King's Fund

100 Years Supporting People's Health

Annual Report 1996
and Centenary Report
1897–1997

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and Centenary Report
1897–1996

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Her Majesty The Queen

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HRH The Prince of Wales KG KT PC GCB

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Back cover: **Extract from *The Times*, February 6, 1897**

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Key events of the past hundred years and extracts from previous Annual Reports appear between pages 6 and 39. These are complemented by current King's Fund programmes, which appear alongside.

Photo: Snowdon

ST. JAMES'S PALACE

On 6th February 1897 my great great grandfather, then The Prince of Wales, later His Majesty King Edward VII, launched what is now the King's Fund. He was concerned about the financial insecurity of the great voluntary hospitals of London, which then showed a significant gap between their expenditure and their income, and he called on the whole population to help bridge the gap.

Over the century much has changed, and the King's Fund has responded to differing needs decade by decade. Its role is, however, as relevant now as it was then - today concerned with the functioning of the whole pattern of London's health services and the health of its immensely varied population. Nowhere in this country are there such extremes of affluence and poverty, such extreme needs and such a concentration of leading medical institutions.

On this, its hundredth birthday, I would like to congratulate all of those who are concerned with the Fund and to wish the Fund a stimulating and constructive future. People engaged in giving medical, nursing and social care, people managing these services, and most of all the ordinary people who rely on them, all deserve our imaginative, focused and compassionate support. A hundred years ago that was why the Fund was established. It is its purpose today - and no doubt will still be so in the year 2097.

I send my very best wishes for all your efforts on behalf of the Fund.

Charles

1897–1906

1891–2 House of Lords Select Committee on Hospitals of London looks at problems of funding, administration and location

1897 Queen Victoria's Diamond Jubilee Year. The Prince of Wales's Hospital Fund for London is launched with receipts totalling over £250,000 in the first ten months

1898 Hospital visiting committee appointed to recommend grants to hospitals within a radius of seven miles of Charing Cross

1903 Following investigations with King's College Hospital and local government, the Fund makes the first of recurring large grants towards the cost of moving the hospital to Camberwell

1904 First statistical report on the 16 largest hospitals in London compares expenditure and prices

Treasurer's Introduction

We are most grateful to our President, HRH The Prince of Wales, for the message he has sent to the King's Fund during this, the Fund's centenary year. I would also like to take the opportunity to thank our President for the great interest he takes in the activities of the Fund and for his support.

It seems appropriate to include in the Annual Report this year extracts from earlier reports and a brief financial overview of the Fund's finances for the past 100 years. I hope that you will find this interesting. It shows the changing patterns of the Fund's income and expenditure over the years, and the performance of its investments. It also shows the extraordinary generosity of a number of donors, from Lord MountStephen onwards, when their gifts are translated into today's values.

We have also decided to set out in the Annual Report the full accounts of the Fund rather than abridged accounts as hitherto. These will be found on pages 43–52.

William Backhouse, Treasurer

Chairman's Statement

The Report that follows gives a full picture of the King's Fund's activities and finances as it enters its centenary year. I would like to say a few words about the Fund's governance – rightly a topic of concern for organisations of all kinds today, including charities. Our governance is prescribed by statute in the King Edward's Hospital Fund for London Act 1907. Inevitably, there are some respects in which one would write the Act differently today, but it is workable, given the powers of delegation that it contains. The governing body is the President and General Council. Essentially, the Council is a review body, delegating to the Management Committee the hands-on duty of Trustees. All other committees are now sub-committees of the Management Committee. Among these is the Audit Committee, which has the duties of independent scrutiny that are standard today, in the voluntary sector as in commerce. The Management Committee meets approximately every two months, working with the Fund's Chief Executive and other chief officers, and maintains close oversight of the Fund's affairs. It reports to the President and General Council.

As this Annual Report reflects, the Management Committee and the chief officers are committed to a significant reduction in the Fund's recurrent annual expenditure, to ensure that activity is sustainable long term, with room for one-off initiatives and for the unforeseen. Reducing expenditure is never comfortable, but on occasion everyone has to do it and, in the Fund's case, we have the time and resources to make the adjustment with proper care. With the substantial investment gains of recent years, the Fund's real wealth has increased. But that will not continue indefinitely without setbacks. The only responsible policy is to determine a figure of affordable expenditure – which we have currently set at 5 per cent of net earning assets – and work within that.

The Fund has an interesting history, an important purpose and a strong base of financial resources and human talents. I have every confidence in its future.

Marius Gray, Chairman of the Management Committee

1897

'In accordance with views expressed and adopted in the Executive Committee, it has appeared to us that the income money of the Fund cannot be better spent than in aiding, in proportion to their needs and usefulness, the most important of the hospitals. A fair indication of those institutions which may be regarded in this light is the permanent occupancy of 100 or more beds. This test will include, though not exclusively, all the hospitals having medical schools. And it may be remarked that the existence of a school in connection with a hospital gives it a strong claim to support: not only because a medical school in itself confers immense benefits on the community, but also because the public criticism to which the officers of such a hospital are perpetually subjected, ensures that the treatment of the patients is conducted in accordance with the best existing knowledge.'

Report of the Special Committee on Distribution, Annual Report, 1897

Opposite page: In the beginning; Charity overwhelmed with her burden
Above: King Edward VII (then still Prince of Wales) at Marlborough House, 1897

1907–1916

1907 Act of Parliament gives the King's Fund responsibility to 'promote the support benefit or extension of the hospitals of London'

1907 Committee on fire safety report becomes first King's Fund publication and is distributed to all the hospitals of London

1908 Area of activity extended to nine miles from Charing Cross and includes tuberculosis sanatoria outside the boundary taking Londoners

1909 Annual distribution reaches £150,000, the figure King Edward VII had hoped for

1910 Death of the founder, and patron, King Edward VII

1911 Inquiry into methods of admission of outpatients to hospitals

Chief Executive's

Nineteen ninety-six was another busy year for the King's Fund, with a lively range of activities in the Development Centre, Management College, Policy Institute and Organisational Audit, and in Grantmaking. In addition, the work of the Health Partnerships continued in London, Liverpool and Newcastle, seeking better primary health and social care for older people, by working across agency boundaries and by listening carefully to older people themselves. The London Commission, chaired by Lord Hussey, made progress in its examination of London's health and health services, with a view to concluding its work in mid-1997. The first of the Commission's research reports – on mental health – has already been published, showing patterns of extreme need in inner London and some major gaps in provision, such as a total lack of round-the-clock care in the community.

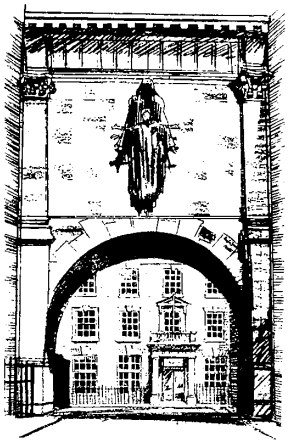
Harlan Cleveland, a US academic and politician, once commented that it is remarkable how complicated life can get, what with one thing leading to another. That helps to explain why it is that the Fund – vigorous, lively and committed to the great causes of health and health care, but with limited resources – is constantly in danger of trying to do too much, as its initiatives grow and develop from small beginnings. This home truth was underlined in 1996 by difficult financial conditions in the National Health Service and pressure to reduce NHS management costs. The Management College, Organisational Audit and our external conference income were all affected and we finished the year with an income shortfall against budget of approximately £1 million, partially offset by a £450,000 reduction in our grantmaking. Remedial action had already begun in mid-year with a decision to scale down the Management College on a phased basis over the next three years, so that it is less dependent on short-term consultancy and can devote more time to putting its substantial development skills behind Fund initiatives, such as the London Commission and the work that will stem from it.

Report

Family gifts to King Edward's Hospital Fund

As I reported last year, we began at the end of 1995 a major external and internal consultation on the King's Fund's role today. That was timely for all sorts of reasons. The move to a single site in Cavendish Square was made to enable us to link our activities more powerfully, which automatically raises questions about focus and priorities. So does the need to reduce expenditure – not in a great hurry, but to a level that is in line with sustainable income and gives us more room for manoeuvre. It is also natural at the Fund's centenary that we should reflect both on the Fund's past and on its future. Moreover with my own retirement pending, we are in a transition, which is about consolidating the platform for the next phase of the Fund's development, to be shaped and led by my successor.

What we have done is to take the thinking on current performance and future role far enough to deal with immediate issues and help in the selection of my successor, without taking it so far that she or he is hemmed in by commitments already made.



1907

'We propose to give a considerable sum to the removal fund of King's College Hospital, and the grant of £6,000 will make our total contributions up to £22,000 to this object. A matter which I am sure you will agree ought to engage our most serious attention in the future is that relating to the treatment of consumption, and I am glad to see that the Distribution Committee in the awards to consumption hospitals are giving special attention to the necessity for sanatoria. Whether this subject should be treated as distinct from ordinary hospital work of London I need not at present discuss; but I feel sure that the want of consumption sanatoria in the country for London patients is very great, and I think that the King's Fund should do all in its power to encourage the establishment of these useful institutions.'

The Prince of Wales,
address to General Council,
Annual Report 1907

Opposite page: Public health at the turn of the century
Above: Cavendish Square

London Commission

1997

In 1992 the first King's Fund London Commission produced a report on the future of London's health services. A second London Commission was convened in July 1995 to provide a comprehensive review of health care provision in the capital. The Commission is considering the health care needs of London's population in relation to the provision of services so as to suggest ways in which these services might be developed to meet better those needs. The Commission is again chaired by Lord Hussey, former chairman of the BBC and chairman of the Royal Marsden NHS Trust. Members include leading figures in the health and social care fields.

Work programme

The Commission's work is based on an extensive programme of analysis and research, as well as widespread consultation with service providers, commissioners, users and members of local communities. It has concentrated particularly on areas not covered by the first London Commission, including services for people with mental health problems and care of older people.

Research has been commissioned in four main areas. First, studies from several researchers together form a comprehensive report on mental health in London. Published in January 1997, this reveals the problems facing mental health services in the capital and suggests ways forward. A second major area of research is the analysis of the overall system of health care delivery, from specialist hospital care to care in the community provided by the nurse or family doctor. This provides a framework within which to consider how best to organise health services in the

As I look back on my 17 years in the King's Fund, I am as convinced as I was in 1980 that health and health care are crucial, communal concerns. Promoting health and providing good standards of care on the basis of need are what the NHS is all about, although there are of course other formative influences upon health, such as housing and income distribution. I have seen the NHS go through a series of structural changes. Fundamentally, however, the structures are secondary, and far too much effort has been absorbed in changing the structural architecture, both in the UK and in other countries. The issues that we collectively face are of a different kind.

Without being exhaustive, they include the following.

1 Funding levels and the principles on which (rationing) decisions about who gets what services are based.
2 The quality of information about effectiveness that underpins clinical decisions and the involvement of patients and their families in these decisions.
3 Recruiting, training and developing people in the whole vast NHS workforce, both as individuals and as effective teams.
4 Cultural diversity in the delivery of services and in the NHS workforce.
5 Community care and the interdependence of health and social services for many vulnerable people, both in terms of service provision and in terms of charges.
6 How to safeguard and promote health in a much broader sense, including all the influences that bear upon the health of individuals and communities.

As this Report reflects, we are already active on a number of these themes. Obviously, however, one could add other topics that affect London's health and health care, and we cannot work on them all. So we need to be selective – probably more selective than I have encouraged colleagues to become. I am confident, however, that the Fund will make contributions on some of these issues that face the NHS as it approaches its 50th anniversary in 1998. The Fund will no doubt continue to operate by combining work on policy with work on practice, extracting general lessons from practical examples. It will not act alone but with others. It will maintain its independence, hopefully without shrillness or sanctimoniousness.

It has been a great privilege to work in the King's Fund. The next 12 months will be no exception, with, as I write, a general election in prospect, a big agenda for the Fund and our centenary to celebrate. I look forward to it.

Robert J Maxwell

Family gifts to King Edward's Hospital Fund

future. A third theme of the Commission's work considers how the health and social care needs of older people in London are matched by service provision. Attention is paid to the co-ordination of care between different types of provider, both in the hospital and in the community; and the co-ordination of responsibilities between health authority, local authority and the individual. The fourth major area of analysis offers an insight into the management of changing health services in London by examining this process over the last five years. Finally, the Commission has produced its own comprehensive analysis of health and social services in London, comparing health and provision across geographic sectors of London, between London and the rest of England, and over time.

Future objectives

The results of the Commission's research programme are being published in the first half of 1997. A series of consultations are also taking place with user groups, health workers, statutory bodies and voluntary agencies. The Commission will produce a final report on the future of health services in London. This is likely to identify opportunities for the development of London's health services, some of which may become new King's Fund work programmes.

1917–1926

1914–18 World War I makes heavy demands on the hospitals of London, which increase bed accommodation and spending on medical supplies and surgical instruments. The Fund increases contributions each year: despite many more calls on public charity, subscriptions and donations increase

1919 Report on pensions for nurses and hospital officers published

1920 Dawson Report on the future provision of medical and allied services published

1924 London County Council and Ministry of Health implement Fund's recommendations on hospital accommodation for ambulance cases

Development

Staff of the Development Centre are working with health professionals to improve the quality of services and make them more responsive to patients and carers. We aim to support innovative ideas and new ways of working.

The past twelve months saw the consolidation of three important areas of work which have been priorities for the Development Centre over a number of years: improving clinical effectiveness, promoting informed patient choice, and reshaping day services for people with learning disabilities.

Promoting Action on Clinical Effectiveness (PACE)

PACE is a three-year programme funded by the NHS Executive. Launched in August 1995, it was established to demonstrate the effective implementation of evidence-based practice. We are supporting 16 local projects – two in each NHS Region – each of which has chosen a specific clinical topic to work on. These have been selected because research has shown that there is a need to change clinical practice to produce better outcomes for patients.

All the projects involve a wide range of NHS professions – some medical, some nurse-led – and many require close working between primary and secondary care. While some are led from health authorities and some from NHS trusts, all involve purchasers and providers working in partnership.

In addition, the PACE Network provides links between a wide range of people who are interested in the promotion of evidence-based practice. The Network currently has nearly 300 members and organises discussion days which enable members to meet colleagues from other organisations who have similar interests, to identify emerging issues in the development of evidence-based practice and to provide opportunities for discussion and debate. Network newsletters and the *PACE Bulletin* are published quarterly.

