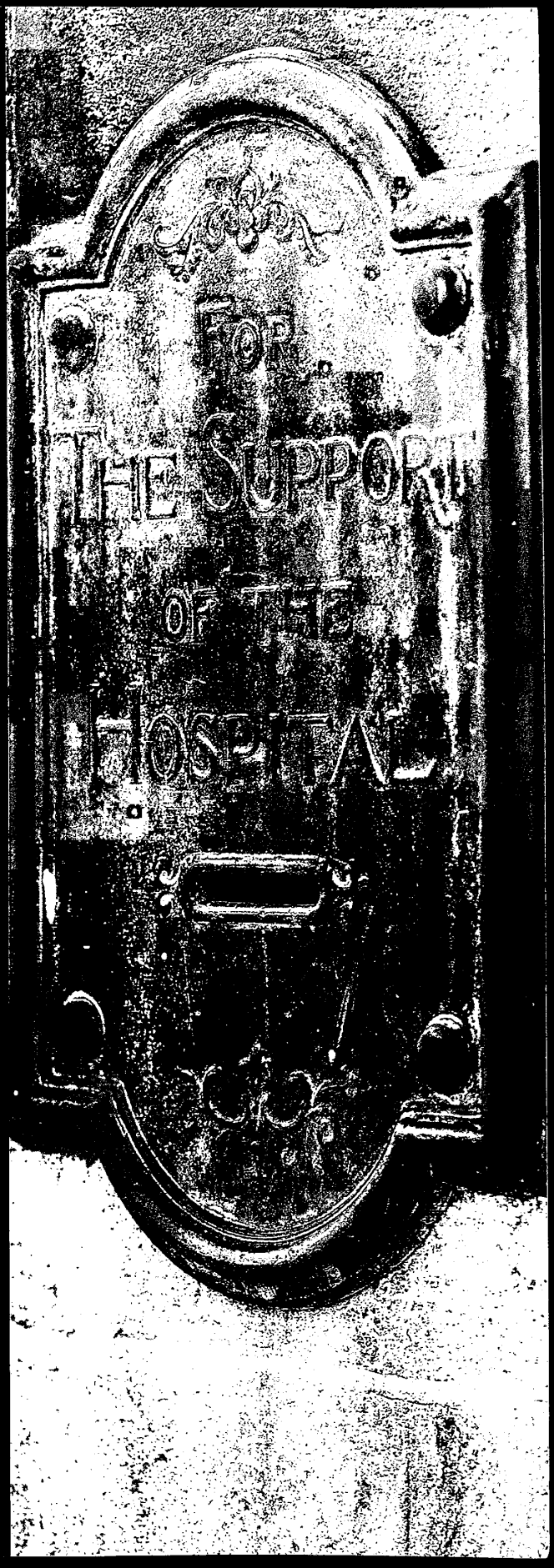
King's Fund

Towards the Centenary

Annual Report
incorporating
accounts for 1995

May 1996



Towards the Centenary

Annual report incorporating accounts for 1995

May 1996

Patron
Her Majesty The Queen

President
HRH The Prince of Wales KG KT PC GCB

Treasurer
William Backhouse FCA

Chairman of the Management Committee
Marius Gray FCA

Secretary and Chief Executive
Robert J Maxwell CBE

King's Fund
11–13 Cavendish Square
London
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King Edward's Hospital Fund for London (the King's Fund) was founded in 1897 as one of a number of ventures begun in that year to commemorate the Diamond Jubilee of Queen Victoria.

Although its founding aim of 'the support benefit or extension of the hospitals of London' was thought by many to be too ambitious, it enjoyed the full support of The Prince of Wales and his appeal for funds elicited a good response. A decade later, when the new independent charity became incorporated by an Act of Parliament, it was sufficiently established to form a permanent endowment.

The King's Fund initially made grants to hospitals and related institutions in and around London, and it has continued to make grants, while widening and diversifying its activities as health needs and health care provision have changed.

London has remained the primary focus, and the Fund continues to seek for Londoners, including the most vulnerable and deprived, the best possible health and health care. This now takes place in a national and international context, where the King's Fund also aims to make an independent and influential contribution.

Today, approaching its centenary year, the Fund seeks to promote good practice and innovation in all aspects of health care through grantmaking, information provision, service and management development, policy analysis and audit.

■ *The King's Fund Development Centre, formerly the King's Fund Centre, was founded in 1963 to support innovations in the NHS and related organisations. It encourages the spread of good practice and ideas through its service development programme.*

■ *The King's Fund Management College, formerly the King's Fund College, was established in 1968 from the merger of the separate staff colleges set up by the Fund after World War II. It is dedicated to developing and improving the clinical, professional and managerial leadership of the NHS in general and in London in particular.*

■ *The King's Fund Policy Institute, formerly the King's Fund Institute, was set up in 1986, and aims to improve the quality of national health care policy-making through independent analysis, monitoring and evaluation of health and health services.*

■ *King's Fund Organisational Audit, formerly the Organisational Audit Programme, was developed at the King's Fund Centre. It provides a system for assessing and developing the organisational quality of health care facilities.*

■ *King's Fund Grantmaking allocates up to £2m annually in grants to external programmes relating to London. There are five priority areas: improving quality in London's acute services; strengthening the voice of the user; encouraging equal access to health care; developments in primary and community care; and arts and health.*

King Edward's Hospital Fund for London is a registered charity, number 207401

Front cover photograph: Radcliffe Infirmary NHS Trust, Oxford

Contents

Chief Executive's Report

It is about nine months since we moved into 11–13 Cavendish Square. Friends who visit us here testify to the quality of the public spaces, which manage to combine functionalism with stylishness.

Meanwhile, as an organisation, we are beginning to settle into our new home. The process is much like that of a dog investigating a new basket. Little by little we have dealt with construction defects.

We are beginning to experiment with ways of using the available spaces more imaginatively than we did at first, to try to relieve pressures in some of the office areas. Open plan does pose problems, some of which can be solved by mutual consideration and by becoming acclimatised, and some of which are inherent. At a less obvious level, the whole organisation is gradually coming to terms with being located in one set of buildings, with the changed dynamics which that brings.

At the end of 1995 we began a process of consultation inside and outside the organisation on the King's Fund's role today. This is a logical step and helps us to focus not on structural change, but on our purposes, strategy and identity. It also prepares the way for our centenary year in 1997, which will not only celebrate the past, but must also prepare the way ahead. My intention is that we should achieve a sharper focus while keeping our strengths, which I believe include openness, warmth and a safe forum for sharing differences of view, responsibly expressed. Of course, we will not always get the balances right, but both independence and responsibility are crucial.

As I write this introduction in the Spring of 1996, looking back over the past 12 months, four points strike me about the context in which the King's Fund works. The first is political. One can never escape party politics in relation to the National Health Service and yet, as the reactions to the Healthcare 2000 report in September 1995 emphasised, the overwhelming majority of the British people, across the whole political spectrum, are firmly committed to a National Health Service dedicated to quality for all, without barriers to access.

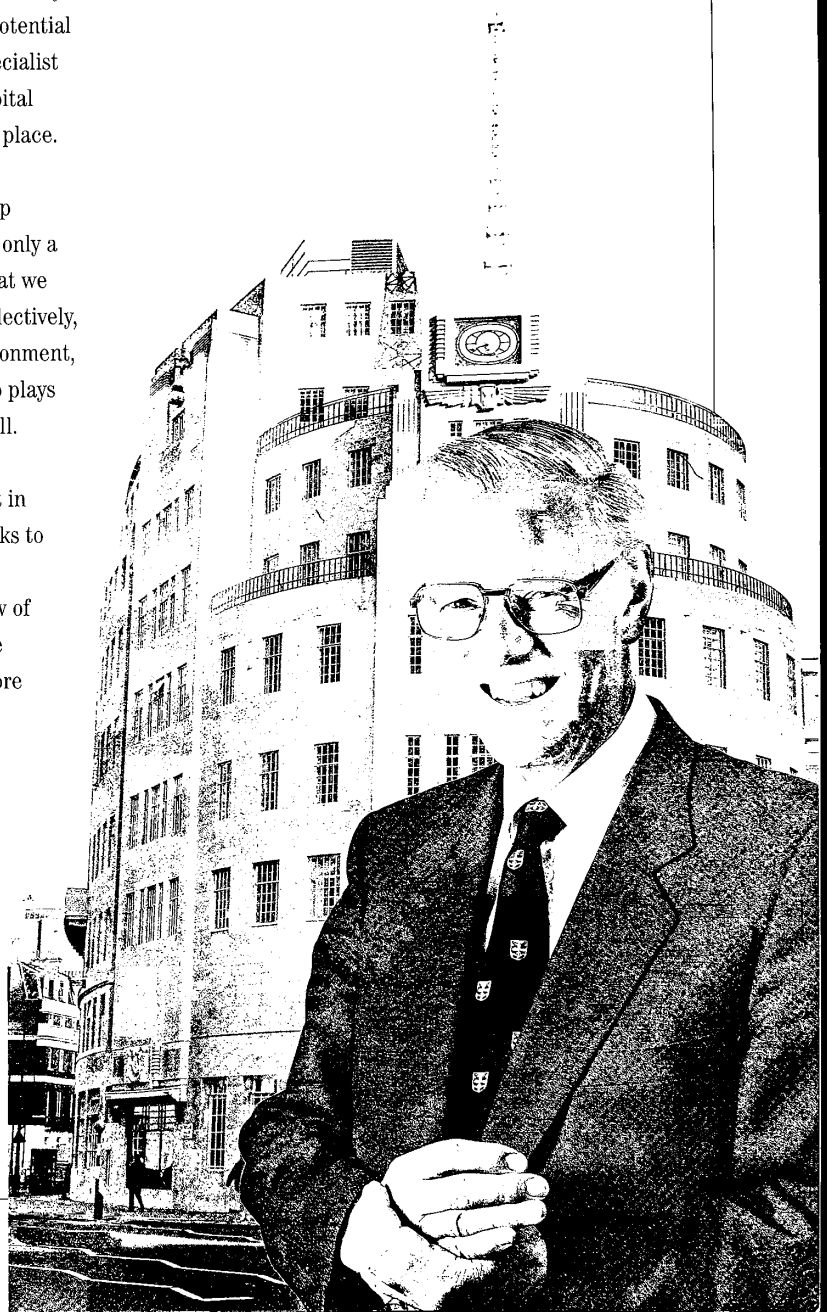
The second point is about the continuing tension between centralisation and decentralisation in the vast organisation that makes up our National Health Service. The abolition in England of regional health authorities in April 1996, and their replacement by regional offices of the NHS Executive, affected the Service throughout 1995. One hopes that everyone involved, from the Secretary of State for Health and the NHS Chief Executive outwards, will be determined not to erode an appropriate amount of space for

clinical and managerial autonomy, while maintaining the integrity of a national service.

