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The Trust Board

The Trust Board consists of a chairman and seven non-executive directors with two staff representatives. The Chief Executive is supported by four other executive directors.

The Board formally meets six times a year and has six informal meetings.

At the end of 2002-2003, the chairman Mr Denis Jessopp retired from office. He was succeeded by Dr. Brian Willott, who had joined the Board in December as a replacement for Mr Andrew Kilsby. Mr David Murray has since replaced Dr. Willott as a non-executive director.

Ms Tracy Myhill joined the Board as Personnel Director in place of Mr Glyn Griffiths, Planning Director.

Four committees are directly responsible to the Board.

Key:
- Audit Committee Member
- Quality Committee Member
- Renumeration Committee Member
- Charitable Funds Committee Member

The Board members are:

**Chairman**
- Dr. Brian Willott CB

**Vice Chairman**
- Mr John Davey

**Non Executive Directors**
- Mr Michael Badham
- Dr. Edward Coles
- Mrs Beryl Melvin OBE
- Mrs Carol Morgan
- Mr David Murray
- Ms Patricia Smail

**Staff Representatives**
- Mr Chris Jones
- Mr Paul Thomas

**Chief Executive**
- Mr Martin Turner

**Finance Director**
- Mr Andrew Cottom

**Medical Director**
- Dr. Stephen Hunter

**Nursing Director**
- Ms Christine Baxter

**Personnel Director**
- Ms Tracy Myhill
Introduction to the Trust

Gwent Healthcare NHS Trust is one of the largest and busiest Trusts in the United Kingdom, providing quality health services to more than 600,000 people living in southeast Wales.

In 2002-2003, the Trust treated over half a million patients at its three acute hospitals in Newport, Abergavenny and Caerphilly and through its extensive range of twenty community hospitals, health centres and clinics and its mental health and learning disability services.

To meet these massive demands, the Trust employs 12,500 staff. There are 250 consultants in a total of over one thousand doctors and 5,500 nurses, midwives and health visitors.

Since it was established in 1999, the Trust has consistently achieved its key service priorities and financial targets during a period of massive pressure on its services.

Its ability to deliver an efficient and effective health service has been led by the Trust’s determination to maintain its innovative approach to delivering healthcare in Gwent. Close working links with stakeholders and healthcare partners has been a priority that has been rewarded by high standards in patient care in all disciplines.

Corporate Governance

The Trust actively endorses the principle of the Code of Conduct and Accountability and the Code of Practice of Openness established for the National Health Service in Wales.

Governance policies are reviewed in line with the specific guidance and the spirit of the codes of practice relative to the delivery of all its healthcare services. The compliance requirements are fully met.

Clinical governance is monitored through the Quality Committee led by the Trust chairman. The Chief Executive is the responsible officer and the Medical Director has the lead role. The Audit Committee oversees governance and financial management, reporting directly to the Board. The members of both committees are non-executive directors.

The Trust promotes a policy of openness. Public and media attendance at the formal meetings of the Trust Board, including the Annual Meeting is encouraged.

Information about the Trust Board is available from:

The Secretary to the Board,
Trust Headquarters,
Grange House,
Llanfrechfa Grange,
Torfaen NP44 8YN,

by telephone on
01633 623623,

by fax on
01633 623836

or through the Trust website
www.gwent-tr.wales.nhs.uk

The register of directors’ financial and general interest is obtainable from Trust Headquarters. Directors’ remunerations are given in the accounts contained in this Report.

A statement on the Trust’s requirement to comply with the Welsh Risk Management Standards is also included in the Report.
The number of patients treated in our hospitals increased again substantially last year with emergency admissions in particular continuing to rise.

The pressure on the hospitals was increased by sharply rising numbers of Delayed Transfer of Care patients who were well enough to leave hospital but had no care packages available. An increase of 30% during the year meant that the Trust had the highest proportion of such cases in Wales and the number of ‘blocked’ beds was equivalent to an entire medium-sized hospital. This clearly added additional considerable pressure to an already busy service.

The Trust has been at the forefront in developing new methods of working to improve patient care and to manage these increasing workloads effectively. The introduction of new services and practices has seen major benefits in rapid assessment of emergency patients, in providing more timely diagnostic support and developing our staff to perform new roles. The modernising of our emergency services will continue this year and will be spearheaded by the opening of the new £1m Medical Assessment Unit at the Royal Gwent Hospital.

Whilst our emergency services coped with these additional demands, shortages of beds led to significant difficulties with long waits for admissions and cancelled operations. The impact was particularly evident regrettably on waiting times for planned surgery and the rate of surgical cancellations, as bed capacity was fully utilised and priority was given to emergencies.
Nevertheless, the Trust achieved many of its key waiting time targets including the 18 months target for orthopaedic treatments and the maximum 4 month wait for cataracts and 6 months for angiography. Major reductions in outpatient waiting times were achieved across the board. The Trust remains determined to minimise waiting for both treatment and outpatients.

There was positive progress in orthopaedics but waiting times, particularly for outpatients, remain too long. The Trust and the Welsh Assembly Government worked with Professor Brian Edwards to review our services. This report recommended some improvements in particular, for example in management of waiting lists, but concluded that to solve the problem, significant additional investment was needed. The Trust, in collaboration with Local Health Boards, has developed a comprehensive Action Plan dealing with the additional investment, modernising the services for patients generally and more effective management of waiting times.

Delivering effective health services close to the patient requires high quality community services working in partnership with primary and social care. Innovative developments in community nursing and therapy services have highlighted the benefits of joint working and the potential for the future. Our work with local authorities has been valuable in safeguarding the vulnerable in society, improving current services and developing future plans for child health, mental health and learning disabilities. The Trust met its financial targets, particularly in breaking even, for the fourth successive year and we will work closely with Local Health Boards and the Welsh Assembly Government to maintain financial stability. Effective financial management is essential not only to meet targets but to safeguard services. Long term sustainable investment is the key to ensuring that healthcare here in Gwent retains its standards of quality.

The challenges facing health services mean the time is right, in partnership with Local Health Boards and other statutory and voluntary groups, to develop a longer term strategic plan for healthcare in Gwent. Health services are changing and we must all ensure that our practices and facilities can be developed for the benefit of our patients. The work has started and will be focused around effective primary care, devolved secondary care and high quality specialist hospital services.

The flexibility, enthusiasm and commitment of our staff is absolutely vital in providing a first class service to our patients and in meeting all the challenges faced by the Trust. Without their skills and enthusiasm, the services to our patients could not be maintained at the high levels we continually achieve. We would like to commend all our staff and to thank them for their contribution.

We would also like to thank the Board for their guidance and commitment, and the army of volunteers and supporters who make a difference to the well-being of patients. At this point, we would like to pay particular tribute to Denis Jessopp who stood down as chairman at the end of March. He guided the merger process of the three former Trusts and his contribution to the success of the combined Trust is immeasurable.

For the future, the priorities for next year will require even greater determination in modernising our services and innovation to meet new demands. Reducing the impact of emergencies on waiting times is a priority. Closer working with other statutory bodies to reduce the numbers of Delayed Transfers of Care is essential to manage capacity pressures effectively.

The Trust is committed to progress key improvements in all our services through investment and modernisation. New facilities such as the Blaenau Gwent Community Hospital, Main Delivery Unit at the Royal Gwent Hospital, Mental Health and Learning Disabilities, and others need to be progressed to provide quality facilities to deliver healthcare. Plans to re-organise hospital services in Caerphilly Borough will be of major importance. We will continue to modernise our services and improve within the Trust and in partnership with others, for the benefit of our patients.

Dr. Brian Willott
Chairman

Martin P Turner
Chief Executive
Review of the year

The Trust has maintained its record of achieving high quality healthcare. The continual development of existing services throughout the year and the introduction of robust new initiatives enabled the Trust to meet the challenge of balancing increasing demand and resources.

The pressure on hospitals has been intense.

Acute hospital beds have been working to capacity, patients have been forced to wait longer for admission and hardly a week has gone by without every bed in every hospital being occupied. The normal figure should average around 85%.

Accident and Emergency units have met with unprecedented demands on their services. As well as treating more emergency patients than ever before, often they have the dilemma of not being able to move them to wards because all are full. Eight out of ten people admitted to hospital during 2002/03 were emergencies.

Trolley waits have been unavoidable. Cancelling elective surgery has become an unavoidable occurrence, often on the day when the operation is due to take place.

Hospitals in Gwent are now the busiest in Wales.
Last year they treated 507,922 people in total, 85,304 as inpatients and 422,618 as outpatients. It was significant that more than 65,000 of the inpatient admissions were classed as emergencies - eighty per cent of the total.

An average of 145 patients were admitted as emergencies every day, each of them requiring a hospital bed. Over a thousand people were seen as outpatients daily and this increases to 1,700 with inpatients and day cases."

The trend of adult medicine emergency admissions to acute hospitals has shown a 14% increase since 1999/2000. New attendances at A&E and minor casualty facilities rose to 151,560, an increase of two per cent over the same period.

Community hospitals have had little scope to help. They too have been filled with record numbers of patients waiting to be discharged, but who don’t have suitable care packages.

"robust strategic planning launched positive initiatives"

Despite this pressure, the Trust still met all its key priority objectives. It achieved the financial targets within its £343 million budget, its waiting time targets and drew up a wide range of long term proposals which will have a definitive affect in solving these issues in the future.

Robust strategic planning launched positive initiatives. Vital partnerships were developed to benefit patients and communities throughout Gwent. Positive leadership and applying best practice ensured that our services delivered quality levels of care.

Occupancy of beds and the high level of Delayed Transfers of Care - patients who are fit to leave hospital but cannot because care packages haven’t been agreed - has had a serious impact.

