Brighton and Sussex University Hospitals NHS

Annual Report 2010-11

With our partners

brighton and sussex medical school

KSS NHS Postgraduate Deanery for Kent, Surrey and Sussex

Contents

Statements

BSUH employs 7000 people each of whom has a different reason for doing the job they do and different skills and experience that they bring to the job. They often work in difficult circumstances, at a relentless pace and their days (and nights) can be unpredictable and driven by challenges that are not within their control. In an organisation of this size everyone does their bit and the contribution each person makes should be recognised and valued.

It is quite right that the expectations of our patients get higher each year. The major challenge for us is to keep getting better so that BSUH develops into an organisation which not only meets, but hopefully exceeds those expectations.

I would like to take this opportunity to thank every individual for working as hard as they do, doing as good a job as they do and for the part each of them plays in the services we provide.

Chair
Julian Lee

We are approaching ten years since the merger of the Princess Royal and the Royal Sussex County Hospitals to create BSUH as one hospital and one of the newest generation of UK teaching hospitals along with the youngest Medical School in the country; and we have for four years now been graduating qualified doctors and of course for many more nurses, midwives, scientists and other professions. All of this was never just about creating something superb for the people of Brighton and Hove and Mid Sussex, the promise was that we would work with and through networks of hospitals, GPs, mental health and community services to raise the bar for the whole of the south east of England. We are beginning to enjoy the benefit of attracting genuinely outstanding clinicians and building a clinical infrastructure and capability that London has enjoyed for centuries. The clinical service, teaching and research benefit of having a modern, networked teaching hospital will radiate across the south east and be felt by generations to come.

The previous generation of medical schools and teaching hospitals, created in the 1960s, took around 30 years to establish themselves. We believe we can get there in 20 years but there is still much to do and we have 10 to 15 years of hard work before us.

We have deliberately kept our Annual Report brief but hopefully interesting. If you would like to read more about BSUH 'Our Priorities' for next year and our 'Quality Account' are both available on our website or in hard copy on request.

Chief Executive
Duncan Selbie

What we do

BSUH is the regional teaching hospital working across two sites: the Royal Sussex County Hospital in Brighton and the Princess Royal Hospital in Haywards Heath. The Brighton campus includes the Royal Alexandra Children's Hospital and the Sussex Eye Hospital, and the Haywards Heath campus includes the Hurstwood Park Regional Centre for Neurosciences.

We provide District General Hospital services to our local populations in and around the City of Brighton and Hove, Mid Sussex and the western part of East Sussex and more specialised and tertiary services for patients across Sussex and the south east of England.

Both hospitals provide many of the same acute services for their local populations. In addition, the Princess Royal is our centre for elective surgery and the Royal Sussex County Hospital is our centre for emergency and tertiary care. Our specialised and tertiary services include neurosciences, neonatal, paediatrics, cardiac, cancer, renal, infectious diseases and HIV medicine. We are also the major trauma centre for the region.
We treat over three quarters of a million patients each year. Working as one hospital across two sites, and playing to the strengths of both, gives us the flexibility to develop services which meet the needs of our patients at different stages of their treatment and care.

Central to our ambition is our role as a developing academic centre, a provider of high quality teaching, and a host hospital for cutting edge research and innovation; and on this we work with our partners, Brighton and Sussex Medical School (BSMS) and the Kent, Surrey and Sussex Postgraduate Deanery, and our local universities.

We also work in close partnership with our local GPs to ensure that we are especially attentive to the quality of our District General Hospital services, especially how well we look after our most elderly patients, and that these services are provided and improved in ways which best meet the needs of those patients and their families.

This year **734,000** patients came through our doors, including:

14,000 elective inpatients (planned operations requiring a stay in hospital)

34,000 elective day cases (procedures and operations where patients go home on the same day)

53,000 non-elective inpatients (patients who need emergency admission to hospital)

495,000 outpatients (patients who have a day appointment for a particular procedure)

138,000 A&E attendances

The BSUH Board

The Board is responsible for the overall performance and direction of the hospital. It includes the Chair and Non-Executive Directors, the Chief Executive and four full-time Executive Directors.

