Royal Devon and Exeter NHS
NHS Foundation Trust

Your RD&E, Your Trust

Including annual report and summary from statement of accounts for the Royal Devon and Exeter Healthcare NHS Trust for 2003/04

Photograph: Rebecca Roundhill

Photograph: Rebecca Roundhill

Report by our chairman and chief executive

2003/04 was a year of change for the RD&E. Change for the better in our view.

At the end of the year our bid to become one of the country's first NHS Foundation Trusts was approved after a long and painstaking application process. We are confident that this change will strengthen our links with the people we serve and allow us to significantly improve our services to reflect more closely your needs and wants.

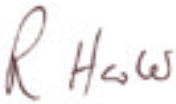
As an NHS Foundation Trust we will enjoy new freedoms and greater local autonomy. But whilst the organisational structures may have been overhauled our essential core values and commitments are undiminished. In fact we believe they have been reinforced.

The first few pages of this report give you some idea of what makes the RD&E one of the country's leading hospital trusts. We show how creativity and innovation help us to improve the quality of service we offer. We give examples of staff commitment and skill. After all, our success is a direct reflection of their expertise and dedication and we give our thanks to them.

The report then presents an overview of the activities of the former healthcare trust.

To conclude this introduction to the report we'd like to express our enduring thanks to all those who support our work so generously – the League of Friends at our various centres, charities such as the Exeter Leukaemia Fund, DIRECT and FORCE, our superb volunteers and all the other groups and individuals who donate so much energy, money and goodwill.

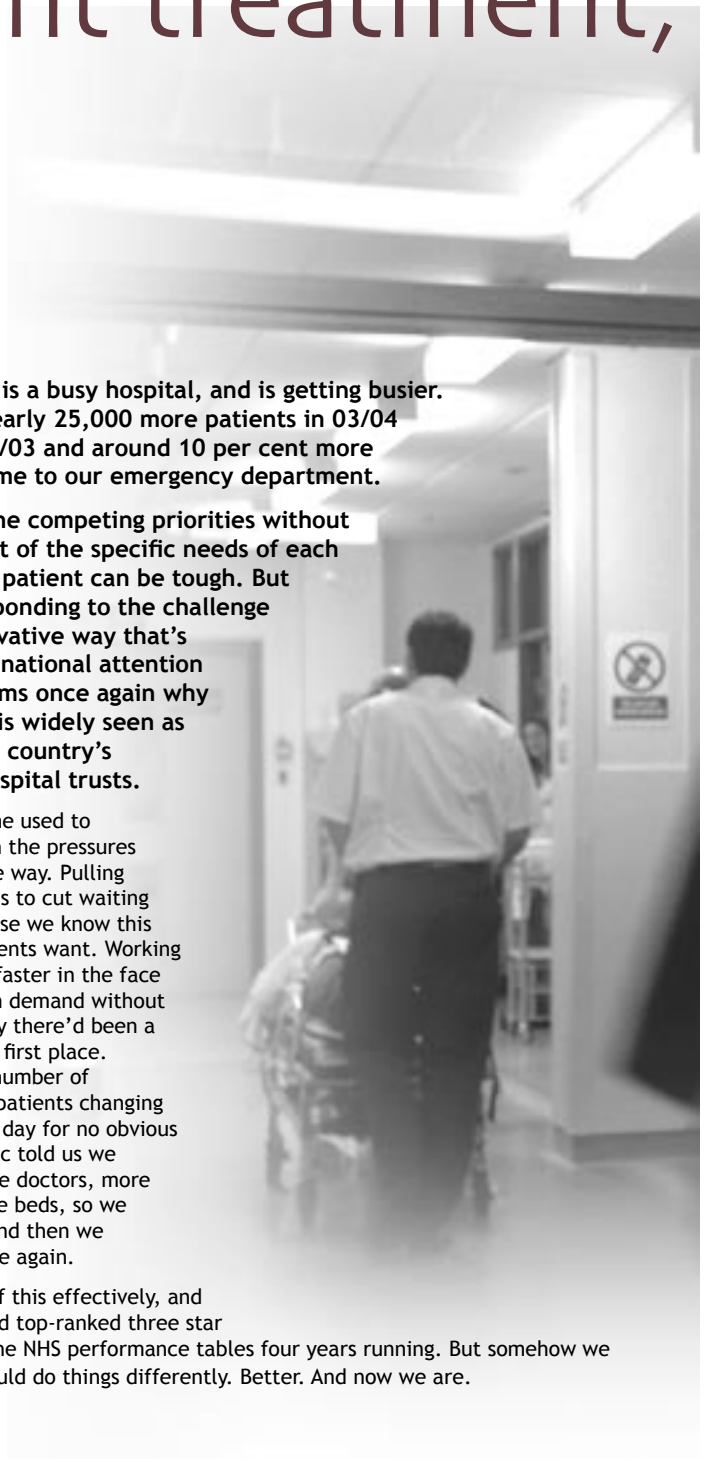
Yours by order of the board.