Over the past two years, there has been a 63% increase in numbers of people who remain in hospital beds awaiting places in nursing or residential homes, but no longer require hospital services. This had risen to a monthly average of 257 beds by the end of the year. Not only community beds were blocked but also acute beds, making the pressures on staff even greater.

The Trust is working with Local Health Boards and local authorities to bring about a reduction in the numbers of these patients. However, Gwent has proportionately more DTOC patients than anywhere else in Wales.

The Trust reduced the number of people waiting over eighteen months for treatment to zero in July 2002. But the Trust indicated then that the demand for beds from emergency patients would not make that position sustainable.

As figures rose above the target, the Trust was asked by the Assembly to develop an interim proposal to address the matter. Professor Brian Edwards was invited to carry out an independent review of the orthopaedic service in Gwent and to assess the position.

His report in January, agreed that the orthopaedic service had been affected by “surges” in emergency medical admissions and that the Trust did not have enough capacity to handle current pressures and predicted future demand.

Prof Edwards’s recommendation was to increase funding for more beds and for new consultants, coupled with the protection of existing beds from emergency patients and some changes in practice, including the tightening of waiting list management. New investment was clearly essential.

A Project Board under LHB leadership was established to achieve this in conjunction with the Assembly and other local healthcare partners. An Outline Business Case has since been developed for a new unit at St Woolos Hospital and an expansion to the capacity at Nevill Hall Hospital. That was forwarded to the Assembly for assessment in March and is designed to deliver sufficient capacity to sustain waiting times.
Achieving Trust Targets

The Trust set itself priorities to reduce the longest waiting times.

By the end of March, no-one was waiting for more than eighteen months for orthopaedic treatment, no patient was waiting for more than four months for a cataract operation and waiting times for angiography were below six months. The number of people waiting over eighteen months for a first outpatient appointment - with the exception of orthopaedics and general medicine - was reduced to nil. The Trust remains committed to continue to reduce waiting times wherever possible.

These priorities were met by additional targeting and by modernising our services. The expansion of the roles of nurses and therapists in particular provided healthcare in a more timely fashion for patients.

Innovative practice such as Partial Booking played an increasing role in reducing the numbers of people who do not turn up for hospital appointments. During the year this was introduced to all acute specialities and led to a fall of up to twenty per cent in the numbers of appointments that were being missed.

Planning Ahead

The Trust set itself high standards of achievement for modernising its service provision and careful investment in its building and facilities.

The completion of a new Coronary Care Unit at Nevill Hall hospital provided vital extra services to patients in the north of Gwent. In Caerphilly the opening of a new pharmacy and radiology unit provided improved clinical services.

The Trust’s proposal for improved maternity facilities at the Royal Gwent Hospital, the busiest maternity unit in Wales, received support in principle from the Assembly. A final decision is dependent on an Outline Business Case being supported by the five Local Health Boards and subsequently agreed by the Assembly.

In Monmouth, the £6 million joint health and social care project has progressed. Formal collaborative agreement was reached and following approval by the Assembly, invitations to tender from potential private funders were published in the European Journal.

Newport City Council gave full planning consent for the development of the Health Sciences Institute alongside the Royal Gwent Hospital - a vital part of the Trust’s ever-increasing role in medical training in Wales.

The plans for a community hospital at Blaenau Gwent moved nearer conclusion. Funding was agreed by the Assembly during the year and the necessary consultations took place. Surveys of potential sites have continued with a final decision expected during the summer of 2003.
Partnerships

Major changes began during the year as part of the Welsh NHS Plan Improving Health in Wales, in particular the creation of Local Health Boards. A greater emphasis was placed on partnership working and closer links between healthcare and social care. The Trust was instrumental in introducing the first Stakeholder Conference, working with LHB’s and many other interested groups to develop a long term strategic investment plan for local health services.

It addressed vital issues involving all partners in influencing the future of services, in particular how the services of both the primary care sector and the acute hospitals could be brought nearer to the patients.

The Conferences demonstrated widespread support in principle for developing sustainable services and the need for additional work to be carried out. That will require radical changes in the way healthcare sectors operate.

The focus of the annual conference for nurses, midwives and health visitors was Clinical Governance in Action and the theme was “Getting It Right First Time.” The Trust had record numbers of nurses taking degrees through educational opportunities and staff turnover was now the lowest in Wales.

Public and Patient Involvement initiatives were launched during the year bringing the Trust ever-closer to the people it serves. The first PPI Forum provided very positive ideas for future developments, linking into the formation of the first Patients Panels giving people from all groups the opportunity to influence the Trust planning of its services.

Through PPI, extensive consultation took place over important service improvements such as the introduction of the Birth Centre at Caerphilly, the proposals for the new community hospital at Ebbw Vale and establishing a joint health and social care service at Monnow Court in Monmouth. An Action Plan was submitted to the Assembly.

The Trust earned a national award when it was named as one of the top forty performing hospitals in the UK for 2002/03. For the first time, it was included in the CHKS Top Hospital Programme which identifies hospitals and Trusts that reached high levels of performance against an assessment of fifteen key indicators. CHKS, the UK’s leading hospital benchmarking company, measured these against recognised healthcare standards.

It was fitting that Mr Denis Jessopp was awarded the OBE in the Queen’s Birthday Honours list for his services to health. Mr Jessopp retired at the end of March after four years as Chairman of the Trust and as the Chairman of Glan Hafran Trust before that.

“The Trust was instrumental in introducing the first Stakeholder Conference”
Eight clinical services divisions were established each with a Chief of Clinical Staff and a General Manager reporting directly to the Chief Executive. The Divisions have clear roles and accountabilities to meet corporate functions and can more easily link into the priorities of the Assembly and the new Local Health Boards.

Divisional Activity

During the year, the Trust introduced a new management structure to help accelerate the development of integrated clinical services across the Trust.
Surgery and Critical Care

Glyn Griffiths, General Manager

The purpose of restructuring was to support the integration of clinical services across the Trust’s hospital sites and also to support the development of expert sub-specialist services. The early weeks and months of the Division were spent aligning management arrangements with clinical structures and making key appointments, both clinical and managerial for the new structures.

The acute hospitals have been put under constant pressure by the demands of emergency admissions and the knock-on effect of availability of beds to enable elective surgery to take place. Inevitably this has led to many cases of cancellations of elective operations and the consequently high waiting times.

The Division has undertaken initiatives and introduced new management practices to combat the demands, but with emergency numbers continuing to increase, patient waiting times have remained longer than hoped for.

In the later months, the Division faced major challenges reducing waiting times. These targets were all the more difficult in light of the Trust having to cope with increasing levels of both medical and surgical emergency admissions.

Directorate of Critical Care

Initiatives have helped develop critical care throughout the Trust.

The refurbishment of the Intensive Care Unit at the Royal Gwent Hospital included a comprehensive internal redesign to include an isolation room and a Paediatric Stabilisation Suite.

A project team has been established to relocate the current High Dependency Unit to enable it to meet required standards. A business case is being developed. An initial plan has been drawn up to expand the existing critical care unit at Nevill Hall Hospital.

The Directorate has obtained state-of-the-art mechanical ventilators for the Trust’s two ICU’s. Not only does this new technology standardise such equipment, but most importantly, it ensures that critically ill patients have access to the best available respiratory support.

Directorate of General Surgery

A new emergency surgical assessment unit was opened at the Royal Gwent Hospital to assist with the increasing pressure on A&E admissions.

The existing day ward was converted to an assessment area that will allow all general surgical admission patients to be assessed and triaged appropriately, either by a junior doctor or Nurse Practitioner. By adopting this system, we expect inappropriate admissions will decrease and the most sick and needy patients will be transferred to a surgical ward in a more timely manner.

A South East Wales Network has been developed between six hospitals - including the Royal Gwent and Nevill Hall - to ensure that patients requiring vascular surgery will be fully cared for by experienced specialist vascular consultants.

Directorate of Ophthalmology

Although the maximum waiting time for cataract treatment was reduced to four months, detailed analysis and modelling work was undertaken to identify options available to streamline the way Ophthalmology services are delivered.

These include fast track clinics, nurse / optometrist led clinics, 1-2 stop cataract treatments and increased use of optometrists in community. Benchmarking visits have been undertaken and pilot schemes have already begun. The Trust is determined to maintain low waiting times for cataract patients.

Partial booking for new patients was introduced. Initial work has been undertaken on a 10 year plan. The Directorate is planning to develop this in more detail by March 2004.
Directorate of Urology and Outpatient Services

A dedicated urology day case unit was opened at the Royal Gwent Hospital in October 2002, providing a variety of services for patients, within an excellent ward environment. The provision of this unit has assisted with the reduction of day case waiting times to nine months and delivers a more effective service with specialist diagnosis.

The service has improved the Cancer Waiting Times performance against the ten day standard significantly through a review of its processes and systems. The service currently receives an average of nearly a thousand suspected cancer referrals each year.

Directorate of Theatres

Good progress was made in reviewing and developing theatre practice across the Trust.

A major infrastructure review of the Main Theatre Suite at the Royal Gwent was commissioned and an additional operating room opened at Nevill Hall Hospital supporting increased orthopaedic activity. The scheduled introduction of dedicated emergency operating lists during daytime hours will minimise the cancellation of elective patients.

Day surgery has an important role to play in achieving increased surgical activity and reducing waiting lists. Changes to the anaesthetic criteria governing patient selection for day surgery resulted in an increase in referrals and a reduction in waiting times.