The Board 2010/11

Chair
Julian Lee

Non-Executive Directors
Julie Nerney
Carole Nicholson
Dr Tony Holloway
Richard Hawkins
Michael Farthing

Chief Executive
Duncan Selbie

Deputy Chief Executive
Michael Wilson

Medical Director
Dr Des Holden

Chief Nurse
Sherree Fagge

Chief Financial Officer
Chris Adcock

Clinical Leadership 2010/11

Chief of Clinical Operations
Dr Jo Andrews

Chief Nurse
Sherree Fagge

Chief of Medicine
Dr Owen Boyd

Chief of Surgery
Mr Jonathan Hyde

Chief of Specialised Services
Dr Lawrence Goldberg

Chief of Women and Children
Mr Peter Larsen-Disney

Chief of Trauma
Mr Iain McFadyen

What happened this year?

In April 2010

we entered the new financial year having secured £20 million to complete the detailed designs for our 3Ts redevelopment of the Royal Sussex County Hospital.

In May

the SHA approved our bid for £6 million to build a third cardiac theatre in Brighton which will also allow us to consolidate cardiac inpatient services, increase the number of cardiac beds and expand cardiac ITU.

In June

our maternity services were ranked best in class for rates of women delivering naturally having had a previous Caesarean section which is recognised internationally as one of the key quality measures of overall maternal care.

In July

we held our inaugural Hospital Star Awards prize-giving ceremony. The Awards were run in association with our local newspaper The Argus. The winners and runners up were chosen by our independent panel of judges from the 400 nominations received from staff, patients and their families.

In August

a 14-year-old patient at our Children's Hospital became one of the first in the UK to have scarless keyhole surgery to have his appendix removed. Paediatric surgeon Mr Anies Mahomed is one of only a handful of surgeons in England trained to carry out single incision laparoscopic surgery or SILS.

In September

wireless computers on wheels were installed across the Hospital in preparation for the introduction of a new Electronic Discharge Summary. Designed to provide clear documentation outlining the treatment patients have received in hospital and their prescribed medication, the online form is sent to a patient's GP within 24 hours of discharge.

In October

our ante and postnatal service for teenage mums received national recognition in a new report into 'service provision for pregnant women with complex social factors' published jointly by the Royal College of Obstetricians and Gynaecologists and the Royal College of Midwives.

In November

the Sussex Rehabilitation Centre (SRC) transferred from Sussex Community Trust to BSUH. The 42-bedded unit, on the Princess Royal Hospital campus, provides specialist rehabilitation for patients who have had a stroke or brain injury. Access to high quality rehabilitation is immensely important to these patients and can make a marked difference to both the speed of their recovery and the long term impact the stroke or brain injury may have on their lives.

In December

we opened our first High Dependency Unit which completed the programme of work we started two years ago to improve and modernise the emergency floor at the Royal Sussex County Hospital.

In January 2011

the Care Quality Commission published the results of their national review of services for stroke patients. This particularly focused on rehabilitation and the long term care given to patients as they recover from stroke. The services for patients in Brighton and Hove were ranked the second best in England.

In February

the findings of the National NHS Staff Survey for 2010 were published. Of the BSUH staff who completed a survey 94% agreed that their role makes a difference to patients and 80% felt valued by their work colleagues. We also scored better than the national average on the theme of staff satisfaction with 76% of staff agreeing with at least two of the following three statements:

•that they are satisfied with the quality of care they give to patients;

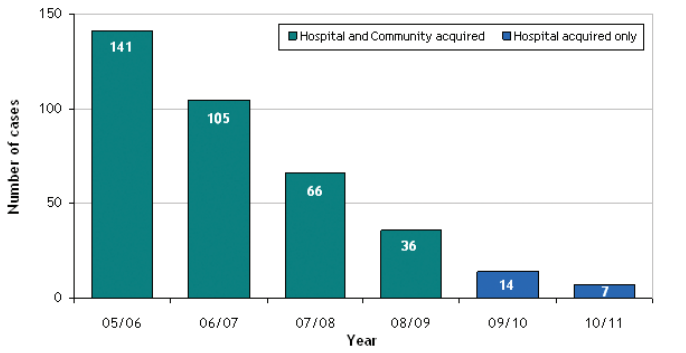
•that they are able to deliver the patient care they aspire to;

•that they are able to do their job to a standard they are personally pleased with.

In March

we closed the year having reported 7 hospital-acquired MRSA cases, a reduction of 50% on the previous year, and 135 C. difficile cases, a reduction of 13 on the previous year and 20 fewer than our nationally set maximum.

Number of MRSA bacteraemias (blood stream infections) by year from 2005/06 to 2010/11 at Brighton and Sussex University Hospitals



Our 'to do' list for 2011-12

This is the fourth year that we have published 'Our Priorities' in the form of a brief overview of the previous year and a 'to do' list for the year ahead. The format has remained constant but as we continue to make improvements and grow into our role as a young teaching hospital and trauma and tertiary centre, the language we use to describe who we are, what we do and our ambition has changed in emphasis.