The third is specific to London. As our reconvened London Commission gets into its stride, it is clear that the main academic groupings, based on Imperial College, King's College, Queen Mary's/Westfield and University College London, have now created the potential for a major step forward in London's specialist services and research, provided that capital expenditure to make this possible takes place.

Finally, the catastrophe of BSE is a sharp reminder that the nation's health is not only a matter of what happens in the NHS. What we eat, how we behave individually and collectively, and our interrelationship with the environment, all shape our health. Medical leadership plays an important part in influencing them all.

Influences such as these set the context in which the King's Fund operates and seeks to make a contribution. The Report which follows provides a comprehensive review of the Fund's activities and finances, while Part 2, as in previous years, includes more selective reviews of a small number of current issues.



Robert J Maxwell, Secretary and Chief Executive of the King's Fund

BBC Broadcasting House, a national voice from the heart of London

Development Centre

Service development involves trying to improve the existing pattern of health service provision so that it is better able to meet the needs of users.

We do this by supporting a number of practical experiments to try out new ways of meeting identified needs or to find solutions to recognised shortcomings in the service. Evaluation and dissemination are key components of our service development work.

Current concerns include the lack of co-ordination between different types of services, for example, between health and social care; the failure to give adequate consideration to the needs of people from minority ethnic groups; and the difficulties involved in ensuring that clinical decision-making takes full account of research evidence on the costs, risks and benefits of health care interventions. In 1995 our five service development programmes (primary care, community care, clinical change, nursing developments, medical development) experimented with different ways of tackling these problems.

Primary care

Urban primary care is the focus of our major development programme for the London Health Partnership, a collaborative venture between the King's Fund, other charitable foundations, business interests and government. This aims to produce benefits for elderly people by finding new ways for agencies to collaborate. The development approach being tested draws on systems theory and ideas about learning organisations. The work is taking place in London, Liverpool and Newcastle and uses a variety of methods to help local people from a wide range of organisations review the complex network of services for elderly people. These 'whole systems' events form the first stage of a programme designed to help professional staff and service users to find creative solutions to long-standing problems. During 1995 we also edited three books in a major new series on primary care development. The evaluation of the Community-Oriented Primary Care (COPC) projects was completed and work continues on the COPC mental health and community development projects.

Community care

Most of our development projects are resourced by external funders for a limited period. Nineteen ninety-five saw the ending of a number of our community care development projects and the beginning of some new ones. Our two-year monitoring initiative with the Nuffield Institute for Health came to an end with the publication of the report *Making a difference? Implementation of the community care reforms two years on.* The Living Options Partnership project, a ten-year programme of work designed to improve the planning, implementation and evaluation of services for disabled people, celebrated its end with a successful conference in Birmingham. Work to support the development of sanctuaries in Lambeth and Hackney for Black people suffering from mental illness also drew to a successful conclusion. Projects designed to promote better support for carers and to encourage health authorities and local authorities to join forces in commissioning services for elderly people came to the end of specific phases of their work, but further funding has been obtained to build on this experience. New projects launched in 1995 included the Changing Days project, which aims to devise new flexible models of day service provision for people with learning difficulties, and a pilot project to explore ways of involving users in the evaluation of domiciliary health and social care services.

Clinical change

The Clinical Change Programme aims to bring about improvements in the quality and relevance of clinical care by making it more patient-focused, and by working with clinicians to develop their practice. Achievements in 1995 included the development of a directory of breast cancer services published jointly with Cancer Relief Macmillan; the organisation of a seminar on patient empowerment to assist the development of the NHS Executive's strategy; and an extensive programme of work designed to encourage health authorities to consider the needs of Black people and minority ethnic groups. Other service development projects with which the team has been engaged include Promoting Patient Choice, which aims to promote patient involvement in treatment choices by developing and evaluating evidence-based information for patients, and the SHARE project, which disseminates information about the health needs of Black users and shares examples of good practice.

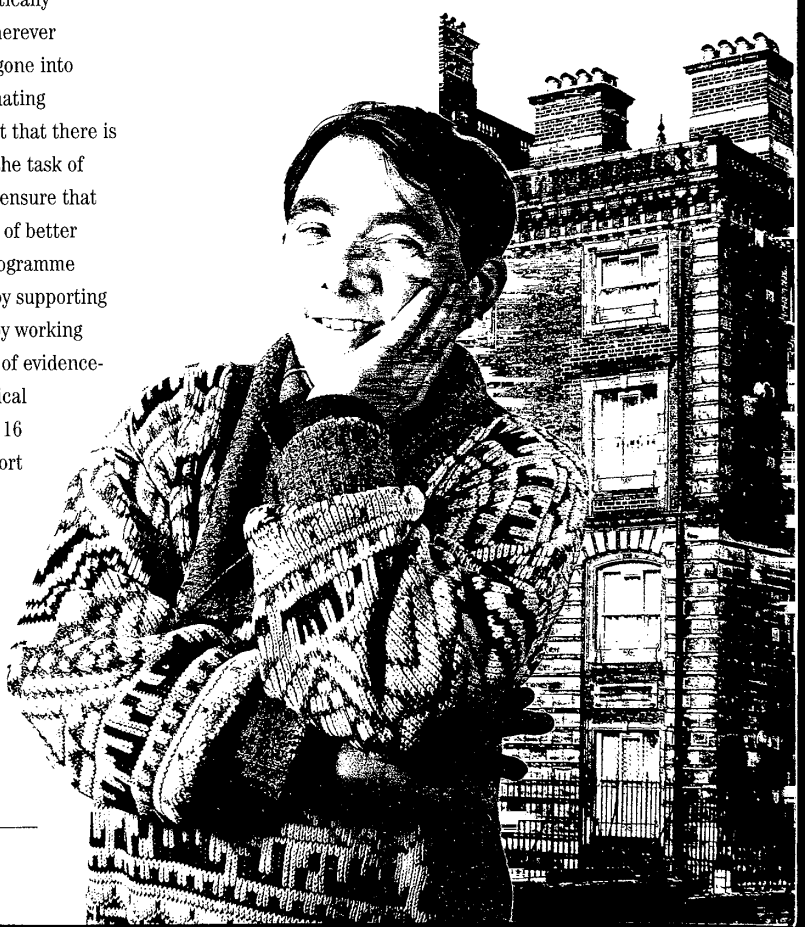
Mark Drake, of People First London Boroughs, working with the Community Care Group on projects for people with learning difficulties

Nursing development

The Nursing Developments Programme works with nurses to promote improvements in health services and to encourage innovative developments in nursing care in hospitals and the community. The team has been supporting 30 Nursing Development Units (NDUs) around the country, which have been capitalising on the wealth of skills, knowledge and ideas that nurses can contribute to the development of better ways of providing patient care. In 1995 the major emphasis was on disseminating the NDU experience so that others can learn about successful initiatives. A number of reports have been published dealing with different aspects of clinical care, and a distance-learning pack has been developed to help other units wanting to implement the NDU principles and style of working. The team runs the Nursing Developments Network to provide information and contacts to enquirers wanting to learn about good practice and a number of regional workshops have been organised to promote shared learning.

Medical development

The successful establishment of the NHS Research and Development (R&D) programme has focused attention on the need to ensure that clinical practice is critically evaluated and rooted in scientific evidence wherever possible. To date, most of the investment has gone into commissioning primary research and disseminating research findings. It has now become apparent that there is a need to apply service development skills to the task of translating research findings into practice, to ensure that the investment in R&D bears fruit in the form of better clinical care. In 1995 we established a new programme which aims to promote clinical effectiveness by supporting projects to implement research findings and by working with health professionals on the development of evidence-based practice. The Promoting Action on Clinical Effectiveness (PACE) project has established 16 development sites around the country to support clinicians and managers engaged in bringing clinical practice into line with research evidence. The Medical Development team is also working with health authorities and providers on a number of educational initiatives designed to promote greater awareness of the need for critical appraisal of health care interventions.



Peabody Buildings, Pimlico

Management College

The Management College is small, with fewer than 30 faculty staff; it nevertheless works across the whole spectrum of health and related social care. Fellows carry individual portfolios and income targets and must operate fully in the market.

