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GUY'S HOSPITAL



FINANCIAL REPORT

5th July, 1948 — 31st March, 1949

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REPORT TO THE BOARD OF
GOVERNORS ON THE FINANCES
OF GUY'S HOSPITAL

5th July, 1948 — 31st March, 1949.

HISTORICAL

On 5th July, 1948, 223 years after its foundation, Guy's Hospital passed from the control of its President and Court of Governors to the Minister of Health and became a designated Teaching Hospital under the National Health Service Act of 1946.

This is, in the main, a financial report and it was from the financial point of view that the change was particularly marked and apparent. When Thomas Guy died in 1725 his Estate was vested in "The President and Governors of the Hospital founded at the sole Costs and Charges of Thomas Guy, Esquire." This Corporation was given power to invest in land to a then annual value not exceeding £12,000. Estates were purchased in Herefordshire, in Lincolnshire and in Essex and on the rents from these Estates and from other property subsequently purchased in Southwark, the Hospital was maintained and a balance "for saving" accrued from year to year. Not until 1875 was financial help received from members of the public and friends of the Hospital. In that year 150 beds were closed and £10,100 was obtained by donations from Governors, Medical Officers, private friends and some of the City Companies. At the same time beds were set aside in most wards for patients who could pay one guinea per week for their accommodation and twelve private cubicles or rooms were made available to patients at three guineas per week. Patients in the general ward made some small contribution, but there were still comparatively heavy deficits, largely due to increased costs and a diminishing rent roll consequent upon the agricultural difficulties of the times.



A view from Stockley Hill, Peterchurch, overlooking part of the Hospital's Herefordshire Estate at Tyberton and Madley



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In 1889 a special appeal was addressed to the public with a target figure of £100,000 reached in 1892, but still deficits continued and two years later a fresh appeal was launched for the re-endowment of the Hospital with the support of the Prince of Wales, later to be King Edward VII. The next half century was a continuing story of deficit, appeal, surplus and renewed deficit. As services were extended and costs increased, fresh efforts were made, always successfully, to obtain increased funds. Finally, with the outbreak of war in 1939, the Emergency Hospital Scheme came into force; beds were set aside for air raid casualties, and the payments received from the Government towards the upkeep of these emergency beds helped to avoid deficits during the war years. In 1946, however, expenditure exceeded income by £61,000 and in the same year payments under the Government Emergency Hospital Scheme virtually came to an end. In 1947 the Governors were obliged to seek financial help from the Ministry of Health and an amount of £200,000 was received. Even with this aid expenditure still exceeded income by £64,000 and the cost of running the Hospital, which, in the first years of its existence, was rather less than £10,000 per annum, now amounted to £587,430.

Ordinary income in 1947, the last complete year before the "Appointed Day," came from three main sources:—

	£
1. Voluntary gifts (including King Edward's Hospital Fund grants and others)	37,000
2. Receipts on account of services rendered.....	171,000
3. Invested property, including interest, dividends, etc., and rents	56,000

Under the National Health Service Act, the Minister of Health is responsible for the provision of hospital and specialist services. To comply with Treasury procedure the Hospital must submit annual estimates of maintenance and capital expenditure to the Minister and, when approved, advances within this budget are made monthly to the Hospital. In this way, both capital and maintenance costs of the Hospital are met from public funds. The only substantial item of income under the new arrangements is that relating to payments received from patients for accommodation and treatment in private beds in Nuffield House and York Clinic. Under the Regulations, these patients are required to pay the whole cost of their stay in the Hospital and a total amount of £45,854 was received under this heading during the period of this Report.

On the "Appointed Day" the Land, Buildings and Equipment of the Hospital itself passed from the possession of the President and Governors to the Minister

of Health. The investments of the Hospital, including the Estates and other property of the Endowment Fund not used for Hospital purposes, passed to the control of the new Board of Governors. "Endowments" may be used by the Board at its discretion for Hospital services or for research. The annual income of the Endowment Fund, which may reasonably be expected to continue in the future, is in the region of £50,000 p.a. and the Board has, therefore, considerable freedom to encourage research or to provide amenities beyond what may be possible from public funds. In broad terms, the National Health Service Act has relieved Guy's of the financial responsibilities for its own upkeep and maintenance but, in being relieved of these responsibilities, the Hospital has been brought into a financial system which lacks much of the elasticity, though not the uncertainty, of the former arrangements. Under the old order, new commitments meant new appeals the success or failure of which depended much upon individual skill and approach to the public. Now expenditure must conform to general standards and must fit into the complex scheme of the national economy.

MAINTENANCE.

The following tables of income and expenditure are in the form required by the Minister of Health. These tables take the place of the Revenue Account and Balance Sheet in the old Hospital Accounts. They are designed to provide the figures in the form required by the Ministry for presentation to Parliament. The National Accounts are prepared on a cash basis, whilst the accounts of the Hospital are prepared on an income and expenditure basis. The Revenue and Cash Reconciliation Statement converts the income and expenditure to a net cost on a cash basis.

The supporting tables, A, B, C, and D, show the details of the Hospital's income and expenditure, excluding cash advances from the Ministry of Health and services and goods received from other Exchequer sources. The totals of these tables are transferred to Part I of the Revenue and Cash Reconciliation Statement, which is the "Revenue Account," giving a net expenditure on an income and expenditure basis. This net expenditure is then transferred to Part II, which is the "Balance Sheet," and by the adjustment of debtor, creditor and stock balances at the opening and close of the financial period, the net cost of the service on a cash basis is arrived at. The remainder of the items which are included in Part II are in respect of cash advances by the Ministry, cash retained by the Board for Superannuation contributions, value of goods supplied from Exchequer sources without payment, and for payments made by the Board on behalf of the Ministry in respect of superannuation contributions to Life Assurance offices, and for refunds of contributions to employees.

GUY'S HOSPITAL
REVENUE AND CASH RECONCILIATION STATEMENT—BOARDS OF GOVERNORS
Part I: Summary of Revenue Account for the period 5th July, 1948 to 31st March, 1949

	£	s.	d.		£	s.	d.
1. Central Administration Expenditure Table A	38	1	6	4. Local Income Table D	68,787	19	3
2. Hospital Maintenance Service Expenditure Table B	627,350	7	4	5. Net Expenditure	558,600	9	7
3. Other Expenditure Table C	—	—	—	Total of Part I	£627,388	8	10

Part II: Cash Reconciliation as at 31st March, 1949

1. Total Direct Advances	666,000	0	0	6. Net Expenditure	558,600	9	7
Deduct allocation to Capital A/c	67,434	8	9	Add—			
	598,565	11	3	Balance of Stores at 31.3.49	71,285	6	8
2. Superannuation Contributions retained by Board—				Debtor Balances at 31.3.49	40,603	6	5
(i) Employers	23,842	0	11	Creditor Balances at 5.7.48	73,436	11	5
(ii) Employees	16,691	10	4		185,325	4	6
(iii) Additional cash payments	66	7	11		743,925	14	1
3. Exchequer services provided without payment				<i>Deduct—</i>			
(i) Medical supplies	871	15	3	Balance of Stores at 5.7.48	59,895	13	7
(ii) Non-medical supplies	208	9	0	Debtor Balances at 5.7.48	45,973	14	3
	1,080	4	3	Creditor Balances at 31.3.49	92,467	10	6
4. Total Exchequer Contributions	640,245	14	8	7. Net cost of service on cash basis	545,588	15	9
5. Less Cash overdrawn at beginning of period	12,903	6	3	8. Agency payments on behalf of Ministry—	8,255	3	6
	£627,342	8	5	(i) To Life Offices (F.S.S.N. etc).	199	5	5
Total of Part II	£627,342	8	5	(ii) Refunds of Superannuation	73,299	3	9
				9. Cash in Hand at end of period	£627,342	8	5

TABLE A

CENTRAL ADMINISTRATION EXPENDITURE

	<i>£ s. d.</i>
1. Members of the Board—	
Travelling and subsistence expenses ; payments for loss of re- munerative time, etc.	38 1 6
2.-9. No expenditure under these heads	—
	<u>£38 1 6</u>

Budget Estimate £300.