Best and safest care

For our patients

We will aim for zero avoidable infections and no more than six hospital-acquired MRSA bloodstream infections and no more than 103 cases of hospital-acquired C. difficile.

We will ensure:

- that adult inpatients are screened for HIV
- that everyone receives a venous thromboembolism (VTE) Risk Assessment and appropriate prophylaxis
- we further reduce avoidable patient falls

We will implement the Ward Round Safety Checklist training programme and complete the roll out of the World Health Organisation (WHO) Safer Surgery Checklist to promote leadership, communication and teamwork amongst our medical and surgical teams.

For our staff

Using our refreshed appraisal system, we will ensure every member of staff has a meaningful and relevant appraisal.

We will improve the level of staff satisfaction as demonstrated by the findings of the national NHS staff survey.

Emergency care

We will improve the care of elderly patients by:

- increasing the input from medical specialists in elderly care to meet their specific needs, particularly those with orthopaedic problems
- achieving best practice for patients with hip fractures including surgery within 36 hours of injury
- tailoring nursing care to the specific needs of elderly patients especially in providing good nutrition.

We will complete the relocation of paediatric A&E into the Children's Hospital.

We will go live as the major trauma centre for the South East by providing a 24/7 consultant-delivered major trauma service with all major specialist services including neurosurgery available on site; a dedicated major trauma theatre with interventional radiology capabilities; and further modernisation of the County Hospital Emergency Floor.

Planned care

We will treat 90% of admitted and 95% of non-admitted patients within 18 weeks and within speciality-specific median waiting times.

We will develop with our GPs a proposed end-to-end pathway for Musculoskeletal Services which embraces community-based care, the need for surgery — simple and complex — and aftercare.

Building our clinical infrastructure and capability

We will submit our 3Ts full planning application to Brighton and Hove City Council with the aim of approval by Christmas 2011.

We will commence the building works — subject to planning consent — for our new four-theatre Day Surgery Unit at PRH.

We will work in partnership with Western Sussex Hospitals and East Sussex Healthcare to establish NHS satellite radiotherapy units in Worthing and Eastbourne.

Maintaining a healthy financial position

We will spend no more than we earn and make a surplus to enable investment.

As we continue to progress our application for NHS foundation trust status and our 3Ts plans, we will demonstrate that we are financially responsible.

Academic excellence

We will maintain and enhance with our academic partners the reputation of our undergraduate and pre-registration training and teaching.

We will build on the hosting arrangement we provide for the Kent, Surrey and Sussex Deanery and play a leading role in the Education and Training agenda for all staff groups across the South East.

We will work with the National Institute of Health Research (NIHR) to increase the number of our patients involved in clinical research trials.

There is always more to do than we can achieve in any one year and this list is not exhaustive. Our clinical divisions and the corporate teams that support them are responsible for their implementation.

Our operating review

We maintained our unconditional registration with the Care Quality Commission (CQC).

National Standards	Definition	2010/11 standard	2010/11 actual	2009/10	2008/09
Access to GUM clinics	% patients offered an appointment to be seen within 48 hours	98%	100%	100%	100%
Ethnic coding data quality	Ethnic coding levels of inpatients	90%	92.5%	92%	91%
Reperfusion waiting times	Call to balloon time - 150 minutes or less	70%	84%	75%	n/a
Delayed Transfers of Care	Inpatients with delayed transfer of care	<3.5%	3.9%	3.4%	4.9%
A&E waiting times	% patients discharged within 4 hours in A&E and MIU	95%	97%	99%	99.5%
Revascularisation waiting times	Patients waiting >3m for revascularisation	0	0	0	0
RACPC waiting times	Waiting times for Rapid Access Chest Pain Clinic (GP referrals only) <2 weeks	98%	100%	100%	100%
Cancelled operations	% elective operations cancelled on day of operation % of cancellations not re-admitted within 28 days	<0.8% <5%	0.66% 3.76%	0.73% 4.1%	0.77% 4.7%
Smoking during pregnancy and breastfeeding initiation rates	Smoking during pregnancy Breastfeeding initiative	lower than national average higher than national average	7% 85.5%	6.8% 87%	7.76% 85%
Participation in heart disease audits	Participation in National Heart Disease Audits with data quality >90%	90%	achieve	achieve	n/a
Engagement in clinical audits	Self assessment of compliance with 'best practice' audit guidance - 6 questions	annual	achieve	achieve	achieve
Quality of stroke care	Stroke patients spending >90% of hospital time on a stroke unit	80%	84.9% (Q4)	69%	n/a
Maternity data quality	Completeness of mandatory HES fields	85%	88%	95%	n/a
MRSA bacteraemias	National Vital Signs - MRSA bacteraemia reduction	<8	7	14	36
C. Difficile infections	National Vital Signs - Number of C. Diff hospital acquired infections (Age 2+)	<155	135	148	184