Directorate of ENT

The Ear Nose and Throat directorate based at the Royal Gwent Hospital provides a variety of services to patients despite the increasing pressures of a growing patient base and frequent bed shortages which have often curtailed elective operations. The appointment of a fifth consultant ENT surgeon enabled some services to expand and a new nurse practitioner has been appointed to run the fully equipped treatment room offering a range of services from 9-5 daily.

The directorate has maintained its 100% compliance with the ten-day cancer wait target in outpatients for the last two years, although both outpatient and day case numbers on the waiting list have continued to rise.

A nation-wide suspension of all tonsil and adenoid operations as a result of the potential threat of new variant Cjd has seriously affected waiting times and has unfortunately meant a very large backlog of patients for these procedures. The Trust’s ENT surgeons have been actively engaged in the all-Wales instrument trial and it is planned that patients will be given the opportunity to have their surgery conducted with the new instruments.

The Maxillo Facial, Oral surgery and Orthodontics departments have maintained strong teaching links with the medical school in Cardiff and continue to provide high quality part-time training for doctors at registrar level.

The first Peripatetic Dental Service scheme in Wales to improve access to NHS dental care has proved very successful. Operating from Abertillery, Brynmawr, Abergavenny and Newport, it provides a service to people not registered with an NHS dentist.

“strong teaching links with the medical school in Cardiff continue to provide high quality part-time training”
Acute Medicine

The rise in acute medical admissions was a trend that continued with an additional 2000 people treated compared to last year, causing disruption to the elective and emergency services.

This was a 8% rise to 28,996 patients this year compared to 26,851 in 2001/02 and 24,707 the previous year. One of the main results was - as in surgery - the number of cancellations for elective cases because beds were not available.

The Trust is committed to modernising the delivery of services for emergency medical patients. During the year, we appointed two Acute Physicians to undertake the initial assessment of patients. The Trust also enhanced the roles of nurse practitioners to have greater involvement in early diagnosis and treatment of patients. These developments have been beneficial already with improved assessment, reducing levels of admission and better communications with primary care.

The increasing numbers of patients requiring acute hospital assessment led to the planning of a new Medical Assessment Unit at the Royal Gwent Hospital. Funded by the Welsh Assembly Government, it will be operational in October 2003.

This unit will provide facilities to implement further innovative processes to assess every patient. The Acute Physicians and MAU will work closely with the Rapid Response Team which will start in South Gwent in August. This offers suitable patients, care packages in their home rather than having to be admitted to hospital.

The work to modernise emergency medicine has been complemented by initiatives to improve bed management, to discharge patients following assessment and to reduce delays in admitting patients. The adoption of these management approaches has also improved the early identification of patients with complex needs.

The new Coronary Care Unit at Nevill Hall has state of the art facilities for six patients requiring specialised care and is located next to the Intensive Care Unit and the Theatre Suite to provide a dedicated critical care area on the ground floor of the hospital.

This project improves services for patients with cardiac disease from the north of Gwent and south Powys and is an important step in enabling the Trust to meet the standards laid out in the national service framework for coronary heart disease in Wales.

Regular meetings have been held with the Ambulance Trust, the Health Authority and now the Local Health Board to focus on handover times for ambulances to meet their 15 minute target. A series of Action Plans are now in place to work to improve turnaround times in order to release ambulances more quickly.

The Division earned a number of awards for its activities.

At Nevill Hall Hospital, the results of a heart failure study presented to the British Cardiac Society was awarded a prize as one of the top six abstracts submitted (of 480 in the UK). A paper has been submitted to the BMJ and Jackie Austin has been acknowledged for her work in developing cardiac rehabilitation in North Gwent with an MBE.

The Medical Records Department has been awarded its CASPE Accreditation (Clinical Accountability Service Planning & Evaluation) for the first time. A computerised record system was developed for all A&E sites in the Trust.
Obstetrics

Significant developments in the delivery of obstetric services have been an important feature of the Trust’s programme this year.

The midwifery-led Birth Centre at Caerphilly has enjoyed a very successful first year; 202 women gave birth there, with an expected 50% increase in births for 2003. Four out of ten mothers were having their first baby.

Plans to upgrade and extend the main delivery unit at the Royal Gwent Hospital made significant progress with the business case approved by the Board.

A strategic outline case was approved by the Assembly and subject to a robust Business Case from the Trust, £3 million has been allocated for the scheme.

The first Consultant Midwife was appointed to the Trust in January. Grace Thomas is the lead clinician for midwifery and will specialise in low risk birth and public health issues.

The midwifery service was awarded a Chartermark from the Cabinet Office in October. All three maternity units have achieved the WHO/UNICEF Full Baby Friendly Status to promote Breast feeding worldwide. Gwent is probably the largest Trust in the UK to be awarded this accolade.

Gynaecology

The Directorate developed its services at both the Royal Gwent and Nevill Hall Hospitals with three new consultant appointments.

A weekly outpatient clinic and operating session at the Royal Gwent Hospital since February has provided a highly specialist and local service for patients diagnosed with gynaecological cancers. In future it is planned that an out-patient session will be undertaken at Nevill Hall Hospital as part of the network of services to be provided within the SE Wales Clinical Network.

Pharmacy

The directorate has made significant progress during the year.

A review of its structure and a modernisation of service delivery has helped the Directorate overcome the national problem of a shortage of qualified staff. A recruitment drive in Australia attracted key new appointments.

The development of the Medicines Management Project to selected medical wards at both Royal Gwent and Nevill Hall Hospital gives patients the use of their own medicines as appropriate, individual patient medicine lockers, one stop dispensing on admission ready for discharge, patient counselling on their medicines and pharmacist/technician teams discharging from the wards.

This service has been well received by patients, medical and nursing staff and an initial audit has demonstrated significant reductions in waiting times for discharge prescriptions.
Children and Family Services

*Sam Crane, General Manager*

The Child and Family Division delivers acute, community and Psychology services to children and their families within the five boroughs of Gwent. Effective partnership working with the other organisations who deliver services to children and young people such as local authorities, education, local health boards and other statutory and voluntary groups has been vital.

**Acute Services**

The Division made significant progress in key initiatives. It acquired funding to ensure that the Children’s Assessment Unit could be open for 24 hours - a priority for the Division. The funding of a co-ordinator to develop closer integration between acute and primary care for children was also important. Plans were well advanced for a high dependency unit for children at the Royal Gwent Hospital to bring the Trust’s services in line with others in Wales.

The Neonatal Units at both Nevill Hall and the Royal Gwent Hospitals worked together as one service to deliver neonatal care. There are about 750 admissions a year in total. The Division piloted a satisfaction survey at the CAU to give children and their families scope for commenting on services. This was very successful and will be extended to other paediatric facilities in the Trust.

The Trust was able to maintain its nursing complement at a time when recruitment throughout the country has been difficult. There were virtually no nursing vacancies during the year and the Division worked with a full complement of senior nurses.

**Community Services**

There are five consultant led community paediatric borough based teams. A range of secondary services are provided including child protection and disability neuro-development, the latter working as part of the multidisciplinary child development teams (CDTs). The Division manages the children’s centres at Nevill Hall and Eveswell and supports a centre at Caerphilly.

Five borough-based teams offer a community clinical nursing service. The teams provide both acute follow up care and respite care for children within their own homes and other community settings.

The five school health nursing teams give child health surveillance and health promotion services throughout schools in Gwent and have been greatly involved in immunisation campaigns, such as TB, BCG and Meningitis C. Each of the special schools in Gwent now also has a designated children’s nurse.

**Child and Family Psychology**

Child and Family Psychology is provided on a borough basis through consultation services to professionals, families and carers, as well as by direct and indirect clinical intervention. The staff are based at St Cadoc’s Hospital in Caerleon and direct interventions for families are delivered in over twenty community based settings.

**Working in Partnership**

During the year, the Division has effectively introduced an extensive range of partnership working in key areas of support for children and families that have representation on the South Gwent Children’s Centre project board. This established an Annual South Gwent Children’s Diabetes Team meeting for families and a Parent support group for families of children with diabetes.

A Gwent newsletter for families of children with cystic fibrosis and a Support group for parents of pre-school cystic fibrosis patients have been introduced.

Routine Child and Family Psychology client satisfaction questionnaires are sent to all families/children on discharge, Monmouthshire User groups have been established to develop multi-agency Children with Disability Strategy.
2002/03 provided a number of challenges, not least of which was the continuing increase in demand for services, with activity levels exceeding those of last year in all service areas.

We have succeeded in addressing these pressures through innovative recruitment approaches, developing and extending new ways of working and improved collaborative working with partners across the health sector and other agencies, particularly Social Services.

Diagnostics

In both the Radiology and Pathology Directorates, significant additional commitment from many staff has enabled increasing service pressures to be met despite some key clinical vacancies in an already very stretched service.

Developments have been crucial. Tele-radiology equipment producing digital x-ray images that can then be transported by network links to the consultant Radiologists at the Royal Gwent Hospital has been installed at Chepstow Hospital, giving an improved routine service for local residents and an instant radiological opinion for urgent cases.

A new multi-slice CT scanner at the Royal Gwent Hospital allows scans to be performed more quickly and extends the range of examinations available. At Nevill Hall Hospital a new fluoroscopy room has improved facilities for interventional examinations that include cardiac angiography.

Therapies

In all the Therapies - Physiotherapy, Occupational Therapy, Speech & Language Therapy, Dietetics and Podiatry - there continues to be a higher level of demand than the services are able to meet. Waiting times continue to provide a challenge where demand exceeds capacity.

There have been some excellent schemes set up in partnership with other professions and agencies in order to provide a more seamless service and better access for patients.