Local PACE projects

Barnet Health Authority	Stroke prevention
Bradford Health Authority	H-pylori eradication
Bromley Hospitals NHS Trust	H-pylori eradication
Chase Farm Hospitals NHS Trust	Pressure sores
Dorset Health Authority	Menorrhagia
Dudley Health	Incontinence
Gloucestershire Royal NHS Trust	Stroke
Lambeth, Southwark and Lewisham Health Authority and King's Healthcare	Cardiac rehabilitation
North Derbyshire Health	Cardiac failure
Oxfordshire Health	Post-operative pain control
Royal Berkshire and Battle Hospitals NHS Trust	Leg ulcers
South Tyneside Healthcare Trust	Stable angina
Southern Derbyshire	Low back pain
Walsall Health	H-pylori eradication
Wigan and Bolton	Incontinence
Wirral Health	Schizophrenia

Promoting Patient Choice

There is increasing enthusiasm for involving patients more closely in their health care, whether it be around the choice of provider or around treatment decisions. If patients are to become more active participants in their own health care, they need access to reliable, user-friendly information. Wherever possible, this should be evidence-based.

While clinicians will always be the primary source of information for most patients, research has shown that good-quality information materials (leaflets, videos and computer packages) can help to ensure that patients' views and preferences are taken into account when choosing appropriate treatment.

1917

'Many London Hospitals are doing a great work for the Country in the treatment of sick and wounded soldiers, in addition to their ordinary work for the civilian population. The heavy and rapidly growing increase in expenditure resulting from the scarcity of all commodities and of labour renders the need for the help of this Fund more essential than ever.

'The amount the Fund distributed in 1917 was £190,000, the similar grant in the first year of the war having been £140,000.

'It is most important that the Fund should be enabled at least to maintain the level reached last year.'

Special Needs – 1918, Annual Report 1917

'In The Queen's name'

Opposite page: Hospital outpatients in 1920s
Above: The lifeboat, launching the appeal of The Prince of Wales, 1897

Public participation in health care

1997

Patients

Research has shown that many patients want more information about treatment options and greater involvement in decisions about their care. There is some evidence that patients who are given good quality information on the risks and benefits of medical interventions, together with support to make genuinely informed choices, feel happier and get better faster than those who receive care passively. However, knowledge about the circumstances in which shared decision-making should be encouraged, and the effects of doing so, is sparse.

Users

Considerable improvements in service provision can also be made by involving users and the general public in making wider decisions about the organisation and delivery of services. Experience shows that when professional staff work together with service users and carers, it has been possible to raise the quality of care, especially for those with long-term needs. Unfortunately users are not always consulted when new services are planned, leading to a mismatch between their needs and what is provided.

Citizens

There is great public interest in how priorities are set for resource allocation, but publicity about rationing decisions often generate more heat than light. People find it difficult to understand why health services that are available in one part of the country are not provided in another. Health authorities and trusts are experimenting with

Unfortunately, good-quality patient information materials are hard to find. We have been tackling this problem on a number of fronts: we are doing some research to find out what patients and clinical experts think of existing materials; we are supporting three trials of US-produced interactive videos for patients; we have developed a video and booklet for gynaecological patients which is currently being evaluated in a large randomised controlled trial; we have supported the development of a variety of multi-media materials on a range of clinical topics (see the box below); and we have been working with staff running consumer health information services to help them answer patients' queries about treatment outcomes.

Projects to promote patient choice

Bristol, Brunel and Oxford Universities and King's Fund	Menorrhagia
Bristol Urological Institute	Urge incontinence
Castle Hill Hospital, Hull	Colorectal cancer
Hope Hospital, Manchester	Inflammatory bowel disease
King's Fund and NHS Centre for Reviews and Dissemination	Back pain, prostate disease, cataract, high cholesterol, depression, glue ear, hip replacement, menorrhagia, stroke, subfertility
Nottingham University	Nocturnal enuresis
Queen's Medical Centre, Nottingham	Post-operative pain control
Redbridge Healthcare Trust	Anxiety
University College London and King's Fund	Prostate disease, benign uterine conditions, hormone replacement therapy

Changing Days

Many of our development projects are trying to improve services for people who require help from both health and social services. People with learning disabilities are one such group. While the closure of the long-stay institutions and the provision of care in the community have benefited many people with learning disabilities, many still find themselves segregated in unstimulating day centres, unable to participate in activities of their choice within the wider community.

In July 1993 we undertook a national consultation exercise which identified the need to develop new daytime opportunities which would better reflect the needs and aspirations of people with learning disabilities. In partnership with the National Development Team we obtained funding from the Gatsby and Joseph Rowntree Foundations and launched the Changing Days project in December 1994. The work is based on the belief that:

- people with learning disabilities have the ability to become full members of their local communities;
- better day-time opportunities can be achieved by working in partnership with people with learning disabilities, carers and staff;
- resources should be released to provide education, employment and meaningful leisure pursuits.

Five development sites were chosen which had demonstrated their commitment to develop their services in this way (see the box below).

Changing Days sites

Cambridgeshire County Council
Ely Hospital, Cardiff Community Healthcare Trust
Hackney Social Services
Hereford Single Agency Purchasing Project
South and East Belfast Health and Social Services Trust

Throughout the life of this three-year initiative we have been supporting the sites in their attempts to reorient services so that they meet the needs of people with learning disabilities. We have organised seminars, action learning sets, conferences and publications to disseminate the lessons learned from these practical experiments.

Angela Coulter
Director, Development Centre

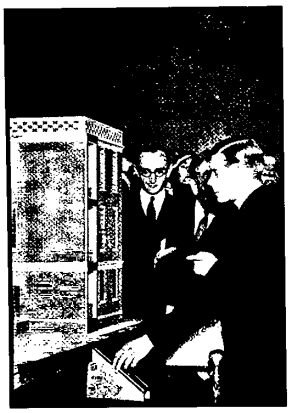
different ways of consulting local people, but critics have argued that there is a 'democratic deficit' in health care policy-making. In other words, key decisions are taken behind closed doors and there is little day-to-day accountability to the public.

Work programmes

Work is underway in each of these areas. For example, the Development Centre's Promoting Patient Choice initiative is working to develop and assess a variety of ways of giving patients clinical information and supporting experiments in shared decision-making. Organisational Audit is working with users to develop standards for nursing homes. Staff of the Management College are working with health authorities to generate and evaluate ways of involving the public in local health commissioning. King's Fund grants have been given to support the development and evaluation of citizens' juries as a means of involving the public in local health policy-making. The Policy Institute is supporting a major initiative to encourage a well-informed public debate about health care rationing.

Integrating the work

The new integrated programme will bring together these diverse projects to share their findings and plan new work. It will look at specific measures which can be taken to improve public participation at each level. This will involve addressing the concerns and training needs of professional staff as well as service users, and promoting critical analysis and research alongside development work. In particular there is a need to encourage clear thinking about these complex problems and to ensure the widest possible dissemination of successful initiatives.



1927–1936

1928 Fund receives gift of £50,000 to buy a stock of radium. Annual ordinary distribution reaches £250,000

1929 Help towards setting up London Voluntary Hospitals Committee

1930 Fund makes major grant towards cost of rebuilding the Middlesex Hospital

1931 Report on patients' waking time recommends hour to be not earlier than 6am

1933 General outpatient timetable published for all doctors in King's Fund area (continued until 1963)

1936 Year of two King's Fund Presidents, on the death of King George V

Management

The following were some of the main issues coming out of our work with people engaged in health care management in 1996:

- a growing sense of stress and strain within the health care system as managers seek to work within much tougher financial constraints and have less scope for making decisions that might in any sense be controversial with an upcoming general election;
- continuing reflection that the size of the change and development agenda is both exciting and unrealistic and that relatively little recognition is given to the fact that at least 80% of management effort is required to maintain existing service levels;
- widespread cynicism that the political focus on management costs and activity was simply a smoke screen and diversion from the more difficult and relevant issues such as rationing and hospital closures;
- recognition that working together in a more inter-dependent way, between both professional groupings and organisations, needed more emphasis and attention;
- heightened concern at the individual level about job security and striking the right balance between work and non-work life.

One of the particular consequences of a tighter financial regime within the NHS in general and emphasis on management cost reductions in particular was that the demand particularly for the Management College's fieldwork consultancy took a significant downturn. As a result of this, and in response to the Fund's consideration of its modern aims the College undertook an internal review of its future work and organisation.

The Change & Leadership Centre

In January 1997 a new change & leadership centre was established within the Management College in order to give greater emphasis to the main change and leadership issues facing the NHS and to give

College

greater internal development support to the Fund itself. The specific purposes of the Centre are as follows:

- to enhance the capacity of the King's Fund to pursue its unique mission as an independent development agency;
- to develop and test new approaches to tackling complex problems through long-term partnerships with commissioning and delivery agencies;
- to work with potential and actual managerial, clinical and community leaders to help them sustain and improve services, particularly in London;
- to reflect and contribute to contemporary thinking about change and leadership in health care.

The Faculty members in the Change and Leadership Centre will continue with highly successful Management College programmes such as the Top Manager Programme and Senior Manager Programme, and with initiatives such as the Johnson & Johnson Nurse Leadership programme. However, the Change and Leadership Centre will also

1927

'The Propaganda Committee has again been active in devising new methods of bringing the work of the King's Fund and the Voluntary Hospitals before a wider public, partly by direct propaganda and partly by functions which have a money-raising aspect as well. Among the activities of the Committee in 1927 were:

- Seven-a-side Rugby Football Competition, organised by the Middlesex Rugby Football Union, in connection with which the Press were invited to a special luncheon at the Savoy Hotel. Lord Donoughmore presided, and the President of the Rugby Football Union was present; (raised £738 1s 7d)

- Series of Drawing-Room Meetings at 29 Portman Square, by kind invitation of Lady Lawson Johnson, when 'reminiscent talks' were given by Sir Johnson Forbes-Robertson, Lord Ullswater, Mr Pett Ridge, and Mr P. Warner; (raised £96 12s 0d)

- Fifth series of 'Lectures and Counter-Lectures' at the London School of Economics during May and June. These included two debates which had been cancelled the previous year, owing to the General Strike; (raised £497 13s 6d)'

Work of the Propaganda Committee in 1927,
Annual Report 1927

Opposite page: Unveiling the King's Fund miniature hospital
This page: General Strike, 1926

Mental Health Services

1997

The organisation of mental health services in urban areas is fraught with difficulties. They demand careful planning, responsiveness to changing needs and co-operation between health authorities, community trusts, local authorities and voluntary agencies.

Current work on mental health at the King's Fund is diverse, with individual projects looking at different aspects of its development. For example, the London Commission's investigation into mental health services in the capital has detailed a number of weaknesses in their provision, from which the Commission will make recommendations about how to improve services for the next century.

The Mental Health Services Programme has been established to ensure overall co-ordination in the Fund's work and the way it responds to the needs identified by individual projects.

Work programmes

Mental health services are a central part of the Organisational Audit programme for community health trusts, which allows the Organisational Audit team to assess trusts' organisational efficiency and service quality against nationally determined standards of good practice.

A number of Management College projects are looking at how mental health services can be planned across organisational boundaries and are helping purchasers and providers to improve their practices, including the use of citizens' juries. The Management College has also evolved a set of leadership

have much more time to participate in new programmes which involve all parts of the King's Fund, in particular the London Commission and the London Health Partnership. There will also be much more emphasis on research, and on publishing.

The 'wider' Management College will continue to provide a variety of leadership development programmes and engage in organisational development projects.

Specific work in 1996

During 1996 there were numerous developments and successes.

Our flagship educational programmes, such as the Top Manager Programme (for directors), the Senior Manager Programme, the Nurse Leadership Programme (for senior nurses) and Management for Consultants and Senior Registrars, continue to form the backbone of much of what the Management College does at Cavendish Square. All were full or oversubscribed in 1996, with many new applications for places on 1997 courses. The continuing success of these courses and the warmth with which attendees speak of their experiences at Cavendish Square, reassert the Management College's status in the first rank of developers of top staff in the NHS.

The new educational programme 'Beyond Hierarchy' works with directors to anticipate the organisations and leaders that will manage

health care in the next decade. This moves into its second year, with the focus changing to working in participants' own organisations, helping members apply their learning within their own environments.

The Tyneside Change Centre, which brings together partners from across the divides of health care, social care, welfare services and academic centres in Tyneside and Newcastle, was established by Faculty member Gina Shakespeare in 1996. It has now become a self-managing organisation, and they are currently appointing their own project manager. The learning from this new work will, we hope, be applied to establishing other change centres closer to home.

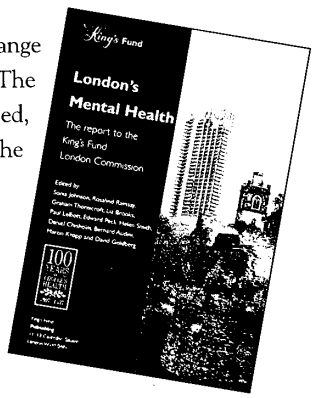
During 1996 there were also a number of exciting developments in our work. We established 'GP Choices', the first Management College pilot leadership programmes for general practitioners. The success of the network to promote organisational development in large acute hospitals, which brings together chief executives and senior doctors and nurses from major hospitals to examine together their attitudes to problems, has led to a similar network being formed for chief executives and their board colleagues in health authorities.

Organisational development in commissioning authorities will thus address problems in the work of health authorities, particularly in health purchasing.

In 1996 we also contributed to the work of the London and Northern Health Partnerships, an alliance of charitable foundations (including the King's Fund), government and private sector, which is concerned with improving services for elderly people, particularly in urban communities. Finally, we supported the work of the second London Commission, particularly its work on mental health services, and its exploration of more effective ways of bringing about desired organisational change in London's health services.

The year ahead will be a period of change and renewal for the whole Fund. The Management College is now refocused, more flexible and ready to meet the challenges to come.

Peter Griffiths
Director, Management College



development initiatives in mental health in conjunction with the NHS Executive.

The relationship between primary care and community mental health services is under investigation at the Development Centre, with projects working on monitoring the effects of community care legislation, improving the services given to carers and developing better patient information on mental health issues.

The King's Fund, along with Bethlem and Maudsley NHS Trust, will be hosting an international conference in the autumn which will examine many of the issues faced in providing effective services in urban environments. There is also a large number of grants being given to projects to improve mental health services in London. These focus on groups with particular needs or who often lack access to high-quality care, such as homeless people, black and minority ethnic groups, and women.

Future objectives

The Mental Health Services Programme aims to address the issues facing mental health services in London by establishing new development projects and setting clear priorities and responsibilities for all the Fund's work on mental health. It will bring together all the programmes currently working on mental health issues and facilitate more joint working and mutual learning between them. The programme will enhance the Fund's role as an independent monitor of the capital's mental health services by overseeing the progress that is made in improving services and investigating the issues being encountered.