TABLE B

HOSPITAL MAINTENANCE SERVICE EXPENDITURE

	Guy's Hospital		Evelina Hospital inc. Eleanor Wemyss Home		Total	
	£	s. d.	£	s. d.	£	s. d.
1. Salaries and Wages (including employer's and employees' shares of Superannuation and National Insurance)—						
(i) Medical	78,213	9 3	3,725	12 6	81,939	1 9
(ii) Nursing	74,486	17 8	6,501	9 5	80,988	7 1
(iii) Other Officers	183,923	1 5	10,373	8 4	194,296	9 9
Provisions	49,623	10 5	3,410	6 2	53,033	16 7
3. Staff Uniforms and Clothing	4,646	5 6	276	19 3	4,923	4 9
4. Patients' Clothing	—	—	2	6 2	2	6 2
5. Drugs and Dressings	35,622	9 8	1,996	9 10	37,618	19 6
6. Medical and Surgical Appliances and Equipment	30,701	16 2	1,617	19 3	32,319	15 5
7. Fuel, Light and Power	32,042	0 8	2,157	16 8	34,199	17 4
8. Water	1,686	11 6	54	6 6	1,740	18 0
9. Laundry	481	9 10	1,724	11 6	2,206	1 4
10. Maintenance of Buildings, Plant and Grounds	38,305	11 1	3,152	1 1	41,457	12 2
11. Domestic repairs, renewals and replacements—						
(i) Furniture and furnishings	13,701	12 5	1,409	15 1	15,111	7 6
(ii) Hardware and crockery	2,401	8 3	150	0 4	2,551	8 7
(iii) Bedding and linen	6,857	7 9	485	16 2	7,343	3 11
(iv) Cleaning and chandlery	5,154	9 3	286	17 0	5,441	6 3
12. Rent and rates—						
(i) Rent	178	11 6	35	2 0	213	13 6
(ii) Rates	3,914	2 1	261	5 8	4,175	7 9
13. Printing, Stationery, Telephones, etc.	13,794	3 7	880	15 10	14,674	19 5
14. Ambulance and other transport	3,334	19 3	207	5 5	3,542	4 8
15. Canteens and shops	4,555	14 5	—	—	4,555	14 5
16. Farms and gardens	764	7 11	—	—	764	7 11
17. Occupational therapy	579	7 8	—	—	579	7 8
18. Miscellaneous—						
(i) Expenditure under user agreements	—	—	—	—	—	—
(ii) Miscellaneous	2,158	17 7	293	19 4	2,452	16 11
(iii) Contributions to Childrens' Nurses Training School	—	—	1,217	19 0	1,217	19 0
	£587,128	4 10	£40,222	2 6	£627,350	7 4

Budget Estimate £644,100.

TABLE D
INCOME

	Guy's Hospital £ s. d.	Evelina Hospital inc. Eleanor Wemyss Home £ s. d.	Total £ s. d.
1. From Patients—			
Supply and repair of appliances (Sec. 3 (2))	728 18 10	—	728 18 10
2. From Patients—			
Accommodation in single rooms or small wards (Sec. 4)	—	—	—
3. From Patients—			
Private accommodation and treatment (Sec. 5)	45,854 15 0	—	45,854 15 0
4. From Local Health Authorities	—	—	—
5. From Local Education Authorities	—	—	—
6. Under Road Traffic Acts, 1930 and 1934	56 17 6	—	56 17 6
7. From Staff—			
Rent, board, lodging, etc.	4,827 18 8	—	4,827 18 8
8. From—			
(i) Canteens and shops	5,664 9 1	—	5,664 9 1
(ii) Farms and Gardens	507 1 4	—	507 1 4
(iii) Occupational Therapy	356 14 3	—	356 14 3
(iv) Other Trading Services	295 7 0	—	295 7 0
9. Miscellaneous—			
(iv) Other Miscellaneous In- come	10,409 18 6	85 19 1	10,495 17 7
	<u>£68,702 0 2</u>	<u>£85 19 1</u>	<u>£68,787 19 3</u>

Budget Estimate £54,000.

These tables show that the maintenance cost of the Hospital group was at the rate of approximately £850,000 per annum. Nearly 57% of this sum represents salaries and wages, and the balance is the cost of general services and materials consumed. Percentages for the main consumable items in relation to the total expenditure are as follows :—

Provisions	8.4%
Drugs and Dressings	6.0%
Medical and Surgical Appliances	5.1%
Fuel, Light, Power, Water and Rates	6.7%

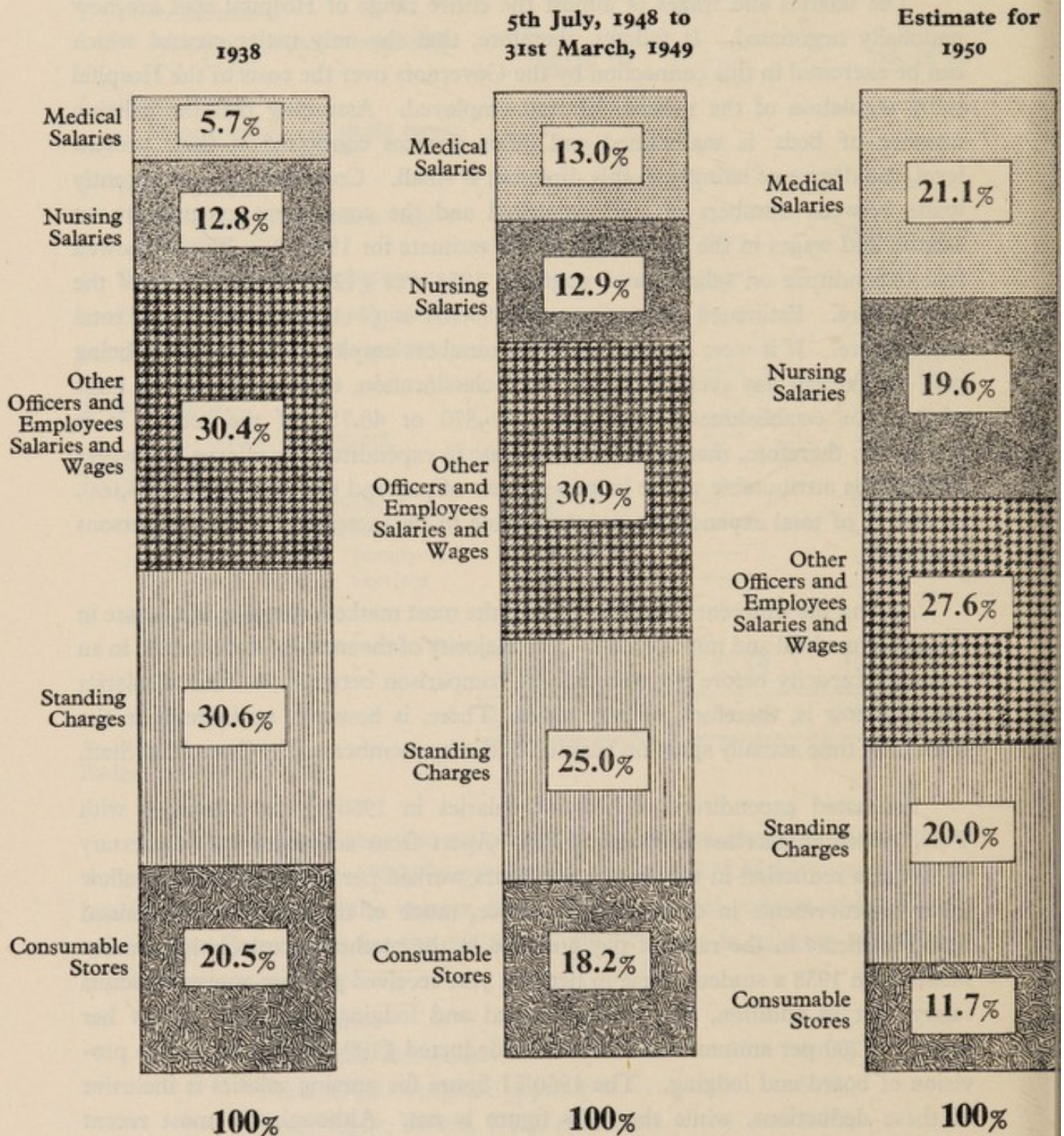
The prices of the majority of foodstuffs and also of fuel, light, etc., are regulated by the Government or National Boards. The remaining 16.8% of maintenance expenditure is composed of a variety of items, some of which, such as travelling expenses of patients (0.56%), are entirely outside the control of the Hospital; others may be controlled to a certain extent, *e.g.*, maintenance of buildings, furniture and fittings, bedding and linen, stationery, etc.

The salaries and wages of almost the entire range of Hospital staff are now nationally negotiated. It follows, therefore, that the only major control which can be exercised in this connection by the Governors over the costs of the Hospital is by regulation of the number of staff employed. Assuming that the existing number of beds is maintained and other services continued at their present level, the degree of latitude in this direction is small. Comparisons were recently made between numbers of staff employed and the consequent expenditure on salaries and wages in the year 1938 and the estimate for 1950/51. These showed that expenditure on salaries and wages in 1938 was £123,890, or 48.9% of the expenditure. Estimated expenditure in 1950/51 is £711,560, or 68.3% of total expenditure. If it were assumed that the numbers employed in 1938 were being paid the present day average rate for their classification, expenditure on the basis of the 1938 establishment would be £506,870 or 48.7% of the total. It is fair to say, therefore, that of the total increase in expenditure on salaries and wages £382,980 is attributable to the increased rates of pay and the balance of £204,690, or 19.6% of total expenditure, is attributable to the increased numbers of persons employed.