Professor Ruth Hawker, OBE, chairman

Angela Pedder, chief executive

Right treatment,



The RD&E is a busy hospital, and is getting busier. We saw nearly 25,000 more patients in 03/04 than in 02/03 and around 10 per cent more people came to our emergency department.

Juggling the competing priorities without losing sight of the specific needs of each individual patient can be tough. But we're responding to the challenge in an innovative way that's attracting national attention and confirms once again why the RD&E is widely seen as one of the country's leading hospital trusts.

We'd become used to dealing with the pressures in a reactive way. Pulling out the stops to cut waiting times because we know this is what patients want. Working harder and faster in the face of a surge in demand without knowing why there'd been a surge in the first place. Seeing the number of emergency patients changing from day to day for no obvious reason. Logic told us we needed more doctors, more nurses, more beds, so we got them. And then we needed more again.

We did all of this effectively, and have secured top-ranked three star success in the NHS performance tables four years running. But somehow we knew we could do things differently. Better. And now we are.

right place, right time

Moving forward

In a nutshell, we've shifted from being reactive to being proactive. To acting on the basis of fact rather than instinct.

We started by analysing in painstaking detail the mass of information in our systems. We wanted to know how and why patients come to us, what determines their length of stay and why our work fluctuates so much over the year.

And now because we understand more we've been able to change the way we work and in particular to pioneer a new way of predicting our emergency admissions and planned hospital discharges up to a month in advance.

This is new. It's proving to be astonishingly accurate. And it really matters.

Even though we are seeing more and more patients it helps us to plan our work more carefully and ensure things run more smoothly. In fact we can deal with more patients precisely because we can do this.

This means we're better able to treat the right patient in the right place at the right time. So they get better quality care, their condition improves more quickly and they go home sooner. Because we can predict this, they and their family can know where they stand.

It also means that long waits in our emergency department, last minute cancellations for surgery or the transfer of patients from ward to ward are increasingly rare. Again, things that really matter to the people we serve.

It's about analysis and understanding. But it also about having a superb staff team that wants to be flexible, to try something new and to embrace change. Ultimately it's about working in a much more meaningful way with our colleagues in the primary care trusts who are responsible for local community hospitals and GP services and with social services. Looking after patients regardless of which organisation is responsible at any one time. A true "healthcare community".

Radiology's modernisation makeover

It's not just patients who worry about waiting times. The people who work here do as well. And they often have ideas about how to put things right.

We can always say that more staff, new equipment and better accommodation will help. They always will. But we also need to think about how we can work more efficiently. And sometimes we need to take "time out" to be able to explore the difficulties and agree the solutions.

Our radiology service is a good example. The team knew that long waiting times for CT, MRI and ultrasound scans were a problem both for patients and for clinical colleagues who base treatment decisions on the results of these diagnostic tests.

The team knew about the blockages and the bottlenecks in the system. They wanted to make better use of resources, cut waiting times and offer a more efficient and productive service. They wanted to feel better about their work, rather than feel under pressure.

So in the summer of 2003 they spent two days away from the hospital to look at how they could overhaul the service and agree a way forward. They identified 78 separate action points and it's a credit to all concerned that the gains were so quickly apparent.

They agreed for example to extend the role of the radiographers in the team, making better use of their skills. They improved the way they process referrals and communicate results to GPs. They recommended changes in the ways inpatients are prepared for their tests.

Many of the changes were quite small, but the overall impact is impressive.

Waiting times are coming down even though they are doing more tests. The team's commitment and enthusiasm has been reinforced. Some new equipment and accommodation has been provided, but the significant point is that by working together in a positive and creative way our radiology staff could themselves come up with most of the answers.

Support when it's

There's no easy way of putting it. Having a section of your oesophagus removed through surgery will change your life. And the best person to tell you how much will be someone who's gone through the process already.

That's why cancer nurse specialist Keith Mitchell (photo right) has worked hard recently with the cancer charity FORCE to get a local peer support group for oesophagectomy patients and their carers off the ground. And why he's pleased that the group is now so well-established.

"If you've just had a diagnosis of cancer, then the opportunity to talk to someone who has 'been there' can be invaluable," he says.

"No matter how much we can say as clinicians we can't offer the same insight, reassurance and basic practical advice.

"The idea of peer support isn't new, and national guidance for palliative and supportive care suggests that it should be more widely available. But by listening to patients and their families we are realising more and more just how essential it can be.

"Peer support groups may need some initial help to get up and running, but over time many are able to keep themselves going. Our role then is be there to offer advice and support but to let them decide how best to organise themselves."

John Hirst (pictured below) still recalls the shock he felt when he was told in the winter of 2002 that he had cancer of the oesophagus.