National Standards	Definition	2010/11 standard	2010/11 actual	2009/10	2008/09
18 week referral to treatment waiting times	% admissions within 18 weeks in month	90%	92.4%	92%	92.5%
	% non-admissions within 18 weeks in month	95%	98.3%	97%	96.6%
	% direct access audiology patients within completed pathways within 18 weeks	95%	99.9%	100%	99.1%
Cancer urgent referral to first OP appointment waiting time (2 weeks)	Urgent GP referrals for suspected cancer - seen within 2 weeks	93%	94.48%	94%	93.5%
	Max 2 week wait from referral for general breast symptoms	93%	100% offered 91.6% uptake	93.9%	n/a
Cancer diagnosis to treatment waiting times (1 month)	First cancer treatments started within 1 month of decision to treat	96%	97.06%	98%	99.1%
	Max 1 month wait for all subsequent treatments for new cases of primary and recurrent cancer where anti-cancer drug regimen is the chosen modality	98%	99.28%	100%	n/a
	Max 1 month wait for all subsequent treatments for new cases of primary and recurrent cancer where surgery is the chosen modality	94%	96.57%	98%	n/a
	Max 1 month wait for all subsequent treatments for new cases of primary and recurrent cancer for all other treatment modalities - radiotherapy	94%	96.2% (Q4)	n/a	n/a
Cancer urgent referral to treatment waiting times (2 months)	First cancer treatments started within 2 months of urgent GP referral for suspected cancer	85%	86.74%	89%	92.3%
	Max 2 month wait from referral from a national cancer screening service to first treatment for all cancers	90%	90.70%	92%	91.3%
	Max 2 month wait from a cons decision to upgrade the urgency of a patient they suspect to have cancer to first treatment for all cancers	90%	99.41%	99%	95.4%

2010/11 CQUIN	Implementation of Enhancing Quality Programme	Achieved
	Improving 'Patient Experience'	Partially achieved
	VTE Assessment	Achieved
	GP Communication	Achieved
	Improving Discharge planning	Achieved
	Reducing medication errors	Achieved
	Reducing in hospital patient falls	Achieved
	Improving access and quality of Oncology service	Achieved
	Reducing hospital Outpatient cancellations	Achieved
	Implementation of HIV screening	Achieved
	Improving vascular access for patients on haemodialysis	Achieved

Our people

We are committed to creating an environment where people want to work, where careers are interesting and developed, where staff are encouraged to reach their full potential and where they feel their contribution is recognised and valued.

Brighton and Sussex University Hospitals employs 7000 people, including:

2579 Nursing and Midwifery

904 Medical staff

924 Scientific, therapeutic and technical

1173 Administrative, clerical and estates

244 Other support staff

Since joining BSUH in July 2007, our Chief Executive has been sending out a weekly Friday Message to all staff, the media, MPs and many others as a way of communicating personally about the life and times of our hospital, good and bad. He often uses this to talk about our people; the work of particular individuals or teams and the difference their contribution has made:

"Last Friday I spent the morning in cardiac theatres watching heart surgeons **Andrew Cohen** and **Mike Lewis**, anaesthetists **Nevil Hutchinson** and **Robert Kong**, and their teams, performing the most exquisite surgery on two patients. The first was a triple coronary artery bypass and the second an open heart procedure to remove a myxoma, a rare, non-cancerous tumour. What the patients have in common is that their conditions were life-threatening, without surgery their prognoses extremely poor and they are both now well and back at home. The teamwork in both theatres was, as ever, a joy to behold and I will never tire of seeing the individual and combined contribution of our people." **23 April 2010**

"On Wednesday, I spent an enjoyable hour with volunteer **Bidge Garton** and 30 five-year-olds. Our 999 Club is a learning programme, beautifully co-ordinated by Bidge, which organises for hundreds of children from local schools to visit the County A&E each year. The children all have 'injuries' bandaged and get to see x-ray in action with a teddy bear (who is at serious risk of over exposure to radiation in my view) and time in the back of an ambulance learning what it feels like to have an oxygen mask on and to have their blood pressure taken." **7 May 2010**