Opposite page: Management programme in action
This page: London's Mental Health, the first report to the second London Commission

1937–1946

1938 Emergency Bed Service begins operating and arranges admissions for 2,800 cases by end of the year

1939 Area of activity extended to the boundaries of the Metropolitan Police Area, bringing in areas of population growth

1940 Nursing Recruitment Centre opens for enquiries on hospital training and the nursing profession (closed in 1968)

1943 Hospital Service Plan provident scheme established, which became the Private Patients Plan

1945 Bursaries in hospital administration awarded to service personnel

Organisational

King's Fund Organisational Audit (KFOA) works closely with health care organisations, supporting them in their development. With the completion of a major project on community, mental health and learning disability services, we have now achieved the important goal of defining good organisational practice for all major types of health care organisation.

Consolidation and reflection

In the space of six years, KFOA has developed standards and an audit-based improvement methodology for:

- acute facilities;
- community, mental health and learning disability services;
- commissioning organisations;
- nursing homes;
- primary health care facilities.

Since the success of the original initiative for acute hospitals in 1990, we have been encouraged to extend our work beyond the environment of the acute hospital setting by colleagues in primary and community care, who have been attracted by the elegance of a whole organisational approach to the achievement of more effective ways of working.

Because of the speed of development of our work, it would seem reasonable to enter a period of consolidation, evaluation and reflection before embarking on new activities. We need to pause for breath to ensure that the high quality of service which we offer, both in our standards and in our peer review, is maintained. Two approaches will contribute to this in 1997:

- a balance between operations and development is important in maintaining the healthy tension between action and reflection which is so critical to our work. We now have in place matching teams for operations and for development, the latter having

Audit

achieved a maturity which will enable it to undertake a comprehensive and critical evaluation of our work to date, as well as help to build significant improvements into our working processes.

- in common with other directorates of the Fund, we will be undertaking an appraisal of the services which we provide: we shall be asking ourselves critical questions about the way in which we work, the market which we serve and the way forward.

What we are hoping to achieve from this exercise is a streamlined set of services which will contribute to the organisational development agenda for health care organisations in the years ahead.

1937

'During 1936 and 1937 a further seven grammes of radium was bought with the aid of gifts received for the purpose from a generous donor. With this radium additional loans have been made to several Hospitals to enable them to develop the method of treatment at a distance, known as teleradium. The radium for this purpose is made up in large units of from 1 gramme to 4 grammes.

'The Fund's radium now totals 17 grammes, of which about 16 1/4 are on standing loan to 18 Hospitals and the balance in a pool whence it is available, with some other radium lent to the Fund, for temporary loans when required to two of these Hospitals and 15 others.

'The King's Fund continues to use its influence to secure that all these Hospitals should have adequate follow-up systems and keep records of the subsequent history of patients on the lines already adopted by the National Radium Commission.'

King's Fund Radium, Annual Report 1937

Opposite page: St Thomas's Hospital bomb-damaged
Above: Public health poster, 1930s

Organisational Structures and Patient Outcomes

1997

The rationale behind the King's Fund Organisational Audit initiative is that measures to improve the organisational effectiveness of health services have a beneficial effect on the users of those services, in particular patients. Assessing the difference these measures actually make to the outcomes experienced by patients is, however, very difficult to achieve objectively. There are few reliable measures of organisational performance which link it to the care received by patients and account for the influence of other factors.

This cross-Fund programme has been commissioned to determine what factors in the organisation of acute health services are most important in improving patient care and in so doing examine the effects of Organisational Audit processes in hospitals. The programme will try to isolate evidence of organisational factors affecting outcomes from other influences on hospital performance, such as clinical effectiveness, local demography and technological advances.

Work programme

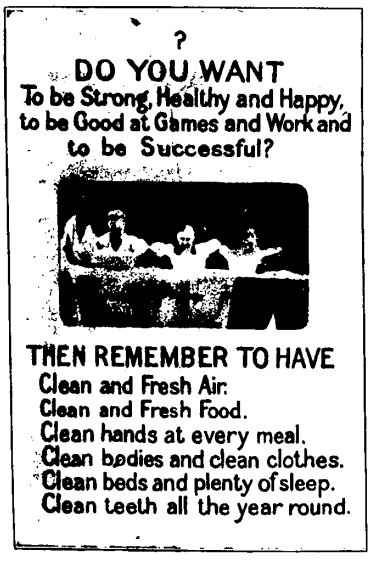
The new programme is likely to take much of its evidence from hospitals undergoing the accreditation process. This applies nationally determined standards of good organisational practice and patient care to hospitals across the country and helps them achieve necessary improvements. It works with hospitals to improve their efficiency, their ability to cope with change, the way they

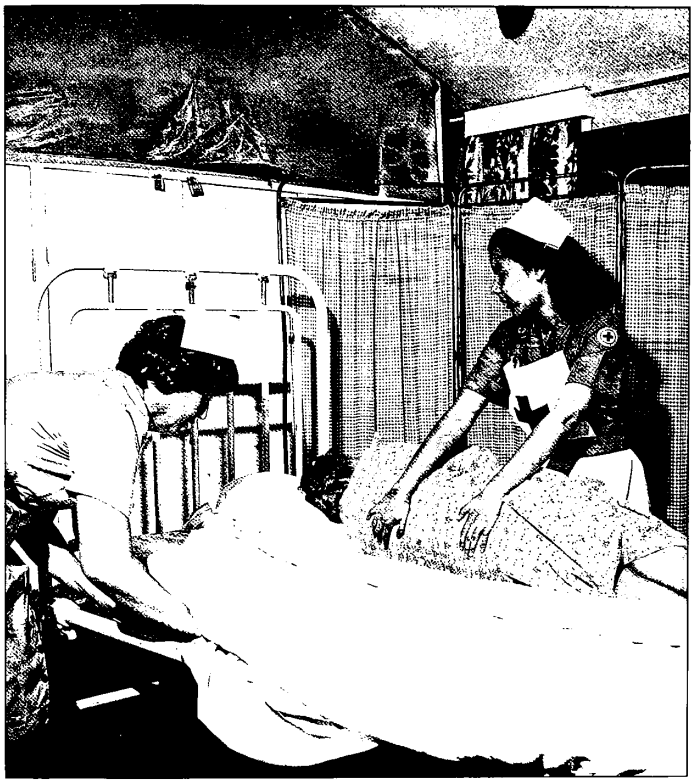
Other activities

In addition to consolidation and appraisal, in 1997 we will be undertaking a number of other significant pieces of work. We will combine our two manuals for acute care and for community, mental health and learning disability services. The purpose of this is to identify the common core of characteristics and activities which make for a healthy and well-run organisation, while retaining the separate and distinguishing features of the individual parts. Because of the modular approach which we have developed, organisations will be able to pick those elements of the standards which relate to them, while always working with the core set. We will also continue to work on the relationship between modules for primary and secondary care, as well as putting all our standards on computer disk, thus allowing us to manipulate the data we have available to the advantage of individual organisations and for the purpose of benchmarking.

In 1997, we intend to pay more attention to our surveyors, now numbering some 350. These are the individuals who give their time voluntarily and so willingly to make the process of peer review a success. Our intention is to offer more training and networking opportunities, both to strengthen their contribution and to provide additional self-development, which is an important part of our commitment to them.

In addition, the development programme for this year includes work on strengthening the user focus of Organisational Audit, exploring the best approach to systematic evaluation of the process and working with clients and professionals in the field to develop performance indicators and user-based outcomes. We are doing this as part of the larger cross-Fund Organisational Structures and Patient Outcomes Programme which we are leading.





No annual report would be complete without some mention of accreditation. This is the second full year in which accreditation has been operational within the acute sector. Seventy hospitals have now been fully accredited, and a further 43 provisionally accredited. Our handling of accreditation has become more confident, and we are pleased that the development aspects of our work have been protected throughout its implementation. In 1997, we shall be working on the application of accreditation to community, mental health and learning disability services.

Tessa Brooks
Director, Organisational Audit

communicate with patients and carers, risk management and liaison with purchasing organisations. The programme will employ the variety of skills held by staff from different sections of the King's Fund to look at both quantitative data on hospital performance – gained through the comparison of outcomes statistics before and after hospitals undergo the Organisational Audit process – and qualitative data on the perceptions of patients and staff. The findings will have to be viewed in the context of changes in national health policy, economy, local demography, technological factors and regional systems of health care. By relating changes in management practice and organisation to these other factors, it should be possible to determine their roles in improving patient outcomes within complex health care systems.

Future objectives

The programme will aim to provide a better understanding of the role played by organisational factors in the outcomes produced by health services and develop objective measures to assess their effectiveness. It will indicate the extent to which the work of Organisational Audit can bring direct and indirect improvements to the outcomes of acute care services. The results should take the lessons being learned from the local level to a wider audience and allow for their application in other settings, such as primary and community care.

Opposite page: Public health poster, 1930s

Policy

1947–1956

1947 Accommodation provided for newly founded International Hospital Federation

1948 National Health Service established

1948 Fund sets up Division of Hospital Facilities to provide information and advice on hospital matters, the forerunner of the Hospital Centre

1948 Support is extended to all London hospitals, not just voluntary hospitals. 'Half-way' convalescent homes established for hospital patients

1949–53 Four colleges established: for Ward Sisters, Hospital Administrative Staff, School of Hospital Catering, and Staff College of Matrons

1953 New hospital warning system for Emergency Bed Service introduced in time for EBS to handle record applications during the London smog

The Policy Institute aims to improve the quality of national health policy-making and debate through independent analysis, monitoring and evaluation of health and health services. The Policy Institute seeks to produce timely analyses of topical issues that are communicated effectively through high-quality publications.

In 1996 much of the work of the Policy Institute focused on four areas:

- promoting and informing *debate* about central issues of health policy;
- monitoring and evaluating new approaches to *purchasing* health services;
- investigating *inequalities* in health and access to health care;
- contributing to the work of the *London* Commission.

Informing policy debate

Members of the Policy Institute contribute to and publish a wide variety of publications, which aim to promote and inform general debate about the central issues of health policy.

One issue that continued to provoke lively debate during the year is whether or not the NHS is underfunded. In response to an earlier claim by the Healthcare 2000 group that public financing of the NHS is unsustainable in the longer term, the Policy Institute undertook a review of this contentious area. The results were published in four articles in the *British Medical Journal* at the beginning of 1997. The overall thrust of the analyses is that whether or not the NHS will be able to cope in future depends largely on how far it can control and respond to the pressures on it. Arguments about the adequacy of funding are likely to continue because it is a matter of value judgement, which of necessity is made by government. But the government also has the ability to modify the pressures on the NHS, and so how well the NHS copes is at least partly a function of political choice.

1947

'The transfer of the hospitals to the State on July 5 makes this meeting a landmark in the history of King Edward's Hospital Fund. We find ourselves to-day with a great fund, with capital assets of several million pounds. It is natural to ask, "What is the King's Fund going to do with its money, now that the need to sustain the voluntary hospitals has passed into history?"

'The break in continuity is not in fact as great as it may appear at first sight. The Fund has from its early days never accepted the view that its opportunities were limited to the mere distribution of grants. Taking into its counsels leaders in the hospital world of London, the Fund has been a centre of many new conceptions of the duties and responsibilities of the hospitals towards the community. If now it becomes what is commonly known as a "Foundation" rather than a "Fund", the opportunities remain: they are, indeed, vastly increased.'

HRH the Duke of Gloucester, Annual Report 1947

Other publications produced during 1996

- *Acute Futures*
- *The Hospital of the Future: the acute hospital in a primary care-led NHS*
- *Society and Health*
- *Rationing in the NHS: principles & pragmatism*
- *Counting the Cost: the real impact of non-insulin dependent diabetes*
- *Health Care UK 1995/96*
- *Purchaser Plurality in UK Health Care: is a consensus emerging and is it the right one?*
- *The Journal of Health Services Research and Policy*

Opposite page: The Fund's Emergency Bed Service in action
This page: Health services for tomorrow's needs
Above: 'A plea for nationalization'

Inequalities in Health

1997

The poorest people in Britain today experience excess levels of avoidable illness and premature mortality because of the adverse social and economic circumstances that they face in their everyday lives. The same people also often experience difficulties in gaining access to appropriate and timely health services. Social variations in health and inequities in access to health care are a cause of growing concern. National research councils and government departments are now waking up to the importance of these issues but the Fund still has important contributions to make. First, it can help to develop policy-relevant knowledge about practical interventions which reduce inequalities in access to health care. Second, it can raise the public policy profile of equity-related health issues through developing networks and building alliances with other organisations.

Work programmes

Research at the Policy Institute is examining the causes of health inequalities and the measures that can be taken at a national public policy level to reduce them, e.g. in public health, welfare and education. A study is being carried out into the health status of older people from minority ethnic groups and how health organisations can ensure adequate access to their services, in particular for women. The Fund is also studying the allocation of NHS funding in different regions to determine whether deprived areas are being given sufficient resources to cater for the needs of their populations. Major grants in 1996 were given to projects which work to improve the health of homeless people in London and which tackle the link between

Total purchasing

The largest single piece of work undertaken in the Policy Institute during 1996 involved leading and co-ordinating a research consortium from seven universities across the UK undertaking a national evaluation of 53 'first wave' GP total purchasing pilot sites in England and Scotland funded by the Department of Health. The first year of fieldwork and data collection was successfully completed, and an additional grant was awarded to the consortium to extend the study to include a further 35 'second wave' total purchasing pilot sites. The project as a whole has been extended for a third year, to September 1998. The evaluation has also been extended to include Wales. A descriptive report, *Total Purchasing: a profile of national pilot projects*, was published at the beginning of 1997.

Health inequalities

One of the top priorities for the Policy Institute in recent years has been to try to ensure that issues of equity and fairness are pushed closer to the top of the health policy agenda. Various projects, for example, continued to investigate aspects of equity of access to health care and social variations in health.