"I hadn't felt ill before, so it came as a real blow," he says. "I just felt shocked. Drained."

Within weeks the RD&E's thoracic surgeon Richard Berrisford had removed the tumour in a massive operation and John took his first steps on the road to recovery.

By the end of 2003 he felt well enough to return part-time to his job a patient transport driver with the Westcountry Ambulance Services NHS Trust and he's been working full-time since February 2004.

PhotographS: Jo Pitson

needed

Keith is delighted that the Exeter, East and Mid Devon oesophagectomy support group he helped to establish has built up a strong network of contacts that are happy to work directly with patients and their carers before and after surgery.

Photograph: Jo Pitson

He has just reviewed the progress of the group in a research project that achieved an award at the RD&E's celebrating nursing event in May 2004. His audit identified the type of support patients and carers find most valuable and how in turn they want to play a support role themselves.

"It's good to have your work recognised with an award, but that's not really the point. It's much more about spreading the word that we must listen to patients and their families and build services around what they say."

"As a result of the surgery I have a much smaller stomach, so I've had to change my eating habits," he says.

"But in many ways I feel like a new man. I've lost over six stone and feel good."

John goes along regularly to the oesophagectomy support group to talk about his experiences to people who have just been diagnosed or are in the early stages of treatment with radiotherapy or chemotherapy.

"There's no doubt that peer support can make a big difference to how people feel," he says.

About the RD&E

The report that follows describes the activities of the Royal Devon and Exeter Healthcare NHS Trust for the year 2003/04.

The healthcare trust was set up in 1993 to provide the full range of acute hospital services to the people of Exeter, East Devon and Mid Devon. It also offered specialist services such as cancer care, orthopaedics, paediatrics, renal and plastic & reconstructive surgery to a wider regional population.

The healthcare trust ceased to exist when the RD&E was created as one of the first pioneering NHS Foundation Trusts in April 2004. The new organisation is committed to maintaining and extending the range and quality of healthcare services it offers local people.

Most of the RD&E's services are based at the main hospital at Wonford. Maternity, neonatology and gynaecology services are currently based nearby at Heavitree Hospital, but will be relocated to a new, purpose built centre on the main Wonford site by 2006.

The RD&E also runs:

- The Honeylands Children's Centre (specialist assessment and support for children with special needs and their families).
- The Exeter Mobility Centre (orthotics, prosthetics and wheelchairs & special seating).
- The Mardon Centre (neuro-rehabilitation).

Across these sites the trust has around 850 inpatient beds and more than 60 daycase beds.

The trust spent around £193m to provide its healthcare services in 2003/04 (£170 million in 2002/03) and at the end of the financial year it employed 5,413 people.

The RD&E enjoys excellent working partnerships across the local healthcare community with the:

- South West Peninsula Strategic Health Authority.
- The East Devon, Exeter and Mid Devon primary care trusts.
- The Devon Partnership NHS Trust (mental health and learning disabilities).
- Northern Devon Healthcare NHS Trust.
- The Westcountry Ambulance Services NHS Trust (WAST).
- Devon County Council social services.

The RD&E is proud to be a partner in the Peninsula Medical School that links the universities of Exeter and Plymouth with the local NHS.





Investment to improve services

Building work has started on the new maternity, gynaecology and neonatology centre we will open at Wonford Hospital in 2006 to offer superb, purpose built facilities for women and their families. Real investment to deliver improved patient care.

We installed our second CT scanner in 2003 and have significantly reduced waiting times for CT scans from 32 weeks in March 2003 to 12 weeks in December 2003.

We opened a fifth operating theatre in 2003 at the Princess Elizabeth Orthopaedic Centre (PEOC) at the RD&E. It is one of only a handful of NHS theatres nationwide and the first in the Southwest to use state-of-the art voice activated technology to help surgeons in their work. The new theatre has been built and equipped at a cost of around £1m.

Photographs: Rebecca Roundhill and Jo Pitson

In October 2003 trust chairman Professor Ruth Hawker met with Professor John Tooke, dean of the Peninsula Medical School (PMS) and John Willcox, construction director of HBG Construction Western Ltd, for a topping out ceremony at the new £6.5m PMS building next to the postgraduate medical centre at our main hospital site at Wonford in Exeter (photo above).

Then in February 2004 Professor Hawker and John Willcox were joined by doctors and nurses from our maternity, gynaecology & neonatology teams for a sod cutting ceremony to launch the construction stage of our new £25m maternity, gynaecology and neonatology centre at Wonford (photo below).

Listening to you

In 2003/04 we received 10,180 letters of commendation from patients and carers (up from 8,814 the previous year) and 402 written complaints (up from 383).

The number of complaints received represented just 0.1 per cent of our overall work and we received 25 letters of commendation for each letter of complaint.