Among the different categories of staff the most marked increases in cost are in respect of medical and nursing staff. The majority of the medical staff worked in an honorary capacity before the war and any comparison between the cost of salaries then and now is, therefore, of little value. There, is however, an increase in the amount of time actually spent on hospital duties by members of the Consultant Staff.

Estimated expenditure on nursing salaries in 1950/51, as compared with 1938, shows an increase of some 500%. Apart from additional staff necessary to secure a reduction in the number of hours worked per week, and also to allow other improvements in conditions of service, much of the increase is explained by adjustments in the rates of pay and also in the method of calculating emoluments. In 1938 a student nurse in her first year received £20 per annum in actual salary, but in addition, she received board and lodging, etc., free. Now her salary is £200 per annum, but from this is deducted £100 per annum for the provision of board and lodging. The 1950/51 figure for nursing salaries is inclusive of these deductions, while the 1938 figure is net. Although the most recent

Block Diagrams showing Analysis of the Hospital Maintenance Service Expenditure



increases were to be made operative as from 1st February, 1949, the accounts for the period under review do not reflect these since they were applied retrospectively in the following financial year.

In 1938 Administrative and Clerical Staff totalled 133 divided between the different departments of the Hospital. In the 1950/51 Budget allowance has been made for 221. The major part of this increase is in departments giving direct service to the patient. For instance, the budgeted staff for those departments dealing with out-patients (including the Dental Department and taking into account Almoners and Secretaries) is 71. In 1938 this was 29. The ratio of staff to out-patient attendances has increased from 1—17,730 to 1—6,110. Much of this increase is due to the much greater degree of service now rendered to an out-patient, both as to social service and also to direct service such as the appointments system and maintaining contact by correspondence with the General Practitioner. The increase in salaries of Administrative Staff has been relatively small. In 1939 a girl of 17 started as a clerk at £100 per annum. A girl of the same age would now start at £158 per annum.

Because many increases in salary were not negotiated until after the end of the period under review, although applying in retrospect to it, the figures which appear in the Expenditure Account do not present an entirely true picture. It is for this reason that budget estimates for 1950/51 have been used in making comparisons with pre-war accounts, but conclusions drawn from these comparisons apply with almost equal strength to the period 5th July, 1948, to 31st March, 1949.

Summarising the results of the comparisons, the increase in running costs is accounted for as follows :—

	percentage of total increase in expenditure
(a) By increase in the numbers of personnel	26
(b) By increase in the rates of pay of personnel	48
(c) By increase in the cost of provisions, drugs and dressings, medical equipment and fuel	17
(d) By increase in the cost of other " consum- able " items	9

To what extent the expenditure of the Hospital is increased because it is a teaching hospital is difficult to estimate, but that teaching hospitals, because of their dual function, are more expensive to maintain was accepted by the Good-

enough Committee and following on their recommendations, grants were made to the Hospital by the University Grants Committee in the region of £26,000 per annum. This figure, of course, is in no way a guide to the additional expenditure involved, for neither the old system of accounting nor the present form adopted by the Ministry of Health provides sufficient detail upon which to make accurate comparisons as between teaching and non-teaching hospitals.

This need for a revised system of hospital accounts was very fully realised at Guy's long before the National Health Service became a fact. In 1906 the King Edward's Hospital Fund for London made the adoption by Hospitals of its uniform system of hospital accounts a pre-requisite to the receipt of financial aid from the Fund. Few hospitals could afford not to comply and the King Edward's Hospital Fund system became generally adopted especially in the Metropolitan Area. Income and Expenditure Accounts under common headings, a Balance Sheet and statistical tables were the main features of this system. Ordinary expenditure, for instance, was analysed under the heads of Provisions, Surgery and Dispensary, Domestic, Salaries and Wages (maintenance), Miscellaneous, Administrative, Establishment and Finance and these heads, in turn, were sub-divided. The common denominators were the occupied bed and the out-patient attendance, from which were calculated the average weekly and total cost of each in-patient under the main heading of expenditure and the average cost of each out-patient attendance under the same headings. To this extent an arbitrary method of comparison of the costs of different hospitals existed, but such a method could be of real value only if comparing hospitals similar in all main features. Variations as to the type and number of patients treated, the number of special departments, the age, condition and situation of the buildings and other circumstances peculiar to each hospital meant that in effect positive action could rarely be justified from the conclusions suggested by the King Edward's Hospital Fund's statistical summary. More often, each hospital's individual characteristics provided ample argument for disregarding even those conclusions which might justifiably have been drawn from the statistics.

In 1926 the uniform system was revised and suggestions were made as to quantity statistics, budgeting and departmental costs. These were never more than suggestions, however, and little real progress was made towards their general adoption. Dissatisfaction with the prevailing system of hospital accounts was common among hospital and allied organisations and in the years 1946/47 hospitality and the opportunity to test ideas were afforded by the Governors of Guy's to the Joint Committee upon Hospital Accounts composed of members nominated by the

Institute of Chartered Accountants, the Institute of Cost and Works Accountants and the Institute of Hospital Administrators. Its report was published in the early part of 1948 and advocated a far more comprehensive system of cost and departmental accounting allied to budget estimating and control, while at the same time the use of arbitrary apportionments of overhead expenses was avoided. Its aims, briefly, were to create a sound framework for budget estimating and to facilitate control of expenditure within the Hospital by costing each department and reducing its work for purposes of comparison to standard units such as the number of in-patients days for wards or the number of operations for theatres. At the same time, by encouraging the adoption of standard units for all hospitals it sought to allow more accurate comparison between hospital and hospital. This was a considerable advance on the revised uniform system. The former Court of Governors agreed that the principles of the system recommended by this Committee should be adopted at Guy's Hospital and the first results are shown in this report.

Its adoption (as would any form of cost or departmental accounts) called for an efficient and centralised system of stores accounting. A warehouse in Talbot Yard, an investment of the Endowment Fund, is being converted for use by the Hospital as a Central Stores. Having a basement and six floors, it has sufficient space to meet all demands at the present time. The warehouse is easily accessible from the Borough High Street for deliveries and is well away from ward blocks so that the noise of loading and unloading does not disturb patients. Nevertheless, its situation was determined by circumstances and not by choice, so that there are a number of disadvantages. It is close to the Boiler House and, therefore, not ideally situated to handle foodstuffs, and so a separate food store continues in existence. Similarly, the former Dispensary Stores have continued independently under the new arrangements, but by far the greater part of all supplies used by the Hospital are now delivered to and issued from the Central Stores. A Supplies Officer has not been appointed as, in the initial stages at least, the Board have decided to avoid any risk of creating a semi-autonomous section within the framework of administration, although purchasing is being slowly and carefully centralised. Inevitably there have been difficulties. The adaptation of a theory to practice has meant some revision of suggested procedures ; nevertheless, the main aims are being achieved and, for the first time, the various activities of the Hospital have been costed with reasonable accuracy. The following are some of the results :—

GUY'S HOSPITAL
TABLE SHOWING THE UNIT COST OF EACH DEPARTMENT

for the period 5th July, 1948 to 31st March, 1949

Department	Total number of units for period	Unit Standard	Net Expenditure of Department £	Average Cost per unit £ s. d.
<i>Direct or Basic Services</i>				
Wards.....	127,329	Ward Patient Days	138,240	1 1 8.56
Out-Patients.....	115,176	Attendances	56,305	9 9.33
Diagnostic X-ray.....	31,130	Examinations	16,901	10 10.30
Theatres.....	2,919	Operations	16,683	5 14 3.67
Laboratory Services.....	54,090	Examinations	14,469	5 4.19
Dispensary.....	217,356	Prescriptions	6,908	7.62
Mortuary and Post-Mortem Room.....	153,566	In-Patient Days	860	1.34
Social Service and Almoners.....	3,214	Cases	5,569	1 14 7.85
Medical Records.....	153,566	In-Patient Days	2,319	3.62
<i>Indirect Services</i>				
Administrative Office.....	217,872	Patient Days	15,695	1 5.29
Matron's Office.....	567	Head of Nursing Staff	5,470	9 12 11.34
Superintendent's Office.....	217,872	Patient Days	6,607	7.28
Stores Control.....	217,872	Patient Days	4,794	5.28
Works Department.....	217,872	Patient Days	4,546	5.01
Kitchens.....	287,280	Staff and Patient Days	16,493	1 1.77
Dining Rooms.....	163,350	Staff and Patient Days	8,158	11.98
Nurses' Home.....	19,646	Resident Weeks	41,732	2 2 5.80

	1,444	Resident Weeks	5,506	3 16	3.12
Maid's Home	1,444	Patient Days	5,506	3 16	3.12
Gardens (Hospital)	217,872	Student Weeks	509	2 15	0.56
Training Schools	1,824	" "	5,103	4 7	11.44
—Nursing	532	" "	2,320	15	2.61
—Midwifery	1,368	" "	1,027	15	0.17
—Radiography	3,040	" "	2,423	15	11.28
—Physiotherapy	1,900	" "	11,541	6 1	5.81
Preliminary Training School	217,872	Patient Days	3,792		4.18
Cleaning	992,094	Articles	7,598		1.84
Laundry	217,872	Patient Days	30,172	2	9.23
General Services					