What does the College stand for? How can we measure it? We are very conscious of the need to be clear in these areas. In essence, we strive constantly to offer the highest-quality leadership and organisational development service dedicated to the NHS. Nothing less. We do this by combining an unrivalled range of expertise and experience in our faculty, from within and beyond the NHS – both in this country and elsewhere. We seek to back up our work with ideas which are consistently at the leading edge.

New demands

For many years the King's Fund College held a special place in the hearts and minds of NHS managers. We occupied notable premises in Bayswater and were perceived as offering a culture which was truly distinctive. However, the NHS has changed, and we have now entered a new era – of business language and business processes allied to the unique caring organisation which is still the biggest of its kind in Europe. The College has changed at the same time to respond to these new demands.

We have moved to Cavendish Square and are learning to make the best use of our new environment. We are physically nearer to our sister institutions and have begun to work much more closely with them. We have changed the way we manage and support each other internally. We use our own resources through our Development Fund to promote working alliances with a range of different partners. Yet, it is in the three areas of education programmes, fieldwork consultancy and ideas development that we continue to demonstrate our fundamental strength on behalf of the NHS.

From strength to strength

We believe that we have the strongest range of leadership-based educational programmes in the market. Our Top Manager Programme continues to be oversubscribed.

In addition, the Senior Manager Programme goes from strength to strength. We now offer leadership programmes for doctors, board level executives, chief executives and non-executives. However, we are not standing still. With the support of Johnson & Johnson, we are embarking on a ground-breaking new leadership development programme for nurses, and we have also launched the 'Beyond Hierarchy' initiative with the support of the NHS Women's Unit. Both programmes challenge existing models of individual development and blend personal development with organisational change.

Our fieldwork consultancy reflects new trends in the NHS. In partnership with two of the leading new commissioning agencies in the UK, we have established large-scale projects pursuing integrated purchasing linked to provider and user involvement in a framework which goes far beyond mere consultation. A new primary care initiative is being launched and the College offers a unique focus on large system change management.

Following last year's highly successful series of seminars for faculty and clients, with major management thinkers from around the world, we are now in the middle of a second series of seminars which focuses on the leading-edge practitioners. Leonard Schaeffer, Chief Executive of Blue Cross California, Liam Strong, Chief Executive of Sears Holdings, and Anita Roddick, founder of the Body Shop, are this year's contributors.

To complement this work, the College continues to pursue vigorously the field of complex system change. In this we are working in partnership with the King's Fund Development Centre, running large-scale change initiatives which extend beyond the boundaries of the NHS. We will be publishing, in the Spring of 1996, the first issue of a new journal which tackles the major themes which face the NHS as it moves towards the millennium.

A commitment to quality

Going back to the initial question of what we stand for and how this can be measured, we subsidise our work and have no profit orientation, even though we strive to be as businesslike as possible. This makes simple measurement difficult. The best yardstick comes from the quality of our

work and the feedback we receive from the people and organisations who use our services. We are never satisfied and are constantly striving to improve.

With this in mind we offer the following framework for our present and future work:

- we will work on areas that are central to developing and improving the NHS and the people working in it;
- we will give this work an explicit profile both within the Management College and in the field;
- we will ensure that our work identifies and makes explicit the ideas base and distinctive practice that are associated with our interventions;
- we will network with our clients for comparative learning and dissemination purposes;
- we will publish reports on what we are doing;
- we will systematically involve as many faculty members as we can in our work with clients;
- we will make our relationships with our clients open and clear and offer real opportunities for quality assurance and peer review.

We believe that this, our first year in Cavendish Square, offers real evidence of our progress. Many of our old customers would hardly recognise us. Perhaps they have changed too? Our mission, however, remains the same: excellence in leadership, organisation and ideas development but represented in a changing environment and with a dynamism and excitement that challenge both us and our clients. Our small size, both financially and in terms of staff, belies the contribution and commitment that we continue to offer to the NHS.

Gina Shakespeare, fellow of the Management College and a leader of its work in commissioning and primary care

Hornsey Rise Health Centre

Organisational Audit

The introduction of accreditation in acute hospitals in 1995 represented an important milestone for King's Fund Organisational Audit (KFOA). While the successful launch of the award was a major achievement, accreditation is but one piece in the expanding range of services which we can offer to those seeking to achieve systematic and continual improvement in their organisation.

In 1995 we also made a significant investment in the development aspects of our work through a range of initiatives.

The year also saw the publication of the NHS-sponsored study, *Accreditation – The way forward for the NHS?* by Professor Ellie Scrivens. We welcome the much-needed debate which the arrival of this publication anticipates and will seek to ensure our own contribution to that debate in the year ahead.

Acute and primary health care

During the past twelve months, 99 trusts/acute hospitals and 54 primary health care practices, participated in the Organisational Audit process.

Our work in the acute sector was dominated by the introduction of accreditation, which was launched in late spring. This marked the culmination of a year's sustained efforts, overhauling the KFOA process and standards as well as retraining surveyors within the acute programme. The second half of 1995 was taken up with a heavy workload of revisits and surveys, successful completion of which was due to the loyalty and application of all staff, in particular the survey managers who nurtured and cajoled hospitals through the rigours of the revised process.

Despite some early concerns expressed by the press that the scheme was too rigorous and that hospitals would find it impossible to achieve full accreditation, to date, 27 hospitals out of a total of 89, have succeeded in doing so. This justifies our belief and that of hospitals with which we work that only those organisations achieving the highest levels of excellence should be awarded full accreditation. Our congratulations go to them, as well as to the 59 hospitals awarded 'provisional' accreditation, in itself a significant measure of achievement.

Nineteen ninety-five was a rewarding year for the primary health care programme, with development and increased activity marching hand in hand. While the team has occasionally felt overshadowed by the attention which the introduction of accreditation into the acute sector has attracted, its contribution has not gone unnoticed by those working in the fast-changing primary care environment.

Development

Another area of major achievement in 1995 was that of development. Two projects got under way during the year, one for commissioning organisations, the other for community and mental health services. The latter project comprises the following modules:

- corporate management;
- primary and community services;
- learning disabilities;
- mental health;
- community hospitals.

In addition, the nursing homes project, established in the Autumn of 1994, was successfully completed during the year. A further phase is planned for 1996.

During the past twelve months, we have not only pursued new projects, but also created dedicated support in the form of 'development workers' to our well-established programmes. This has significantly strengthened our capacity to support initiatives in existing work areas.

The year ahead

By the end of 1996 we shall have all but completed the necessary work to enable the application of Organisational Audit in all health care settings and will have done so in

such a way as to enable a 'pick and mix' or modular approach, appropriate to the changing shape of health care organisations. We envisage three main packages for:

- acute hospitals/trusts;
- community, learning disabilities, mental health trusts;
- commissioners, to include the commissioning organisations, primary health care and nursing homes.

While seeking increasingly to define and refine the services which we can offer, we shall continue to make adjustments to the accreditation process, while planning its extension, where appropriate, to other service areas. In addition, we shall extend our work in respect of users and explore the usefulness of developing performance measures of organisational quality and effectiveness.

Alongside this, we shall continue to strengthen our working relationships with professional bodies and ensure that we contribute to the growing debate on regulation and accreditation.

Derek Smith, Chief Executive of King's Healthcare NHS Trust and a surveyor for the acute hospital programme of Organisational Audit

Day Surgery Centre, King's Healthcare NHS Trust

Policy Institute

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 contribute to the improvement of health policy by ensuring that it is rooted in available evidence. It also supports the King's Fund's goals to influence policy through high quality publications.

The Policy Institute is involved in many different aspects of health policy and practice, some of which are reviewed in the Fund's annual publication *Health Care UK* and the new *Journal of Health Services Research and Policy* which has its editorial home at the Fund. However, much of the work of the Policy Institute during 1995 was focused on three main areas:

- new approaches to *purchasing* health services;
- the changing role of *acute hospitals;*
- broader questions of *equity* of access to health and health care.

'Total purchasing' by GPs

Total purchasing represents a new amalgam jointly derived from the experience of fund-holding and of health authority purchasing. Its effects on the internal market and on patient care need careful examination, since it is probably the most important development in the internal market since conventional fund-holding was introduced.

The Policy Institute is leading a research consortium, bringing together researchers from the Universities of Bristol, Edinburgh, London and Southampton and the National Primary Care Research and Development Centre, to undertake an independent evaluation in 53 'first wave' total purchasing pilot sites in England and Scotland. The evaluation aims to identify the factors associated with more and less successful implementation of the concept of total purchasing, and to assess the costs and effectiveness of total purchasing compared with health authority purchasing.

To be truly successful, total purchasing must be able to deliver measurable benefits to patients. For this reason, the evaluation is comparing the experiences of patients receiving services purchased through the total purchasing pilot sites with the experiences of patients receiving services purchased by the health authority alone. Three groups of patients and their carers are being studied in detail:

- people with serious mental health problems;
- people with complex needs for continuing and community care outside hospital;
- pregnant women receiving maternity care.

The project began in April 1995 and is due to be completed in 1998.

Acute futures

Is the district general hospital an outmoded concept? In recent years, a number of reports have appeared which suggest that the current pattern of hospital provision is out of date and that major changes are required in the way in which hospital services are delivered.

Acute Futures, published by the King's Fund, reviews the relationship between the scale and scope of the hospital and the quality of care, the costs of provision and the accessibility of services to users. It is not obvious which pattern of hospital care is best for the future. There are good reasons for thinking that the concentration of some services should lead to better outcomes. However, there is little evidence to support larger hospitals on cost grounds.