Both Occupational Therapy and Physiotherapy staff have been working with Social Services to provide reablement services that support many patients needs in their own homes. The Occupational Therapy Directorate has set up partnerships with Social Services in Caerphilly, Blaenau Gwent, Monmouthshire and Torfaen to improve services in a variety of settings including supporting patients with complex discharge needs, supporting children with complex needs and stroke rehabilitation. Talks with Newport are underway.

Podiatry and/or Dietetic services to patients with Diabetes are provided by qualified Trust therapists in GP practices in Torfaen and Newport. Dieticians have established education sessions for patients with Diabetes at Nevill Hall and Royal Gwent Hospitals. In Speech and Language Therapy a major priority was to improve recruitment. This was achieved with a 60% reduction in vacancy levels and new initiatives included developing links with Australian therapists.

Relationships and connections with local authorities has improved significantly with joint initiatives taking place. Additional resources have been introduced as part of a two year programme to reduce waiting times for children. A bid for joint posts providing basic training for teachers of children with language and communication difficulties has been developed with education authorities in Torfaen, Caerphilly, Monmouth and Blaenau Gwent.

Partnership working has played a vital role in providing services. For example, a joint post between Occupational Therapy and the Local Education Authority promotes independence for teenagers with learning disabilities in Caerphilly.

Speech and Language Therapy has worked with the education authorities of Torfaen, Caerphilly, Monmouth and Blaenau Gwent to develop a bid for joint posts providing basic training for teachers of children with language and communication difficulties.
Community Services -  
*Sian Millar, General Manager*

Management changes have enabled the division to implement a more consistent and structured approach to patient services and to facilitate partnership working with Local Health Boards and Local Authority colleagues.

The network of Community Hospitals has a key role in supporting the transfer of appropriate patients from the acute sector to facilities closer to home. Consistency of standards is essential to deliver equitable services.

Hospitals at Blaina, Ebbw Vale, Tredgar, Monmouth, Chepstow, Blaenavon, Ystrad Mynach, Blackwood, Aberbargoed and the County, provide minor casualty services and Ebbw Vale, Monmouth, Chepstow and the County provide day hospitals for elderly patients.

District Nurses remain attached to GP surgeries where most of their work is generated, but a fundamental review will examine the most appropriate model for care provision, based on identified/predicted health needs of the population. This will balance the numbers of caseloads in each borough and the staff per caseload.

With the support of Caerphilly and Blaenau Gwent Local Health Boards and Gwent Urgent Primary Care, an out-of-hours nurse led service has been developed. The service provides nursing interventions and support to patients, carers and other health professionals to maintain patients in their home environment and prevents admission to hospital.

There is now a designated nurse for Discharge Liaison facilitating a much more co-ordinated approach to discharge and the management of Delayed Transfers of Care.

Work is being undertaken within Aberbargoed Hospital, Caerphilly to establish a Carer Support group as part of the Public and Patient Involvement Strategy.

For the future, there has been steady progress with a number of key capital developments. The proposal for a new hospital at Blaenau Gwent is an important initiative for community health in the north of the Trust area and completion of the technical site surveys should enable a choice of site being made before too long. Good progress has been made at Monnow Court in Monmouth as an integrated Health and Social Services facility.

"Reablement Scheme in Blaenau Gwent received the Queens Nursing Institute Award"
Co-operation

With the close co-operation of healthcare partners, including, the voluntary and independent sectors, a number of initiatives have become well-established and in fact have seen adoption in other areas.

The Rapid Response Service is currently being implemented across the Trust and the Reablement Scheme in Blaenau Gwent received the Queens Nursing Institute Award for innovative practice. It was also highly commended by the Community Hospitals Association.

The introduction of Health and Social Care Workers in Continuing Care, Complex Community Packages, Admission and Discharge Practitioners - who work across the Health and Social Services divide and a pilot ‘Out of Hours’ District Nursing Service in Blaenau Gwent and Caerphilly have boosted community services.

The introduction of designated stroke rehabilitation beds in Blaena Hospital and a Pathfinder Project for Public and Patient Involvement in Blaenau Gwent have also been significant.

The appointment of a Nurse Consultant for Continence has provided a strategic and clinical lead to the service. This will help to build on and consolidate the valuable work that is already in place in developing an integrated continence service throughout the Trust. This model has been recognised as outstanding example of best practice in terms of continence service delivery.

The Division has set itself targets to further enhance relationships with LHB’s to ensure the provision of appropriate, needs led services. The implementation of SaFF, introducing staffing and skills mix to maximise resources, reviewing elderly services and district nursing and the continued development of admission avoidance schemes are service priorities.

One of the most significant initiatives the Division has undertaken has been the Amalgamation of Community Gynaecology & Sexual Health Directorate with Genito-Urinary Medicine. This has become a new directorate of Sexual & Reproductive Health and is the first of its kind in Wales.

Working in partnership with the Unitary Authority and the former Local Health Groups funding has been secured to develop sexual health outreach services in three of the county boroughs, a positive re-enforcement of the commitment of all partners to take on board the recommendations in the Welsh Assembly Government Sexual Health Strategy.

In Torfaen and Caerphilly boroughs, sexual health outreach workers and sexual health educators are in place. Most recently, a sexual health outreach worker has been appointed in Newport. In addition, the service has responded to the views of young people by opening a Young Peoples Sexual Health Clinic on Saturday afternoons at Cwmbran Town Centre Clinic.
Mental Health and Learning Difficulties

Ian Thomas, General Manager

The year was one of development and achievement with plans for major re-provisions of key services effectively progressed.

In adult mental health, following a second public consultation, approval was achieved to proceed with the finalisation of outline business cases for the improvements and re-developments planned for St Cadoc’s and Maindiff Court Hospital sites.

The re-focusing of Learning Disability Services took a significant step forward with permission to develop new services to replace those at Llanfrechfa Grange.

Adult Mental Health Services

In June 2002, the Division introduced the first computer based “Beating the Blues” Cognitive Behavioural Therapy (CBT) package in Wales, to help people with moderate to severe anxiety and depression. It is an interactive, multi-media computer intervention, that helps people learn practical coping strategies during 8 one-hour sessions.

A Gwent study was published in the British Journal of Clinical Psychology in November 2002.

This was based on an assessment technique known as ‘reaction to hypothetical contradiction’ (RTHC) for psychological treatment in patients. This article has generated much interest from Psychologists across the UK.

A Primary Care Counselling Service was established in Monmouthshire, Caerphilly, Torfaen and Newport in 2001. During 2002/03, Blaenau Gwent has also come on line.

A joint initiative was started with MIND in the Monmouth area to establish good links with service users and enable them to discuss any issues and/or receive advice and support.

In Blaenau Gwent, the Audit Commission described the joint working and jointly led initiatives within Mental Health as ‘best practise’ and advised that it should be replicated in other areas within Blaenau Gwent LA.

"joint initiative was started with MIND in the Monmouth area"
In Newport, a liaison nurse post has been developed providing a service to the Royal Gwent Hospital for the over 65s and a Clinical Assistant (GP) post for the support care beds and dementia day hospital service based at St Cadoc’s Hospital.

Monmouthshire has developed dementia beds at Chepstow Community Hospital, introduced Operating Department Assistants into the Electro Convulsive Therapy service at Maindiff Court and is running Outreach groups to aid the discharge process for long term users of mental health day services in the Abergavenny area. An out-of-hours treatment & assessment team for older adults with a mental health problem is now in place for people in Caerphilly.

The development of a Memory Clinic at Ysbyty’r Tri Chwm in Ebbw Vale has been vital. The clinic offers a service to people to improve or maintain current functioning and independence. The clinic is staffed by a team of professionals who have a special interest in helping people with memory problems.

The development of the ASSIST project has gained support from the Assembly and other local partners. It aims to support people with dementia in their own homes through the use of person centred technology. Stage One is the development of a demonstration house which should be up and running in the Summer 2003. This “Smart House” will be fitted out with the latest technological equipment available to protect people at risk in their homes. It will be the first in South Wales.

The newly formed friends of Cedar Parc have been awarded one of the ‘After Dementia Millennium’ awards to help with the development of a memory/sensory garden early in 2003/04.

**Forensic Service**

The development of Community Forensic Services, includes a Prison In-reach service and running a weekly morning clinic at Newport Probation Service, taking open referrals from probation officers.
**Child and Adolescent Service**

The Child and Adolescent Mental Health Service was the first in Wales to be audited against the national standards for nursing in the specialty. Standards were met in child protection, continuing professional development, clinical effectiveness and audit, clinical risk management, environment and staffing and psychiatric emergencies and acute inpatient admissions.

The service has been instrumental in developing a team in Torfaen to support children and young people with severe behavioural difficulties to minimise specialist private residential placements, often miles away from home, through enhancing local provision.

The Service has not been immune from national shortages in Child and Adolescent Mental Health Psychiatrists. Nevertheless through establishing and implementing ‘CAMHS Triage’ clinics, waiting times from referral to first appointment have been reduced from up to twenty-four weeks to eight weeks.

**Learning Disabilities**

The past year has seen significant changes within the service. The appointment of a new Clinical Service Manager and Clinical Director has bought the Learning Disability Service in line with the other subdivisions of the Mental Health and Learning Disability Division.

The Learning Disability Service is undergoing redevelopment and re focusing on its role in the future.

An Outline Business Case went to the Welsh Assembly Government for approval and permission has been given to start the development of new services to replace those on the Llanfrechfa site. This will bring an end to the institutional era and herald the development of specialist residential healthcare for people within their local communities.

The development of the Community Learning Disability Teams (CLDT’s) has been enhanced with the creation of local management structures and closer joint working with our local authority partners.