Ancillary and Auxiliary Services

Domiciliary Midwifery } Salomons Centre	1,628	Cases	5,629	3 9	1.83
Radiotherapy	2,211	Attendances	4,174	1 17	9.08
Physiotherapy	111,630	Treatments	9,295	1	7.98
Dental	78,159	Attendances	21,542	5	6.14
V.D. Clinic	12,450	"	5,434	8	8.75
Evelina Hospital	19,315	Patient Days	37,362	1 18	8.24
Eleanor Wemyss Home	4,216	" "	2,859	13	6.75
Nuffield House	17,423	" "	31,724	1 16	5.01
York Clinic	10,334	" "	21,980	2 2	6.46

- NOTES.— 1. Ward Patient Days—Occupied Bed Days excluding Private Beds.
 2. In-Patient Days —Occupied Bed Days including Private Beds.
 3. Patient Days —Total In-Patient Days plus Out-Patient Attendances reduced to In-Patient Days.
 4. Units for period —The total units for the period have been ascertained by taking the figures for the March Quarter, 1949, and adjusting for period of 270 days, except in instances where the standard of unit taken has enabled the actual figures to be ascertained.* In the case of the Dispensary, the number of prescriptions has been ascertained by allowing for one prescription per In-Patient per day and one prescription per Out-Patient Attendance.

*As the Ministry of Health has adopted differing periods of return for financial and statistical purposes, these figures do not coincide with those shown in the statistical returns and analysis on pages 39 to 42 et seq. Statistical returns are based on the calendar year. Financial returns follow the financial year.

GUY'S
General Income and Expenditure Account for

EXPENDITURE		£	£
<i>Direct or Basic Services</i>			
Wards		138,240	
Out-Patients		56,305	
Diagnostic X-ray		16,901	
Theatres		16,683	
Laboratory Services		14,469	
Dispensary		6,908	
Mortuary and Post-Mortem Room		860	
Social Service and Almoners		5,569	
Medical Records		2,319	
Patients' Registration		325	
		258,579	258,579
<i>Indirect Services</i>			
Administrative Office		15,695	
Matron's Office		5,470	
Superintendent's Office		6,607	
Stores Control		4,794	
Works Department		4,546	
Kitchens		16,493	
Dining Rooms		8,158	
Nurses' Home		41,732	
Maids' Home		5,506	
Gardens (Hospital)		509	
Training Schools—Nursing		5,103	
" —Midwifery		2,320	
" —Radiography		1,027	
" —Physiotherapy		2,423	
Preliminary Training School		11,541	
Cleaning		3,792	
Heating, Lighting, Water and Rates		41,762	
Laundry		7,598	
Linen Room		2,953	
General Services		30,172	
		218,201	218,201
<i>Ancillary and Auxiliary Services</i>			
Domiciliary Midwifery }		5,629	
Salomon's Centre }			
Radiotherapy		4,174	
Dental		21,542	
V.D. Clinic		5,434	
Physiotherapy		9,295	
Keats' House		793	
Ladies Association		183	
Holmesdale Estate		12	
Holmesdale Nurseries		1,779	
Shop and Out-Patients' Buffet		367	
Occupational Therapy		690	
		49,898	49,898
Administration of Board of Governors			38
Cost of providing accommodation for N.H.S. Patients in Nuffield House and York Clinic			10,330
Evelina Hospital			37,362
Eleanor Wemyss Home			2,859
			577,267
Balance representing excess of Income over Expenditure, due to the Ministry of Health			73,090
			£650,357

HOSPITAL

the period 5th July, 1948 to 31st March, 1949

		INCOME	
		£	£
Supplies from Ministry Departments	.....		1,080
<i>Services Rendered</i>			
Road Traffic Acts	.....		57
<i>Patients</i>			
Contributions towards appliances	.....	729	
Private Patients —Nuffield House	.....	1,256	
" —York Clinic	.....	1,224	
		<u>3,209</u>	
<i>General</i>			
Fees from Students—Physiotherapy	.....	3,000	
" —Radiography	.....	59	
" —Nursing	.....	360	
		<u>3,419</u>	
Fees from Patients (Pre 5th July, 1948)	.....	4,726	
Rent and Rates, etc.	.....	3,253	
Gifts in Kind	.....	792	
Cash Discount	.....	370	
Hairdressing and Barber's Saloons	.....	295	
Miscellaneous	.....	2,444	
		<u>15,299</u>	
Superannuation Contributions and Deductions	.....		32,146
Grants received from Ministry of Health	.....		598,566
			<u>£650,357</u>

**GUY'S HOSPITAL
OCCUPATIONAL THERAPY**

Income and Expenditure Account for the period 5th July, 1948 to 31st March, 1949

EXPENDITURE	INCOME
To Salaries and Wages	£ 358
" Purchases—Materials	690
	<u>£1,048</u>
	By Sales
	" Balance being deficit transferred to General Income and Expenditure Account

NOTE.—No allowance has been made in this period for increases or decreases in stock balances. The charges made only cover the cost of the materials and do not allow for an administration charge.

SHOP AND OUT-PATIENTS' BUFFET ACCOUNT

Income and Expenditure Account for the period 5th July, 1948 to 31st March, 1949

EXPENDITURE	INCOME
To Salaries and Wages	£ 635
" Purchases —Provisions and Confectionery	1,306
" " —Tobacco and Sundries	3,250
	<u>4,556</u>
Maintenance of Buildings, etc.	683
" Domestic Repairs, Renewals, etc.	56
" Stock at 5th July, 1948	264
	<u>£6,194</u>
	By Sales
	" Stock at 31st March, 1949
	" Balance being Deficit transferred to Gen- eral Income and Expenditure Account

NOTE.—Extensive alterations and additions to Guy's Shop were carried out during this period. If allowances were made in respect of these alterations the deficit of £367 would be converted into a profit of £272.

GUY'S HOSPITAL
PRIVATE PATIENTS—Income and Expenditure Account
for the period 5th July, 1948 to 31st March, 1949

	EXPENDITURE		INCOME	
	Nuffield House £	York Clinic £	Nuffield House £	York Clinic £
To Salaries and Wages —Medical	1,748	3,201		
—Nursing	6,217	6,163		
—Other Officers and Employees	8,655	4,407		
Provisions	4,170	2,841		
Uniforms	103	94		
Drugs, Dressings, Medical and Surgical Appliances and Equipment	4,622	931		
Heating, Lighting, Water and Rates	2,154	1,430		
Laundry	919	566		
Maintenance of Buildings, Plant and Grounds	1,070	790		
Domestic repairs, renewals and replacements	737	684		
Cleaning	250	169		
Printing, Stationery, Telephones, etc.	821	638		
Travelling Expenses, etc.	28	33		
Miscellaneous	230	33		
	<u>31,724</u>	<u>21,980</u>		
Balance being Surplus transferred to General Income and Expenditure Account	1,256	1,224		
	<u>£32,980</u>	<u>£23,204</u>		
			By Fees from Patients, etc.	—
			„ Cost of providing accommodation for N.H.S. patients	713
				32,267
				13,587
				<u>9,617</u>
				<u>£32,980</u>
				<u>£23,204</u>

It will be seen that expenditure has been divided into three main heads—Direct or basic services, Indirect services, and Ancillary and auxiliary services.

As yet it has not been possible to cost the Evelina Hospital under the same headings and one figure only is included for Evelina Hospital expenditure.

In arriving at the figure of £138,240 as the direct expenditure upon patients in the wards such items as nurses' salaries, medical staff salaries, medicines, dressings, linen, utensils, furniture, etc., have been included. The cost of patients' food helps to build up the figure, but the cost of preparing the food is regarded as an indirect service and appears under the heading of "Kitchen."

The cost of domestic staff employed in cleaning the wards is charged direct to the wards, but the cost of domestic staff who clean those parts of the Hospital in general use (*e.g.* The Colonnade) is charged to "Cleaning" under "Indirect Services." Similarly heating, lighting, power, etc., is regarded as Indirect Service and is not charged to specific departments. Theoretically this could be done, but the additional detail work involved would hardly justify the production of figures which, without the installation of expensive metering equipment, could, in the end, be only approximations. In any event, such indirect services can only be controlled by the head of the service, and an apportioned figure of cost charged to, say, the X-ray Department is of no interest to the head of that department.

General Services at £30,000 represent the cost of Porters' wages, whose work is too varied to be directly allocated, certain of the Works Department staff for similar reasons, and other expenditure which is incurred for the Hospital as a whole rather than for any individual department.

The cost of the Nurses' Training School at £5,103, it should be noted, includes the cost of training nurses for Guy's and for the beds which are nursed by Guy's staff at Orpington and at Pembury.

Among the "Ancillary and Auxiliary" Services is Keats' House, in which consulting rooms are provided for members of the staff at a rental designed to cover the cost of providing the service.