All complaints were acknowledged within five working days: 98 per cent were acknowledged within just two working days (90 per cent in 2002/03).

We gave our full response within 20 working days to 67 per cent of complaints (68 per cent in 2002/03) and within 25 working days to 81 per cent of complaints (84 per cent in 2002/03). We did less well in this respect because of delays in gaining access to medical notes in a number of cases involving more than two members of staff.

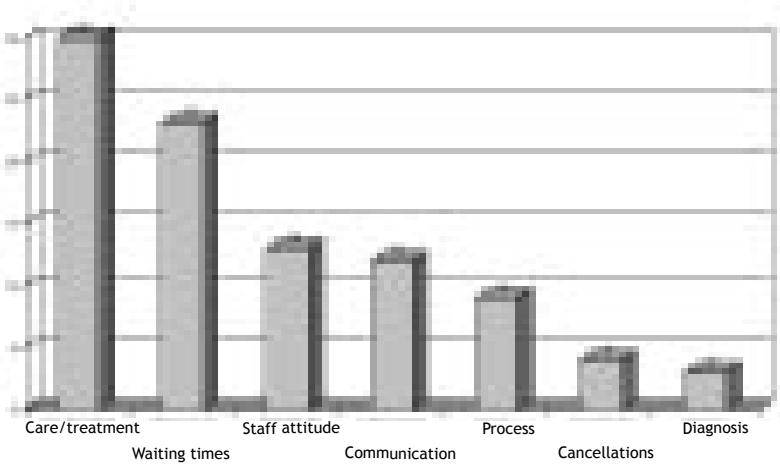
We held 20 face-to-face meetings to resolve complaints in 2003/04, up two on the previous year. Only one was not resolved successfully in this way. The complainant asked for an independent review and the review panel returned their complaint for local resolution.

A comprehensive training programme is now in place to give all staff an understanding of the complaints procedure. We've also brought in an investigation protocol giving clear guidelines to staff.

To help us learn from complaints we've invited complainants to join groups reviewing specific services, including our emergency medical unit, neurology and the fracture clinic.

Improvements made as a result of complaints in 2003/04 include:

- Nurse practitioners have piloted a 'triage or treat' scheme in the emergency department, reducing waiting times.
- We've extended the opening hours at our eye unit reception.
- We've improved the procedure for transferring patients between hospitals.
- We've recruited extra staff to cut waiting times in cardiology, audiology and opthalmics.



Care/treatment	122	(30%)
Waiting times	93	(23%)
Staff attitude	53	(13%)
Communication	48	(12%)
Process	36	(9%)
Cancellations	17	(4%)
Diagnosis	14	(3%)

Aiming to be a great place to work

A total of 5,413 people worked for us at the end of March 2004 and we remain the biggest employer in the Exeter area.

To express our commitment to offer employment opportunities to disabled people we pledge to:

- Interview all disabled job applicants who meet the minimum criteria for a vacancy and consider them on their abilities.
- Ask disabled employees every year what can be done to ensure employees can develop and use their abilities at work.
- Make every effort when employees become disabled to ensure they stay in work.
- Act to ensure that key employees are aware of the needs of disabled people.
- Ensure they review achievements towards making the workplace welcoming and accessible for disabled people and plan ways to improve.

We have policies in place to be fair in all aspects of a staff member's experience of employment with us. We have a diversity steering group to promote understanding and training to ensure that staff are fully able to meet the needs of the patients we serve.

We know that for staff to enjoy their work and provide a first class service they need to be involved in decisions that affect them. We have continued to develop this area of our work through the Improving Working Lives initiative. We have also improved childcare facilities this year and have ambitious plans to make further improvements in the future.

We are using our website to promote job opportunities with the RD&E and expect this to develop further. All our job vacancies can be found via www.rdehospital.nhs.uk

More doctors and nurses

At the end of January 2004 we employed a total of 2,097 nurses (full and part-time) compared with 1,689 a year earlier. This represents an increase of more than 24 per cent. Over the same period the number of consultants we employ went up from 156 to 162.

Photographs: Rebecca Roundhill

We were honoured to host a visit by HRH The Princess Royal in September 2003. The Princess Royal officially opened the new £2.4 million Exeter Haematology Centre, one of the most modern and innovative centres of its type in Europe. Our thanks to the Exeter Leukaemia Fund (ELF) which worked tirelessly to raise £1.5 million to help provide the new centre.

HRH also toured our main hospital building and met with staff from clinical and support areas including catering, the chaplaincy service, the breast care unit, theatres, orthopaedics and occupational therapy.

Photographs: Rebecca Roundhill

A busy year

The number of patients we see grew again in 2003/04 – and again our emergency admissions hit record levels.

Despite this level of activity we were able to balance our budget and hit our year-end targets for both inpatient and outpatient waiting times at the end of the financial year.