Throughout this process of change it has been important to maintain and where possible, improve the quality of care for the residents of Llanfrechfa Grange and this has remained a focus for the service. The involvement of carers and relatives has been encouraged.
Research & Development

The importance of Research and Development in the achievement of quality healthcare cannot be over-estimated.

It underpins the clinical standards the Trust sets itself, acts as a key indicator for the calibre of staff we want to attract and is a constant spur to innovation and initiative in all aspects of the Trust's aims and ambitions.

In February 2002 the Welsh Assembly Government produced and formally circulated a document ‘Research Governance Framework for Health and Social Care in Wales’.

The principles of the framework protect patients and staff both from research that was not of high quality and from inexperienced researchers.

Patients and staff have a right to expect all research to be rigorously conducted and appropriately managed. The framework sets out principles of good practice in research which should be adopted by all those involved in research within health and social care fields.

In line with this, the Trust has established and introduced robust research governance systems to ensure high quality research takes place. All research proposals are subject to review by experts in the relevant fields able to offer independent advice on their quality.
Clinical/Cancer Trials Unit

Since the establishment of the Clinical/Cancer Trials Unit there has been a significant increase in the number of patients recruited into Cancer Trials. Most of the increase has been in Breast and Lung Cancer Trials.

During the year a total of 51 patients were recruited for breast cancer trials and 42 patients joined lung cancer trials.

A Clinical Trials Unit has been opened in the former Ophthalmic Unit, St Woolos Hospital, providing good accommodation for seeing patients in commercial and academic clinical trials.

Academic Report 2002-2003

The fourth Annual Trust Academic Report has been produced. The report confirms the high level and quality of research activity taking place throughout the Trust. It is encouraging to note that participation in research is occurring across a broad range of specialities and professional groups.

Trust Small Grant Award Scheme

This scheme is intended to help fund pilot research projects and the Trust Small Grants Awards Committee allocates awards of up to a maximum of £5,000.

During the period April 2002-March 2003 the scheme attracted 22 submissions and five grants were awarded.

Research & Development Training Courses

Training for researchers is of fundamental importance in creating and maintaining a research culture in the Trust. With this in mind, courses looking at research methodologies and research governance have been designed and set up.

During the year two whole day courses and one half-day course were held at the Royal Gwent Hospital. Day one was a basic research course and 16 members of staff attended. Day two looked at ethical issues and 15 members of staff attended. Day three (half-day course) was attended by 13 members of staff and looked at accessing the Internet for research and critical appraisal.

The establishment of formal academic links with the School of Nursing and Midwifery Research Centre in the University of Wales College of Medicine and the Research Unit in the School of Care Sciences at the University of Glamorgan has enabled research studies and research processes to be undertaken collaboratively and in partnership.

“the Trust Small Grants Awards Committee allocates awards of up to a maximum of £5,000”
Medical Training & Education

The year saw the Trust continue its role as a key provider of the highest quality medical education, both at undergraduate and postgraduate levels.

The ongoing expansion of medical undergraduate students at the University of Wales College of Medicine continues to impact on the Trust with some 3411 medical student placements being provided this year. As a result, the partnership between the UWCM and the Gwent Clinical School is being continually strengthened and developed to enhance the educational experience within the Trust.

A number of technical projects to try and streamline the processing of information between the UWCM and NHS establishments across Wales are due to begin in 2003 and the Trust is to play an important role in establishing these projects.

Due to the geographical nature and size of the Trust, a project has been initiated to provide video conferencing facilities at all the major sites. This will prove to be a major aid in the provision of medical education allowing Trust wide teaching to take place and also to encourage multi-professional education to take place on a national scale. It is anticipated that these facilities will be operational in the Summer of 2003.

Although there is a substantial amount of teaching activity across the Trust, it is recognised that there are inadequacies in
terms of educational facilities. The Trust has already achieved a great deal in addressing these inadequacies and has recently submitted a business case to the Assembly in order to obtain funding for a Health Sciences Institute to be built on the Royal Gwent Site.

Planning permission has already been granted and the Trust is hoping for agreement on funding in the latter half of 2003. The revolutionary building would include various seminar and lecture suites which would benefit from state of the art equipment and a large library and information resource which would be available 24 hours a day. The Institute would provide an enhanced teaching environment for undergraduates and postgraduates in all healthcare disciplines.

**Libraries**

Library facilities within the Trust are due to be substantially enhanced following the completion of a review on the purchase of an electronic library management system. The Trust has agreed to join the UWCM and NHS Libraries Voyager Library Management System, allowing users of any of the Gwent libraries to access the catalogues of the majority of NHS libraries and the UWCM libraries within Wales. The system also greatly enhances the management of the library service which will lead to a more collaborative and comprehensive service across the Trust for all Trust staff.

**Postgraduate**

All four postgraduate centres across the Trust continue to be praised at the Annual Commissioning Visits of the Postgraduate Dean for their activity and innovations. Work is ongoing to bring together a cohesive medical education service and the cross fertilisation of ideas from each of the four centres is enhancing the quality and uniformity of medical educational opportunities. Areas which are currently being examined are junior doctors’ induction programmes and also the teaching programmes for Pre-Registration House Officers and Senior House Officers. In addition, a pilot scheme has been introduced to cover generic issues for consultant and other senior medical staff. Issues covered included media relations and appraisal skills, both of which resulted in an excellent response and feedback. This programme will now be further developed and repeated in the Autumn of 2003.

Another innovation has been the development and implementation of a sixth form work experience programme. All schools and sixth form colleges in Gwent have been included in this programme which offers students who are hoping to pursue a career in medicine an opportunity to attend for a week long placement at hospitals within the Trust. Each placement includes a variety of specialities which ensures that the student gets a wide view of medical and surgical practice.

Consultants within the Trust have given their support and time to ensure the success of each of the placements. As a result, this programme has been widely acclaimed throughout the UWCM and other Trusts in Wales.

The service pressures on consultants combined with the increasing commitment given to medical education has made medical manpower expansion a priority. It is anticipated that the increase in medical staff will enable a dilution of individual service workload and enable consultants to be allocated dedicated time for teaching activity. This will ensure the future quality and ongoing, and indeed increasing, commitment to medical education throughout the Trust.

The success of the Gwent Clinical School will play an important role in helping achieve compliance with the European Working Time Directive and the New Deal for Junior doctors, limiting the hours they work.
Trust staff

The Trust is totally dependent on the vital role played by staff in ensuring that high healthcare standards are achieved and the demands of treating more and more patients every year are met.

It is very important therefore, that all members of staff have the scope to develop and to progress their careers with the wholehearted support and guidance of the Trust. Priority is given to making certain that development opportunities are available in which positive professional progress can be made and personal aspirations can be met.

With the national shortage of professional staff still a major problem, attracting newcomers and making certain that staff in post were happy to remain, has been vital.

Overseas recruitment has been a major source of high calibre staff. Successful trips to Singapore and to the Philippines for the second year, plus a recruitment drive in Ireland enabled the Trust to add a total of one hundred experienced nurses to staff numbers.

Alongside nurses, key health professionals from around the world joined the Trust - physiotherapists, radiographers, speech and language therapists, pharmacists and occupational therapists from Australia, Tasmania, Canada, America, India and South Africa.

The standard of both the nurses and the Allied Health Professionals are excellent and help to further enrich the very positive ethnicity and multicultural ethos of the Trust.
Strategy

In recognising that recruitment and retention are interlinked, a Strategy was developed with specific local action plans based on seven key principles.

- Planning for the future workforce - developing a process where workforce development will aid future recruitment and retention of staff.
- Raising awareness and re-capturing interest - developing a strategic approach to marketing job opportunities and Trust services.
- Harnessing the potential - developing processes which ensure new employees, trainees and students will receive positive learning experiences which will aid the future recruitment and retention of these staff.
- Making the Trust the employer of first choice - the Trust will develop effective recruitment processes which attract and select staff who are able to deliver the highest quality patient care.
- Doing things differently - developing new and innovative ways of working to deliver services.
- Investing in staff - ensuring that training, development and education of staff is central to the Trust and that there is a structured approach to career and personal development.
- Career maturity - providing a flexible and supportive working environment for all staff including career maturity pathways.

A Good Practice Team Visit by the Welsh Assembly Government earned the Trust high praise for the innovative practices developed to improve recruitment and retention.

Newcomers, like established members of staff have benefited from the Trust’s Race Equality Schemes approved early in the year.

The aim of the scheme is to eliminate direct and indirect discrimination in all aspects of Race Equality. Responsibility for the delivery of the Scheme is at Board level with the Personnel Director leading the employment agenda and the Nurse Director leading service delivery.

In order to further promote equality awareness and training on equality issues, the Trust has joined partners with 24 other organisations across South Wales from the public and voluntary sectors with the aim of creating a unique diversity training programme.

The environment in which people work has its own crucial role to play in attracting new staff and maintaining quality for everyone.

“new employees, trainees and students will receive positive learning experiences”
Silver Award

Throughout the year, the Trust has been working toward the achievement of the Corporate Standard, which is a national mark of quality for health promotion in the workplace.

It is awarded by the Welsh Assembly Government and endorsed by the Health and Safety Executive, the CBI in Wales and the Wales TUC. The Trust has a Health at Work Group to take this forward and a partnership approach has been adopted with membership from Directors, Consultants, Managers, Trade Union Representatives, Occupational Health and Health Promotion. A new Workplace Smoking Policy, a full range of Work Life Balance policies including Flexible Working Options, Career Break Schemes, Paternity Leave, Carers Leave and a Stress Management Policy have been introduced.

The success of its Health at Work initiatives was highlighted when the Trust received a “very strong” silver award under the Corporate Standard.

One of the developing staff issues during the latter part of the year, and certain to be the biggest personnel and organisational challenge, is pay modernisation.