The Shop and Out-patient Buffet is an activity which is required by the Minister of Health, as far as possible, to be non-profit making. The detailed trading account shows, in fact, a deficit of £367 on the period under review. Extensive alterations and additions to the shop and buffet were, however, carried out during this period and the total expenditure on these is included in the expenditure for the period rather than carried to a Capital Account as in normal commercial practice. Had this method been adopted a small profit would have been shown.

Income apart from grants from the Ministry of Health, is small and of this, the largest item (Superannuation Contributions and Deductions) is no more than a book entry.

Income received from private patients has been entered as a net item and a detailed account is included. The National Health Service Act provides that the charges made to private patients must cover the cost of their accommodation and nursing. The accounts for both Nuffield House and York Clinic show small profits. They do not, however, include the retrospective increases in nursing and medical salaries which took place after the 31st March, 1949, and which, if included, would have decreased the profit to a negligible amount.

The cost of medical salaries is considerably higher for York Clinic than for Nuffield House. This is because in Nuffield House patients are the private fee-paying patients of members of the Staff and the only salaries paid are to two junior resident medical officers. In York Clinic, however, medical treatment is for all normal purposes carried out by salaried medical staff, the maintenance charge to the patient being calculated to cover this attention. In proportion to the number of beds available, expenditure on nursing salaries in York Clinic is also greater than in Nuffield House, to be explained by the higher ratio of nursing staff to patients required to nurse mental illness.

On the income side it should be noted that allowance has been made for the cost of providing accommodation for National Health Service patients. Under the National Health Service Act special accommodation which is set aside for paying patients may be made available for any patient who urgently needs it on medical grounds and for whom suitable accommodation is not otherwise available. This sum represents the value of accommodation which was made available under this provision. During the period under review the Governors submitted a scheme whereby all the accommodation in Nuffield House (65 beds) and 28 of the 43 beds in York Clinic were scheduled for private paying patients under Section 5 of the Act. Of the remaining 15 beds in York Clinic 10 were scheduled as accommodation available on part payment under Section 4 of the Act and 5 were scheduled as free beds. While this scheme was receiving consideration the arrangements which were in force before the beginning of the National Health Service, by which beds both in Nuffield House and York Clinic were for private patients, were, on the instructions of the Minister, continued and no decision on the scheme had been received by the end of the period under review.

In themselves, these figures may have some degree of interest, but the intense amount of work needed to produce them can only be justified if eventually they lead to positive action. This action must be such as to improve or make more

efficient the services of the Hospital and thus eventually to give better treatment to patients in a more economical way. There are no limits to the money that can be spent in caring for the sick. There are most positive limits to the money which this Hospital is allowed to spend. Financial statistics of this nature can be one of the guides in circumscribing the ideal.

CAPITAL

While the Board is allowed reasonable latitude within a total figure in its maintenance expenditure, a considerably greater degree of control is exercised in respect of capital spending. Capital schemes, the total cost of which, including equipment, is less than £1,000, may be carried out at the Governors' discretion provided that they have been included in the preliminary budget approved by the Minister. Expenditure on work exceeding between £1,000 and £10,000 may be incurred by the Board without reference to the Minister, although here again the scheme must have received budget approval. Building schemes carried out by the Board are not subject to normal licencing procedure, but all work exceeding £1,000 must receive ministerial approval in relation to the manpower used and materials consumed, and a "starting date" must be received from the Ministry of Works. Schemes of over £10,000 are subject to even further control. The Minister must be satisfied as to the need and urgency of the project. He must receive Treasury approval for the expenditure, which, in normal circumstances must already have been approved in the Hospital's budget and the Ministry of Works must also be satisfied with regard to labour and materials. In this maze of regulations and approvals, to which must be added the difficulties which still exist in obtaining some essential materials, the eventual difficulty, having received final approval for any expenditure, is to ensure that the amount of money approved is in fact, expended within the financial period for which it is granted. There was no fixed limit on capital expenditure during the period which is now being considered, but the rate of progress on the major schemes in hand was alarmingly slow. Approval to the building of a temporary Boiler House was given by the Minister of Health in the summer of 1948, but by 31st March, 1949, no building work had been commenced, although most of the equipment required had been purchased and delivered to the site. This delay was due, in part, to legal difficulties but is still illustrative of the general situation.

The following table, drawn up in accordance with Ministry of Health requirements, summarises capital expenditure during the period. Table E is a summary of Capital Account. The only entries on the Income side are for cash advances from the Ministry, sales, or for equipment supplied from Exchequer sources without payment. The expenditure on the various schemes is then allocated under items 5, 6 and 7, and further analysed under New Building, Conversion Works, and Furniture and Other Equipment. The introduction of the Cash in Hand at opening and closing of the financial period balances this statement.

TABLE E
SUMMARY OF CAPITAL ACCOUNT

	1	2	3	4
	Works— new building	Works— Conversions	Furniture and Equipment	Totals
1. Advances (cash) from Minister				
2. From sales, etc.				
3. Furniture etc., supplied centrally				
5. Hospitals— under schemes providing for additional patients— (i) at hospitals vested in the Minister on the appointed day	4,501	3 5	—	4,501 3 5
(ii) at new hospitals	—	—	—	—
6. Hospitals— under other schemes (i) Staff quarters and amenities	—	5,136 7 6	—	5,136 7 6
(ii) Other alterations, improvements and expansions	35,040 18 5	15,415 16 11	7,340 2 6	57,796 17 10
7. Administrative offices separate from hospitals	—	—	—	—
Total	<u>£35,040 18 5</u>	<u>£25,053 7 10</u>	<u>£7,340 2 6</u>	<u>£67,434 8 9</u>
4. Cash in Hand at beginning of period				
8. Cash in Hand at end of period				
Total	<u>£67,434 8 9</u>			<u>£67,434 8 9</u>

The total of £35,040 18s. 5d. under New Building Work represents expenditure on the new Boiler House. The sums under the heading of "Conversion" refer to the following work:—

£4,501	Enlargement of Dental Conservation Room
£5,136	Conversion of rooms in Guy's House to form Superintendent's House
£5,690	Extension and re-planning of Diagnostic X-ray Department
£3,257	Alterations to main kitchens
£1,265	Construction of locker room for Works Department staff
£5,000	Installation of new telephone switchboard and internal telephone system
£55	Alteration to Evelina Hospital Diagnostic X-ray Department
£149	Repairs to fire escapes

"Furniture and Equipment" is made up of:—

£2,116	Apparatus for Diagnostic X-ray Department
£1,247	Equipment for main kitchens
£558	Lockers for Works Department locker rooms
£3,419	Apparatus for Evelina Hospital Diagnostic X-ray Department.

ENDOWMENT

I have mentioned earlier that control of the Endowment Funds of teaching hospitals passed to the new Board of Governors. The following tables X and Y relate only to the Endowment and other special funds. Table X is a summarised form of Cash Account showing the commencing balance of Cash in Hand, the net receipts and net payments in classified totals, and the Cash in Hand at the close. The Endowment Income and Expenditure Account and Estates Account appearing elsewhere could be reconciled with the figures in Table X, but would require many adjustments in respect of creditors and debtors, both at the commencing and closing periods, and the grossing up of Income Tax deduction, both income and payments, and payments from Special Funds.

Table Y is a form of Balance Sheet as at 31st March, 1949. The capital of the funds transferred from the Re-endowment Fund and other funds, and the creditors at 31st March, 1949, are shown on the liabilities side, whilst on the assets side are shown in slightly different form the same items that appear in the Balance Sheet on pages 30 and 31.

TABLE X
Endowment and Other Funds
Abstract of Cash Receipts and Payments

	RECEIPTS		PAYMENTS	
	Capital* £ s. d.	Revenue £ s. d.	Capital £ s. d.	Revenue £ s. d.
1. From Dividends, Interest, etc. on Invested Funds and Endowment Property	—	62,307 5 9	—	—
2. From Minister under Section 7(5)†	—	—	—	—
3. From realisation of invest- ments and Endowment Property	741 17 3	—	—	3,619 5 11
4. From other sources— (i) Under Section 59	—	—	—	83,621 14 4
(ii) Under Section 60	—	—	—	—
5. Other Receipts	—	85,515 12 4	—	—
6. Cash in Hand at beginning of period	239,905 1 2	15,580 5 9	240,165 11 6	76,162 3 7
	<u>£240,646 18 5</u>	<u>£163,403 3 10</u>	<u>£240,646 18 5</u>	<u>£163,403 3 10</u>
7. For Investment	—	—	481 6 11	—
8. For purposes relating to Hospital Services or re- search	—	—	—	—
9. Other Payments—(i)‡	—	—	—	—
10. Cash in Hand at end of period	—	—	—	—

* Including receipts on revenue account treated as capital.

† Not applicable to Teaching Hospitals.

‡ This figure includes repayment of a Bank Loan of £42,500, a sum of approximately £12,000 due from the Ministry of Health in respect of balances in hand at 4th July, 1948, but not received by 31st March, 1949, all Estates expenditure and legacies paid over to the Medical School.