"The quiet contribution our lead Chaplain **Peter Wells** and our whole Chaplaincy Team make to our hospitals is as broad as it is deep, and whilst the provision of spiritual and religious care to our patients and staff is an important element of this, it goes further. They bring a unique insight and understanding of how our patients feel about their care because they see and hear so much as they move around our hospitals at all hours of the day and night. And they often get a more unguarded and fuller story from patients than those involved in their care more directly, because they spend a great deal of time letting patients talk and simply listening." **18 June 2010**

"Finally, I want to mention the Diabetes Team at PRH. On Wednesday I spent time with Consultant **Andy Smith** and the Diabetic Nurse Specialists who are doing something really quite special particularly in relation to new technologies and with patients between the ages of 16 and 25, who often think they are invincible, and it is a talented affair to get them to engage with the regimes necessary to manage diabetes. This really is a service to

be proud of and on which we need to build as we take forward our diabetic service in both Brighton and Mid Sussex, and particularly to meet the needs of the growing population of Type 2 diabetics." **10 September 2010**

"Our ante and postnatal service for teenage mums, run by midwife **Mitch Denny**, has also received national recognition this week in a new report into 'service provision for pregnant women with complex social factors' published jointly by the Royal College of Obstetricians and Gynaecologists and the Royal College of Midwives. This in turn has generated national media interest in the superb work our midwives are doing with these particularly vulnerable young women." **1 October 2010**

"This is exactly what we did last week for a 30-year-old mum who suffered multiple injuries after being hit by a car near Eastbourne and dragged for 15 feet. Our A&E Consultant **Rowley Cottingham** was on the scene early as part of the South Coast Immediate Care Scheme (SIMCAS). Working with paramedics from Southeast Coast Ambulance Service he helped stabilise the patient and the decision was taken that despite it being a longer ambulance journey than to Eastbourne, the trauma expertise now available at the County made bringing her straight to us the right thing to do. Fifteen minutes after arriving in A&E she was in the CT scanner — the national average for Major Trauma Centres is 70 minutes. A piece of her pelvic bone had punctured her bladder which was causing a life-threatening internal bleed and within an hour of arriving she was in theatre where our Chief of Trauma **Iain McFadyen**, Consultant Urologist **Tim Larner** and Consultant Anaesthetist **Julia Ely** and their teams operated on her for three hours. She survived and is doing remarkably well." **5 November 2010**

"Last Thursday, Sister **Chris Arthur** showed me around our newly refurbished vascular and urology wards on Level 8 Tower at the County, before they were handed back to us to make ready for patients; and yesterday the staff and patients moved back in. For the duration of the works they have been 'renting' Overton Ward and have managed admirably with all the challenges that come with being displaced. Refurbishment is essential to making best use of the space we have and the new wards are such an improvement on the previous environment. I do though know how hard the past six months have been operationally for the teams affected, and for the rest of the hospital, and my thanks to everyone for the expert way this has been handled." **17 December 2010**

"As a first step in improving care for people with dementia, on Hurstpierpoint Ward at PRH we have created a dedicated area for those who are admitted with an acute problem. The physical environment and busyness of a general medical ward often compounds the symptoms of dementia so this area has been specially adapted. It includes two spacious four-bedded bays, a quiet room, a cognitive therapy room and a day room. The Ward Manager, **Lisa Godfrey**, has successfully recruited a very enthusiastic team of nurses and the ward will also have a resident Mental Health Occupational Therapist and three Consultant Psychiatrist sessions per week from our neighbouring mental health services, Sussex Partnership Trust. This service will also be operational from 1 April." **18 March 2011**

Our patients

We treat over three quarters of a million patients each year. Working as one hospital on two sites, and playing to the strengths of both, gives us the flexibility to develop services which meet the needs of our patients at different stages of their treatment and care.