- An evaluation of national household survey data about access to various forms of health care by different subgroups of the population produced two articles that were submitted to peer review journals.
- An investigation into equity of access to timely and effective primary care in North West Thames Region resulted in a substantial literature review and two papers submitted to peer review journals.
- An analysis of equity of access to health care by ethnic minority groups was published in *Social Science and Medicine*.
- Analyses of the relationship between income inequality and mortality were presented at four conferences, and two papers have been submitted to peer review journals.
- An investigation of the relationship between household income and health resulted in three conference papers and two papers being prepared for publication.
- Members of the Policy Institute were successful in winning two grants from the social variations in health programme of the Economic & Social Research Council (ESRC). One is a joint

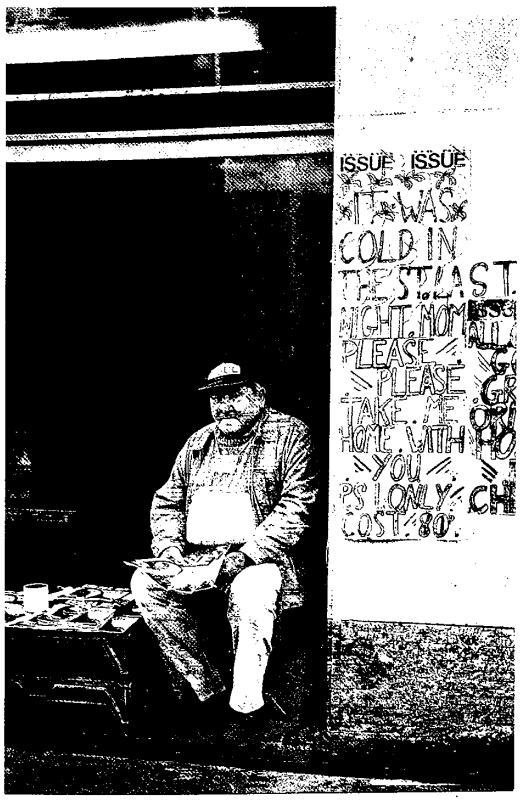
project with the Karolinska Institute in Stockholm. The other involves a partnership with the Institute of Fiscal Studies.

- A joint seminar with the National Council for One Parent Families examined issues about the health of lone parents and their children, and a paper on the health status of lone parents has been submitted for publication.

London

Various members of the Policy Institute contributed to the work of the second London Commission throughout the year. For example, substantial progress has been made with a systematic review of evidence about areas where primary care can substitute for secondary care, which focuses on first-contact emergency care outside hospitals. A discussion paper on the management options for London's health care system was prepared for the Commission, and a review of the health and social needs of elderly people, with particular reference to minority ethnic populations, was also completed.

Ken Judge
Director, Policy Institute



poverty and poor health among young people. The main grants programme also gives priority to projects which reduce inequalities in health by working to improve the services provided for disadvantaged groups and their access to mainstream services. During 1997, the Afiya Trust, funded by the Grants Committee, will develop as an advocacy group on minority ethnic health issues. The SHARE project is working on improving the quality of health services for black and minority ethnic populations through its information service and development work. SHARE is also working with other organisations to highlight the health needs of the Irish community and ways of improving access to services.

Future objectives

The programme aims to bring together all the research and development work being carried out in the Fund so that the Fund is better placed to work with others to promote a greater sense of equity, fairness and social justice in British health policy. First, it will continue to investigate the causes and consequences of particular manifestations of inequality related to health and health care in Britain. Second, it will redouble its efforts to identify, develop, promote and evaluate promising interventions to tackle social variations in health and inequitable access to health care, especially by seeking partners in the fields of health and community care. Finally, it will continue to communicate the results of its work in ways that maintain the profile of equity issues in British health policy debate.

This page: The Big Issue street vendor, London W1

1957–1966

1958 Report on noise control in hospitals published

1962 Establishment of first group of medical centres for general practitioners in London

1963 Hospital Centre established to discuss problems and develop ideas for planning and management of health services

1963 Working party to study requirements for a new hospital bedstead, leads to the King's Fund Bed, the basis for standard British specification

1963 A grant of £30,000 buys a site to build St Christopher's Hospice in Sydenham

1964 British Hospitals Export Council, British Library of Tapes for Hospital Patients and Information Service for the Disabled established

Gran

Major Grants Programmes

In recent years the Fund has committed a proportion of its total grants budget to annual Major Grants programmes. These have a number of distinctive features: they are proactive programmes (the Fund makes a commitment to a particular issue and invites applicants to bid to join the programme); the programmes operate in two phases, with three to eight projects given small development grants, from which a smaller number are then chosen for full implementation; a network is developed between the funded projects; and an independent evaluation is commissioned alongside the grants programme, to share the learning more widely.

Two new Major Grants programmes were established in 1996. 'Citizen Participation in Decision-Making' is looking at the use of citizens' juries in health authority settings and grew out of the Fund's long-standing concern with how users can be involved in health care decision-making. The programme seeks to explore the dilemmas which may arise when a small, but representative, cross-section of the public are brought together to consider evidence from a range of perspectives, with opportunities for cross-questioning and careful deliberation of the issues. Above all, we seek to throw light on how citizens' juries fit into the existing 'toolkit' of public participation methods which health authorities typically draw on. The 'Health and Homelessness' Major Grants programme is taking forward the findings of research commissioned by the Fund in 1995, and reinforces the Fund's concern with issues of equal access to health care for vulnerable or minority groups. The earlier research had highlighted a critical failure to work across organisational boundaries in health, housing and social care. The Major Grants programme is therefore focusing on how to improve inter-agency collaboration in the planning, commissioning and provision of services. We aim to develop and evaluate a model of working which can be replicated elsewhere and which can show a clear impact on the health status of homeless people.

tmaking

Main Grants Programme

Nineteen ninety-six was the third year in which we focused on a small number of priority themes in our day-to-day grantmaking work. Our commitment to 'Strengthening the Voice of the User' continued, with two grants being made to strengthen voluntary sector user groups (the Depression Alliance and Women in Special Hospitals) and four grants supporting user involvement projects focusing on prostate health, homeless people, black people with learning disabilities and the development of interactive video-discs as a tool to help patients make informed decisions about their treatment.

Within the 'Equal Access to Health Care' theme, we continued to support minority ethnic health issues. Grants activity was wide-ranging, from support at a national level to the Afiya Trust, a new national body concerned with minority ethnic health issues, through to grassroots provision and advocacy, taking a special interest in the needs of refugee communities. Four grants were made to meet the health needs of homeless people, both families and single homeless people.

In the field of 'Developments in Primary and Community Care', the focus was on projects exploring new forms of service delivery in the mental health field, with grants to Riverpoint, St Giles Trust and the Qalb Centre among others. King's College London/Age Concern Institute of Gerontology received a research grant to examine the extent of GPs' knowledge of the abuse of elderly people in their own homes, with a view to developing guidelines for recognition of, and response to, elder abuse for the primary health care team.

Four grants were made in the category 'Improving Quality in London's Acute Health Services'. One grant will develop, document and evaluate the process by which an acute hospital moves its services, and resources, into the local primary care sector, as a potential model for how to achieve a real shift to a primary care-led NHS. Another grant in this category is supporting an independent evaluation of the National Confidential Enquiry into Perioperative Deaths, which has

1957

'The far-reaching recommendations of the Royal Commission on the Law relating to Mental Illness and Mental Deficiency, published in June, 1957, have underlined the sweeping changes which have been taking place in the treatment of all forms of mental illness and deficiency. These have been reflected in the applications made to the Fund for help in providing the new types of accommodation and facilities needed in mental and mental deficiency hospitals to-day.

'So far, these needs have fallen into five categories: occupational therapy, recreational and social facilities for patients, equipment and amenities in wards and dayrooms, improvements in catering, and amenities for staff.

'Current applications indicate that all these needs persist, but more and more priority is now being given, in hospitals' plans, to the provision of social centres, club rooms, sports pavilions and cafés, day hospitals for the treatment of early cases, and residential annexes where newly discharged patients can remain for a time under hospital care while they re-establish themselves in society and in their employment.'

Mental and Mental Deficiency Hospitals, Annual Report 1957

Opposite page: Improved nutrition, a key factor in improved health

made an important contribution to the clinical standards debate since its inception in 1988.

The Fund's support for 'Arts in Health' projects was reflected in a new three-year grant to the Public Art Development Trust for the further development of the Art in Hospitals Scheme in London, and to the Bromley-by-Bow Centre for an imaginative project using the arts to engage local people in health care in this disadvantaged inner-city area.

The 'Open Category', established as a safeguard against inflexibility and narrowness in the Fund's grantmaking, was particularly lively in 1996, with nine projects judged to be nationally innovative. The grants funded work as diverse as a project to document case studies in health services priority setting by the University of Birmingham, through to further support to Community Hygiene Concern for their non-pesticidal, community development approach to the eradication of headlice.

At the end of 1996 the Grants Committee undertook a review of its work and strategic direction. For the period 1997–2000 it reaffirmed its commitment to the Main Grants programme themes, though with a tighter focus on two of the areas: Developments in Primary and Community Care and Improving Quality in London's Acute Health Services. It also took an 'in-principle' decision to commit its Major Grants funds in 1997 to mental health in London, seeking to follow up the report from the second London Commission on mental health services in the capital. The Grants Committee affirmed the broad approach and style of grantmaking developed since 1993, which places an emphasis on working in a supportive and developmental fashion with holders of grants, and has a consistent concern with the evaluation and dissemination of learning from the grantmaking programmes.

The London and Northern Health Partnerships

1997

Primary health care in cities is one of the well-rehearsed 'problems' of the health service. Much has been learned from the Fund's own experience of inner-city primary care and demonstration projects in particular. But there are reservations about their relevance to other settings and therefore the generalisability of 'solutions'. The London Health Partnership was formed with the explicit intention of seeking a new development approach. The Partnership is an alliance of charitable foundations, government and the private sector. The focus of the development programme is the well-being of older people, who tend to have multiple health needs and a high degree of chronic ill health. Like many city-dwellers, they often live alone and are relatively poor, and they tend to make use of a wide range of services. A parallel programme operates in the North of England.

Work programmes

The Partnerships currently work in six sites across London, and in Liverpool and Newcastle. The 'whole system' approach they have adopted brings together large numbers of people from many agencies who want to find new ways of working. Older people participate throughout. In one site the focus is on better aids and adaptations to enable elderly people to remain independent in their own homes. In another, the focus is how to make going home from hospital a good experience for older people. In another, elderly people are being used as a resource by social

The first grants from The Prince of Wales's Hospital Fund for London

List of awards for the year 1897

	£	s	d
Hospitals with 100 beds in constant occupation:			
Brompton Hospital for Consumption	1,391	5	0
Charing Cross Hospital	2,006	5	0
City of London Hospital for Diseases of the Chest	927	10	0
Guy's Hospital	7,912	10	0
Hospital for Sick Children, Great Ormond Street, WC	1,200	0	0
King's College Hospital	2,400	0	0
London Hospital	8,937	10	0
Middlesex Hospital	2,925	0	0
National Hospital for the Paralysed and Epileptic	1,502	10	0
Royal Free Hospital	1,581	5	0
St George's Hospital	1,356	5	0
St Mary's Hospital	2,706	5	0
St Thomas's Hospital	1,800	0	0
Seamen's Hospital Society	1,418	15	0
University College Hospital	2,581	5	0
Westminster Hospital	1,843	15	0
Total	42,490	0	0
Other general hospitals: *French Hospital; German Hospital; Great Northern Central Hospital; Hampstead Hospital; Italian Hospital; London Homœopathic Hospital; London Temperance Hospital; Metropolitan Hospital; Mildmay Mission Hospital; Miller Hospital and Royal Kent Dispensary; North-West London Hospital; Phillips' Memorial Homœopathic Hospital; Poplar Hospital; SS. John and Elizabeth Hospital; West Ham Hospital; West London Hospital*	4,939	7	6
Other special hospitals: *46, including hospitals in Margate & Sevenoaks*	8,663	7	6
Cottage hospitals	576	0	0
Institutions: *Establishment for Gentlewomen, Harley Street; Invalid Asylum, Stoke Newington*	157	10	0

services managers to monitor the quality of services provided in the community. The aims are local, but the same concerns arise over and over again – affordable transport, safety, independence in the home, information about available services, discharge from hospital. It is not difficult to see how these concerns interconnect. Older people and those who plan and deliver services recognise that responses must be multi-agency, that professionals must collaborate. These are not contentious issues, but consistent processes to address them do not exist. This is where a 'whole system' approach seems to make a difference. An independent evaluation is taking place.

Future objectives

The development programme aims to support the multi-agency action groups that form in each site and to promote and help sustain the 'whole system' approach, which enables local people and organisations to come up with their own interventions to tackle their own concerns. The Partnerships will document and analyse the processes used at each site and their outcomes for local users and will disseminate the lessons learned.

Opposite page: Sir Roger Bannister, General Council member and the first man to run a mile in under four minutes

Grants given in 1996

Major Grants Programme

Health & Homelessness

Health Action for Homeless People	£2,500
Homeless Network	£2,500
London Borough of Sutton, Housing and Social Services	£2,500
Ring-fenced sum for Implementation Grant	£142,500

Citizen Participation in Decision-Making

Buckinghamshire Health Authority	£17,000
East Sussex, Brighton & Hove Health Authority	£17,000
Portsmouth & SE Hampshire Health Authority	£5,000
Somerset Health Authority	£5,000
Sunderland Health Authority	£17,000
University of Birmingham	£50,000
West Hertfordshire Health Authority	£ 5,000
Programme staffing and overheads	£74,000

Young People, Poverty & Health

University of Bristol	£19,808
Programme funds	£30,192
Total	**£390,000**

Main Grants Programme

Arts and Health

Bromley-by-Bow Centre	£53,508
Public Art Development Trust	£50,000

Strengthening the Voice of the User

Depression Alliance	£15,000
Health Action for Homeless People	£21,580
Lambeth Accord	£39,500
University College London Medical School	£40,000
University of Wolverhampton	£12,000
Women in Special Hospitals	£30,000

Equal Access to Health Care

Afiya	£35,000
CHAR – Housing Campaign for Single People	£15,500
The Children's Society – London & South East Regional Office	£23,000
East London Schools Fund	£16,000
Haringey Somali Community and Cultural Association	£24,700
Health & Homelessness Review	£7,304
Islington Zairean Refugees Group	£24,000
Jewish AIDS Trust	£10,615
Kush Housing Association Ltd	£12,352
Maternity and Health Links	£8,000
Refugee Council	£25,017
The Spires Centre	£10,000
Tamil Refugee Centre	£40,660
United Medical & Dental Schools	£25,000
Yad Voezer Helping Hands Society	£28,875

Developments in Primary and Community Care

Centre for Mental Health Services Development	£3,000
King's College London/Age Concern Institute of Gerontology	£19,777
The Qalb Centre	£22,000
Riverpoint	£30,000
St Giles Trust	£59,985

Improving Quality in London's Acute Health Services

British Epilepsy Association	£17,500
CASPE Research	£32,080
Havering Hospitals NHS Trust	£60,000
King's College School of Medicine & Dentistry	£22,581

Open Category

Action for Victims of Medical Accidents	£12,000
Breast Cancer Care	£22,261
Changing Faces	£25,000
Community Hygiene Concern	£50,000
Health Service Journal	£10,000
King's College School of Medicine & Dentistry	£10,000
Refuge	£38,000
University of Birmingham	£10,450
University of East Anglia	£24,000
Total	**£1,036,245**