GUY'S
TABLE
ENDOWMENT AND
Statement of Balances as

SURPLUSES AND LIABILITIES

	£ s. d.	£ s. d.
1. Funds transferred to Board of Governors under Sections 7(1) and (4)—		
(i) Capital Account	2,111,587 2 8	
(ii) Revenue Account, including income balances	142,217 3 3	
		2,253,804 5 11
2. Funds transferred to Regional Hospital Board/Hospital Management Committee under Section 7 (5) (c)—		
Unexpended Balance, including income balances		—
3. Funds transferred to Regional Hospital Board/Hospital Management Committee under Section 7 (5) (d)—		
Unexpended Balance, including income balances		—
4. Funds held under Section 59—		
(i) of which the Income but not the Capital is expendable		—
(ii) wholly expendable		—
5. Funds held by the Board of Governors/Regional Hospital Board/Hospital Management Committee under Section 60—		
(i) Capital Account.....		—
(ii) Revenue Account, including income balances		—
6. Sundry Creditors (major items to be denoted)		218,131 14 10
Total of Table Y		£2,471,936 0 9

HOSPITAL

Y

OTHER FUNDS

at 31st March, 1949

ASSETS		£ s. d.
7. Land held as investment (other than land held as security for money advanced on mortgage)— (aggregate of book or estimated values as at 4th July, 1948, in the case of interests transferred under Section 7 (1) and (4) and of estimated value at date of conveyance to the local hospital body in other cases. Any alteration of value brought to account subsequently should be denoted. Provision to maintain the capital value of a leasehold interest, etc., should be disclosed in the footnotes)	.....	800,905 3 11
8. Investments (including investments on mortgage of real estate) authorised as trustee securities by public general Act (aggregate of book values as at 4th July, 1948, in the case of securities transferred under Sections 7(1) and (4) and of cost in other cases. Securities acquired by gift after 4th July, 1948, should be brought in at mean Stock Exchange value at the date of the conveyance)	.....	1,272,709 0 0
9. Investments—other securities— (aggregate of book values as at 4th July, 1948, in the case of securities transferred under Sections 7 (1) and (4) and of cost in other cases. Securities acquired by gift after 4th July, 1948, should be brought in at mean Stock Exchange value at the date of the conveyance. Any alteration of value brought to account subsequently should be denoted)	.....	3,000 0 0
10. Other property held by way of investment (valuation or estimated value as at 4th July, 1948, or date of gift as the case may be. Any alteration of value brought to account subsequently should be denoted)	.....	1,493 14 0
11. Sundry debtors (major items to be denoted)	.....	77,500 7 9
12. Cash at Bank, etc.	.....	316,327 15 1
Total of Table Y	.....	<u>£2,471,936 0 9</u>

GUY'S
ENDOWMENT
INCOME AND
5th July, 1948—

EXPENDITURE

	Evelina Hosp. and Eleanor Wemyss Home	Guy's Hospital	Total
	£ s. d.	£ s. d.	£ s. d.
To Administration Expenses—			
Printing and Stationery	—	26 9 9	
Sundries	21 11 6	81 13 6	
Appeals Department	84 15 1	1,547 6 10	
Legal Charges	—	2 6 0	
Bank Interest on Loan	—	345 8 6	
Travelling Expenses	7 9 0	—	
Insurance	1 6 6	—	
	115 2 1	2,003 4 7	
			2,118 6 8
„ Grants—			
Nurses' Home	—	174 18 9	
Invalid Children's Aid Assn.	—	15 0 0	
Family Welfare Association	—	15 0 0	
Fairley Grange Convalescent Home	—	50 0 0	
Guy's Hospital Nurses' League	—	326 0 0	
Salomons Centre Maternity Fund	—	25 0 0	
Salomons Centre Comforts Fund	—	35 0 0	
Medals and Prizes	—	160 4 6	
Residents' Fund	—	78 13 4	
Travelling Expenses	—	1,124 6 0	
Christmas Gifts	26 2 5	—	
	26 2 5	2,004 2 7	
			2,030 5 0
„ Grants from Amenities Fund—			
Hospital	—	396 9 7	
Nuffield House	—	5 0 0	
Share of Furnishing and Equip- ping "Thatchings" Rest Home	—	1,330 13 8	
Share of deficiency on main- tenance of "Thatchings" Rest Home	—	737 10 11	
		2,469 14 2	
			2,469 14 2
„ Excess of Income over Expenditure carried to Balance Sheet			
	6,137 14 4	89,403 2 0	95,540 16 4
	£6,278 18 10	£95,880 3 4	£102,159 2 2

HOSPITAL

FUND

EXPENDITURE ACCOUNT

1st March, 1949

				INCOME								
				Evelina Hosp. and Eleanor Wemyss Home		Guy's Hospital		Total				
				£ s. d.		£ s. d.		£ s. d.				
by	Subscription	.....	.....	443	16	8	5,340	3	10	5,784	0	6
by	Donations—											
	General	.....	.....	1,311	2	11	2,243	5	6			
	Research	.....	.....	—	—	—	10	10	0			
	District Midwives	.....	.....	—	—	—	5	0	0			
	Travelling Expenses	.....	.....	—	—	—	180	5	5			
	Gladys Thelluson Fund	.....	.....	—	—	—	11	5	0			
				1,311	2	11	2,450	5	11	3,761	8	10
by	Miscellaneous Receipts	.....	.....	—	—	—	11	1	6	11	1	6
by	Donations to Amenities Fund—											
	For Hospital Staff and Patients	.....	.....	—	—	—	2,710	8	4			
	„ Dental Department	.....	.....	—	—	—	7	3	0			
	„ Nuffield House	.....	.....	—	—	—	5	0	0			
	„ York Clinic	.....	.....	—	—	—	5	14	0			
							2,728	5	4	2,728	5	4
by	Dividends and Interest	.....	.....	3,625	19	0	21,934	17	10	25,560	16	10
by	Legacies received	.....	.....	898	0	3	25,866	14	7	26,764	14	10
by	Estate Account—net revenue per Estate Account	.....	.....	—	—	—	37,548	14	4	37,548	14	4
				£6,278	18	10	£95,880	3	4	£102,159	2	2

GUY'S
 ENDOWMENT
 BALANCE SHEET AS

LIABILITIES

	<i>£</i>	<i>s.</i>	<i>d.</i>	<i>£</i>	<i>s.</i>	<i>d.</i>
Sundry Creditors and Credit Balances				46,459	2	8
Suspense—Value Payments re War Damage				171,328	16	0
Capital Account—						
Endowment Fund				1,866,723	15	10
Suspense—Other Funds—						
Sundry Creditors					343	16 2
Capital Account—						
Special Fund—				40,166	1	8
Medical School re Investments pending						
transfer				196,122	8	3
				236,288	9	11
Unexpended Income Balances				150,792	0	2

£2,471,936 0 9

RECEIPTS AND PAYMENTS ACCOUNT

To Balance	<i>£</i>	<i>s.</i>	<i>d.</i>			
				54,413	6	0
„ Income				96,674	14	8
				£151,088	0	8

HOSPITAL

FUND

AT 31st MARCH, 1949

		ASSETS	
		£ s. d.	£ s. d.
Cash at Bank and in Hand—			
On Account of—			
Endowments	.....	43,540 14 8	
Suspense—Value	Payments re War		
Damage	.....	171,328 16 0	
		<hr/>	214,869 10 8
Stock in Hand—			
Hereford Estate, as certified by Estate			
Agent	.....		1,493 14 0
Sundry Debtors and Debit Balances	.....		75,535 13 5
Investments—Endowment	.....		1,792,612 16 5
Suspense—Other Funds—			
Cash at Bank and in Hand	.....		101,458 4 5
Sundry Debtors	.....		1,964 14 4
Investments—			
Special Funds	.....	87,898 13 3	
Medical School	.....	196,102 14 3	
		<hr/>	284,001 7 6
			<hr/> <hr/>
			£2,471,936 0 9

OF UNEXPENDED BALANCES

		£ s. d.
by Payments	.....	296 0 6
Balance	.....	150,792 0 2
		<hr/>
		£151,088 0 8