Acute Futures also considers influences on the demand for hospital care, such as likely changes in morbidity and the scope for shifting some activities into other settings. There are forces working both to increase the workload of the hospital and to reduce it, but their relative importance cannot be assessed; the level and pattern of pressures on hospitals remain subject to considerable uncertainty.

What is clear is that both medical technology and the medical labour market will compel further changes in the organisation of hospital services and present new opportunities for service delivery. It is hard to decide

whether these developments will favour more concentration of services or the reverse, particularly as some, such as information technology, work in both directions.

A current challenge for the Fund, therefore, is to find effective ways of working with others to develop new and more appropriate ways of providing health services that better meet the needs of users.

Equity in health and health care

Tackling Inequalities in Health was published in April 1995. The report from the Policy Institute created tremendous interest, and we put considerable effort into disseminating its findings and recommendations. To date, over 2,500 copies of the report have been sold, and 4,000 copies of its summary distributed to key policy-makers, pressure groups and professionals. Policy Institute staff have been engaged in a wide ranges of activities, including speaking at conferences, writing articles for professional and interest group journals, and advising health care purchasers and professionals about how to promote policies to reduce inequalities in health in their area.

In addition, the Policy Institute has promoted a new stream of activities. First, it is looking in more detail at the relationship between poverty and health. Second, it has helped to establish a European network to try to learn more about interventions to reduce inequalities in health. Finally, the Summer 1995 issue of the newsletter *Society & Health,* published in collaboration with the International Centre for Health and Society, examined inequalities in health in East and West Europe.

The Policy Institute also continued to address concerns about access to health care. In the Autumn of 1995 it gave evidence about resource allocation for hospital services to the House of Commons Select Committee on Health, and in March 1996 an analysis of equity of access to GPs in England was published in the *Journal of Public Health Medicine.*

Jennifer Dixon, fellow in health policy analysis, Policy Institute

The old Small Pox & Vaccination Hospital, now a part of the Whittington Hospital NHS Trust

Grantmaking

Nineteen ninety-five was a year of consolidation within the Fund's grantmaking activity. In 1995 grants made totalled £1,671,665.10, split between a range of grants programmes (see Figure 1). For the third and final year, the Major Grant allocation went to the London Health Partnership (and its partner initiatives in the North East and North West) which has been evolving a 'whole systems' approach to the development of services for elderly people.

Grants allocated under the Main Grants Programme totalled £798,498, with a further £150,000 ring-fenced to support projects which met the aim of strengthening commissioning in mental health services. Small grants programmes (educational bursaries, travelling fellowships and small grants) accounted for £179,517 of the grants total. Under the Main Grants Programme, the Grants Committee completed its second year of allocating grants within the priority areas, with clear trends beginning to emerge (see Figure 2).

Strengthening the Voice of the User

In line with the Fund's overall objectives, activity under this priority theme remained strong in 1995, with six projects receiving funding. Two grants were made to organisations seeking to enhance users' influence in the design and delivery of health services and two grants arose in response to the national *Patient's Charter.*

The largest grant under this priority theme was made to the Broadwater Farm Health Project, a partnership between Enfield and Haringey Health Agency, Haringey Healthcare NHS Trust, Haringey Council, North Middlesex Hospital NHS Trust and the Broadwater Farm Residents' Association. The Fund's grant will underpin the development of a framework for involving residents on the estate in the planning, development and management of the newly built local health centre and its services. The statutory bodies are committed to providing the resources that will be needed to sustain user involvement in the long term.

Encouraging Equal Access to Health Care

As in 1994, grants under this theme accounted for the largest proportion of the Main Grants Programme. The growth in this area of grantmaking has been rapid over the past two years. In 1993, grants in this category accounted for 17.5 per cent of the Main Grants Programme; in 1994 this rose to 32 per cent, and in 1995 nearly half of the Main Grants Programme monies were spent on projects in this area. This growth can probably be explained by the fact that the Fund is one of only a handful of charitable trusts which have an expressed interest in issues relating to the Black and minority ethnic communities. Nine grants, from the 11 made, addressed issues of race and health.

Three grants continued the Committee's commitments from earlier years. The Afiya Foundation received the first tranche of a six-year commitment to this major new initiative arising out of the Fund's 1992 Major Grant Programme. The Foundation will undertake a range of research, development and policy work within the field of race and health. Grants were also made to two projects addressing Black women's health issues and in each case the grant completed three years' support from the Fund.

Three grants addressed health issues within the refugee communities in London. Organisations within the Somali and Kurdish communities were awarded grants to develop their work on health issues, while a third grant supported the development of an accessible and culturally appropriate service for Bosnian refugees and asylum seekers.

Inequities in health care are particularly pronounced where certain groups of people lack access to available services, even though their need is greater than the general population. Two grants in 1995 addressed these issues, within the fields of cardiology and audiology.

The Fund continued its support for work with patients in special hospitals, with a grant towards the cost of a handbook for people leaving special hospitals and moving into the community – the first such publication in the 36-year history of special hospitals.

The final grant under this theme was towards the costs of a community health development programme in part of London's Docklands. Using a community development approach, the project seeks to promote better health by breaking down social isolation, improving the local environment, improving access to health services and encouraging better child health.

Developments in Primary and Community Care

Grants made under this category were wide-ranging in the issues addressed and client groups targeted. Thirteen per cent of the Main Grants Programme was spent under this theme, up from 8 per cent in 1994.

Three of the seven grants made were in the field of maternity services, where the report *Changing Childbirth* had advocated a profound shift in the arrangements for maternity care. Two project teams received grants towards the cost of evaluating new styles of midwifery practice, while a further grant was awarded to develop a national network of projects seeking to evaluate changes in midwifery practice.

At the other end of life, the Fund's grant to the Institute of Community Studies was concerned with bringing the care of people who are terminally ill out of hospitals and back into the home.

In the field of mental health, two grants were made. The first was an evaluation of a new approach to delivering services in the community. Our grant will enable a comparison of two models of primary care for people with mental illness – one a specialist service and one an integrated service, set up in such a way that key workers relate to specific GPs. The second grant went to a voluntary organisation working with deaf people who have mental health difficulties, to support the development of an innovative day centre, in which users join as 'members' and become involved in work-based rehabilitation programmes which cannot function without their input.

Finally, under this priority theme, a grant was made towards establishing a programme for the integration of ethics and law teaching into the dental curriculum, throughout the UK.

Arts and Health

Main Grants Programme monies allocated to the field of Arts and Health increased from 5 per cent in 1994 to 8 per cent in 1995. This reflected the Fund's intention to remain a small-scale, highly focused funder in this arena. The interplay of arts and health remains a controversial issue, with strongly held views on both sides. In the light of this, we have tried to encourage projects to develop models for assessing the effectiveness of their work. For this reason, grants to evaluate the funded projects have been made alongside main project funding. Under this theme, the Fund

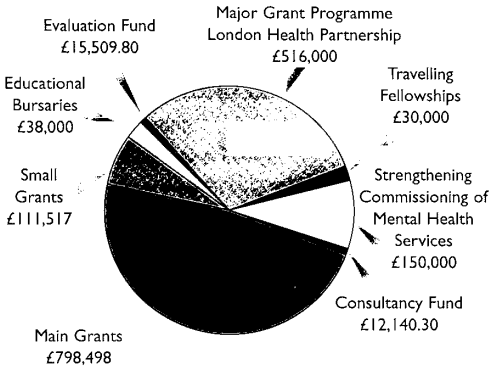


Figure 1 Total Grantmaking expenditure, 1995

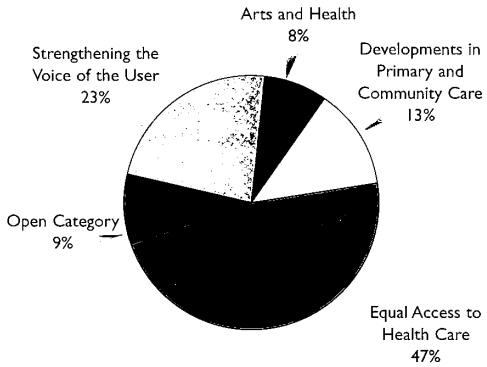


Figure 2 Expenditure of Main Grants by priority area, 1995

continued its support to the Public Art Development Trust for the Art in Hospitals Scheme, and funded a community-based project, offering a therapeutic approach for people with mental health problems, learning difficulties and those suffering from drug or alcohol abuse.

Open Category

Nine per cent of the Main Grants Programme was allocated to projects in the Open Category. This category was established as a safeguard against inflexibility and narrowness in the Fund's grantmaking. To be considered under this category, applicants must, in addition to meeting our usual criteria, show that their proposed work is new to the UK; will have practical results for the provision, or commissioning, of health services; and is reliant on Fund support to take place. In 1995 two projects were judged to have met these criteria, from nine applications considered.