A national proposal for a new pay system entitled “Agenda for Change” will affect a minimum of 9,000 Trust employees and will result in an additional cost to the Trust of between £10 and £12 million. To prepare for this, the Trust has already set up a Pay Modernisation Project Board and is developing a project plan to meet the implementation issues if the new pay system is agreed. “Agenda for Change” will be implemented in full partnership with Trade Unions and it will be important to ensure that both the benefits to staff and to patient care and service modernisation are full achieved.

The Trust has taken the lead in Wales in a number of important staff development areas.

A new programme has been introduced into the Leadership and Management Development framework. Leading Empowered Organisations (LEO) is a programme suitable for staff of all disciplines, run in conjunction with Leeds University and Gwent is now the first Trust in Wales to train its own facilitators.

Following a successful pilot programme, a Back Care implementation strategy is currently being introduced Trust wide. This programme builds on the ethos of clinical supervision, and governance and continuing professional development, that allows a flexible educational programme integrating safe manual handling practice within clinical practice. This proactive approach to Back Care and reduction of injuries will support a quality approach to patient care. Gwent is the first trust in the UK to introduce these new techniques.

Information Technology Training developed during the year - Four - day courses based upon the requirements of specific staff groups such as managers and administrative staff are run. A distance learning initiative has been launched to complement traditional classroom based programmes, as part of the continued effort to increase IT skill levels amongst staff. The opportunity to learn at an individual pace in the workplace is a forerunner to the implementation of the European Computer Driving Licence.

“throughout the year, the Trust has been working toward the achievement of the Corporate Standard”
E-learning

E-learning Initiatives were launched in June 2002 and programmes such as Fire safety, Display screen equipment and risk assessment and Object manual handling have been accessed by all staff groups with between 5000 and 6000 Individual courses followed.

The Fitness for Practice initiative is now in its second year. During the last year the ten clinical teachers have focused on training level one nurses in the new mentorship programme.

By conducting clinical skills seminars, assisting staff in devising profiles for clinical areas and supporting staff to improve the quality of the learning environment they have supported the implementation of FFP across the organisation.

A new initiative has been established to integrate the corporate risk areas of Occupational Health and Safety, Infection Control, Emergency Planning, Risk Management and the Information Management Centre. Its prime aim is to work closely with clinicians and managers at ward and department level to improve the patient environment and patient safety. An Information Management Centre provides a single reporting system for all incident and accident information for the Trust.

The Trust has made significant progress in developing its risk profile monitored through the Risk Management Group. A risk management computer system was purchased at the beginning of the year which helps the Trust to identify trends through incidents, complaints and claims.
The vast majority of these patients and their families receive the services they expect and welcome.

The Trust’s aim is to provide standards where all patients are cared for in the manner they appreciate, despite the increasing demands each day, every day on key staff and resources.

Where there is dissatisfaction, the Trust ensures that they have the opportunity to express their views, have their complaints sensitively and fully explored and are given a full explanation once this is complete.

All the enquiries are carried out in line with agreed Trust policies.

The procedure is managed by the Trust’s Head of Corporate Services, in liaison with the Independent Complaints Convenor, the Independent Review Panel and the Ombudsman. A Complaints Review Group has responsibility for reviewing performance and issues arising from the enquiries, under protocols agreed by the Board. Clearly identified complaints officers are in place in all management units throughout the Trust.

From April, a revision of services was introduced by the Assembly, notably removing responsibility from the Trust for the second “convenor” stage of the process. Independent review requests from April 2003 are now forwarded directly to the Independent Review Secretariat.

Patients Viewpoints

The Trust’s hospitals are the busiest in Wales providing healthcare to over half a million people a year.
Complaints

The Trust considered a total of 421 complaints during the year, compared to 363 the previous year and 401 in 2000/2001. More than half (202) concerned inpatient care, 114 referred to outpatients, 38 to A&E, thirty to mental health, 12 to maternity and 25 to services at community hospitals.

The trends show that the main increase in complaints was over delays and cancellations and communications issues relating to these. Continuous pressure on acute services adversely affected elective admissions and outpatient attendance.

An analysis of the types of complaints identify the significant increases in relation to clinical care and waiting times/cancellations. Other areas remained much more constant.

Positive action by the Review Group led to 32 practice improvements. These ranged from amending letters sent to patients and improving information booklets for children and day case procedures to better training in communication skills, re-organised outpatient clinics and tighter admission arrangements in ENT to reduce cancellations. All of these are already adding to patient care standards.

Sixty five per cent of the responses made were returned with the target of twenty working days. Changes in management structures and personnel may have adversely affected this figure and much work is now being undertaken to improve.

Independent Reviews

There were 25 requests for independent reviews dealt with by the Trust’s Convenors, one more than the previous year. Five resulted in panels being held with a further six cases awaiting a decision on whether or not panels are warranted.

The Trust received three independent review panel reports and three reports from the Ombudsman.

Patient Feedback

The patient feedback survey reached its fourth cycle by the end of the year with the result providing firm evidence that more must be done to improve the patients’ experience of the complaints procedure. This highlighted especially the need for better direct contact with investigator and the opportunity to discuss the specific complaint.

Training Initiatives

Regular training has continued, with specific initiatives for the use of the new complaints computer system, induction for oversees nurses and difficult case handling for investigating officers.

“the main increase in complaints was over delays and cancellations”
The Year Ahead

The year ahead marks the coming into place of a new structure for healthcare in Wales.

Gwent Health Authority has been replaced by five Local Health Boards, co-terminus with the local authorities, who are responsible both for the strategy and provision of primary care in their areas and also for commissioning services from the Trust.

The Trust therefore will be working in even closer partnership with the Boards and the local authorities to integrate health and social care and to develop a framework strategy that meets the needs of the five boroughs.

The coming year will present a significant challenge in continuing to develop quality healthcare for the communities the Trust serves, but vital initiatives already planned will ensure that challenge is met in full.

One of the cornerstones of ever improving healthcare will be the establishment of partnerships above and beyond those maintained in the past. A strategic framework to achieve this is already under review.

Innovative proposals to address the pressures of increasing public demand on hospital services in a wide range of clinical disciplines are on paper and ready for full implementation. Vital issues which govern key concerns such as emergency admissions, waiting lists, staffing and bed availability are being addressed.

The Trust has already proved that with a continuation of the innovative planning of its services and the modernisation of the manner in which those services are delivered, it can maintain its position as a leader in the field of local healthcare.
Multi-agency

The first step in the development of the framework in which local healthcare can flourish will be the generation of a multi-agency action plan capable of meeting demands that will increase as the year progresses.

There is already widespread support for a “whole systems” approach to local healthcare. This identifies five service pathways focused on the needs of patients - emergencies, elective surgery, mental health, women and children and management of chronic illness.

To achieve this will mean the Trust and its partners sharing information and best practice and identifying the strategic changes required to support the development of new pathways.

Radical changes in the way healthcare sectors operate will be crucial. A formal project management structure will be established to take forward work programmes and plans outlining the services delivered in individual areas will be agreed.

Regular stakeholder meetings will be a feature of the framework for investment with a position statement on the future direction of health services drawn up, forming a context for further work on specific plans.

In principle, by close integrated planning, a cohesive policy for service improvement and capital investment over the next ten years will be delivered.

The Trust has embarked on a number of important proposals that during the year will define the way healthcare can be proved in the most effective and efficient manner.

One of the most important aspects of service improvement applies to orthopaedic services.

The Project Board set up following the independent review by Prof. Brian Edwards has set its priority targets. A new elective unit at St Woolos Hospital and an expansion to the services at Nevill Hall will significantly increase the number of people treated by a third and outpatients seen by 40% - in line with the review’s recommendations.

This would achieve reductions in waiting times for both outpatients and inpatients in line with national targets. The review recommended the developments would be in place before the end of the current financial year in March 2004.

The plans to increase capacity for extra treatments will mean a long term sustainable investment for the Trust in its orthopaedic services.

Proposals for the possible development of two new hospitals are key projects that the Trust is very keen to take forward.

A community hospital in Blaenau Gwent will be crucial to healthcare in the northern valleys areas. The Assembly has identified £30million to support the project and the initial emphasis was on agreement over a definitive site for the new hospital at Ebwb Vale. It will be seen as hugely important to the local communities.

In Caerphilly Borough, public consultation will take place on plans for a new hospital to serve the Rhymney Valley. This is very much in the early stages of its concept, but the Trust and its local healthcare partners, will establish joint planning forums to oversee the plans.

Outline business cases have been completed for a new maternity unit at the Royal Gwent Hospital and for the much-needed reprovision of mental health services at Maindiff Court Hospital and the Health Sciences Institute in Newport. Final decisions taken by the Assembly during the year will have an impact on the progress of these vital schemes.

Reducing waiting time for patients in our A&E departments is a priority. The Trust is developing proposals for a “See and Treat” service which will enable non-serious accident patients to be seen much more quickly through the development of the roles of nurses alongside doctors.

A strategic outline case is under development for an Emergency Unit at Nevill Hall Hospital and
if successful will incorporate the accident and emergency unit with assessment facilities for medicine and surgery and potential facilities for primary care out of hours. It will provide between 24 and thirty beds and enable a patient streamlining system to be introduced to reduce waiting to a minimum.

Similarly, one of the most important completions during the year will be the Medical Admissions Unit at the Royal Gwent Hospital which will bring a major new facility to one of Wales busiest sites for emergencies and enable the Trust to introduce much needed new assessment services to reduce the number of admissions there.

The Trust is committed to reducing waiting times to a minimum despite the pressures of demand and the effects of GP referrals. Applying best practice in the management of waiting times is crucial. Additional investment will also be needed to reduce the longest waiting times.

