non-Executive Director) are both employees of the Open University Business School with whom the Trust had transactions during the year in the ordinary course of its business.

Mr Anthony Schur (Non-Executive Director) is Trustee and Chairman for the Immigration Advisory Service. He is a member of the Liberal Democrat Party.

The Department of Health is regarded as a related party. During the year The Ipswich Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below

- Tending PCT
- Colchester PCT
- Southend on Sea PCT
- Other Strategic Health Authorities, PCTs and Trusts
- Essex Ambulance Service NHS Trust

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Ipswich Borough Council, National Blood Service and the Public Health Laboratory Service.

Mr Christopher Dooley was Acting Director of Finance for Suffolk Coastal PCT from 1 July 2003 to 31 March 2004.

Various departments within the Trust also received revenue and capital grants from a number of charitable funds, certain of the Trustees for which are also members of the NHS Trust Board. These payments amounted to £642,000 (2002/03 £649,922). The Trust provides administrative and management services to the Charitable Funds for which a charge of £18,000 (2002/03 £17,676) (reflecting actual costs) has been made for the 2003/04 financial year. At 31 March 2004, the Charitable Funds owed £139,000 (2002/03 £85,193) to the Trust.

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation’s policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation’s assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

The Trust has the following key relationships

- with commissioning bodies, such as the East Suffolk Primary Care Trusts, through service agreements to deliver health services to agreed specifications;
- with local partners and wider communities, through working in partnership to promote the improvement in the health of our population, holding meetings in public and the publishing of our Business Plan, Annual Report and Accounts;
- with patients, through the management of standards of patient care and the involvement of the public, patients and carers in the design of our services; and
- accountability to the Secretary of State and to Parliament for the performance of our functions and meeting statutory financial duties.

The Trust is a member of the East Suffolk Joint Accountability Board, which co-ordinates joint planning with Ipswich PCT, Central Suffolk PCT and Suffolk Coastal PCT, Suffolk Mental Health Partnership NHS Trust, and Suffolk County Council.

The Trust has an Annual Accountability Agreement with the Norfolk, Suffolk and Cambridgeshire Strategic Health Authority who monitor the performance of the Trust against agreed objectives and targets.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to

- identify and prioritise the risks to the achievement of the organisation’s policies, aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

This system of internal control has not been in place in The Ipswich Hospital NHS Trust for the whole year ended 31 March 2004, but was in place by February 2004 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

As Chief Executive, I have overall responsibility and accountability for Risk Management and this is shared with Executive Directors, who along with the whole of the Trust Board, are informed on risk management and governance issues through the Clinical Governance Committee, Audit Committee and Risk Management Group. The Risk Management Group reviews and manages all aspects of risk reporting and assurance, and reports to the Clinical Governance Committee.

The Trust Risk Policy states that risk management is the responsibility of all managers and staff, whatever their position within the Trust, and that staff will be provided with adequate education, training and support to enable them to meet this responsibility.

Managers are expected to incorporate risk
The risk and control framework

The way in which risk is identified, evaluated and controlled within the Trust is based on the following cycle

- **Identification / Review of Risk** – Identification of the risks facing the Trust, working in a way that spreads the workload and ensures that the initial identification of risk is not too onerous.

- **Calculation of the Importance of each Identified Risk** – Achieved by undertaking an assessment of the ‘likelihood’ of the risk occurring and determining the ‘consequences’ should the event occur, using a standard risk matrix.

- **Identification / Review of Risk** – Achieved by undertaking an assessment of the ‘likelihood’ of the risk occurring and determining the ‘consequences’ should the event occur, using a standard risk matrix.

- **Modification of Control Measures** – The Trust will continue to monitor and review all risk areas, using the same methodology as outlined above to ensure that our controls remain robust.

A register of identified risks facing the Trust has been developed. This details risk issues, severity of risk, controls in place, residual risk and agreed action plans. It has been developed by the identification and assessment of risks at a local level within the Trust. These risks are subject to a continuous process of review both by the relevant manager or Directorate and at a higher level by the Trust’s Risk Management Committee. The risk register is also used to underpin the business planning process for new investment.

The Trust Board produced an Assurance Framework in February 2004 following a Board workshop, which identified strategic risks to Trust objectives and evaluated them for impact and likelihood, identified formal and informal control arrangements relating to those risks and identified sources of Board assurances that those controls are operating as intended. There were no significant gaps in control. However, some gaps and duplications in assurance arrangements were identified. All significant and high risk areas which had not been subject to independent assurance have been included in the Internal Audit plan for 2004/05, thus ensuring that the loop is closed.