Grants given in 1995

Major Grants Programme

London Health Partnership – London	£350,000.00
London Health Partnership – North East and North West	£166,000.00
	£516,000.00

Main Grants Programme

Strengthening the Voice of the User

Association of Community Health Councils	£15,500.00
Broadwater Farm Health Project	£80,000.00
Depression Alliance	£30,000.00
Genetic Interest Group	£25,000.00
Newham Alcohol Advisory Service	£24,340.00
Royal College of Physicians/ Prince of Wales Advisory Group	£10,000.00

Encouraging Equal Access to Health Care

Black Health Foundation Launch Preparations	£33,000.00
Camden and Islington Community Health Services NHS Trust	£40,000.00
IJEOMA	£51,034.00
Kurdish Association	£20,000.00
Matthew Trust	£12,000.00
Sickle Cell Society	£51,000.00
St Mark's Church and Community Centre	£60,000.00
Tower Hamlets Women's Health and Family Services	£5,000.00
Turkish Women's Support Group	£22,000.00
University College London	£43,549.00
West London Somali Association	£40,000.00

Developments in Primary and Community Care

Changing Childbirth Network	£10,000.00
Hammersmith Hospitals Trust	£7,062.00
Institute of Community Studies	£15,000.00
Institute of Psychiatry	£20,000.00
London Hospital Medical College	£20,000.00
SIGN	£16,000.00
United Medical & Dental Schools	£15,133.00

Arts and Health

Heritage Ceramics Education & Training Services	£37,880.00
Public Art Development Trust	£25,000.00

Open Category

Greater London Association of Community Health Councils	£30,000.00
The Place To Be	£40,000.00
	£798,498.00

Small Grants Programme

Afro-Caribbean Educational Project Women's Centre	£500.00
Arts for Health	£8,000.00
Association of Charitable Foundations	£2,500.00
Black HIV/AIDS South East London	£1,000.00
Tony Blee	£5,000.00
Bromley Health Authority	£3,000.00
Burnley, Pendle & Rossdale CHC	£2,400.00
Carers National Association	£500.00
Carousel	£500.00
Citizen Advocacy Information and Training	£5,000.00
City of London Sinfonia Ltd	£2,000.00
Community Hygiene Concern	£1,000.00
Community Voice	£730.00
Disabled Asian Women's Network	£1,000.00
Ethnic Communities Oral History Project	£3,000.00
Family Matters	£4,240.00
Hackney Pensioners Press	£2,000.00
Hull & Holderness Community Health NHS Trust	£5,000.00
John Radcliffe Hospital	£5,000.00
Kingston & Richmond Furniture Project	£3,000.00
Lewisham Pensioners Forum	£3,500.00
Life Education Centres	£1,000.00
Merchant Taylors' Co. (Ranyard Nursing Home)	£10,000.00
North Middlesex Hospital NHS Trust	£4,000.00
Nuffield Interpreter Project	£600.00
Open University	£5,000.00
Pascal Theatre Company	£500.00
Professional Afro-Asian Women's Association	£2,500.00
Queen Elizabeth's Foundation for Disabled People	£5,000.00
RASCALS	£500.00

Red Rag	£500.00
Roundabout Drama and Movement Therapy	£500.00
Royal National Institute for the Blind	£3,000.00
Sign Dance Theatre	£1,000.00
St James's House	£1,000.00
Strathcona Theatre Company	£2,500.00
SW Herts; Manchester N; Burnley, Pendle & Ross CHCs	£5,000.00
Tower Hamlets Health Strategy Group	£3,000.00
University of York	£1,347.00
Values Into Action	£1,200.00
Women in Special Hospitals	£3,000.00
Young People First	£1,500.00
	£111,517.00

Other grants funds

Strengthening Commissioning in Mental Health Services	£150,000.00
Educational Bursaries	£28,500.00
Educational Bursaries – balance c/f for new 1996 Scheme	£9,500.00
Travelling Fellowships	£26,871.16
Travelling Fellowships – balance c/f for new 1996 Scheme	£3,128.84
	£218,000.00

Consultancy fund

Greater Manchester Immigration Aid Unit	£1,000.00
Haringey Somali Community and Cultural Association	£265.30
Health and Homelessness Review	£300.00
Heritage Ceramics Education & Training Services	£1,200.00
IJEOMA	£1,200.00
Kurdish Association	£775.00
Nigel Clare Network Trust	£1,200.00
Public Art Development Trust	£3,000.00
Sickle Cell Society	£3,000.00
University of London	£200.00
	£12,140.30

Evaluation fund

Review of King's Fund Travelling Fellowships Scheme	£2,500.00
Evaluation of 1992 Major Grant	£3,009.80
Review of Art in Hospitals Scheme	£10,000.00
	£15,509.80
Total grants	**£1,671,665.10**
Other commitments not yet finalised	£64,296.90
Administration costs	£122,019.00
Total expenditure	**£1,857,981.00**

Donations

To: St Mungo's Hostels for the Homeless; Trinity Hospice; St Andrew's Home; Royal Hospital for Neurodisability

Donations included beds, bed linen, pillows, blankets, curtains, chairs, desks and tables, cutlery, kitchen equipment, refrigerators, ovens, industrial washing machines and driers, vacuum cleaners, and two custom-made food service counters.

Patients at Broadwater Farm Health Project and the Health Centre on the Broadwater Farm Estate

London Commission

Three years after the original King's Fund London Commission reported on the condition of London's acute health services, a second London Commission has been convened under the chairmanship of Marmaduke Hussey

The Commission's objective is to suggest a comprehensive pattern of health services to serve London into the 21st century and to indicate how such a pattern might be achieved through a carefully managed process of change. The membership of the Commission draws on a wide range of experience reflecting expertise relevant to the key issues to be examined this time around.

The Commission is an independent body. It has developed an interactive programme of work drawing on the wealth of expertise on health and health care in London, available both inside and outside the King's Fund. The programme takes several forms, including the gathering of intelligence about health care developments in London; the compilation and interpretation of a unique database on London health and health care; the commissioning of a range of research from academics and consultants, groups and individuals; and action analysis involving detailed field studies of service issues in London.

The Commission hopes to develop a broad consensus around its ultimate findings and conclusions. It will share these, as they develop, with a range of stakeholders, including health service and local government professionals and managers; local and national politicians; service users and their carers; academic experts; and other interest groups. However, the outcome of the Commission is not intended to be representative of the views of any particular group, and the final report is the ultimate responsibility of its 11 members.

A substantial programme of research

Four issues are fundamental to the provision of health care in London, and indeed these apply almost universally: how to deal with the problems of those people with severe mental health problems; how to ensure appropriate care to meet the needs of older people; how to meet the demands of those people in urgent need of emergency care; and how to manage the considerable changes taking place in the organisational structure and methods of health care provision. The programme of the London Commission has reflected these concerns by establishing substantial research projects which attempt to provide insights into each area.

A member of the King's Fund is co-ordinating the various types of project activity associated with each theme. A support group, which includes members of the Commission itself, is also in place for each of the elements. The membership of these groups reflects to varying degrees the expertise and knowledge of those involved in analytic work in each area, together with that of those involved in providing and managing services, and those at the receiving end of services.

The King's Fund Management College is taking a lead role in the Commission's activity in the area of *mental health*. Work has been commissioned externally from the Institute of Psychiatry, the Research Unit of the Royal College of Psychiatrists, the Centre for Mental Health Services Development, and the Centre for the Economics of Mental Health. This programme is intended to provide a picture of the current position of mental health services in London in the context of historic changes in the pattern of services, an assessment of the needs of the population, and an analysis of components of provision and practice which are of proven value, together with some assessment of the costs of providing such services.

The King's Fund Development Centre is leading the Commission's activity in the area of *care for older people*. Work has been commissioned from the Centre for Policy on Ageing and the London Research Centre. Some joint work on financial issues will be carried out with the Association of London Government. The intention is to provide an understanding of the health and social care needs of older people in London, to look at the components of services to meet these needs, and to assess the obstacles facing the provision of appropriate services for older people in London.

The King's Fund Policy Institute is taking a lead role in the Commission's activity in the area of *systems of health care delivery*. A substantial piece of work is being undertaken by a group of independent consultants, MHA, involving a survey of London hospital trusts and purchasers. This should provide a picture of the current state of provision in London, the likely future pattern and the factors influencing change.

In as much as these three themes aim to provide some practical diagnoses of the problems faced by London's health services, from which possible ways forward for the organisation of services may be derived, they link closely with the work on how best to *manage the process of change.* The King's Fund Management College is taking the lead role in this area. The main focus is on examining practical issues around the implementation of change in London and possible obstacles to effective development.

Summary

There remains considerable controversy around the future of health services in the capital. The need for an impartial consideration of the overall system of health care in London has never been more clear. The London Commission is meeting regularly with the intention of producing a final report in the Spring of 1997. With the centenary year of the King's Fund in 1997, its report will make a most timely and distinctive contribution to the knowledge about health services in the capital. This may help to eliminate some of the confusion, and often rancour, which still seems to surround change in London, even where there would appear to be considerable consensus on the broad direction to be followed.

The London Commission will report on London's health care needs for the citizens of tomorrow: Richard and Elliott Jones and Leanne Moore

Pineapples in the garden of St George's Healthcare NHS Trust

A survey manager's diary

The King's Fund Organisational Audit survey takes place about 9–12 months into the audit process and provides an opportunity for an external evaluation of organisational strengths and development needs. A typical survey team for an acute programme survey would include a chief executive, a director of nursing, a hospital consultant and a director of paramedical services. These volunteer surveyors are co-ordinated by a survey manager

Sunday – Day 1

This survey will be the culmination of a year's work for staff throughout the trust. It will also be the culmination of the working relationship I have developed with the trust's executive team and their staff.

The surveyors arrive for a team meeting at around 5pm. There are four in all, from across the country. Most of us have not met before and yet, within minutes, everyone is busy communicating their initial impressions of the trust from the pre-survey documentation. It is an exciting stage, in which we are beginning to put the pieces of the picture together.