GUY'S
ENDOWMENT
ESTATES ACCOUNT 5th JULY,

EXPENDITURE

	£	s.	d.		£	s.	d.
To Annual Charges under the Founder's Will—							
Christ's Hospital	500	0	0				
Guy's Almshouses	86	5	0				
Apprentice Fund	7	10	0				
					593	15	0
„ Herefordshire Estate—							
Renewals and Repairs	9,633	18	9				
Rates and Taxes	250	15	8				
Insurance	473	1	0				
Tithes and Tithe Redemption Annuities	2,269	10	8				
Planting Woods, etc.		16	0				
Annual Payments, Subscriptions, etc.	66	6	0				
Management Salaries	1,220	3	4				
Printing, Stationery and Telephone	62	15	8				
Special Allowances	275	15	7				
Rates on Fishing Rights	18	5	0				
Rent Charges and Sundry Rents	51	5	6				
Travelling and Sundry Expenses	40	17	9				
Professional Charges	58	10	4				
Motor Van Expenses	59	9	3				
					14,481	10	6
„ London and Other Properties—							
Renewals and Repairs	1,420	3	9				
Rates and Taxes	1,341	17	4				
Ground Rents	472	2	9				
Insurance	1,117	3	1				
Leasehold Redemption Annuities	223	3	0				
Sundry Expenses	217	6	0				
					4,791	15	11
„ Tower Bridge Road Property—							
Ground Rent	258	15	0				
Insurance	65	15	4				
Sundry Expenses	73	16	7				
					398	6	11
„ Administration Expenses—							
Printing and Stationery	26	7	8				
Architects' Charges	550	6	0				
Sundry Expenses	3	3	4				
					579	17	0
„ Excess of Income over Expenditure					37,548	14	4
					£58,393 19 8		

HOSPITAL

FUND

1948 TO 31st MARCH, 1949

		INCOME					
		£	s.	d.	£	s.	d.
by Annuity, Stationers' Company	.....				125	0	0
by Lincolnshire Rent Charge (year)	.....				18,500	0	0
by Herefordshire Estate—							
Rents (year)	.....	23,350	2	3			
Casual Profits (Timber, etc.)	.....	1,395	7	3			
					24,745	9	6
by Essex Estate Beaumont Rent Charge (year)	.....				520	0	0
by London and Other Properties—							
Rents (Quarterly)	.....	8,681	0	0			
" (Weekly)	.....	3,145	10	7			
Ground Rents	.....	798	3	0			
Miscellaneous Receipts	.....	120	0	0			
					12,744	13	7
by Tower Bridge Road Property—							
Rents	.....				1,682	4	7
by Loan Interest— Medical School	.....				76	12	0

£58,393 19 8

“ THATCHINGS ” REST HOME, BOGNOR REGIS
Furnishings and Equipment Account

	£	s.	d.	£	s.	d.
To Cost of Furnishing and Equip- ping				1,330	13	8
	2,661	7	4			
				1,330	13	8
	2,661	7	4			
				2,661	7	4
				£2,661	7	4

Maintenance Account—5th July, 1948 to 31st March, 1949

To Board and Residence	768	5	0			
” Free Board and Residence pro- vided for Staff Convalescing, (borne by Amenities Fund)	71	18	6			
” Deficiency apportionable as to Medical School	463	11	4			
” Hospital Endowment Fund	737	10	10			
				1,201	2	2
				£2,041	5	8
				467	4	4
By Provisions				615	11	4
” Staff Wages						
” Rates				175	0	5
” Fuel, Light and Water				240	6	2
” Insurance				640	3	6
” Repairs						
” Laundry				42	6	1
” Garden Upkeep						
” Stationery, Telephone and Sundries				193	4	9
” Advertising				44	14	8
				12	12	9
				136	3	10
				114	1	4
				500	17	4
				£2,041	5	8

Guest days 1,743
Staff days 845

Total 2,588

Provision cost £467 4s. 4d.
Cost per head per day 3s. 7d.

Medical School percentage of bookings 38.59
Hospital percentage of bookings 61.41

The statement of balances included in Table Y, as required by the Minister, shows that the total assets of the Endowment Fund of Guy's Hospital and including the Evelina Hospital at 31st March, 1949, amounted to rather more than two and a quarter million pounds. (It should be noted that the total of £2,471,936 includes approximately £196,000 of investments still held by the Hospital on behalf of the Medical School). Over one million pounds of this is invested in trustee securities. Some £450,000 is invested in agricultural property and a further £350,000 is invested in urban property. These figures relate to book value and in some instances are far from realistic, especially for the agricultural property comprised in the original purchase of about 1730. The recurring income which can be expected from the capital invested is in the region of £50,000 p.a. The Income and Expenditure Account shows that, in fact, only a little more than £6,000 of this was spent during the nine months to which this report relates. It must be remembered, however, that this period was one of intense activity in working out new procedures to meet the new conditions engendered by the National Health Service and the Governors felt that it was wiser to gain a clear view of the general situation before embarking upon large scale expenditure from the Endowment Fund.

The largest single item of expenditure was in respect of "The Thatchings." This attractive house was made available to students and members of the nursing, medical, administrative and other staff through the generosity of Mr. S. B. Askew, a member of the old Court of Governors and a present member of the Board of Governors. It is held on trust for use as a Staff Rest Home and the house was furnished and the necessary staff engaged in time to open by 5th July, 1948. The house itself is built in the style of a XVI century Sussex Manor, with a roof of Norfolk reed thatch, leaded windows and oak beams, doors and woodwork. It is light and sunny. There is accommodation for 22 guests who have wide lawns on which to rest and play, and the beach is beyond the garden. It is an excellent home for members of the staff recovering from sickness or merely enjoying a break from work or study in the Hospital. Each visitor normally pays something towards the cost, although nurses on sick leave are accommodated at the Hospital's expense. The difference between Income and Expenditure is borne jointly by the Medical School and the Hospital Endowment Fund, and the Bank of England St. Christopher Fund generously donated £500 towards the Hospital's proportion.

The detailed accounts show that the total maintenance cost for the nine months was £2,041 5s. 8d. During this period there were approximately 350 guests who stayed a total of 1,743 days. After taking into account meals supplied to the resident staff, the average cost per person per day for food was 3/7d. The

total cost of accommodating each guest per day was approximately £1 3s. 6d. It should be realised that the period of the account dates from the first opening of the house and that two-thirds of the period was in the winter months when occupation was very low ; also that the standard of amenities at " The Thatchings " is deliberately well maintained.

The largest single item on the income side is £37,548 14s. 4d. being the net revenue received from the Estates. The Estates Account is shown in detail. Income is derived from three main sources, the Lincolnshire rent charges, the London properties and the Herefordshire Estates. In 1920 over 6,500 acres of land in Lincolnshire, forming part of the Hospital's original endowment, were transferred to the Government for the provision of small holdings in exchange for a rent charge of £15,500, rising to £18,500 per annum. £14,000 gross (or approximately £9,500 net) was received in rents from London properties, including warehouses, shops and private dwellings belonging to the Endowment Fund. From the rents of the farms in Herefordshire and sale of timber a total of more than £24,000 was received by way of income, though against this was expenditure amounting to some £14,500. The largest item of this, £9,633 18s. 9d., is in respect of renewals and repairs. This heavy expenditure represents much work deferred during the war years and also the continued making good of damage caused by the severe gale which blew over Herefordshire in the Spring of 1947. If the estate is to be maintained as an income producing investment, it seems clear that a still greater sum in the way of repairs and improvements must be spent in the next two or three years to put farms and buildings in reasonable condition and at the same time to allow rents to be increased, with the agreement of the tenants, to figures which are in relation to present day conditions.

Of other individual sources of income on Endowment Fund Account the next largest item was in respect of legacies received and amounted to £26,764. Among these were one of over £6,000, one of over £3,000 and two of over £2,000. It is doubtful whether this figure will be maintained in the future, but it is significant that enquiries are still received from individuals who wish to bequeath money to the " free funds " of the Hospital. A great opportunity exists in this field, especially in the promotion of research, and it is possible that in the future many trusts will be created to further research into special aspects of medicine or disease which the Governors are not in a position to undertake from Exchequer Funds.

The third sizable item of income was in respect of dividends and interest and this amounted to £25,560. This figure must be regarded as almost static since opportunities to increase it by sale and re-investment at more favourable rates are extremely rare.

Such then is, briefly, the financial picture of the Hospital's affairs for the first nine months of the National Health Service. In its task of caring for and healing the sick, Guy's and its associated hospital employs more than 1,750 persons and spends money at the rate of approximately a million pounds a year. In this report I have attempted to outline something of the financial implications of the work of the Hospital. May I suggest that although a hospital's services cannot be truly assessed in terms of financial profit or loss, its efficiency is closely related to a realistic system of financial control.

B. LEES READ,

*Clerk to the Governors.
(Secretary and Finance Officer.)*

GUY'S HOSPITAL.

31st December, 1949.

NOTE.—Accounts of individual Boards of Governors may not be published until the Annual Summary Accounts have been presented to Parliament by the Controller and Auditor General. This accounts for the delay in presenting this report.

STATISTICAL INFORMATION.

Before 5th July, 1948, the Hospital accounting and statistical year ran from 1st January to 31st December. The accounting year now runs from 1st April to 31st March, but the statistical year, for the purpose of the Ministry of Health statistics, remains 1st January to 31st December.

Statistical tables were formerly based on the requirements of the King Edward's Hospital Fund for London and the last statistics on this basis were published in the Report of the old Court of Governors for the period 1st January to 4th July, 1948. On the 31st December, 1948, the Board of Governors was required to return abbreviated statistics on Form S.H.1. covering the year 1st January to 31st December, 1948. As from 1st January, 1949, more detailed statistics are required and these are completed each year to the 31st December on Form S.H.3.