Small Grants Programme

African Culture Promotions	£1,000
Arts for Health	£5,000
BACUP	£1,500
Barnet Borough Voluntary Service Council	£2,000
BBC Education Policy Unit	£4,200
Birth Control Trust	£2,000
Bridges	£3,000
British Urban Regeneration Association	£1,000
Bromley Health Authority	£1,500
'But Will It Work, Doctor?' Conference	£1,000
Camden & Islington Community Health Services	£2,500
CARIS Haringey Homeless Families Project	£1,500
Celebratory Arts for Primary Health Care	£1,475
Centre for Accessible Environments	£500
Ethiopian Welfare Action Group	£3,000
European Public Health Association	£3,000
Gateshead Central Library	£500
GJW Government Relations Ltd	£2,500
Greenwich Association of Disabled People's Centre	£500
Haringey Social Services – St Ann's Day Nursery	£2,500
Haringey Social Services – Deaf Club	£1,500
Health Action for Homeless People	£500
Health Service Journal	£1,750
Institute for Public Policy Research	£5,000
Institute of Child Health	£2,500
International Round Table for the Advancement of Counselling	£3,500
Kensington Chelsea & Westminster Health Commissioning Agency	£4,000
King's Fund – Art in Hospitals Admin Costs	£3,500
King's Fund – Rationing Agenda Group (RAG)	£5,000
London Borough of Lewisham	£1,000
Matthew Trust	£2,250
MIND – South East	£1,000
National Forum for Research in Podiatry	£3,500
Oxford House	£310
PACE (Promoting Action on Clinical Effectiveness)	£2,350
'Perspectives on Medical Mishaps' Conference	£1,250
Red Rag	£2,500
Redbridge Health Care Trust	£2,500
The Relationships Foundation	£3,000
Royal Free Hospital School of Medicine	£1,115
SHAPE East Midlands	£2,500
St Clement & St James Community Development Project	£1,000
Stillbirth and Neonatal Death Society	£3,000
Trigger Videos	£1,000
UK Federation of Smaller Mental Health Agencies	£2,500
West London Initiative on Single Homelessness	£1,800
Total	**£100,000**

Other Grant Funds

Educational Bursaries	£39,841
Travelling Fellowships	£32,147
Total	**£71,988**

Consultancy Fund

Afiya Trust	£500
Bromley-by-Bow Centre	£5,000
Hackney Hospital Patients Council	£2,500
Heritage Ceramics Education & Training Services	£275
Institute for Public Policy Research	£5,000
Health & Homelessness Steering Group Consultancy Costs	£800
People First	£630
Professor Steven Sacks	£100
Tamil Refugee Centre	£1000
Total	**£15,805**

Evaluation Fund

Action for Victims of Medical Accidents	£3,000
The Children's Society – London & South East Regional Office	£10,000
Health & Homelessness Grants Programme	£10,000
Newham Alcohol Advisory Service	£1,800
Review of Work on Race and Health	£5,000
Total	**£29,800**

Total of grants given in 1996	£1,643,838
Less Grants funded in 1995	£211,719
Total grants given	£1,432,119
Plus Administrative and support costs	£254,079
Total expenditure	**£1,686,198**

1967–1976

1968 College of Hospital Management formed from the four colleges providing separate courses for senior doctors, caterers, national trainees, nurses, clinical teachers and psychiatric nurses

1969 Competition established for hospital magazines and newsheets to improve patient communications

1973 'The Language Barrier', the first research project into the health problems of minority ethnic groups

1974 NHS reorganisation into regional, area and district health authorities

A financial

It is interesting to look back over the past 100 years and to see how the financial profile of the King's Fund has changed. The Fund has always published detailed financial reports, as well as full information about the charitable activities undertaken, and it has therefore been possible to prepare charts that graphically show the major changes and events of the past century. *For the purposes of this historical overview all figures have been updated to 1996 values.*

Assets

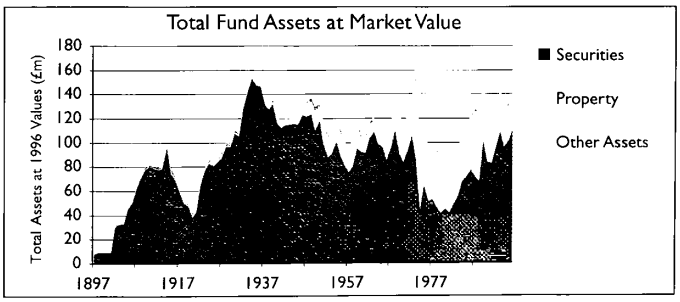
In early years the finances of the Fund were largely determined by the amount of donations and legacies received, although by the early 1940s these had become less significant than investment income. It was at about this time that the Fund began to buy property not only for its own use but also as an investment. Over the years investment in property has served the Fund well, with the purchase of farmland at Basing in 1969 the outstanding example: within four years the Fund was able to realise in excess of £34.0 million by partial disposal, from an investment which had cost £2.3 million, both figures at 1996 values. Cluttons, who found this property for the Fund and who have managed it ever since, are currently seeking to obtain Major Development Area status for the remaining 970 acres. It is hoped that approval will be obtained in due course for the development of three largely self-sufficient but interconnected urban villages with a comprehensive range of facilities in a new community park. This would, of course, again significantly increase the finances of the Fund.

Re-investment in property of the proceeds from the Basing sale meant that for the next 15 years almost half the Fund's assets were invested in property as shown in the graph opposite. The Fund took advantage of strong market conditions in 1992 to sell properties in the City and the West End for some £25 million and has recently, through Cluttons and Hillier Parker respectively, sold the majority of its remaining agricultural and commercial property holdings. The Fund has also sold all the buildings which it occupied prior to the purchase and development of its new headquarters at 11–13 Cavendish Square.

The performance of the Fund's investment in securities has generally tracked stock market values (see, for instance, the graph opposite for

history

the impact of the 1974 stock market collapse). Since the late 1970s there has been a strong recovery in values, and the Fund's securities portfolio is now valued at some £116 million, more than at any time, in current values, except during the 15 years from the early 1930s. This period encompassed exceptional growth in equity markets in the mid-1930s coupled with significant donations from, among others, Lord MountStephen and Mr Claude Watney. Following changes to relevant legislation, and in line with its long-term nature, the Fund has been able to invest heavily in equities both in the UK and elsewhere. This has been to considerable advantage.



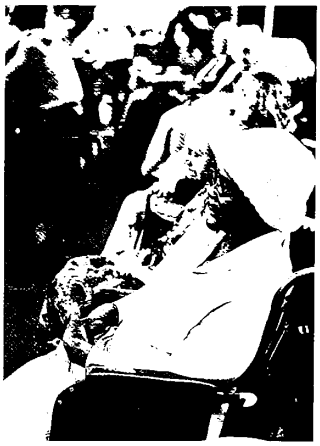
Income

The success of the 1897 Appeal by the then Prince of Wales is apparent from the extract from the Fund's first Annual Report shown below. What is truly remarkable is the way in which the Appeal attracted support from such a wide range of people, and not only did the Fund continue to attract major donations for many years but also many individuals saw fit to make legacies in favour of the Fund.

First Annual Report to December 31, 1897

'The total sum paid into the credit of the Fund during the eleven months ended December 31, 1897, has been £227,551 12s. 5d. Of this amount there has been given in known annual subscriptions, chiefly in the form of bankers' orders, £21,443 1s. 5d. After providing the sum of £56,826 5s., which has been distributed amongst the hospitals during 1897, there remained a sum of £167,020 19s. 8d. for investment. The most strenuous endeavours have been made to reduce the expenses to the lowest possible sum. The total expenditure under all heads, including salaries, office and other expenses, advertisements, &c., amounts to £3,704 7s. 9d.'

Significant sums continued to be received by the Fund until well after the formation of the NHS in 1948 and, indeed, some small legacies are



1967

'Patients in hospitals are people; individuals with their individual hopes and fears sharpened by the sense of vulnerability people suffer on admission to hospital.

'Is this sense of vulnerability to be wondered at? Not only does the person admitted to hospital undergo an abrupt change in activity and environment but also becomes, or is expected to become, a passive member of a community whose rules and regulations he must observe but did not help to fashion.

'He is directed rather than consulted; his privacy is invaded whether in sleeping, eating or washing; he no longer has the protection of his clothes. Yet, in spite of these affronts, it seems that the majority of people view their stay in hospital with cheerful curiosity and with discerning gratitude, for patients' satisfaction is not merely the title of a study being undertaken by the King's Fund, it is the motif of an early assessment of the findings.'

'Patients Are People', Annual Report 1967

Opposite page: Issues of disability rights coming to the fore

1977–1986

1978 Beginning of ward sister training programme, a systematic preparation of ward sisters for a leadership role

1979 The London Programme established

1982 Introduction of the corporate management programme for chief officers in all health professions

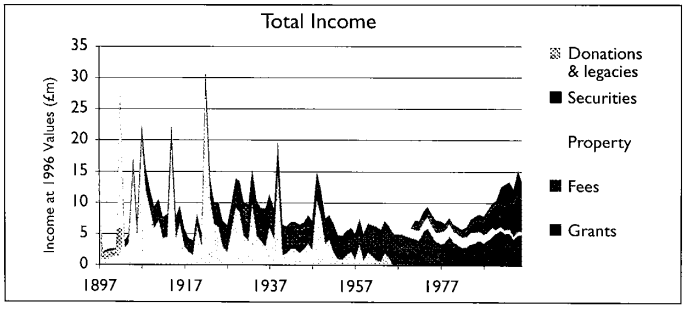
1983 Expenditure on grants and external activities exceeds £1.8 million

1984 Quality assurance programme established at King's Fund Centre

1986 King's Fund Institute and the Equal Opportunities Task Force established

still being received. A list of the major donors is shown on pages 38–39, and it will be seen that they were all extraordinarily generous.

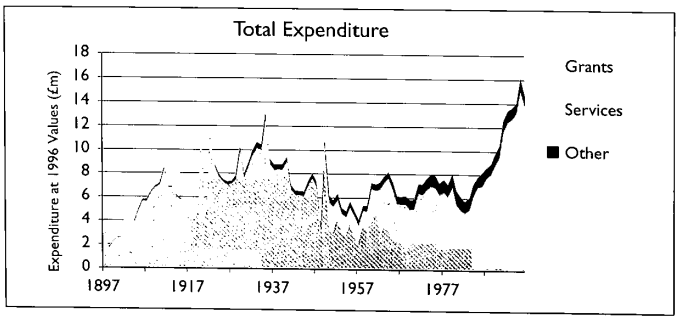
The graph below shows that investment income, from securities and property, has declined over recent years. This reflects the instructions of the Investment Committee to the Fund's investment advisers, Baring Asset Management and also, recently, Schroder Investment Management, to seek an above-average total return, income and capital, rather than a specific level of income.



Since 1971 the Fund has actively sought funding by way of specific grants for its services from third parties in order to increase its capacity to undertake further activities and to compensate for the fall in donations. As can be seen, this income has increased significantly over recent years. At the same time the Fund has charged fees, albeit subsidised, for its consultancy, educational, organisational audit and other services and this income has grown rapidly over recent years. The fee income, however, is subject to prevailing market conditions and currently is coming under considerable pressure.

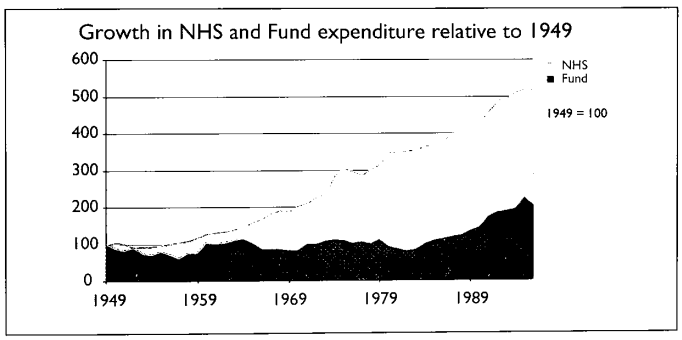
Expenditure

It will be seen from the graph below that the expenditure profile of the Fund changed significantly when the NHS was formed in 1948. Until that time almost all expenditure took the form of grants to London hospitals. Thereafter, as the NHS took responsibility for the provision and upkeep of hospitals, the activities of the Fund were broadened, and much of the Fund's expenditure now relates to the consultancy, educational, organisational audit and other services referred to above.



The Management Committee recently set a guideline for net annual expenditure funded internally of 5 per cent of net earning assets. Latterly, in part due to difficult market conditions prevailing in the health sector and in part due to expenditure on specifically approved projects, this guideline has been exceeded. To date however, all excess expenditure has been well covered by capital growth.

The Fund's resources have always been insignificant when compared with the total spending of the NHS (0.088% in 1949). Moreover, as the graph below shows, the growth in NHS expenditure has been far greater than that of the Fund, thereby diminishing the direct impact of Fund spending. Nevertheless, it is to the Fund's credit that it has been able to maintain its influence throughout the health sector.



Conclusion

The Fund's financial profile has changed significantly over the past 100 years and, from being largely dependent upon donations, the Fund now relies heavily upon outside income which carries a high level of risk. Nonetheless it is pleasing to note that the wishes of our founder, HRH The Prince of Wales, later King Edward VII, that 'we should not encroach upon our capital' have been fulfilled. It is our duty to ensure that it will be possible to make the same comment in future and it is for that reason, among others, that the Management Committee and Chief Officers are committed to a reduction in the Fund's base level of recurrent annual expenditure.

1977

'The Fund was glad to commemorate the Silver Jubilee of Her Majesty The Queen by informing her, as Patron, of a special project. A sum of £1m has been set aside for special grants to London hospitals during the next two or three years. The grants are to be used to improve some of those wards in older general hospitals which would otherwise continue to run down, though they will be needed for many years to come.

'Recent financial policies for the National Health Service have borne especially hard upon hospitals in the London metropolitan area and these are the Fund's traditional first concern. On that account, it was thought appropriate on this special occasion to change the emphasis of the practice adopted by the Fund since the introduction of the National Health Service and to make grants for a purpose which, were the money to be generally available, would certainly be a responsibility of the state.'