The trust chief executive and the co-ordinator for the audit join us an hour or so later for an informal pre-survey meeting. We settle down to discuss a range of topics. The chief executive is able to give us a clear idea of the external issues affecting the trust, and this leads to a discussion about the strategic plans in place to take the trust forward over the next few years.

Dinner is as good an opportunity as any for team-building. On occasions like this, health care can seem like a small world. It doesn't take long before the team are chatting about mutual acquaintances and common experiences.

Monday – Day 2

In the morning our first destination is a meeting with a large group of staff (about 200 people). This is an opportunity for us to introduce ourselves and to reinforce the message of development, support and peer review. Afterwards, the team quickly gets down to surveying in earnest. They follow a rigorous schedule, and each one is being chaperoned around the site by a 'minder', who makes sure that they do not get lost along the way and that they keep to schedule.

Dinner is short this evening, as we have to get back to the site for the night visit. This is our chance to meet some of the night staff and to look at issues such as security and major incident arrangements.

It really has been a long day by the time we get back to the hotel. The team still have some report-writing to do when they get back to their rooms, but for now a nightcap seems like a more attractive prospect.

Tuesday – Day 3

The surveyors are getting a clear a sense of the corporate themes. The trust appears to have been very successful in devolving responsibility to directorates. However, a crucial issue seems to be whether or not an effective framework has been established to ensure that each part of the trust complies with corporate policies and procedures.

Through the day it emerges that communication among staff in local areas is excellent. On the other hand, there is much less communication across the organisation, and the surveyors begin to feel that more opportunities could be created to share good practice.

The surveyors are beginning to complete their notes for certain sections of the reports. It is good to see that they have come across many examples of good practice, and I am hoping that this will give a boost to the staff when the final report is received.

Wednesday – Day 4

One of the challenges mid-week for the surveyors is to keep on absorbing information. They also have to make each interview seem like the first interview for the sake of the interviewee. No easy task, but a little extra encouragement for the surveyors is that we have decided to eat out tonight so there is the prospect of a Thai meal to keep them going.

Charles Rendell, survey manager at King's Fund Organisational Audit

Thursday – Day 5

The surveyors are into the last series of interviews this morning, and most have decided that it would be useful to revisit one or two of the areas that they have seen already.

Over lunch we focus on the issues we want to discuss in the afternoon with the trust's chief executive. As is the custom on surveys, we will provide feedback to the chief executive prior to the wider feedback sessions tomorrow. At this stage, we feel that there should not be any major surprises for him in our findings, although we think hard about how to convey our main message, that there is a need for additional corporate monitoring and clearer corporate policy.

Friday – Day 6

Our main concerns about the feedback session yesterday were not realised, and it was a boost to the team that the chief executive was highly appreciative of the work done.

Giving feedback to the executive board, and then afterwards to a wider group of staff, always has an element of the theatre in it. We have discussed and planned our 'performance' so that we can feel confident that we will convey a consistent message.

By the time it is all over I am experiencing a number of feelings: major satisfaction that we have achieved our goal of surveying an entire organisation; admiration of the surveyors for their commitment and hard work this week; and gratitude to staff for the way in which they have shared so much with us.

Tatchbrook Estate, Pimlico, with the Bessborough Street Baby Clinic, part of Riverside Community NHS Trust

Health care rationing & the PACE programme

In 1995 the debate about what health care the NHS should provide came to the public eye through the 'Child B' case. Two major pieces of King's Fund work attempt to shed some light on the issues

'Rational' rationing

Few terms in the health care world can emulate 'rationing' in its ability to rouse passions and provoke controversy. What does it mean? How should it be done? Is it necessary at all? Whatever the particular focus, the result is rarely sober analysis. Three projects reflect some of the ways in which the Fund was involved in this debate during 1995.

In the first, the Policy Institute concluded a study, due to be published in 1996, of whether it was possible to be more 'rational' about rationing in the NHS – in particular, by being more systematic, explicit and democratic. However, rationing strategies based on these principles, it was found, were almost inevitably accompanied by significant controversy. The study concluded that progress should be made with caution and with a proper understanding of the practicalities and strengths of the 'old' system. Two recommendations emerge.

First, there is a case for developing a national policy for specifying the range of services which are offered on the NHS: it is simply not equitable for one's place of residence to determine whether or not one has a chance of fertility treatment, continuing care, dentistry or whatever. Second, the bulk of rationing decisions will continue to be made by individual clinicians – this is both inevitable and welcome, given the individual character of health care needs and treatment. But this is not to say that these decisions should not be more closely monitored, and it is to these issues that the debate should now turn.

The public debate about rationing in the UK is not a model for how a mature democracy should resolve its problems. Issues are often portrayed by the media as melodrama, and the political parties merely exchange insults. As a result, the second project involved the formation of a multi-disciplinary group – the Rationing Agenda Group – with the objective of engaging the British public in a continuing, broad and deep debate about the issues involved in rationing health care. The aim of the group is not to resolve any of the issues, but merely to promote a clearer understanding of what is at stake. It aims to publish its first paper in the Summer of 1996.

Finally, can citizens' juries help to improve the rationing process? Citizens' juries are small groups of citizens – representative of the whole community, not particular interests – who are brought together over a number of days to deliberate on matters of public policy. They take evidence on a particular question, cross-examine witnesses, and then deliver their verdict. The thinking behind these juries derives from a desire to reverse the passivity which traditional representative democracy encourages, and to promote participation in the democratic process. Citizens' juries are the subject of a major grant programme during 1996 to evaluate their potential.

The PACE programme

Over the last few years an increasing quantity of research evidence upon which to base clinical activity has been published. However, the most difficult part of developing evidence-based practice is not finding the information or even appraising it, but rather acting on the evidence.

There is a wealth of current research work on various approaches to implementing research-based changes in clinical practice. In addition, initiatives such as the GRiP (Getting Research into Practice) project in Oxford were developed to demonstrate to health authorities and trusts the benefits of using research evidence.

Currently, two national initiatives are addressing parallel aspects of implementation of evidence. The first, a research programme commissioned by the NHS Executive, aims to improve understanding of the methods for implementing research findings through a series of research-based studies. The second is the new King's Fund initiative, Promoting Action on Clinical Effectiveness (PACE).

PACE aims to demonstrate the successful implementation of evidence-based practice in the NHS through a series of 16 local implementation sites, two in each NHS Region.

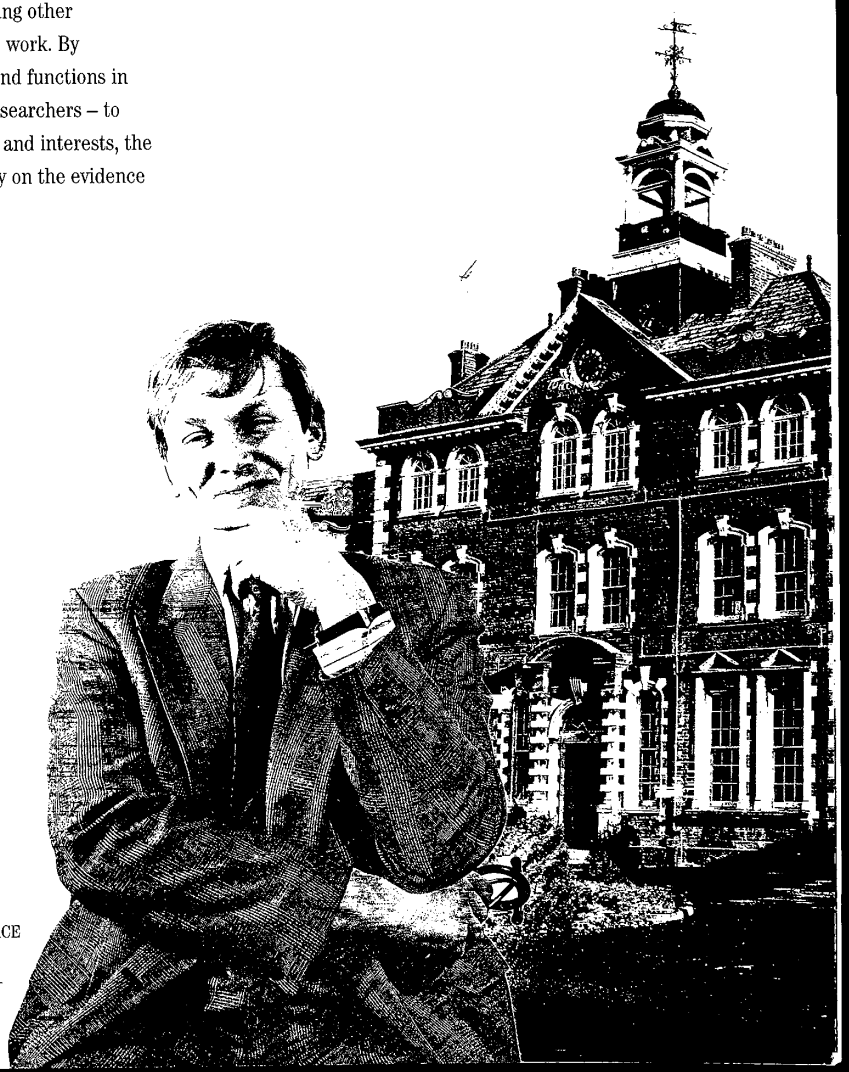
Each project involves a wide range of NHS professions, some medical and some nursing-led, and many require close working between primary and secondary care. While some projects are initiated by health authorities and others by NHS trusts, all are taking forward the work in partnership.