Some key numbers (02/03 figures in brackets):

Inpatients and day case: 109,881 (100,507)

Outpatients: 251,810 (242,853)

Emergency dept attendances: 61,858 (56,965)

Emergency admissions: 26,444 (24,951)

Babies born: 2,852 (2,760)

Our breast care team and the orthotic service at our Exeter Mobility Centre (EMC) both celebrated the achievement of the internationally prestigious ISO accreditation during the last financial year.

The award confirms that the systems and processes underpinning their work measure up against the most rigorous, internationally recognised quality standards. The ISO award is granted by Lloyd's Register, an independent risk management organisation founded more than 200 years ago to classify merchant ships and whose activities today extend far wider.

The EMC is the only NHS in-house orthotic service in the land to have gained the award whilst the breast care team was the first in the Southwest peninsula.

Pictured left are members of the breast care team and our orthotic & prosthetic services manager Sandra Cole is seen above left.

Our board of management

The board of management is made up of non-executive directors (local people serving in a voluntary capacity) and executive directors who work at the RD&E as part of the senior management team.

Non-executive directors

Professor Ruth Hawker OBE
Chairman
Chairman since 1995. Came to Exeter in 1956 to train as a nurse and later became chief executive of the Tor & South West College of Health Studies.

Richard Smith
Vice-chairman until March 2004
Board member since November 1996 and vice-chairman from 1998 until March 2004. Former commercial director with the construction company, Midas.

Gerald Sturtridge
Non-executive director, vice-chairman from March 2004
Board member since November 1998. Retired from accountancy in 1997 to develop other business interests. Involved with voluntary agencies working with disabled and disadvantaged people.

Maureen De Viell OBE
Non-executive director
Board member since May 2001. Retired civil servant with experience of social policy and equality issues. Awarded an OBE for her services to the Employment Department.

Rick Walker
Non-executive director
Board member since May 2001. Retired senior police officer.

Bridget Lawson
Non-executive director
Stepped down in October 2003 after serving as a board member for four years.

Executive directors

Angela Pedder
Chief executive
Joined the NHS in 1975. Chief executive of St Alban's & Hemel Hempstead NHS Trust before becoming chief executive at the RD&E in 1996.

Steve Astbury
Director of finance and information
Worked in the private sector before joining the Exeter Health Authority in 1984, becoming director of finance and information at the RD&E in 1985.

Dr Vaughan Pearce and Dr Iain Wilson
Joint medical directors
Dr Pearce is as a consultant in the care of the elderly and general medicine. His special interests include Parkinson's disease and dystonia.

Dr Wilson is a consultant anaesthetist. He was the RD&E's director of medical education from 2001-3 and is editor of the Oxford Handbook of Anaesthesia and Update in Anaesthesia.

Steve Jupp
Director of human resources
Joined the RD&E in 1995 having peviously worked in the private sector and for the Exeter & District Community Health Services NHS Trust and Exeter Health Authority.

Marie-Noelle Orzel
Director of nursing and service improvement
Trained as a nurse in A&E and paediatrics and worked in London, Oxford and Portsmouth before joining the RD&E as director of nursing in January 2002.

Other board members

Linda Hall
Director of facilities
A trained occupational therapist, has worked in the NHS since 1980. Held a variety of posts at the RD&E, becoming director of facilities in January 2001.

Elaine Hobson
Director of operations
A trained nurse, has held a number of positions at the RD&E, becoming director of operations in December 2000.

Nigel Walsh
Director of planning
Became general administrator for the RD&E Hospitals in 1980. Appointed development manager and subsequently planning director as our major capital redevelopment programme progressed.

Other RD&E committees
The audit committee, made up of non-executive directors not including the chairman, met to review the work of the internal and external auditors.

The remuneration committee, made up of all non-executive directors, met to review the performance of the chief executive and other executive directors and to set senior managers' pay.

The governance committee, made up of a number of non-executive and executive directors, managed the trust's compliance with clinical governance arrangements.

Directors' interests
You can inspect the register of directors' interests during normal office hours at the chief executive's department at the RD&E hospital at Wonford.

The RD&E follows government guidance on corporate governance and any director with interests outside the NHS which may conflict with their role is excluded from discussions and decisions on matters affecting those interests. Under that guidance the interests of the following board members are declared:

Professor Ruth Hawker chairman
Pro-chancellor of the University of Exeter; trustee of St Loye's Foundation.

Richard Smith vice-chairman
Shareholder in Midas Group Ltd; managing director of Brimley Investments Ltd.

Gerald Sturtridge non-executive director
Non-executive director of County Environmental Services; trustee of Hospiscare; trustee of Devon Community Foundation; chairman of the Island Trust; director of St David's Research Ltd; treasurer of University of Exeter.