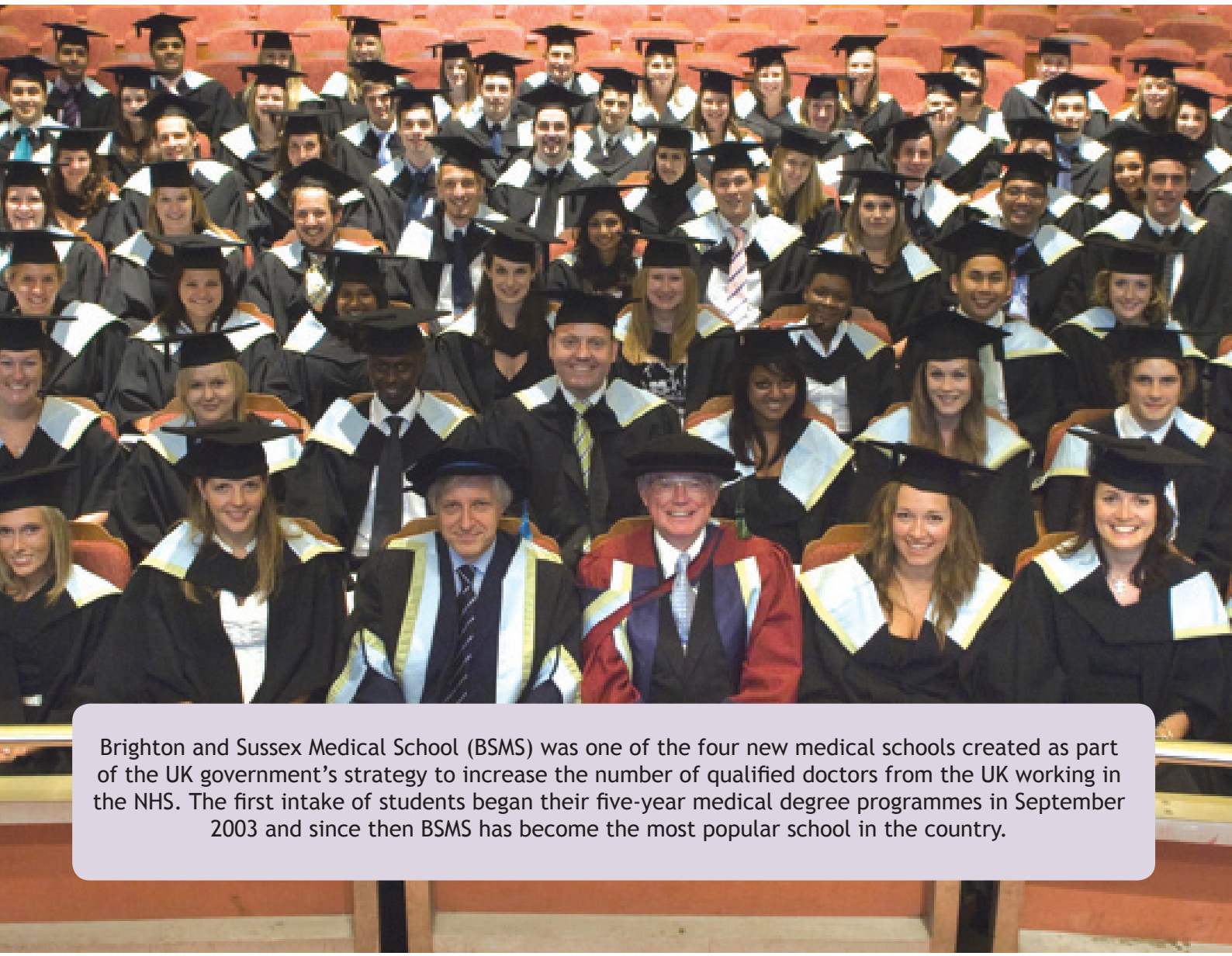
We have a hospital-wide system that gathers patients' views as inpatients, outpatients, day cases and in A&E called Patient Voice. The system continually collects both qualitative and quantitative information about their experience. This data is analysed and used to inform action plans at clinical level. In 2010/11 we surveyed 2387 inpatients and 1294 outpatients.

For patients or visitors who need support, advice or information or want to discuss raising a concern or complaint, our PALS Team is often the first point of contact. They received 3600 contacts during 2010/11, some of which were resolved in five minutes, some took several weeks and the majority were somewhere between the two.

We have processes in place to ensure that patients understand how to make a formal complaint; that these complaints are then dealt with in a professional, timely and efficient way; and that the lessons learnt from complaints are properly disseminated and implemented. During 2010/11 the Complaints Department received 1150 formal complaints; a 4.5% decrease on the number received in the previous year.