From a wide range of potential topics, the chosen sites are tackling one of ten health areas where sound research evidence is available: cardiac disease; continence; eradication of H pylori; family support for schizophrenia; leg ulcers; low back pain; menorrhagia; post-operative pain control; pressure sores; and stroke.

The lessons learned over the life of the programme will be widely disseminated within the NHS and beyond. The *PACE Bulletin,* a quarterly publication reporting on plans and progress, is one means by which these messages are being conveyed.

The creation of a PACE Network is providing other opportunities for engaging the NHS in the work. By enabling individuals from all disciplines and functions in the NHS – practitioners, managers and researchers – to learn from and support each other's work and interests, the knowledge base on how to act successfully on the evidence will be further developed.

John Hunt, consultant physician and gastroenterologist at Beckenham Hospital, part of Bromley Hospitals NHS Trust, is leading a PACE project to eradicate H pylori in patients with peptic ulceration



Barnet Health Commission, which is running a PACE project on stroke prevention

Management with leadership

Two programmes from the Management College designed for health care leaders of today and tomorrow describe their approach

Top Manager Programme

The Top Manager Programme (TMP) is for board level managers and professionals in the NHS, local government and other public and private sector organisations with a strong interest in health and social care. There have been over 200 participants since the programme began in 1989. The programme consists of an initial three-week module, followed by three one-week modules, spread over six months. It is a unique programme, characterised by experiental and self-managed learning and exposure to challenging ideas. It is an opportunity to experiment with different behaviours. It appeals to people in senior managerial and professional roles, who typically will have already done more conventional management and business courses. Often, they will have found that while these programmes have been the means of generating knowledge and enhancing their managerial skills and competences, they neglected other aspects of their learning needs.

TMP offers a secure environment where managers can explore their real problems and generate a different character of learning which can be developed with other participants and then tested at work. All applicants go through a selection process which is structured to ensure their informed consent. Much of TMP is about enabling participants to reflect on their own behaviours, assumptions and attitudes in a range of different settings. Demonstrating a capacity to work in this distinctive and unusual environment becomes an important criterion for selection.

While the focus of TMP is personal development, its structure reflects the importance of four key issues:

- *The changing health care system.* Health care is changing rapidly in all countries and the pace is accelerating. Many assumptions about the appropriate roles of the public sector, government and the private sector are being challenged. TMP enhances understanding of key health issues, policies and practices.
- *Changing relationships.* Traditional rivalries of hospital and community services, between managers and clinicians, and between sectors, hinder progress. Purchasers and providers, public or private, risk repeating old mistakes in their developing roles. With a membership drawn from diverse backgrounds, TMP is an opportunity to analyse the reasons for these rivalries and actively to explore and create.
- *Increasing pressures on managers.* Change and reorganisation increase demands on managers to improve services and financial performance. Managers have to provide leadership in an environment of conflicting expectations generated within and imposed from outside their organisations. TMP has an important focus on the pace and pressure of change, to enable participants to respond more effectively.
- *A changing bottom line.* Political pressures complicate concerns for outcomes in health and social care. It is difficult to relate short-term financial objectives with the compelling goal of improved health care. Opportunities exist within TMP to help participants reconcile difficult ethical issues.

In the last two years, there has been an increase in the number of applicants, generated mainly from the personal recommendations of previous participants, who often refer to TMP as a 'profound experience'.

Developing the future leaders of nursing

In 1995 we spent six months assessing the need for and developing a unique programme for nurses with the potential to be strategic leaders in three-to-five years' time. The Johnson & Johnson/King's Fund UK Nursing Leadership Programme provides 20 nurses with two years of personal development to help them attain all the characteristics of the nurse leader in the next century.

The profile of the nurse leader of the future, along with the initial programme design, was developed from a study with over 100 people working in the NHS, including doctors, chief executives and nurses at all levels. The following profile has emerged from interview, focus group and questionnaire inputs.

- *A strategist* – able to develop and implement strategy.
  An environmentalist – able to adapt the organisation to a changing environment, looking at ways of making the organisation effective locally and at ways of managing information.
- *A politically aware operator* – able to work with national and local priorities and to use political awareness to the benefit of the organisation.
- *A confident leader* – able to contribute fully to board level working, and to the professional development of nursing; able to lead beyond hierarchy in complex organisations; possessing well-developed process consultancy skills.
- *A sense of purpose* – self-aware and able to recognise and maximise personal impact, comfortable with self and able to express self through work.

This profile provides the cornerstone to the programme, with participants undertaking a series of personal assessments against the competences that underpin that profile. From this they design their personal development plan for the programme. The participants are supported by a non-nurse board level sponsor who helps them to deliver a major piece of organisational change within their workplace. The participants have to apply with the support of their chief executive, who is asked to demonstrate how their organisation can provide the learning environment the programme requires. Participants are matched with a current nurse leader who acts as a mentor for them for all aspects of nursing leadership. These nurse leaders take part in a Mentors Programme, which runs in parallel to the Leadership Programme and offers them an opportunity to reflect on their skills and improve their personal impact.

The programme focuses on experiential learning supported by theoretical models. Thus there is a strong emphasis on secondments and placements (both within and outside the NHS), with opportunities for reflection through action learning sets.

The programme for 1996 has attracted approximately 800 enquiries from nurses working across all sectors of the health service, including primary care, purchasing, higher education, general management and practice development. The programme was officially launched by Stephen Dorrell, Secretary of State for Health, in April 1996.

St Mary's Hospital NHS Trust

Becky Malby, fellow of the Management College, leading the work on the Nursing Leadership Programme

User involvement

User involvement is a phrase which seems to be on everyone's lips. Reasons for this include policy initiatives like The Patient's Charter *and* Local Voices, *the publication of hospital league tables and a more general consumerist approach to life in British society*

Some commentators are sceptical of the trend, seeing it as a way of increasing public acceptability of the need to control health expenditure. Whatever motives lie behind it, the increased involvement of individuals and the public in decisions about health care, is a positive force. Research indicates that satisfaction increases when patients are given information and involved in decisions about their own treatment. This trend towards greater user involvement is also good news for the King's Fund and for all the other agencies which have campaigned long and hard to promote debates about patient and public rights, choices and responsibilities.

Promoting Patient Choice

The increased political and public interest in user involvement has given a boost to a particular set of King's Fund projects grouped under the title 'Promoting Patient Choice'. This initiative began in 1991 when the Development Centre formed an alliance with the US Foundation for Shared Medical Decision-Making to promote a series of interactive videos.

Used by patients in collaboration with their doctors, the information provided on the videos is based on the most up-to-date evidence and treatment choices. The videos include interviews with patients who have made different treatment decisions to suit their own circumstances and preferences.

This work has been extended in several directions and, since 1995, has been guided by a strategy which includes research and evaluation; the development of new patient materials; and the promotion of the concepts of patient choice and shared medical decision-making.

Current work includes the following.

- Randomised controlled trials of interactive videos, including benign prostatic hyperplasia (BPH) and benign uterine conditions in general practice in London and Oxford, and hormone replacement therapy (HRT) in general practice in Oxford. These trials will report in 1997 and 1998. Two earlier trials originally funded by the King's Fund – one on BPH at Ashford Hospital and managed by The London School of Hygiene & Tropical Medicine, the other on early breast cancer at The Royal Marsden – continue with new funding arrangements and will report in 1996/7.

- A survey of consumer health information services assessing the extent of public use of information services to obtain clinical information, and evaluating five development projects aimed at improving the effectiveness of the services providing it. A report will be available later in 1996.

- The development of new patient materials covering a range of conditions and communication technologies:

  - a multimedia programme on incontinence with CD-i and leaflets;
  - an information pack, including leaflets, a video and a CD-i for patients with colorectal cancer;
  - a video and leaflet outlining treatment options for inflammatory bowel disease;
  - a computer-assisted learning pack for children who wet the bed;
  - an information pack with video for post-operative pain control;
  - materials in four languages for Asian women with anxiety and depression;
  - a DoH-funded project to develop and evaluate a video and leaflet to help women with menorrhagia choose the best treatment options.

Work has begun on the development of a network of people interested in patient information, and the feasibility of making information available on the Internet.

In 1995 the King's Fund was also involved with the NHS Executive Patient Partnership Group, helping to design a strategy for patient and public empowerment.

A series of publications is planned for 1996/7 under the general heading of 'Promoting Patient Choice'. The series will include titles on patient empowerment, evidence-based information, consumer health information services and an evaluation of specific patient materials. Most of this work has been funded by the King's Fund Grants Committee and The Gatsby Foundation.

Annie Perera, psychologist on the project for promoting the mental health of Asian women in Redbridge

Spitalfields Health Centre, Brick Lane

Financial review

The following pages contain abridged financial statements extracted from the full accounts of the King's Fund, which are available on request. They have been completed in accordance with the new statement of recommended practice, *Accounting by Charities* (The SORP), which was published in October 1995. Comparative figures for 1994 have been restated accordingly with the use of estimates where necessary.

At 31 December 1995, the valuation of the Fund's net assets was £129.1m, an increase of £9.4m over the year. This increase recovered much of the reduced value attributable to the decline in stock markets worldwide during 1994. The five-year movement in the Fund's net asset value for the period 1991–5 is shown in Figure 1.