Financial Review

for the financial year 2003/04

Statement on Internal Control 03/04

The trust board is accountable for internal control. As accountable officer and chief executive I have responsibility for maintaining a system of internal control that supports the achievement of the trust's policies, aims and objectives and for safeguarding the public funds and assets for which I am personally responsible as set out in the accountable officer memorandum.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate it: it can only provide reasonable and not absolute assurance.

Responsibility for risk management is divided between executive directors: the medical director (clinical risk), the director of finance (financial risk) and the director of human resources (health & safety).

A governance committee including executive directors and senior clinical staff manages the risk management agenda, both clinical and organisational. The risk management department offers advice and teaching whilst specialist functions manage various risk agendas. Guidance is provided to staff through induction, update, training, policies and procedures, the trust intranet, audits, inspections, sharing good practice and learning from incidents.

A key element of the strategy is a standard methodology via a likelihood-consequence matrix to evaluate risk. The roles and responsibilities of staff are detailed. The trust utilises a risk register to manage higher level and trustwide risks. Directorate risk registers enable them to manage the risk assessment process and directorate governance groups undertake risk management within their areas.

The board has approved an assurance framework covering key priorities. Four gaps in control or assurance have been highlighted and placed on the risk register. A board approved action plan is in place to address the gaps. The trust regularly discusses risk with the strategic health authority, local PCTs and local authorities. The trust also involves the media in matters relating to communication with the public.

Review of effectiveness

My review is informed by internal audit, assurance from executive managers, the assurance framework, reviews by the clinical negligence scheme for trusts and the risk pooling scheme for trusts together with external audit review, internal clinical audits and advice from the board, audit committee and governance committee. A plan to address weaknesses and ensure continuous improvement is in place. No significant internal control issues (i.e. issues where the risk could not be effectively controlled) have been identified in respect of 2003/04.

Angela Pedder chief executive

Director of Finance's Report

Financial Performance

NHS trusts have three main financial duties:

1) A minimum break-even on the income and expenditure account.
2) A 3.5% return on assets employed.
3) To manage within the external financial limit (EFL) agreed with the NHS Executive.

1) At the 31st March 2004 the trust achieved its breakeven target and had a retained surplus for the year of £44,000. The underlying recurrent trust position is a deficit of £6.1m. In 2003/04 the trust managed its underlying deficit through a variety of non-recurrent measures. Key amongst these were:

		£m
a)	N&E Devon income from additional activity	0.7
b)	Operating lease	2.0
c)	Depreciation	0.3
d)	Capital to revenue transfer	1.6
e)	Non-recurring underspends	0.7
f)	Other savings	0.8
		6.1

In addition to meeting its break-even duty the trust also achieved its clinical targets.

2) The return of assets employed was 3.5%.

   Prior to 2003/04, the cost of capital rate was 6% of average relevant net assets. However, funding of NHS commissioners was changed at the time of change of the rate in such a way that the ability to meet the target was unaffected.

3) The trust managed its finances within its allocated External Funding Limit.

Capital expenditure

The financial year 2003/04 saw the completion of a fifth operating theatre for the Princess Elizabeth Orthopaedic Centre. Other significant capital spend related to the start of Phase 4 - the movement of maternity, gynaecology and neonatology to the main site, continuing of the new Peninsula Medical School (PMS) building and in conjunction with FORCE the start of the Cancer Support and Information Centre.

Capital expenditure for the year of £13,814,000 was kept within the trust's allocated Capital Resource Limit.

Foundation Trust Status

On 1st April 2004 the trust became an NHS Foundation Trust pursuant to Section 6 of the Health & Social (Community Health and Standards) Act 2003. NHS Foundation Trust status introduces new financial freedoms which will allow the organisation to:

- retain proceeds from asset disposals;
- retain operating surpluses; and
- access capital based on financial performance and ability to meet any liabilities incurred as a result of borrowing.

On establishment the assets and liabilities of the trust transfer to the new organisation. NHSFTs are not able to borrow against the regulated NHS clinical assets that are essential to provide continuity of services to NHS patients. An NHSFT's principal source of revenue is from legally binding agreements with Primary Care Trusts, other NHS commissioners or training bodies for clinical services and associated training or research activity. On 1st April 2004 the name of the organisation changed to the Royal Devon and Exeter NHS Foundation Trust.

Independent Auditors' Report to the Directors of the Royal Devon and Exeter Healthcare NHS Trust on the Summary Financial Statements

We have examined the summary financial statements set out on the following pages.

This report is made solely to the Board of the Royal Devon and Exeter Healthcare 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 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 Royal Devon and Exeter Healthcare NHS Trust for the year ended 31 March 2004 on which we have issued an unqualified opinion.

Paul Sly
Audit Commission
5-6 Blenheim Court
Matford Business Park
Lustleigh Close
Exeter

17/09/04

These statements are a summary of the information of the full accounts which are available on request from the Director of Finance at the:

Royal Devon and Exeter NHS Foundation Trust, Barrack Road, Exeter EX2 5DW.