A reduction in Delayed Transfers of Care patients by 15% compared to April 2002 will be a very important achievement. Average delays during the past year took up 250 beds and were a major cause of capacity problems in both acute and community hospitals.

Staffing matters will play a major role in Trust affairs during the coming year.

The new national pay structure Agenda for Change will affect some 9,000 Trust staff and is likely to lead to questions being asked on key issues. The Trust will continue to hold its joint workshops with staff representatives to ensure that as many employees as possible have the opportunity to ask questions and obtain advice and guidance on such important matters.

The Trust will endeavour to achieve the gold standard from the Assembly for its Health at Work initiatives, following the strong assessment of silver last year.

The introduction of the freedom of Information Act imposes on the Trust duties to provide details of all types of recorded information it holds. By the autumn, the Trust will have drawn up a publication scheme explaining how routine information will be published on a day-to-day basis, with a description of the classes of information to which this applies.

The new Act must be in force by January 2005 and the Trust will consider how it is going to manage its arrangements to meet the legal requirements.

It will have a profound affect on the way the Trust manages its records, changing the way it produces, retains and distributes information. The development of the Trust’s electronic communications facilities will have a vital role to play in making information easily accessible to the public at all times.

“The Trust met its key waiting times for 2002/03 and has action plans to continue to achieve its targets”
Summary of Accounts

A copy of the full accounts of the Trust are available from the:

Finance Director
Gwent Healthcare NHS Trust
Grange House
Llanfrechfa
Torfaen
Wales NP44 8YN
1. Breakeven

The Trust has reported a surplus of £69k, (2001-02 £13k). This is the fourth successive year that the Trust has been able to balance the expenditure in providing health services with the income received for those services.

2. External Financing Limit

The Trust is required to meet this target set by the National Assembly for Wales, which represents the cash-flow to the Trust that is external to income received for patient services, and effectively finances the Trust’s capital programme. The Trust has met its external financing limit.

2003-2004

In relation to breakeven continuity, it is noted that the Trust achieved breakeven for 2002-03 and currently plans a breakeven position for 2003-04. However, the Health Community in Gwent, through the former Health Authority, has a cumulative deficit of approx. £8.5m as at 31 March 2003. This is the inherited deficit of the new Local Health Boards, forming the start point for the 2003-04 Service and Financial Framework for the Community.

Discussions with Local Health Boards and Welsh Assembly Government are continuing with regard to the Service and Financial Framework for 2003-04, and the impact this will have on the recovery plan. As part of this process the Health Community has recently submitted a Strategic Change and Efficiency Plan, which incorporates the increasing service targets and some of the basic fundamentals of the initial plan. It is likely that this will form the basis of the revised recovery plan.

Foreword to the accounts

The accounts for the year ended 31 March 2003 have been prepared by the Gwent Healthcare NHS Trust under section 98(2) of the National Health Service Act 1977 (as amended by section 24 (2), schedule 2 of the National Health Service and Community Care Act 1990) in the form in which the National Assembly for Wales has, with the approval of Treasury, directed.
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- Cash Flow Statement

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- Public Sector Payment Policy
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The accounts have been prepared under the historical costs convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

Certificate of Chairman, Chief Executive and Finance Director

We certify that the abridged version of the annual accounts set out on pages 36 to 46 is consistent with the full financial statements of the Trust for the year ended 31 March 2003.

Dr. Brian Willott, Chairman
31 July 2003

Martin P Turner, Chief Executive
31 July 2003

Andrew J Cottom, Finance Director
31 July 2003
Independent Auditors’ Report to the
Directors of Gwent Healthcare

NHS Trust on the Summary Financial Statements
We have examined the abridged version of the
annual accounts set out on pages 36 to 46
This report is made solely to the Board of Gwent
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
abridged version of the annual accounts 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 abridged version of the
annual accounts is consistent with the statutory
financial statements of the Trust for the year
ended 31 March 2003 on which we have issued
an unqualified opinion.

T P Lewis, Audit Manager
31 July 2003

Audit Commission in Wales,
2 - 4 Park Grove, Cardiff CF10 3PA
## Income and expenditure account for year ended 31 March 2003

<table>
<thead>
<tr>
<th></th>
<th>2001-2002</th>
<th>£000</th>
<th>2002-2003</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from activities</td>
<td>344,721</td>
<td>305,014</td>
<td>Other operating income</td>
<td>21,029</td>
</tr>
<tr>
<td>Total income</td>
<td>365,750</td>
<td>324,243</td>
<td>Operating expenses</td>
<td>-351,008</td>
</tr>
<tr>
<td>Operating surplus</td>
<td>14,742</td>
<td>10,974</td>
<td>Profit/(Loss) on disposal of fixed assets</td>
<td>398</td>
</tr>
<tr>
<td>Surplus before interest</td>
<td>15,140</td>
<td>10,811</td>
<td>Interest receivable</td>
<td>441</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Interest payable</td>
<td>-221</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other finance costs</td>
<td>-331</td>
</tr>
<tr>
<td>Surplus for the financial year</td>
<td>15,029</td>
<td>10,976</td>
<td>Public dividend capital dividends payable</td>
<td>-14,960</td>
</tr>
<tr>
<td>Retained surplus for the year</td>
<td>69</td>
<td>13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Statement of total recognised gains and losses for year ended 31 March 2003

<table>
<thead>
<tr>
<th></th>
<th>2001-2002</th>
<th>£000</th>
<th>2002-2003</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the financial year before dividend payments</td>
<td>15,029</td>
<td>10,976</td>
<td>Fixed asset impairment losses</td>
<td>-19</td>
</tr>
<tr>
<td>Unrealised surplus on fixed assets revaluations/indexation</td>
<td>38,235</td>
<td>10,702</td>
<td>Increases in the donated asset and government grant reserves</td>
<td>129</td>
</tr>
<tr>
<td>due to receipt of donated and government grant finance assets</td>
<td></td>
<td></td>
<td>Reduction in the donated asset reserve due to the depreciation/disposal of donated assets</td>
<td>-455</td>
</tr>
<tr>
<td>Total recognised gains and losses for the financial year</td>
<td>52,919</td>
<td>21,529</td>
<td>Prior period adjustment</td>
<td>-3,491</td>
</tr>
<tr>
<td>Total recognised gains and losses in the financial year</td>
<td>49,428</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The prior period adjustment has arisen due to a change in accounting policy. In 2002-03 a provision had to be created for the full remaining forecast liability for pre March 1995 early retirements. This adjustment has been charged against the Income and Expenditure Reserve on the Balance Sheet.
## Balance Sheet as at 31 March 2003

<table>
<thead>
<tr>
<th></th>
<th>31 March 2002</th>
<th>31 March 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Tangible Fixed Assets</strong></td>
<td>230,819</td>
<td>194,907</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks and work-in-progress</td>
<td>3,287</td>
<td>2,974</td>
</tr>
<tr>
<td>Debtors: amounts falling due:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>within one year</td>
<td>24,072</td>
<td>18,465</td>
</tr>
<tr>
<td>after one year</td>
<td>33,889</td>
<td>19,308</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>1,993</td>
<td>3,409</td>
</tr>
<tr>
<td></td>
<td>63,041</td>
<td>44,156</td>
</tr>
<tr>
<td>Creditors: amounts falling due within 1 year</td>
<td>-25,350</td>
<td>-23,972</td>
</tr>
<tr>
<td><strong>Net current assets/ (liabilities)</strong></td>
<td>37,691</td>
<td>20,184</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>268,510</td>
<td>215,091</td>
</tr>
<tr>
<td>Creditors: amounts falling due after more than one year</td>
<td>-2,175</td>
<td>-2,419</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>-39,359</td>
<td>-22,854</td>
</tr>
<tr>
<td><strong>Total assets employed</strong></td>
<td>226,976</td>
<td>189,818</td>
</tr>
<tr>
<td><strong>Financed by:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public dividend capital</td>
<td>171,048</td>
<td>171,849</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>57,839</td>
<td>20,018</td>
</tr>
<tr>
<td>Donated asset reserve</td>
<td>1,421</td>
<td>1,296</td>
</tr>
<tr>
<td>Government grant reserve</td>
<td>0</td>
<td>56</td>
</tr>
<tr>
<td>Income and expenditure reserve</td>
<td>*** -3,332</td>
<td>-3,401</td>
</tr>
<tr>
<td><strong>Total capital and reserves</strong></td>
<td>226,976</td>
<td>189,818</td>
</tr>
</tbody>
</table>

*** See Statement of Total Recognised Gains and Losses
### Cash flow statement for year ended 31 March 2003

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002</th>
<th>2002-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>22,197</td>
<td>21,264</td>
</tr>
<tr>
<td>Interest received</td>
<td>441</td>
<td>433</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-1</td>
<td>0</td>
</tr>
<tr>
<td>Interest element of finance leases</td>
<td>-220</td>
<td>-238</td>
</tr>
<tr>
<td><strong>Net cash inflow from returns on investments and servicing of finance</strong></td>
<td>220</td>
<td>195</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire tangible fixed assets</td>
<td>-8,889</td>
<td>-13,354</td>
</tr>
<tr>
<td>Receipts from sale of tangible fixed assets</td>
<td>0</td>
<td>305</td>
</tr>
<tr>
<td><strong>Net cash outflow from capital expenditure</strong></td>
<td>-8,889</td>
<td>-13,049</td>
</tr>
<tr>
<td>Public dividend capital dividends paid</td>
<td>-14,799</td>
<td>-10,111</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) before financing</strong></td>
<td>-1,271</td>
<td>-1,701</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public dividend capital received</td>
<td>1,825</td>
<td>3,483</td>
</tr>
<tr>
<td>Public dividend capital repaid</td>
<td>-1,745</td>
<td>-1,574</td>
</tr>
<tr>
<td>Capital element of finance leases</td>
<td>-225</td>
<td>-208</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from financing</strong></td>
<td>-145</td>
<td>1,701</td>
</tr>
<tr>
<td><strong>Increase/(Decrease) in cash</strong></td>
<td>-1,416</td>
<td>0</td>
</tr>
</tbody>
</table>
Directors’ remuneration for year ended 31 March 2003