Jubilee Project,
Annual Report 1977

Opposite page: Funding community projects in the capital

1987–1996

1988 King's Fund publishes *The Nation's Health*, the report of an independent committee

1991 NHS restructuring creates purchaser–provider 'market'

1992 King's Fund London Commission reports on the future of health care, medical education and research for the needs of Londoners and recommends a move from speciality provision to primary care

1993 Competition to find best practice in acute hospital design

1995 All divisions of the King's Fund move to new premises in Cavendish Square

Major donations

at 1996 values

Benefactor	Total (£)	Period
Anonymous (multiple donations)	4,904,590	1906/39
Ashton, Mrs Jessie	842,355	1932/33
Astor, Viscount	841,750	1917
Atkin, Mr John Arnsby	574,270	1935
Audax	796,200	1929/30
Barber, Mr John Reid	2,481,328	1938/45
Batchellor, Mrs Mary Ann	256,500	1913
Baynes, Lt. Gen. George Edward	1,009,088	1907/09
Beauchamp, Mr Richard Hawkins	480,900	1904
Beit, Mr Alfred	941,195	1907
Beit, Sir Otto	2,758,608	1929/31
Bell, Mr Thomas John	332,616	1909
Bischoffsheim, Mr & Mrs	513,000	1906
British Charities Association	2,492,400	1924/33
British Red Cross Society & the Order of St John of Jerusalem	4,275,000	1920
Brownlow, Lady	586,434	1916
Brydges-Willyams, Mrs Emily	256,500	1899
Burrows, Mrs Emily	522,905	1959
Carnegie, Mr Andrew	4,664,000	1907
Cassel, Rt. Hon. Sir Ernest	1,385,055	1911
Chambers, Miss Elizabeth	452,600	1910
Cook, Mr Wyndham Francis	601,125	1905
Corporation of the City of London	264,495	1902
Cox, Mr Charles Henry	256,500	1928
Crocker, Mrs Margaret Emily	683,901	1933
Crosfield, Mr J. J.	269,325	1928
Crosse, Mrs Gertrude Ellen	543,973	1942
Cumming, Mrs Isabel	274,800	1937
Daily Telegraph (collection)	1,886,814	1897
Dale, Mrs Julia	888,392	1943/51
Dalglish, Mr Thomas Fell	272,349	1939
Dudgeon, Mrs Elizabeth	387,146	1948
Eichholz, Mr William	4,126,996	1945/56
Fielden, Mr John Ashton	2,671,494	1949/58
Finnie, Mrs Hannah (executors of)	343,710	1906
Gardner, Mr George Arthur	435,629	1933
Goode, Mr John	549,396	1922
Goodwin, Mr J. H.	385,947	1914
Gordon, Miss Ariana Borthwick	478,200	1945
Griffiths, Mrs Laura	619,438	1949
Gruneberg, Mr Walter Frederick Hugo	890,947	1947
Hames, Mrs Florence Mary	1,455,290	1910
Harman, Mr Alfred Hugh	1,068,750	1914
Hasker, Miss Marianne Frances	480,900	1905
Heigham, Mr George Hunt	1,367,908	1906/14
Holland, Mr E. Stanley	1,327,255	1969
Holmes, Mr Henry	576,178	1943
Horton, Mr Isaac	264,508	1952
Isabella, Countess of Wilton	4,611,831	1916/17
Iveagh, Lord	2,630,280	1908/27
Jessett, Mr Montague George	270,929	1923

1897–1996

at 1996 values

Benefactor	Total (£)	Period
Johnson, Mr Percy	5,370,069	1937/65
Lady Mayoress's Fund	275,635	1897
Lambert, Mr Joseph George	2,976,660	1908
Law, Brig. Surgeon John	394,600	1918
League of Mercy	18,996,460	1900/36
Lewis, Mr and Mrs Samuel	21,703,337	1902/24
Lewis-Hill, Mrs Ada	961,800	1904/05
Lister, Lord	362,135	1913
Livesey, Sir George Thomas	407,340	1909
Marks, Miss Phoebe	279,840	1941
Marshall, Mr Henry W.	989,345	1905/61
Matthew, Mr William	251,618	1946
Matyear, Mr Edward	1,244,439	1911
Morris, Mr Percy	489,591	1930
MountStephen, Lord	43,885,542	1902/39
Nethercoat, Mr Ernest Tom	250,758	1962
Nicholas, Mr John	466,400	1907
Nicol, Mr Walter George	762,631	1929
Nuffield Trust	29,787,750	1948/61
Palmer, Miss Hilda Gertrude Montgomerie	261,110	1967
Parr, Mr Roger C.	1,666,800	1929/39
Peabody Donation Fund	513,000	1897
Posnett, Mr William Arthur	2,184,936	1949/58
Radford Endowment (William & Francis)	554,040	1933
Revelstoke, Lord	2,430,000	1930
Rogers, Mrs Mabel Louisa Fanny	826,439	1938/44
Skeel, Miss Emily Jane	269,732	1942
Strathcona & Mount Royal, Lord	9,642,045	1902
Sutherland, Sir Thomas	11,511,087	1922/24
Sutton, Sir George	679,050	1934
Swann, Rev. Henry	1,643,018	1928/30
Swonnell, Mr George Henry	643,853	1911
Tennant, Sir Charles, Bt.	482,102	1905
Thompson, Mr Clement Le Mesurier	400,140	1933
Tooth, Mr R Lucas	480,900	1902
Vernon, Mr Norman Horace	424,608	1968
Wakefield of Hythe, Viscount	5,016,800	1950/51
Walker, Mrs Adelia Augusta Louisa	416,171	1928
Watney, Mr Claude	11,087,550	1939
Watson, Mr Albert Ernest	983,661	1921
Wells, Mr John	3,151,141	1924/28
Wells, Mrs Florence Mary (Mrs John Wells)	3,016,822	1925/28
Wernher, Sir Julius Charles	14,480,109	1913/14
Wertheimer, Mr Emile	2,008,666	1958/74
Whitaker, Mr Thomas Stephen	290,400	1916
Wills, Mr Henry Herbert	272,639	1923
Wilson, Mr William Charles	325,583	1937
Wyman, Mr Frederick William	372,020	1951
Young, Mrs Mary	506,012	1935
Zurhorst, Mr Frederick William	424,377	1959

plus many others who have donated significant sums by way of annual subscription

1987

'Clearly, many lessons of good private sector management are relevant to managers in public sector organisations such as the NHS. Yet there are differences in how the public and private sectors operate and in the respective constraints they operate within.

'One obvious difference is the absence or weakness of market signals – such as profit – that can indicate relative success. But there are other differences as well: the permeability of organisational boundaries between public sector activities; the political limitation on managerial response; and the difficulty in establishing bases for performance accountability – how do we know when public sector management is good management?'

Annual Report 1987

Opposite page: Waiting for tests in a children's hospital

Financial

1996

Bankers

Bank of England
Barclays Bank plc
Midland Bank plc

Auditors

Coopers & Lybrand

Solicitors

Nabarro Nathanson

Investment Managers

Securities:
- Baring Asset Management Ltd
- Schroder Investment Management Ltd

Property:
- Hillier Parker
- Cluttons

Quantity Surveyors

Burke Hunter Brown

Actuaries

Buck Consultants Ltd

Insurance Brokers

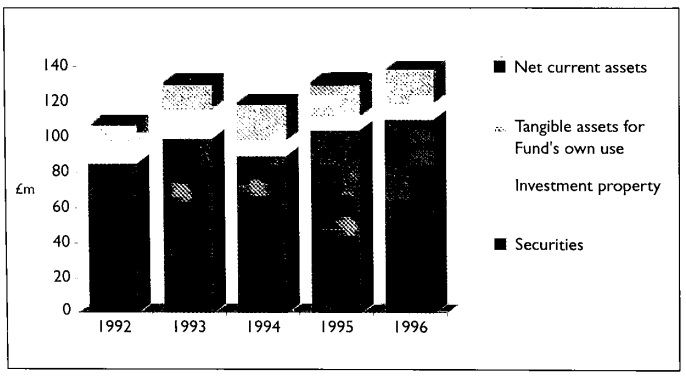
Fenchurch Insurance Brokers Ltd

The following pages contain the full audited accounts of the King's Fund. They have been completed in accordance with the Statement of Recommended Practice for charity accounts.

Assets

At 31 December 1996, the valuation of the Fund's net assets was £138.2 million, an increase of £7.3 million over the year. This increase was due to the continuing strength of stock markets worldwide and to an improvement in property values.

The composition of the Fund's total net assets over the period 1992 to 1996 is shown below, and it will be seen that over the five years net assets have increased in every year, except 1994.



The Fund's investment securities increased in value over the year by £6.5 million to £110.1 million.

As at 31 December 1996, the Fund's investment properties were valued at £9.1 million, an increase of £1.1 million over the year. Rationalisation of the property portfolio has continued, and these figures include two office blocks in London and an agricultural property in Lincolnshire for which sale terms have been agreed. The two main properties to be retained by the Fund are a retail unit in Winchester and an agricultural property at Basing, the latter having exciting long-term development potential.

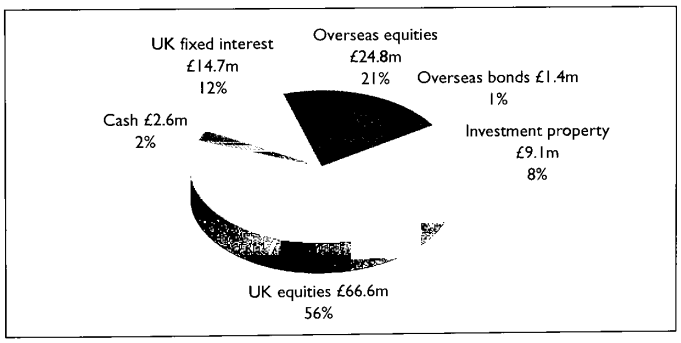
Review

1996

Tangible assets held for the Fund's own use increased from £17.5 million to £18.7 million during 1996, almost entirely due to further investment in the Fund's offices at Cavendish Square.

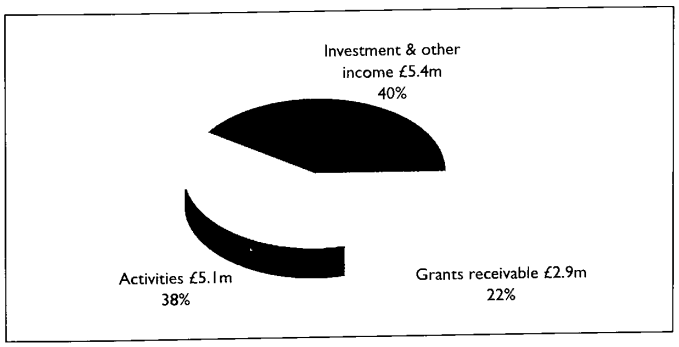
At the year end current assets exceeded current liabilities by £0.3 million.

The composition of the Fund's investment portfolio at the year end is shown below.



Income

Total income for the year amounted to £13.4 million, of which £5.4 million was investment and other income and £8.0 million was received as grants from other organisations or was generated as fees for services provided by the Fund. This compares with a total income in 1995 of £14.8 million, of which £5.2 million represented investment and other income. An analysis of income for the year is shown below.



Contributors

Her Majesty The Queen

HRH The Duke of Gloucester

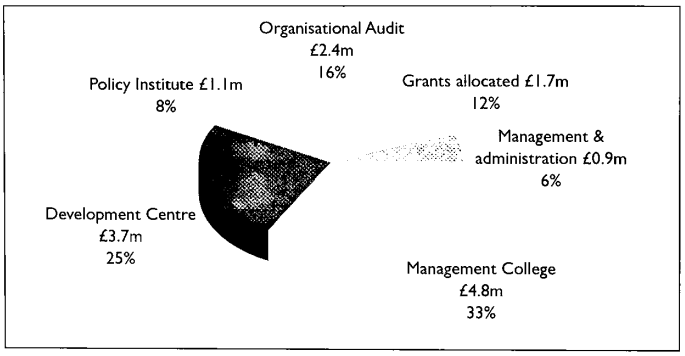
D & W Backhouse
AH Chester
Cluttons
V Dodson
K Drobig
D Forrester Charitable Trust
SM Gray
Lord Hayter
AN Heilbron
Morgan Grenfell Group plc
RJ Maxwell
P Norton
G Pampiglione
Albert Reckitt Charitable Trust
Society of Occupational Health Nursing Officers on Merseyside
Wall Charitable Trust
D & KL Welbourne
Wernher Charitable Trust

Legacies

Roderick Korneli Biernicki
FW Chaine
Miss L Darnell
Decca Gramophone Benevolent Fund

Expenditure

Total expenditure of the Fund was £14.6 million, compared with £15.6 million in 1995, including grants allocated of £1.7 million, compared with £1.9 million in 1995. A summary of expenditure for the year is shown below. An analysis of charitable expenditure other than grants is shown in note 3 to the Annual Accounts on page 49 of this Report and details of grants given in 1996 are shown on pages 32–33.



Budgeted net expenditure each year is based on the Fund's investments achieving at least a 5 per cent total return over the longer term. Total net expenditure in 1996 exceeded this guideline by £0.6 million, primarily due to lower than anticipated fee income from the Fund's Management College and Organisational Audit, together with higher than anticipated depreciation costs. Although this overall excess was well covered by total actual return (which was 12 per cent), the Fund is taking active steps to reduce exposure to any weakness in the market for its services and to return to the guideline by 1999.

Other

The average number of staff employed by the Fund during the year was 211, compared with 216 in 1995, of whom 23 (17 in 1995) were funded by grants from other bodies.

The Treasurer gratefully acknowledges all donations, including legacies, received by the Fund during the past year.

Report of the Auditors to the General Council of the King's Fund

(King Edward's Hospital Fund for London)

for the year ended 31 December 1996

We have audited the financial statements on pages 44 to 53.

Respective responsibilities of Trustees and Auditors

As described on page 47, the General Council is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, of those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the General Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the King's Fund at 31 December 1996 and of its incoming resources and application of resources and cash flows for the year then ended.