Telephone (01392) 411611.

STAFF COSTS

	2003/2004 £000
Nurses & midwives	37,296
Medical & dental	32,685
Scientific/therapeutic/ technical	16,600
Management/admin/ clerical	18,935
Healthcare assistants and other support staff	8,820
Maintenance & works	1,866
Miscelleaneous	250
Total	**116,452**

	2002/2003 £000
Nurses & midwives	34,109
Medical & dental	26,162
Scientific/therapeutic/ technical	13,973
Management/admin/ clerical	17,318
Healthcare assistants and other support staff	8,321
Maintenance & works	1,856
Miscelleaneous	264
Total	**102,003**

MANAGEMENT COSTS

	2003/04 £000	2002/03 £000
Management costs	5,343	4,716
Income	197,205	174,678

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS 2003/04

Name and Title	Age	Salary (bands of £5000) £000	Other remuneration £000	Benefits in kind (rounded to nearest £100) £	Real increase in pensions at age 60 (bands of £2500) £000	Total pension at age 60 at 31 March 2004 (bands of £5000) £000
R Hawker Chairman	65	20-25				
G Sturtridge Non-Executive Director	63	5-10				
B Lawson Non-Executive Director	60	0-5				
R Walker Non-Executive Director	57	5-10				
M De Viell Non-Executive Director	62	5-10				
R Smith Non-Executive Director	61	5-10		100		
A Pedder Chief Executive	47	105-110		7,300	0-2.5	35-40
V Pearce Medical Director	57	65-70	60-65	300	7.5-10	40-45
I Wilson Medical Director	48	35-40	95-100	0	5-7.5	25-30
S Astbury Director of Finance	48	80-85		100	0-2.5	15-20
S Jupp Director of Human Resources	52	70-75		800	0-2.5	10-15
M N Orzel Director of Nursing & Service Imp.	43	35-40		100	0-2.5	10-15
A Ford Acting Director of Nursing & Service Imp.	40	15-20		0	0-2.5	5-10
R Muskett Acting Director of Finance	38	5-10		0	0-2.5	5-10

B Lawson left on 31/10/03.
V Pearce and I Wilson are joint Medical Directors and started on 01/04/2003.
R Muskett was Acting Director Finance during S Astbury's absence 11/07/2003 - 01/09/2003.
M N Orzell was on active service from 24/01/2003. She returned from active service on 18/08/2003.
A Ford was acting Director of Nursing & Service Improvement during the absence of M N Orzel.
Other remuneration shows the salary that is attributable to clinical duties.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

The benefit in kind for A Pedder relates to the provision of a lease car.
The remaining benefits in kind relate to the additional mileage allowance paid over and above the Inland Revenue Allowance.

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS 2002/03

Name and Title	Age	Salary (bands of £5000) £000	Other remuneration £000	Benefits in kind (rounded to nearest £100) £	Real increase in pensions at age 60 (bands of £2500) £000	Total pension at age 60 at 31 March 2003 (bands of £5000) £000
R Hawker Chairman	64	20-25				
G Sturtridge Non-Executive Director	62	5-10				
B Lawson Non-Executive Director	59	5-10				
R Walker Non-Executive Director	56	5-10				
M De Viell Non-Executive Director	61	5-10				
R Smith Non-Executive Director	60	10-15		300		
A Pedder Chief Executive	46	100-105		6,600	0-2.5	35-40
P Beasley Medical Director	65	115-120		300	0-2.5	50-55
S Astbury Director of Finance	47	75-80		200	0-2.5	15-20
S Jupp Director of Human Resources	51	65-70		800	0-2.5	10-15
M N Orzel Director of Nursing & Service Imp.	42	50-55		200	0-2.5	10-15
A Ford Acting Director of Nursing & Service Imp.	39	5-10		100	0-2.5	5-10

R Hawker was seconded to the Royal United Hospitals Bath NHS Trust from 1 July 2002 to 31 October 2002. During this period R Smith was acting Chairman.

P Beasley retired on the 31/03/2003.

M N Orzel left the employment of the Trust on 24/01/2003 as she was called up for active service as a reservist. A Ford was appointed as Acting Director of Nursing & Service Improvement in order to cover for M N Orzel's absence.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

The benefit in kind for A Pedder relates to the provision on a lease car.
The remaining benefits in kind relate to the additional mileage allowance paid over and above the Inland Revenue allowance.