<table>
<thead>
<tr>
<th></th>
<th>As Director £000</th>
<th>Other Remuneration £000</th>
<th>Total £000</th>
<th>2001-2002 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-executive directors’ remuneration</td>
<td>64</td>
<td>0</td>
<td>64</td>
<td>62</td>
</tr>
<tr>
<td>Executive directors’ remuneration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic salaries</td>
<td>438</td>
<td>99</td>
<td>537</td>
<td>495</td>
</tr>
<tr>
<td>Benefits</td>
<td>14</td>
<td>0</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Pension contributions paid</td>
<td>29</td>
<td>7</td>
<td>36</td>
<td>33</td>
</tr>
<tr>
<td>Total executive directors</td>
<td>481</td>
<td>106</td>
<td>587</td>
<td>550</td>
</tr>
<tr>
<td>Grand total</td>
<td>545</td>
<td>106</td>
<td>651</td>
<td>612</td>
</tr>
</tbody>
</table>

The remuneration of the chairman and chief executive is as follows:

<table>
<thead>
<tr>
<th></th>
<th>As Director £000</th>
<th>Other Remuneration £000</th>
<th>Total £000</th>
<th>2001-2002 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic remuneration</td>
<td>22</td>
<td>0</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Benefits</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>0</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Chief Executive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic salaries</td>
<td>143</td>
<td>0</td>
<td>143</td>
<td>134</td>
</tr>
<tr>
<td>Benefits</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Pension contributions</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>153</td>
<td>0</td>
<td>153</td>
<td>148</td>
</tr>
</tbody>
</table>

The Chief Executive is the highest paid director.

Directors’ remuneration (excluding pension contributions) fell within the following ranges:

<table>
<thead>
<tr>
<th>Range</th>
<th>Number 2001-2002</th>
<th>Number 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>£0 - £5,000</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>£5,001 - £10,000</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>£20,001 - £25,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£35,001 - £40,000</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>£55,001 - £60,000</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>£75,001 - £80,000</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>£80,001 - £85,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£100,001 - £105,000</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>£105,001 - £110,000</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>£110,001 - £115,000</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>£125,001 - £130,000</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>£135,001 - £140,000</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>£140,001 - £145,000</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
Senior Managers pay award 2002-2003
Senior Managers pay rises did not exceed 3.6% of the managerial pay bill.

Management costs for the year ended 31 March 2003

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management costs</td>
<td>14,160</td>
<td>13,289</td>
</tr>
<tr>
<td>Income</td>
<td>365,750</td>
<td>323,735</td>
</tr>
<tr>
<td>Management costs percentage</td>
<td>3.9%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

The cost information is collected using the definition for Trust management costs from WHC(2000)113.

Related Party transactions
Gwent Healthcare NHS Trust is a body corporate established by order of the Secretary of State. 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 Gwent Healthcare NHS Trust.

The Assembly is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Assembly and with other entities for which the Assembly is regarded as the parent, namely,

<table>
<thead>
<tr>
<th>Entity</th>
<th>Amount (£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gwent Health Authority</td>
<td>334,016</td>
</tr>
<tr>
<td>Welsh Risk Pool</td>
<td>19,718</td>
</tr>
<tr>
<td>University of Wales College of Medicine</td>
<td>5,605</td>
</tr>
<tr>
<td>Dyfed Powys Health Authority</td>
<td>4,123</td>
</tr>
<tr>
<td>Velindre NHS Trust</td>
<td>2,905</td>
</tr>
<tr>
<td>Bro Taf Health Authority</td>
<td>1,979</td>
</tr>
<tr>
<td>Cardiff &amp; Vale NHS Trust</td>
<td>1,137</td>
</tr>
<tr>
<td>Compensation Recovery Unit</td>
<td>900</td>
</tr>
<tr>
<td>National Assembly for Wales</td>
<td>511</td>
</tr>
</tbody>
</table>

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the Trustees for which are also members of the Trust Board.
Public Sector Payment Policy for year ended 31 March 2003

Prompt payment code - measure of compliance
The Assembly requires that Trusts pay all their trade creditors in accordance with the CBI prompt payment code and government accounting rules. The target is to pay all trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>£000</td>
</tr>
<tr>
<td>NHS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total bills paid</td>
<td>3,231</td>
<td>11,879</td>
</tr>
<tr>
<td>Total bills paid within target</td>
<td>1,444</td>
<td>7,331</td>
</tr>
<tr>
<td>Percentage of bills paid within target</td>
<td>44.7%</td>
<td>61.7%</td>
</tr>
<tr>
<td>Non-NHS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total bills paid</td>
<td>167,825</td>
<td>98,899</td>
</tr>
<tr>
<td>Total bills paid within target</td>
<td>97,637</td>
<td>60,927</td>
</tr>
<tr>
<td>Percentage of bills paid within target</td>
<td>58.2%</td>
<td>61.6%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total bills paid</td>
<td>171,056</td>
<td>110,778</td>
</tr>
<tr>
<td>Total bills paid within target</td>
<td>99,081</td>
<td>68,258</td>
</tr>
<tr>
<td>Percentage of bills paid within target</td>
<td>57.9%</td>
<td>61.6%</td>
</tr>
</tbody>
</table>

The deterioration in prompt payment performance has arisen due to the implementation of new financial systems.

The Late Payment of Commercial Debts (Interest) Act 1998
£1k (2001-02 £0k) interest has been paid arising from claims made by small businesses under this legislation.
Private finance transactions

The private finance schemes operating in the Trust are as follows:

Newport Hospitals Energy Scheme
The provision of replacement heating and lighting systems within Newport Hospitals over a period of 15 years.

The contract runs until November 2014; the annual payment is £527,000 and this sum was charged to operating expenses during the year.

The scheme is deemed off balance sheet, and as such the capital value of £4,000,000 is excluded from the fixed asset values on the balance sheet.

Chepstow Community Hospital
The financing of a new community hospital over a period of 25 years. The scheme includes the provision of ancillary support services.

The contract runs until February 2025; the annual payment is £1,739,000 and this sum was charged to operating expenses during the year.

The scheme is deemed off balance sheet, and as such the capital value of £10,000,000 is excluded from the fixed asset values on the balance sheet.

Nevill Hall Hospital Energy Scheme
The provision of replacement heating and lighting systems within Nevill Hall Hospital over a period of 25 years.

The contract runs until December 2026; the annual payment is £423,000 and this sum was charged to operating expenses during the year.

The scheme is deemed off balance sheet, and as such the capital value of £3,300,000 is excluded from the fixed asset values on the balance sheet.

Nevill Hall Hospital Day Surgery Unit
The financing of a new purpose built day surgery unit over a period of 25 years. The PFI partner has responsibility for maintaining the building and replacing the equipment used within the unit.

The contract runs until May 2023; the annual payment is £595,000 and as the scheme is deemed to be on balance sheet only £149,000 of the sum was charged to operating expenses during the year. The remainder of the payments are finance lease interest charges and scheduled capital creditor repayments.

The capital value of the scheme included in the fixed asset value on the balance sheet at the 31 March 2003 is £2,730,000.

Other Schemes
The Trust is also seeking potential Private Finance partners for the following schemes:

Monmouth Health and Social Care Facility (Joint Project between Health and Social Services)
Blaenau Gwent Community Hospital
New Hospital in Caerphilly
Mental Health Services re-structuring
Statement on Internal Control

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

The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the organisation’s objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically. The system of internal control is underpinned by compliance with the requirements of the Welsh Risk Management Standards, and within these Standards those deemed to be core to the management of risk within NHS organisations:

- Risk management policy and strategy
- Risk profile
- Adverse incident and hazard reporting
- Governance
- Financial management

I am satisfied that a sound system of internal control has been in place throughout the financial year and is ongoing. This has been demonstrated by meeting the requirements of the Welsh Risk Management Standards.

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

Martin P Turner, Chief Executive
31 July 2003
Trust Information

The Trust Headquarters is at:
Grange House,
Llanfrechfa Grange,
Cwmbran, Torfaen,
Wales NP44 8YN
Telephone: 01633 623623
www.Gwent-tr.wales.nhs.uk

The Trust is responsible for three acute hospitals

Royal Gwent: 01633 234234
Nevill Hall: 01873 732732
Caerphilly District Miners: 02920 851811

and twenty general, community and mental health hospitals and day case premises covering five county borough areas.

Aberbargoed 01443 828728
Abertillery 01495 214123
Blaenavon 01495 790236
Blaina 01495 293293
Chepstow 01291 636636
County 01495 768768
Dan-y-Bryn 01495 353700
Ebbw Vale 01495 356956
Llanfrechfa Grange 01633 623623
Maindiff Court 01873 735500
Monmouth 01600 713522
Oakdale 01495 225207
Redwood 01685 840314
St Cadoc’s 01633 436700
St Woolos 01633 234234
Talygarn 01495 765725
Tredegar 01495 722271
Ty-Sirhowy 01495 229010
Ysbyty'r Tri Chwm 01495 353200
Ystrad Mynach 01443 811411