Our 2011 Hospital Star Awards were an overwhelming success. We received hundreds of nominations from Argus readers, patients and their families and BSUH staff. Our thanks to the independent panel of judges which was made up of Argus Editor Micheal Beard, Nicolas Soames MP, Baroness Audrey Emerton and NHS Sussex Chief Executive Amanda Fadero; and to local businesses Zizzi, The Treatment Rooms, Brighton Thistle Hotel, BSMS, JBPR, Theatre Royal, Seattle Hotel, Zetacolour, Headmasters, Havana and Newick Park Hotel and Country Estate, who donated our prizes.

Our partnerships



Brighton and Sussex Medical School (BSMS) was one of the four new medical schools created as part of the UK government's strategy to increase the number of qualified doctors from the UK working in the NHS. The first intake of students began their five-year medical degree programmes in September 2003 and since then BSMS has become the most popular school in the country.

In partnership with BSUH, BSMS is developing a strong reputation for making a real impact to medical research nationally and internationally with the ultimate aim of improving medical treatment, answering fundamental biomedical and clinical questions and delivering more personalised healthcare to patients.

Our research themes include cancer, cell and developmental biology, elderly care and stroke, imaging, infection and immunology, neurosciences, paediatrics, primary care and health services, psychiatry and rheumatology.

On 1 April BSUH became the host for the Kent, Surrey and Sussex Postgraduate Deanery — a move which secures the future of postgraduate medical, dental and pharmacy education for the region, in the region. We extended a warm welcome to the 250 staff who joined us as part of this agreement, and also to Professor Sir David Melville who was appointed as the first Deanery Board Chair.

3Ts
Hospital Redevelopment

Teaching • Trauma • Tertiary care

What is 3Ts?

3Ts is the acronym that we use for our redevelopment plans for the Royal Sussex County Hospital. Although it stands for Teaching, Trauma and Tertiary Care, the redevelopment will help improve many clinical services, especially for our most elderly patients.

3Ts will replace all the buildings at the front of the County site, from the Barry Building right along to the Cancer Centre. Two new state-of-the art hospital buildings will take their place. The redevelopment will bring our Elderly Care, General Medicine, HIV and Clinical Infection wards up to modern standards, expand Neurosciences, establish BSUH as a Level 1 Major Trauma Centre, and build a new expanded Cancer Centre.

Why is it needed?

The main buildings at the front of the County were built nearly 200 years ago. The wards are cramped, the other clinical and public areas are inadequate and there is an overwhelming need to replace them with modern facilities which are welcoming, accessible and purpose-built for the provision of 21st century healthcare.

Neurosciences

The Hurstwood Park Regional Centre for Neurosciences is being relocated from the Princess Royal Hospital in Haywards Heath to Brighton. This will place neurosciences alongside our other key emergency services, enabling the County to become the Major Trauma Centre for Sussex and the South East of England and provide more co-ordinated treatment, on one site, for our most seriously ill and injured patients.

Sussex Cancer Centre

We need to expand the Sussex Cancer Centre including the development of a new Chemotherapy Day Unit, increasing the radiotherapy service and doubling the number of beds on the Oncology Ward.

Major Trauma Centre

This new centre will treat around 360 patients with severe and multiple injuries every year. The majority of these would currently be taken to one of the London hospitals.

Brighton and Sussex Medical School

The redevelopment will also mean that within the hospital we can provide state-of-the-art teaching, training and research facilities for our Medical School and local Universities.

What next?

The planning application will be submitted in September 2011, and we hope to have a decision by Christmas. We can then enter into final discussions with the Department of Health

We want to make our hospitals and our services the best that they can be for patients from across Sussex and the South East of England

and Treasury about funding. In November 2010, the Secretary of State for Health published his list of national priorities for publicly funded major capital investment schemes which included 3Ts.