BETTER PAYMENT PRACTICE CODE - measure of compliance

	Number	£000
Total bills paid in the year	82,484	92,997
Total bills paid within target	75,765	85,562
Percentage of bills paid within target	91.85%	92.01%

The Better Payment Practice Code req ever is later. -

THE LATE PAYMENT OF COMMERCIAL DEBTS (INTEREST) ACT 1998

The

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2004

,	2003/04 £000	2002/03 £000
Income from activities		
Continuing operations	159,425	145,349
Other operating income		
Continuing operations	39,670	32,239
Operating expenses		
Continuing operations	(192,978)	(169,196)
OPERATING SURPLUS		
Continuing operations	6,117	8,392
Profit (loss) on disposal of fixed assests	15	(24)
SURPLUS BEFORE INTEREST	**6,132**	8,368
Interest receivable	236	251
Other finance costs - unwinding of discount	(4)	0
SURPLUS FOR THE FINANCIAL YEAR	**6,364**	8,619
Public Dividend Capital dividends payable	(6,320)	(8,582)
RETAINED SURPLUS FOR THE YEAR	**44**	**37**

CASH FLOW STATEMENT

For the year ended 31 March 2004

	2003/2004 £000	2002/2003 £000
OPERATING ACTIVITIES		
Net cash inflow(outflow) from operating activities	13,962	14,394
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	236	251
Interest paid	(4)	0
Net cash inflow from returns on investments and servicing of finance	**232**	251
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(12,691)	(8,780)
Receipts from sale of tangible fixed assets	26	349
Payments to acquire intangible assets	(222)	(186)
Net cash (outflow) from capital expenditure	**(12,887)**	(8,617)
DIVIDENDS PAID	**(6,320)**	(8,582)
Net cash (outflow) before financing	**(5,013)**	**(2,554)**
FINANCING		
Public dividend capital received	4,712	2,397
Publc dividend capital repaid (not previously accrued)	0	(314)
Other capital receipts	368	588
Net cash inflow from financing	**5,080**	2,671
Increase (decrease) in cash	**67**	117

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2004

	2003/2004 £000	2002/2003 £000
Surplus for the financial year before dividend payments	6,364	8,619
Unrealised surplus on fixed asset revaluations/indexation	15,226	23,400
Increases in the donated asset reserve due to receipt of donated assets	368	588
Reductions in the donated asset reserve due to depreciation, impairment and disposal of donated assets	(214)	(168)
Total recognised gains and losses for the financial year	21,744	32,439
Prior period adjustment - Pre-95 early retirement	0	(158)
Total gains and losses recognised in the financial year	**21,744**	**32,281**

BALANCE SHEET AS AT

31 March 2004

	31 March 04 £000	31 March 03 £000
FIXED ASSETS		
Intangible assets	473	303
Tangible assets	202,248	181,798
	202.721	182,101
CURRENT ASSETS		
Stocks and work in progress	3,557	2,541
Debtors	7,820	9,195
Cash at bank and in hand	583	560
	11,960	12,296
CREDITORS: Amounts falling due within one year	(12,321)	(13,525)
NET CURRENT ASSETS (LIABILITIES)	**(361)**	(1,229)
TOTAL ASSETS LESS CURRENT LIABILITIES	**202,360**	180,872
PROVISIONS FOR LIABILITIES AND CHARGES	(1,749)	(397)
TOTAL ASSETS EMPLOYED	**200,611**	**180,475**
FINANCED BY		
TAXPAYERS' EQUITY		
Public dividend capital	124,159	119,447
Revaluation reserve	66,656	53,362
Donated Asset reserve	2,716	2,384
Income and expenditure reserve	7,080	5,282
TOTAL TAXPAYERS' EQUITY	**200,611**	**180,475**

Angela Pedder
chief executive
27 / 07 / 04

EXPENSES

	2003/2004 £000	2002/2003 £000
Services from other NHS trusts	3,500	3,263
Services from other NHS bodies	247	1,403
Purchase of healthcare from non NHS bodies	245	0
Directors' costs	524	530
Staff costs	115,928	101,473
Supplies and services		
- clinical	43,616	36,745
- general	3,322	3,165
Establishment	3,178	2,955
Transport	396	386
Premises	6,946	6,928
Bad debts	37	8
Depreciation and amortisation	8,001	7,209
Other auditor's remuneration	0	78
Clinical negligence	1,127	977
Audit fees	141	77
Other	5,770	3,999
Total	**192,978**	**169,196**

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Royal Devon and Exeter Hospital (Heavitree)
(01392) 411611

Princess Elizabeth Orthopaedic Centre
RD&E Wonford
Tel: (01392) 411611

West of England Eye Unit
RD&E Wonford
Tel: (01392) 411611

Exeter Mobility Centre
Wonford Road, Exeter EX2 4DU
Tel: (01392) 403649

Honeylands Children's Centre
Pinhoe Road, Exeter EX4 8AD
Tel: (01392) 207777

Mardon Neurorehabilitation Centre
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For a version of this report in large print please contact Nick Fairclough at the RD&E on (01392) 402833.

www. rdehospital.nhs.uk

More information

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