Coopers & Lybrand
Chartered Accountants and Registered Auditors

London, 10 April 1997

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 1996

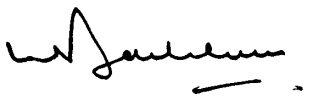
	Note	£000	General fund £000	Capital fund £000	**1996 Total funds £000**	1995 Total funds *Restated* £000
INCOME AND EXPENDITURE						
INCOMING RESOURCES						
Grants receivable		4,589				
Less: Grants received in advance		(1,654)	2,935	–	**2,935**	3,782
Income from activities		5,434				
Less: Income received in advance		(378)	5,056	–	**5,056**	5,791
Donations & legacies			64	–	**64**	44
Investment income	4		2,989	2,249	**5,238**	5,192
Other income			97	–	**97**	–
TOTAL INCOMING RESOURCES	3		11,141	2,249	**13,390**	14,809
RESOURCES EXPENDED						
Grants payable			1,686	–	**1,686**	1,858
Other direct charitable expenditure			12,060	–	**12,060**	12,683
Management and administration			724	164	**888**	1,097
TOTAL RESOURCES EXPENDED	3		14,470	164	**14,634**	15,638
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS			(3,329)	2,085	**(1,244)**	(829)
Transfers between funds			2,085	(2,085)	**–**	–
NET OUTGOING RESOURCES AFTER TRANSFERS			(1,244)	–	**(1,244)**	(829)
Other recognised gains						
Realised gains on disposal of investments			2,321	1,745	**4,066**	10,112
Unrealised gains on revaluation of investments			2,718	1,688	**4,406**	105
NET MOVEMENT IN FUNDS FOR YEAR			3,795	3,433	**7,228**	9,388
Funds at 1 January			*85,929*	*43,153*	***129,082***	*119,694*
Prior year adjustment	2		*1,902*	–	***1,902***	–
Funds at 1 January restated			87,831	43,153	**130,984**	119,694
FUNDS AT 31 DECEMBER			**91,626**	**46,586**	**138,212**	**129,082**

BALANCE SHEET

at 31 December 1996

	Note	1996 £000	**1996 £000**	1995 *Restated* £000	1995 *Restated* £000
FIXED ASSETS					
Tangible assets held for the Fund's use	5	18,720		17,526	
Investments	6	119,191	**137,911**	111,661	129,187
CURRENT ASSETS					
Debtors	7	2,329		2,815	
Stocks		337		224	
Cash at bank and in hand		1,362	**4,028**	6,005	9,044
CURRENT LIABILITIES	8		**(3,727)**		(7,247)
NET CURRENT ASSETS			**301**		1,797
TOTAL NET ASSETS			**138,212**		**130,984**
FUNDS					
CAPITAL FUND	9		**46,586**		43,153
GENERAL FUND	9		**91,626**		87,831
			138,212		**130,984**

Approved by the Audit Committee on 10 April 1997 under the delegated authority of the Management Committee, and presented to the General Council on 23 April 1997.



William Backhouse, Treasurer

Cash Flow Statement

for the year ended 31 December 1996

	1996	1996	1995 Restated	1995 Restated
	£000	£000	£000	£000
Net cash outflow from operating activities		(3,931)		(251)
Purchase of tangible fixed assets	(1,654)		(7,711)	
Sales of investment property	81		61	
Purchase of securities	(33,371)		8,639	
Sales of securities	31,044			
Net cash (outflow)/inflow from investing activities		(3,900)		989
Net (decrease)/increase in cash and cash equivalents		**(7,831)**		**738**

Reconciliation of net cash outflow from operating activities	1996	1995 Restated
	£000	£000
Net outgoing resources for the year	(1,244)	(829)
Depreciation charges	460	189
Decrease/(increase) in debtors	486	(685)
Increase in stocks	(113)	(114)
Decrease in grants retained	–	(1,879)
(Decrease)/increase in creditors	(3,520)	3,067
Net cash outflow from operating activities	**(3,931)**	**(251)**

Reconciliation of net decrease in cash and cash equivalents	Investment Cash	Cash at Bank	Total Cash
	£000	£000	£000
Balance at 31 December 1995	5,744	6,005	11,749
Balance at 31 December 1996	2,556	1,362	3,918
Net decrease in cash and cash equivalents	**3,188**	**4,643**	**7,831**

NOTES TO THE ACCOUNTS

for the year ended 31 December 1996

Statement of the General Council's Responsibilities

Charity law requires that the General Council prepares financial statements for each year. The General Council is also responsible for keeping proper books of account with respect to the affairs of the King's Fund.

1 Basis of Preparation

The accounts have been prepared in accordance with the historical cost convention modified by the revaluation of fixed assets, applicable accounting standards and all but one of the main requirements of the Statement of Recommended Practice (SORP) 'Accounting by Charities', which was published in October 1995. The remaining requirement of the SORP, relating to the calculation of realised and unrealised gains and losses on investments in relation to previous carrying values, is planned to be implemented in the Fund's accounts for 1997.

2 Accounting Policies

Changes in accounting policy

Comparative figures from 1995 have been restated to reflect four changes in accounting policy:

(i) Investment cash previously held within current assets has been transferred to investments to reflect the true nature of this holding.

(ii) Grants payable in future years, previously recorded as current liabilities, are now treated as commitments and disclosed in Note 12 on page 53.

(iii) The basis of distribution of support costs to the Fund's charitable activities, grants payable and management & administration has been changed to reflect improved information on consumption and usage.

(iv) Plant and machinery assets were formerly included with land and buildings and are now separately disclosed in Note 5 on page 50.

As a result, comparative figures for the year ended 31 December 1995 have been adjusted as follows:

	£000
Funds at 31 December 1995 as previously reported	129,082
Effect of change in treatment of grants payable liabilities	1,902
Funds restated at 31 December 1995	130,984

Grants receivable and payable and income from activities
Grants receivable and income from activities are accounted for in full in the year in which they arise. In cases where conditions attaching to their receipt have not yet been met they are deferred to future accounting periods.

Grants payable have been restated on the Balance Sheet to reflect the fact that they are allocated and funded from the income and expenditure account on the basis of the actual annual expenditure during the tenure of each grant.

Donations and legacies
Donations and legacies are included when they are reliably reported as receivable and are credited to General Fund unless they are permanent endowments, in which case they are credited to the restricted Capital Fund.

Investment income
Income from investments and securities is accounted for when dividends and interest are receivable and includes recoverable taxation.

Resources expended
Resources expended include support costs which are re-allocated using formulae derived from consumption and similar appropriate measures. These are shown in Note 3 on page 49.

Pension costs
Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Fund derives benefit from the employees' services.

Tangible assets held for the Fund's use
Tangible assets held for the Fund's use are held at cost less depreciation.

Depreciation is calculated so as to write off the cost of certain of these tangible assets, on a straight line basis, over the expected useful economic lives of the assets concerned which are taken as:

Computer hardware and software	4 years
Plant and machinery	5 to 30 years

The expected useful economic life of each item of plant and machinery is determined by the Fund's independent consulting quantity surveyors.

Freehold land and buildings held for the Fund's use are not depreciated. The Fund's buildings are maintained in a condition such that any depreciation charge would be immaterial.

Investments
All investments are stated on the Balance Sheet at market value.

Investment properties are stated at their estimated value on an open-market basis at the Balance Sheet date. Valuations are updated annually by the Fund's professional advisers.

Investments are valued using mid-market prices at the Balance Sheet date.

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities and are calculated in relation to the original cost of the investments.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates. Assets and liabilities are translated at rates applying at the Balance Sheet date.

Funds

Capital Fund: The King's Fund has no power to spend capital monies. Income from the Capital Fund is transferred to General Fund to offset expenditure.

General Fund: The King's Fund has the power to spend capital monies as well as income from investments.

3 Income and Expenditure

	Income	Direct Costs	Support Costs	Total Costs	**1996**	1995 *Restated*
	£000	£000	£000	£000	**£000**	£000
MANAGEMENT & ADMINISTRATION						
Investment management & other income	(5,398)	384	–	384	**(5,014)**	(4,935)
Secretariat	(58)	250	254	504	**446**	378
	(5,456)	**634**	**254**	**888**	**(4,568)**	**(4,557)**
CHARITABLE EXPENDITURE						
Management College	(3,501)	3,588	1,196	4,784	**1,283**	1,089
Development Centre	(2,372)	2,602	1,099	3,701	**1,329**	1,128
Policy Institute	(432)	791	376	1,167	**735**	624
Organisational Audit	(1,599)	1,579	829	2,408	**809**	687
	(7,904)	**8,560**	**3,500**	**12,060**	**4,156**	**3,528**
GRANTS						
Grantmaking	(30)	1,553	133	1,686	**1,656**	1,858
TOTAL 1996	**(13,390)**	**10,747**	**3,887**	**14,634**	**1,244**	**829**
TOTAL 1995	**(14,809)**	**12,469**	**3,169**	**15,638**	**829**	

Total income of £13,390,000 comprises: £5,238,000 from investments; £2,935,000 from grants receivable from government and other public bodies; £5,056,000 from activities; and £161,000 from donations and other income.

Included in the above expenditure are the following sums:

	1996 £000	1995 £000
Trustees indemnity insurance	**5**	–
Audit fees	**25**	24
Other specialist financial advice	**83**	35

4 Investment Income

	1996 £000	1995 £000
Listed securities and cash assets	**4,729**	4,583
Properties	**509**	609
	5,238	5,192

5 Tangible Assets held for the Fund's use

	Land and Buildings	Plant and Machinery	Computer Hardware and Software	**1996 Total**	1995 Total
	£000	£000	£000	**£000**	£000
Cost					
At 1 January	13,403	3,122	1,767	**18,292**	20,355
Additions	1,007	375	272	**1,654**	7,711
Disposals	–	–	–	**–**	(9,774)
At 31 December	14,410	3,497	2,039	**19,946**	18,292
Depreciation					
At 1 January	–	–	766	**766**	577
Charge for the year	–	205	255	**460**	189
Disposals	–	–	–	**–**	–
	–	205	1,021	**1,226**	766
Net Book Value					
At 31 December	14,410	3,292	1,018	**18,720**	17,526
Previous Year	13,403	3,122	1,001	**17,526**	

6 Investments at market value

		1996	1995 Restated
		£000	£000
Investment Properties		**9,114**	8,045
Securities:	Listed	**107,245**	97,590
	Unlisted	**276**	282
	Cash	**2,556**	5,744
		119,191	111,661
Investments in the UK		**93,027**	86,561
Investments outside the UK		**26,164**	25,100
		119,191	111,661
General Fund		**72,605**	67,974
Capital Fund		**46,586**	43,687
		119,191	111,661
Market value at 1 January		**111,661**	98,159
Profit on Disposals		**4,066**	10,112
Other movements including revaluation at Balance Sheet date		**3,464**	3,390
Market value at 31 December		**119,191**	111,661

The investment properties were valued on 31 December 1996 by the Fund's professional advisers on an open-market valuation. At the year end, the cost of investment properties was £4,502,000 (£4,583,000 in 1995) and the cost of securities and cash assets was £91,760,000 (£88,555,000 in 1995).

7 Debtors

	1996	1995
	£000	£000
Trade debtors	**1,888**	2,307
Other debtors	**398**	473
Prepayments	**43**	35
	2,329	**2,815**

8 Current Liabilities

	1996	1995 Restated
	£000	£000
Creditors and accruals	**1,695**	4,935
Grants received in advance	**1,654**	1,898
Income received in advance	**378**	414
	3,727	7,247

9 Funds

	Capital Fund £000	General Fund £000	**1996 £000**	1995 *Restated* £000
Tangible assets for the Fund's use	–	18,720	**18,720**	17,526
Investments	46,586	72,605	**119,191**	111,661
Net current assets		301	**301**	1,797
	46,586	**91,626**	**138,212**	**130,984**

10 Employees

	1996	1995
Total emoluments (£000)	**7,369**	7,366
Average number of employees (including externally funded)	**211**	216
The numbers of employees with remuneration exceeding £40,000 were:		
£40,000–£49,999	**25**	35
£50,000–£59,999	**14**	5
£60,000–£69,999	**2**	1
£70,000–£79,999	**1**	1
£80,000–£89,999	**1**	1
£90,000–£99,999	**–**	–
£100,000–£109,999	**1**	1

11 Pension Schemes

The Fund operates a funded defined benefits scheme which is contracted out of the State scheme and provides no other post-retirement benefits.

For those staff in the King's Fund Pension Scheme the pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest of the triennial actuarial valuations of the scheme was at 1 April 1995. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 8% per annum, that salary increases would average 6.5% per annum and that present and future pensions would increase at the rate of 4% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the King's Fund Pension Scheme was £14.2 million and the actuarial value of those assets was sufficient to cover 105% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of the Fund and employees have been set at 10% and 5% respectively.

Certain staff are members of the NHS Pension Scheme where the financing and rates of contribution are calculated by the Government Actuary. The current rates of contribution for the NHS scheme are set at 6% and 4% for the employer and employee respectively.

The pension costs for the period were £472,044 (£472,058 in 1995).

12 Commitments

At 31 December 1996, the Fund had potential grant commitments of £1,903,000 payable in 1997 and later.

13 Contingent Liabilities

(a) A legal claim has been made against the Fund in relation to a 'Rights of Light' dispute. Having regard to legal and professional advice received, the Fund's Trustees are of the opinion that this claim will not give rise to liabilities which will have a material effect on the accounts.

(b) A claim has been made against the Fund in respect of the final account for construction and refurbishment of 11–13 Cavendish Square. Having regard to legal and professional advice received, the Fund's Trustees are of the opinion that this claim will not give rise to liabilities which will have a material effect on the accounts.

14 Trustees' Expenses

A total of £2,281 was reimbursed to four Trustees in respect of travel and subsistence expenses incurred during the year.

General

1897

First General Council

The Lord Lieutenant of London (The Duke of Westminster)
The Lord Lieutenant of Middlesex (The Earl of Strafford)
The Postmaster-General (The Duke of Norfolk)
The Bishop of London
The Bishop of Rochester
Cardinal Vaughan
The Rev. J. Guinness Rogers, DD
The Rev. T. Bowman Stephenson, DD
The Chief Rabbi (The Rev. Dr. Adler)
Lord Rowton
Lord Rothschild
Lord Iveagh
Lord Farquhar
The President of the Hospital Sunday and Hospital Saturday Funds (The Lord Mayor)
The Chairman of the County Council
The Chairman of the School Board for London
The Governor of the Bank of England
The President of the Royal Society
The President of the Royal College of Physicians
The President of the Royal College of Surgeons The Honble. C. Stuart Wortley, QC, MP
Sir Henry Burdett, KCB
Mr John Aird, MP for North Paddington
Mr Thomas Burt, MP for Morpeth
Mr Sydney Buxton, MP for Poplar
Mr E.A. Hambro
Mr Albert G. Sandeman
Mr Julius Wernher
Mr William Latham, QC, Master of the Clothworkers' Company

Treasurer
Lord Rothschild

Honorary Secretary
Sir Saville Crossley, Bart.