Liaison arrangements with public stakeholders are described in the Trust’s Patient and Public Involvement Strategy. The Trust also has a Patient Advice and Liaison Service (PALS) through which members of the public are encouraged to share their views on Trust services and issues.

**Review of effectiveness**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by comments in reports and other feedback from Internal Audit, External Audit, the Risk Pooling Scheme for Trusts, the Clinical Negligence Scheme for Trusts and internal Trust updates on progress against the CHI action plan.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Trust Executive, Audit Committee, Clinical Governance Committee and Risk Management Group as outlined above. A plan to address weaknesses and ensure continuous improvement of the system is in place. This will be monitored through the Risk Management Committee and reported to the Trust Board.

There was an overspend in the Trust in 2003/04, all of which is due to the implementation of the consultant contract, which was not fully funded. The Trust has a reference cost index of 87 and will gain significant additional resources through the implementation of Financial Flows (Payment by Results) from 2005/06 onwards.

The impact of having a low reference cost is that the Trust has been unable to invest in the environment of care for example equipment, infrastructure, and capacity. Running at high levels of bed occupancy creates an enhanced risk of MRSA and other infection control issues. Whilst this is being managed in the short term by working with and educating staff, patients and visitors to minimise the risk of infection, the longer term solution will be resolved through an increased ability to fund environmental and service improvements from 2005/06.

The Trust experienced a significant (10%) increase in emergency admissions in 2003/04 compared with the previous year. This resulted not only in financial pressures but also in the staffing and physical capacity of the hospital. This also resulted in very high bed occupancy levels, cancelled operations and a reduction in the capacity to treat patients on the waiting list. Notwithstanding these pressures the Trust met its waiting time targets at 31 March 2004. In 2004/05 the Primary Care Trusts have agreed to implement a range of admission avoidance schemes which, together with changes in the assessment and admission / discharge of emergency patients, should reduce this exposure to risk.

**Next Steps**

There are two priorities for the Trust. Firstly, a need to ensure that just as Trust objectives cascade from the Board down to individual Directorates, Teams and individuals, the process of risk and control identification also cascades. Secondly, the framework needs to be kept up-to-date, relevant and a reporting mechanism established.

Executive Directors will report the status of the principal risk to the Trust’s objectives every two months.

The reporting mechanism will ensure that the Trust receives regular reports on:

- assurance activities which are relevant to the Trust’s principal risks,
- areas where control activities are inadequate to manage the principal risks,
- gaps in assurance about the effectiveness of the controls it has in place to manage its principal risks.

This will be undertaken by the Audit Committee reporting to the Board.

Acting Chief Executive Officer
Date 15th July 2004
Independent Auditors’ report to The Ipswich Hospital NHS Trust on the summary financial statements

We have examined the summary financial statements set out on pages 22 to 32.

This report is made solely to the Board of The Ipswich Hospital NHS Trust (the 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 misstatements 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 2004 on which we have issued an unqualified opinion.

PricewaterhouseCoopers LLP
Norwich
Date 13th September 2004

- Our new Cardiac Angiography and Investigations Suite will be formally opened in late Autumn 2004

- Building and preparation work for the Garrett Anderson Centre will begin in 2005

- An Acute Medical Assessment Unit at our hospital is planned to open in early Winter 2004

- We are one of the first NHS Trusts to begin introducing the National Programme for Information Technology NHS Care Records System and the first part of this huge programme should be in place by April 2005.

- An information centre about Cancer, funded by the independent charity – Cancer Campaign in Suffolk - and by the Evening Star’s Raise the Roof Appeal, is currently being built alongside our Woolverstone Centre. This will open in Autumn 2004.
Find out more about The Ipswich Hospital NHS Trust
by visiting our website at www.ipswichhospital.org.uk

Further copies of this Report are available from
Chairman's Office
The Ipswich Hospital NHS Trust
Heath Road  Ipswich  Suffolk  IP4 5PD  Tel 01473 702135

The Trust is working towards Equal Opportunities

The Ipswich Hospital NHS Trust
Heath Road  Ipswich  Suffolk  IP4 5PD  Tel 01473 712233

September 2004