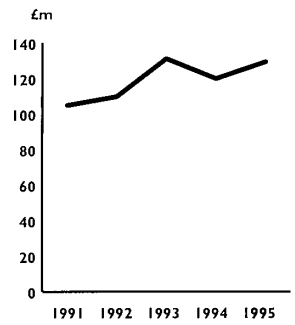


Figure 1

The net assets of £129.1m, referred to above, include securities valued at £97.9m, an increase of £8.6m over 1994. This increase reflected the upward movement in stock markets during the year. The composition of the securities portfolio at the year end is shown in Figure 2.

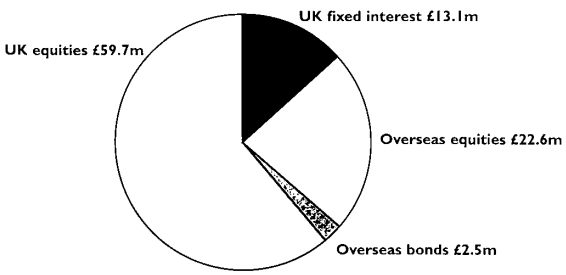


Figure 2

During the year, the value of the Fund's holdings in property held for investment decreased by £0.9m to £8.0m. This reflected a property disposal and a further decline in the value of the Fund's commercial property which was compensated in part by an increase in the value of the agricultural holdings.

The value of the tangible assets held for the Fund's own use decreased during the year by £2.3m to £17.5m, largely due to the further investment into the Fund's new premises at Cavendish Square being more than offset by the sale proceeds of the previously occupied properties.

Net current assets increased during the year by £3.9m to £5.6m, reflecting increased liquidity associated with property disposals and the funding requirements for the completion of the Cavendish Square project, taken together with an increase in current liabilities arising from grant payments from other bodies received in advance.

The composition of the Fund's total net asset value over the period 1991–5 is shown in Figure 3.

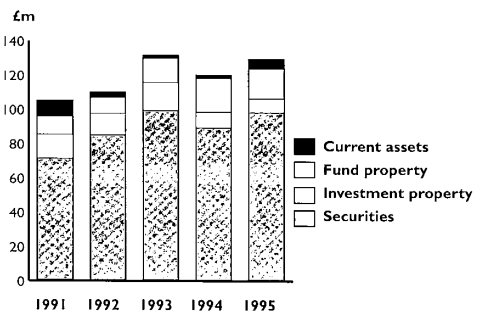


Figure 3

Total income for the year amounted to £14.8m, of which £5.2m was investment and other income and £9.6m was received by way of grants from other bodies or was generated as fees for services provided by the Fund. This compares with a total income in 1994 of £12.1m, of which £4.8m represented investment and other income. The amount and composition of the Fund's income over the period 1991–5 is shown in Figure 4.

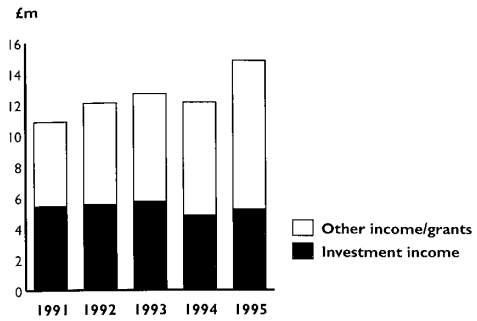


Figure 4

Total expenditure of the Fund was £15.6m (compared with £13.8m in 1994), including grants allocated of £1.9m (£2.0m in 1994). The expenditure in 1995 inevitably included some extraordinary costs associated with the move to Cavendish Square. The overall position, however, of a deficit of £0.9m was in line with budget. It should be noted that the Fund's investment managers have been instructed to maximise total return (capital and revenue) rather than seek a fixed level of income. For this reason, the Fund's Finance Committee has given approval periodically for the use of General Fund to finance part of the Fund's annual operating expenditure. This can be seen in Figure 5.

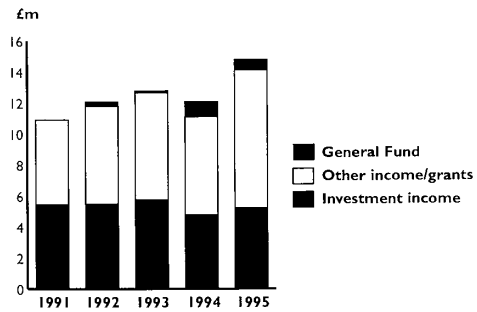


Figure 5

Given the degree of change that has been undertaken by the Fund in both physical location and internal restructuring during 1995, the overall financial outcome must be regarded as satisfactory.

The average number of staff employed by the Fund during the year was 262 (compared with 253 in 1994), of whom 61 (68 in 1994) were funded by grants from other bodies.

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

Bankers

Bank of England
Baring Brothers Ltd
Midland Bank plc

Auditors

Coopers & Lybrand

Solicitors

Nabarro Nathanson

Investment Managers

Securities – Baring Asset Management Ltd
– Schroder Investment Management Ltd

Property – Hillier Parker
– Cluttons

Contributors

Her Majesty The Queen
HRH The Duke of Gloucester

D & W Backhouse
AH Chester
NH Clutton
DR Collins
V Dodson
K Drobig
SM Gray
JM Hargreave
Lord Hayter KCVO CBE
J Hoole
F Lee
RJ Maxwell
Morgan Grenfell Group plc
P Palmer
G Pampiglione
Albert Reckitt Charitable Trust
Sussman Charitable Trust
D & KL Welbourne

Legacies

W Chipp
W Eicholz
GE Grosse
FC Lindo
K Mousley

Balance sheet

at 31 December 1995

	1995 £000	1994 £000
Fixed assets		
Tangible assets held for Fund's use	**17,526**	19,778
Investments	**105,917**	98,159
Total fixed assets	**123,443**	117,937
Current assets		
Debtors	**2,815**	2,130
Stocks	**224**	110
Cash at bank and in hand	**12,057**	5,883
Total current assets	**15,096**	8,123
Current liabilities		
Creditors	**(7,247)**	(4,179)
Grants retained	**(2,211)**	(2,187)
Total current liabilities	**(9,458)**	(6,366)
Net current assets	**5,638**	1,757
Total net assets	**129,081**	119,694
Capital fund	**43,153**	38,814
General fund	**85,928**	80,880
	129,081	119,694

In our opinion the abridged financial statements on pages 30 and 31 are consistent with the annual accounts of the King's Fund for the year ending 31 December 1995 and comply with the King Edward's Hospital Fund for London Act 1907.

Coopers & Lybrand
Chartered Accountants and Registered Auditors
April 1996

Statement of financial activities

for the year ended 31 December 1995

	£000	General Fund £000	Capital Fund £000	1995 £000	1994 £000
Incoming resources					
Grants receivable	5,680				
Less: Grants received in advance	1,898	3,782	–	3,782	2,309
Income from activities	6,205				
Less: Income received in advance	414	5,791	–	5,791	4,977
Donations		2	–	2	13
Investment income		3,312	1,880	5,192	4,754
Total incoming resources		12,887	1,880	14,767	12,053
Resources expended					
Grants payable		1,858	–	1,858	2,001
Other direct charitable expenditure		12,683	–	12,683	10,992
Management and administration		1,097	–	1,097	819
Total resources expended		15,638	–	15,638	13,812
Net incoming/(outgoing) resources before transfers		(2,751)	1,880	(871)	(1,759)
Transfers between funds		1,880	(1,880)	–	–
Net incoming/(outgoing) resources for the year		(871)	–	(871)	(1,759)
Other recognised gains/(losses)					
Realised gains on disposal of investments		7,005	3,107	10,112	11,980
Unrealised gains/(losses) on revaluation of investments		(1,127)	1,232	105	(22,711)
Unrealised gain on revaluation of tangible fixed assets held for Fund's use		–	–	–	969
Legacies received		42	–	42	188
Net movement in funds for year		5,049	4,339	9,388	11,333
Funds at 1 January		80,879	38,814	119,693	131,027
Funds at 31 December		85,928	43,153	129,081	119,694

General Council

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The Bishop of London
His Eminence The Cardinal Archbishop of Westminster
The General Secretary of the Free Church Federal Council
The Chief Rabbi
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The President of the Royal College of Surgeons
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The President of the Royal College of Psychiatrists
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The President of the Royal College of Anaesthetists
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The President of the Royal College of Midwives
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D Adu MD FRCP
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Seán Boyle (manager of research)

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London Health Partnership Group

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Robin Broadley, The Baring Foundation
Anne Harding, London First
Judy Hargadon, Primary Care Support Force for London
Judith Hazelwood, London Health Division, McKinsey
Peter Higgins, Anon Trust
Rosemary Humphrays, City Parochial Foundation
Frank Jackson, King's Fund
Robert J Maxwell, King's Fund
Neslyn Watson-Druee, St Thomas's Trustees
Judie Yung, NTRO

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Martin Fischer
John Harries
Diane Plamping
Chris Shearin

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Peter Griffiths

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Angela Coulter

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Tessa Brooks

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Ken Judge

Director of Resources
Frank Jackson

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Ian Cordery

Assistant Director of Resources – Finance & Personnel
David Bewers

Head of Communications
Ian Wylie

Head of Information Management
Joan Gibson

Grants Director
Susan Elizabeth

Personnel Officer
Diane Dumas

Library & Information Service Manager
To be appointed

Marketing Manager
Lyndsey Unwin

Press & Public Relations Manager
Alison Forbes

Bookshop Manager
Susan Locker

Annual Report 1995

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HONI SOIT QUI MAL Y PENSE