Honorary Assistant Secretary
Mr J. G. Craggs, FCA

Honorary Solicitors
Messrs. Freshfields & Williams

President

HRH The Prince of Wales KG KT PC GCB

Honorary Member

HRH Princess Alexandra, The Hon Lady Ogilvy GCVO

The Lord Chancellor
The Speaker of the House of Commons
The Bishop of London
His Eminence The Cardinal Archbishop of Westminster
The General Secretary of the Free Church Federal Council
The Chief Rabbi
The Rt Hon The Lord Mayor of London
The Governor of the Bank of England
The President of the Royal College of Physicians
The President of the Royal College of Surgeons
The President of the Royal College of Obstetricians and Gynaecologists
The President of the Royal College of General Practitioners
The President of the Royal College of Pathologists
The President of the Royal College of Psychiatrists
The President of the Royal College of Radiologists
The President of the Royal College of Anaesthetists
The President of the Royal College of Ophthalmologists
The President of the Royal College of Nursing
The President of the Royal College of Midwives
The President of the Institute of Health Services Management
The Chairman of each of the two Thames Regional Offices
Sir Donald Acheson KBE DM DSc FRCP FFCM FFOM
D Adu MD FRCP
Valerie Amos
The Hon Hugh Astor JP
William Backhouse FCA
Sir Richard Baker Wilbraham Bt
Sir Roger Bannister CBE DM FRCP
Sir John Batten KCVO MD FRCP
Sir Douglas Black
Baroness Blackstone PhD
Major Sir Shane Blewitt KCVO
J R G Bradfield PhD MA
Anthony Bryceson MD FRCP
Sir Kenneth Calman KCB
Lord Catto

Council

Sir Timothy Chessells
Professor Anthony Clare MD FRCPI FRCPsych
Sir Michael Colman Bt
J P A Cooper
Baroness Cox BSc (Soc) MSc (Econ) SRN
Sir Anthony Dawson KCVO MD FRCP
Sir Robin Dent KCVO
Brendan Devlin CBE MD FRCS
Sir William Doughty MA CBIM
Professor Charles Easmon
S M Gray FCA
Miss Christine Hancock BSc (Econ) RGN
Michael Hargreave VRD
Lord Hayter KCVO CBE
Professor R L Himsworth MD FRCP
Sir Raymond Hoffenberg KBE MD PhD
Lord Hussey
Sir Donald Irvine CBE
Dr Bobbie Jacobson
Professor Brian Jarman
Sir Francis Avery Jones CBE MD FRCP
The Countess of Limerick CBE MA
Lady Lloyd MA
Stephen Lock MD FRCP
Lord McColl MS FRCS
Professor David Neal
Sir Duncan Nichol CBE MA AHSM
L W H Paine OBE MA AHSM
Professor J R Pattison
Michael Peat CVO FCA
Professor Lesley Rees
Professor Philip Rhodes MA FRCS FRCOG FRACMA
Sir John Riddell Bt
The Baroness Serota JP
Sir Maurice Shock MA
Richard P H Thompson DM FRCP
Professor Sir Bryan Thwaites MA PhD FIMA
Lord Walton of Detchant Kt TD MD DSc FRCP
Lord Wardington
Professor Albert Weale
Professor Jenifer Wilson-Barnett PhD SRN FRCN
Sir Henry Yellowlees KCB FRCP FFCM

1946

Fiftieth General Council

The Lord Lieutenant of the County of London
The Lord High Chancellor
The Speaker of the House of Commons
The Bishop of London
Cardinal Griffin
Rev. Sidney M. Berry, DD
Rev. Owen S. Watkins
The Chief Rabbi
Earl of Bessborough
Earl of Donoughmore
Earl of Dudley
Viscount Hailsham
Viscount Nuffield
Lord Ashburton
Lord Stanmore
Lord Ebbisham
Lodrd Luke
Lord Macmillan
Lord Horder
Lord Iliffe
Lord Wigram
Lord Wardington
Lord Courtauld-Thomson
Lord Norman
Lord Broadbridge
Lord Inman
Hon. Sir Arthur Stanley
Col. the Hon. John J. Astor
Hon. John Mulholland
Hon. Arthur Howard, MP
Hon. Margaret Bigge
Hon. R. Vivian Smith
The Minister of Health
The Rt. Hon. The Lord Mayor
The Rt. Hon. The Chairman of the London County Council
The Governor of the Bank of England
The President of the Royal College of Physicians
The President of the Royal College of Surgeons
The President of the Royal College of Obstetricians and Gynaecologists
Rt. Hon. Malcolm McCorquodale
Sophy Lady Hall
Sir Godfrey Thomas, Bt
Sir John Mann, Bt
Sir Charlton Briscoe, Bt
Capt. Sir Hamilton Benn, Bt
Sir George Roberts, Bt
Sir Hugh Lett, Bt
Sir William Goodenough, Bt
General Sir Kenneth Wigram
Sir Edward Peacock
Lady Hudson
Sir Alan G. Anderson
Sir Henry Badeley
Sir Wilson Jameson
Sir Ulick Alexander
Sir Harold Wernher
Sir Ernest Pooley
Sir Basil Mayhew
Sir Frederick Menzies
Sir Bernard Docker
Sir Henry Tidy
Sir George Aylwen
Sir Herbert Eason
Sir Jack Drummond
Sir Ernest Rock Carling
Sir Archibald Gray
Sir Eardley Holland
Mr H.R. Maynard
Professor Winifred Cullis
Professor T.B. Johnson
Dr Wilfred J. Pearson
Mr Oliver N. Chadwyck-Healey
Mr Anthony de Rothschild
Mr Philip Fleming
Dr H. Morley Fletcher
Dr J.P. Headley
Mr F.W.J. Jackson
Mr James Paterson

Committee

1897–1997

Patrons

Edward VII, 1901–1910
George V, 1910–1936
Edward VIII, 1936
George VI, 1936–1952
Elizabeth II, 1952–

Presidents

Prince of Wales (Edward VII), 1897–1901
Prince of Wales (George V), 1901–1910
Prince of Wales (Edward VIII), 1919–1936
Duke of York (George VI), 1936
Duke of Kent, 1936–1942
Duke of Gloucester, 1942–1970
Prince of Wales (Charles), 1986–

Governors*

Duke of Teck, 1910–1919
Viscount Iveagh, 1910–1919
Rt Hon James W Lowther, MP, 1910–1919
HRH Princess Alexandra, 1971–1985
Lord Ashburton, 1971–1976
Lord Rosenheim, 1971–1972
Lord Cottesloe, 1973–1983
Sir Andrew Carnwath, 1976–1985
Lord Hayter, 1983–1985

Treasurers

Lord Rothschild, 1897–1913
Lord Revelstoke, 1914–1928
Sir Edward Peacock, 1929–1954
Lord Ashburton, 1955–1964
Sir Andrew Carnwath, 1965–1974
Sir Robin Dent, 1975–1992
William Backhouse, 1993–

* In accordance with the Fund's Act of Incorporation, the Sovereign appointed three Governors whenever a royal President was unavailable to serve.

Management Committee

S M Gray FCA, Chairman
William Backhouse FCA, Treasurer
J R G Bradfield PhD MA
Miss Christine Hancock BSc (Econ) RGN
Lord Hussey
Sir Donald Irvine CBE
Dr Bobbie Jacobson
Professor Brian Jarman
Professor David Neal
Professor J R Pattison
Professor Lesley Rees
Professor Albert Weale
Sir William Wells

Investment Committee

William Backhouse FCA, Chairman
The Governor of the Bank of England
Sir Richard Baker Wilbraham Bt
J R G Bradfield PhD MA
Lord Catto
Sir Michael Colman Bt
J P A Cooper
V P Fleming
S M Gray FCA

Pension Fund Trustees

Sir Richard Baker Wilbraham Bt, Chairman
A B Chappell IPFA
Ken Judge
P Norton FIA

Grants Committee

Professor Albert Weale, Chairman
William Backhouse FCA
Chris Heginbotham
Sir Raymond (Bill) Hoffenberg
John James
Professor Brian Jarman
Mercy Jeyasingham
Professor Jenifer Wilson-Barnett PhD SRN FRCN

Organisational Audit Council

S M Gray FCA, Chairman
Brendan Devlin CBE MD FRCS
Neil Goodwin
Toby Harris
Deirdre Hutton
Professor Barrie Jay (observer)

members

Dr John Moore-Gillon
Stephen Ramsden
Alan Randall
Dr George Shirriffs
Barry Slater (observer)
Tim Spencer
Stuart Twaddell
Margaret Wallace
Robert J Maxwell

London Commission

Lord Hussey, Chairman
Pearl Brown
Brendan Devlin CBE MD FRCS
Baroness Eccles of Moulton
Professor David Goldberg
Professor Richard Himsworth
Baroness Jay
Professor Eve Johnstone
Professor J R Pattison
Peter Westland
Robert J Maxwell
Virginia Beardshaw (secretary)
Seán Boyle (research manager)

Travelling Fellowships Subcommittee

Norman McI Johnson MD FRCP, Chairman
Nigel Cowan MA BChir FRCR
Brendan Hicks
Professor Thomas Treasure MD MS FRCS

London Health Partnership

Liam Strong (Chairman), Sears plc
Robin Broadley, The Baring Foundation
Anne Harding, London First
Judy Hargadon, Chief Executive, Barnet Health Authority
Judith Hazelwood, London Health Division, McKinsey
Frank Jackson
Robert J Maxwell
Neslyn Watson-Druee, St Thomas's Trustees
Judie Yung, NTRO

1897–1997

Chairmen of the Management Committee

Lord Strafford, 1897
Hugh C Smith, 1898–1906
Earl of Bessborough, 1907–1919
Lord Stuart of Wortley, 1920–1924
Earl of Donoughmore, 1925–1947
Sir Ernest Pooley, 1948–1956
Lord McCorquodale, 1957–1964
Lord Hayter, 1965–1982
Hon Hugh Astor, 1983–1988
S Marius Gray, 1989–

Honorary Secretaries

Sir Savile Crossley (Lord Somerleyton), 1897–1934
C Stuart Wortley, 1897
Sir John Craggs, 1898–1906
Viscount Duncannon (Earl of Bessborough), 1900
J Danvers Power, 1904–1907
Sir Frederick Fry, 1908–1911, 1914–1921
John G Griffiths, 1911–1920
Sir Alan Anderson, 1921–1924
Major General Sir Cecily Lowther, 1923–1926
Sir Harold Wernher, 1923–1948
Sir Leonard Cohen, 1925–1936
Lord Luke, 1928–1943
Sir Ernest Pooley, 1935–1948
General Sir Kenneth Wigram, 1940–1941
Sir Hugh Lett, 1942–1948

Secretaries

H R Maynard, 1906–1938
A G L Ives, 1938–1960
R E Peers, 1960–1968
G A Phalp, 1968–1980
R J Maxwell, 1980–

Staff

Chief Officers

Secretary & Chief Executive
Robert J Maxwell

Deputy Chief Executive & Director of Management College
Peter Griffiths

Director of Development Centre
Angela Coulter

Director of Organisational Audit
Tessa Brooks

Director of Policy Institute
Ken Judge

Director of Resources
Frank Jackson

Key corporate staff

Grants Director
Susan Elizabeth

Head of Communications
Ian Wylie

Head of Facilities Management
Ian Cordery

Assistant Director of Resources – Finance & Personnel
David Bewers

Information Technology Manager
Bernadette Alves

Personnel Officer
Diane Dumas

Library & Information Service Manager
Lynette Cawthra

Marketing Manager
Lyndsey Unwin

Press & Public Relations Manager
Alison Forbes

THE TIMES, SATURDAY FEBRUARY 6, 1897

PRINCE OF WALES'S HOSPITAL FUND FOR LONDON

We are requested by his Royal Highness the Prince of Wales to publish the following important statement:–

MARLBOROUGH HOUSE,
PALL-MALL, S.W.,
Feb. 5, 1897.

HAVING ASCERTAINED FROM the Queen that she has no wish to express a preference for any one of the many proposals loyally suggested for commemorating, nationally or locally, the 60th year of her reign, I feel at liberty to bring to the notice of the inhabitants of the Metropolis a project lying very near my heart, its object being to attach the sentiment of gratitude for the blessings which the country has enjoyed during the last 60 years to a scheme of permanent beneficence.

The finances of the hospitals of London have long been a source of anxiety and solicitude. An analysis furnished me of the audited statements of account for the year 1895 of 122 metropolitan hospitals and convalescent homes shows a deficiency of £70.000 in the ordinary receipts as compared with the ordinary expenditure, while, if we limit the figures to institutions which failed to meet their outgoings, the deficiency is increased to £102,000.

In considering how this may be remedied, I have been struck by the statement, the truth of which is placed beyond doubt, that the contributors to the funds of our hospitals number less than one in a hundred of the population. It appears to me that in this fact we may find at once an explanation of present indigence and the best hope of its relief. It is necessary to enlarge the area from which annual subscriptions are gathered. If we divide the population of the metropolitan district into two portions and agree that one moiety is unable to contribute anything, there still remain three millions of persons representing, say, 500.000 households. Of these, 450.000 households, at least, so far as can be ascertained, do not contribute anything towards the support of hospitals. If we again assume that one-half are unwilling or unable to acknowledge either privilege or duty in this matter, an average annual subscription of no more than 10s. each from the remainder will suffice. The efforts of individual institutions, competing with one another, have not availed to enlist a large body of subscribers. I do not believe that this arises from any real indifference, but partly from the difficulty of choosing an object of interest among so many, partly from the lack of any definite opportunity for giving annual subscriptions to the cause as a whole, and partly from the feeling that small sums are not worth contributing. I am, however, confident that a combined appeal on behalf of the hospitals of London, setting forth their work in its magnitude and importance, will prove irresistible.

In that belief I have asked the co-operation of the representative committee, whose names are appended, and I propose with their assistance to invite subscriptions of 1s. per annum and upwards from all classes for 'the Prince of Wales's Hospital Fund for London, to commemorate the 60th anniversary of the Queen's reign'. It will be noticed that the members of the committee are not identified as active managers with any particular hospital; neither shall we trench upon the ground occupied by the Hospital Sunday and Saturday Funds. Our attention will be concentrated upon an endeavour to secure from £100,000 to £150,000 in annual subscriptions from those who have not hitherto regularly contributed.

To this end we propose to approach, among others, the ground landlords, the railway and other companies, all large employers of labour, the private and joint stock banks and companies, the various trade associations, and, above all, the house-holders in the town and suburbs whose names are not found in the hospitals' list.

Finally, I venture to offer a word in general commendation of the scheme. Public opinion has shown itself upon more than one occasion, and I think wisely, in favour of the maintenance of the voluntary system for support of our hospitals, combined with an adequate system of representation of the body of subscribers in their control and management. It is obvious, however, that if these institutions are to be saved from State or parochial aid, their financial condition must be secured. We must recall the fact that, apart from the purely philanthropic work carried on in relief of our sick poor, we look to the voluntary hospitals for the means of medical education and the advancement of medical science. Our hope is that by the aid of this Commemoration Fund we may be enabled to secure for these necessary institutions sufficient and permanent support.

ALBERT EDWARD P.