The following statistics are in accordance with Form S.H.1. relating to the period 1st January, 1948, to 31st December, 1948, and a detailed analysis in respect of Guy's Hospital itself (excluding Nuffield House and York Clinic) is added. Comprehensive statistics for the period 1st January, 1949, to 31st December, 1949, will be included with the Report covering the financial year 1st April, 1949 to 31st March, 1950.

STATISTICAL RETURNS 1948

1st JANUARY—31st DECEMBER

(in accordance with Ministry of Health Form S.H.1.)

	Guy's (excluding Nuffield House and York Clinic)	Nuffield House	York Clinic	Evelina Children's Hospital	Eleanor Wemyss Home	Totals (Where applicable)
BEDS						
1. Total Bed Complement	512	65	43	80	20	720
2. Number temporarily unavailable on 31.12.48	—	—	—	15	—	15
3. Daily occupation (a) Average over year	442.43	58	37.60	57	14.53	609.56
(b) Highest in year	495	65	43	74	20	—
(c) Lowest in year	342	43	26	31	4	—
IN-PATIENTS						
4. Number in hospital on 31.12.48	425	49	43	51	18	586
5. Number discharged or died during year	7,897	1,283	334	1,206	106	10,826
6. Average length of stay (days)	20.50	18	41.02	16.68	48.34	—
7. Number of births during year (a) Live	788	90	—	—	—	878
(b) Still	22	—	—	—	—	22
OUT-PATIENTS						
8. Number of new patients during year	64,789	2,416	—	4,502	—	71,707
9. Total attendances	410,770	5,415	—	26,817	—	443,002

ANALYSIS OF STATISTICAL TABLES.

GUY'S HOSPITAL IN-PATIENTS.

(Excluding Nuffield House Pay Beds and York Clinic Beds).

	Numbers in 1948	Numbers in 1947
Number of Admissions—		
Medical	2,488	2,350
Surgical	5,451	4,341
Total	7,939	6,691
Number of deaths—		
Medical	166	196
Surgical	132	87
Maternal	2	—
Total	300	283
Deaths due to Accident (on which inquests have been held)	12	13
Brought in Dead	37	31
Analysis of number of In-Patients under treatment—		
Discharged (Relieved)	6,598	5,536
Discharged (Unrelieved)	999	811
Died	300	283
Remaining	425	383
Total	8,322	7,013
Average Stay in Hospital (in days)	20.50	20.51

GUY'S HOSPITAL OUT-PATIENTS.

	Numbers in 1948	Numbers in 1947
Patients in Surgery Registers	29,830	27,613
General Out-Patients—		
Medical	4,347	3,911
Surgical	5,336	4,766
Special Departments—		
Cardiac (Congenital Heart Disease)	175	85
Children	1,405	1,452
Dental	16,081	14,724
Diabetic	115	—
Diseases of the Chest	198	192
Genito-Urinary	496	421
Gynæcological	1,256	1,050
Nervous Diseases	918	743
Ophthalmic	1,683	1,396
Orthopædic	1,396	1,504
Psychological Medicine	980	1,029
Child Guidance Clinic	133	—
Rectal	59	—
Salomons Centre :		
Ante-Natal	1,054	1,287
Domiciliary	757	393
Infant Welfare Centre	1,049	324
Skin	2,738	2,528
Throat and Aural	3,578	2,906
Varicose Veins	350	280
Venereal	1,733	1,755
Total	75,667	68,359
To arrive at the true number of individual Out-Patients, deduct as under—		
Admitted to Wards from Surgery	3,987	3,543
Transferred from Surgery to Out-Patient Department	6,068	6,663
Transferred from Surgery to Dental Department	823	1,811
Total	10,878	12,017
Grand Total	64,789	56,342

GUY'S HOSPITAL OUT-PATIENTS.

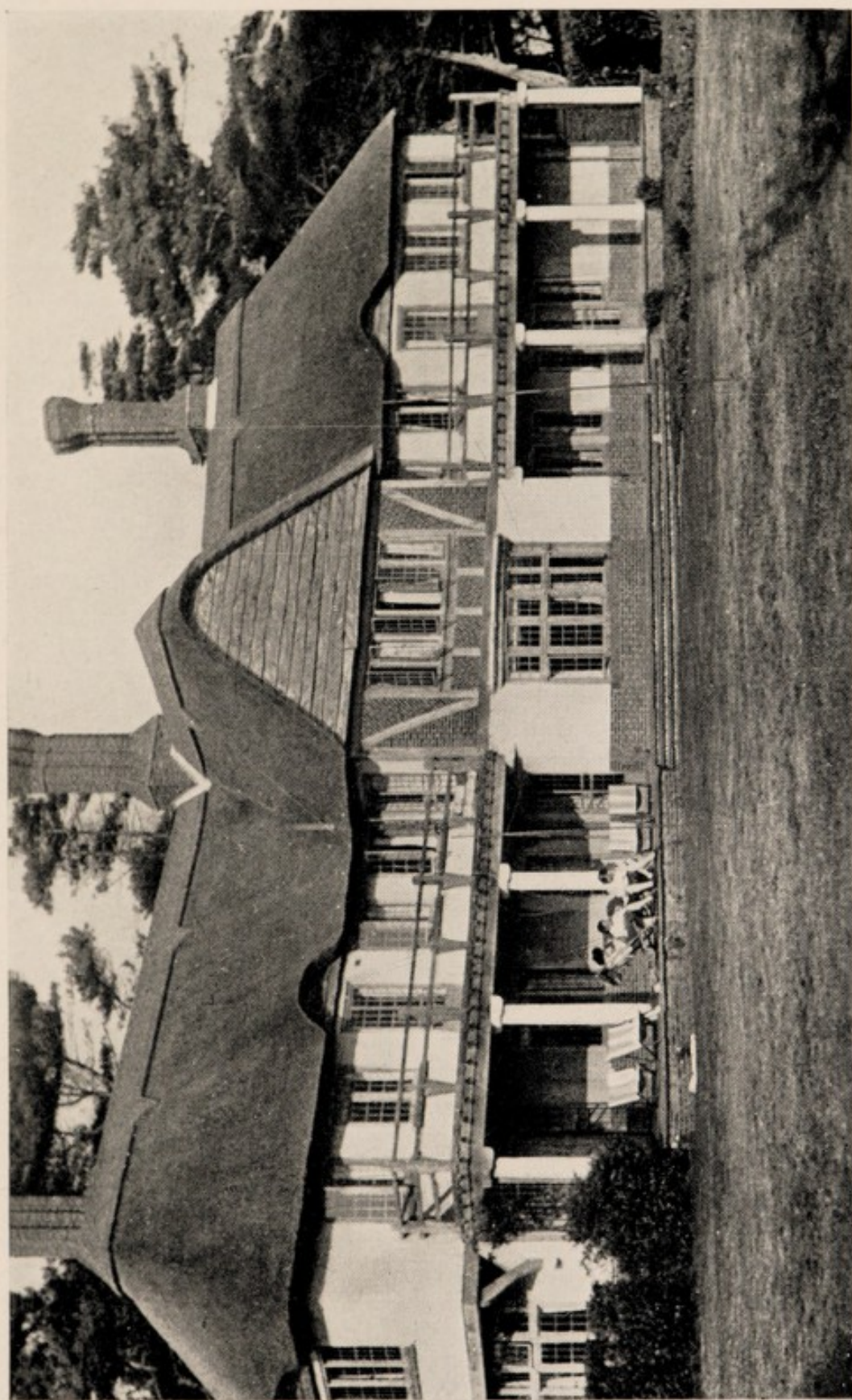
The following Out-Patients, the number of whose attendances is included in the gross total shown on page 39, but are NOT included in the number of new Out-Patients, have been seen in the following reference departments of the Hospital.

	1948		1947	
	Patients	Attendances	Patients	Attendances
Asthma Clinic	426	3,209	353	2,275
Chiropody Clinic	170	809	92	783
Defective Speech Clinic	70	509	22	256
Endocrine Clinic	311	519	298	598
Follow Up Clinic	69	1,327	54	797
Fracture Clinic	1,170	3,120	1,037	2,514
Hæmatological Clinic	112	321	157	331
Mastitis Clinic	29	110	30	189
Orthoptic Clinic	148	1,106	121	1,305
Physiotherapy Department	4,063	87,700	4,520	85,228
Vaccine Department	33	1,061	35	1,264
	6,601	99,791	6,719	95,540

Figures are also given showing the work carried out in the X-ray Department:—

	1948	1947
Total number of Patients X-rayed during the year	18,546	18,954
Total number of X-ray examinations	31,137	29,232
Total number of X-rays taken	60,538	52,906
Total number of Barium Examinations	3,488	3,239
Total number of Portable X-ray Examinations	1,373	1,172

Not included in the Statistical Tables on page 39.



“The Thatchings”