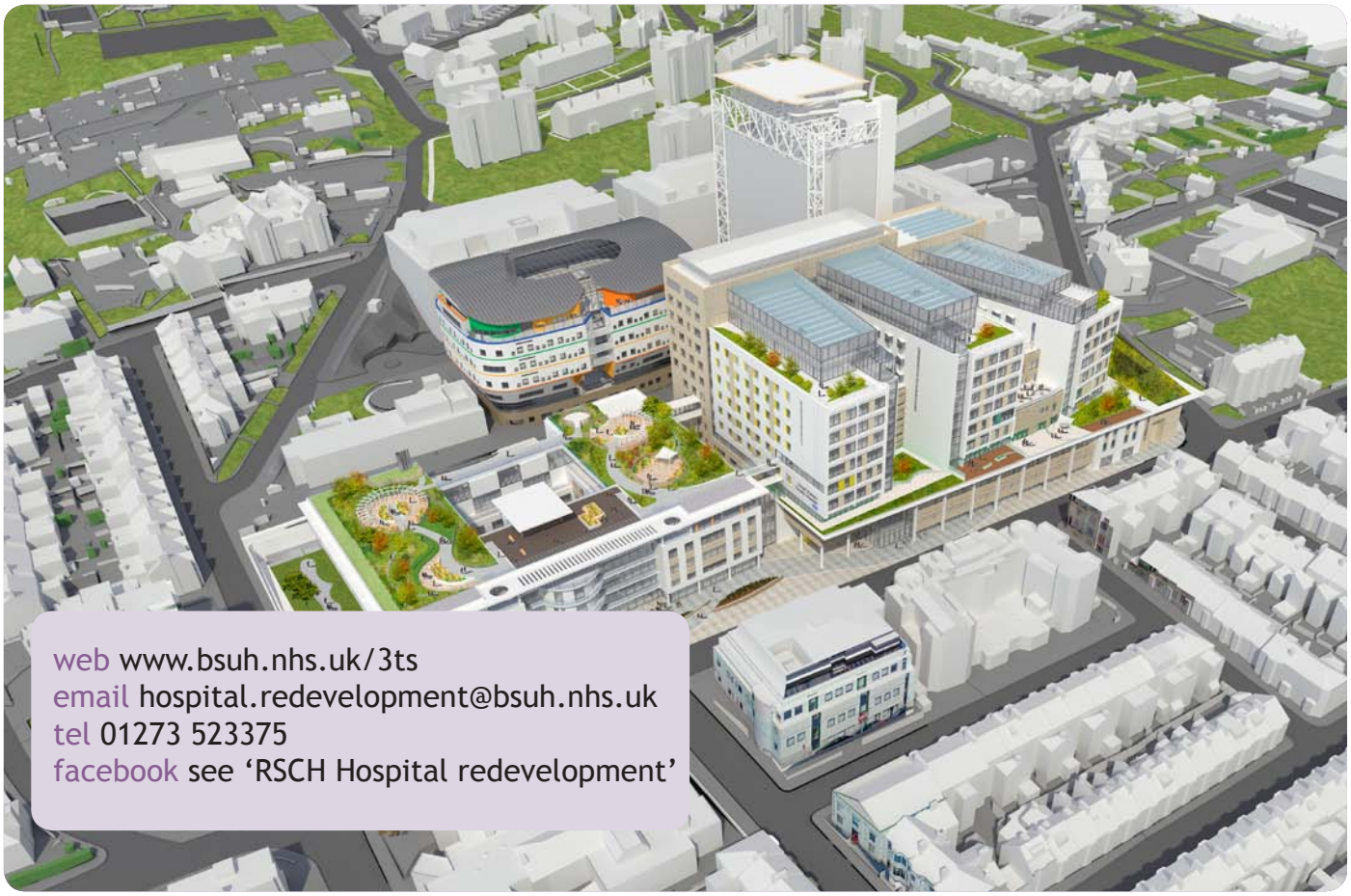
When will the new buildings be ready?

The Stage 1 building is the larger of the two. It will house our elderly care and general medicine wards, the Major Trauma Centre, the Neurosciences Centre, the Intensive Care Unit and a number of other services. We are currently planning to have this complete by the Summer of 2017.

The Stage 2 building, which is the new Cancer Centre combined with Nuclear Medicine and some new Brighton & Sussex Medical School facilities, will be completed in late 2019.

Parking

We will create 430 parking spaces under the new buildings. As 80 current parking spaces will be lost at the front of the County Hospital, this means an actual gain of 350 spaces.



web www.bsuh.nhs.uk/3ts
email hospital.redevelopment@bsuh.nhs.uk
tel 01273 523375
facebook see 'RSCH Hospital redevelopment'

We converted an area on Hurstpierpoint ward at PRH for the care of people with dementia who are admitted for an acute medical problem. The dedicated area was specially adapted to minimise the risk of a hospital stay compounding their dementia symptoms including the use of the colour scheme which is proven to be least antagonising for people with dementia.

Reducing our Carbon Footprint

In 2010/11 we achieved a 0.5% reduction in gas consumption and a 3% reduction in electricity consumption and we have plans in place to improve on this. We also have plans for reducing our carbon emissions by 25%.

We completed the latest phase of the modernisation of the Emergency Floor at the Royal Sussex County Hospital including the opening of a High Dependency Unit, a first for BSUH; significant improvements to the Day Surgery Unit and the installation of two CT scanners and a new wide-bore CT scanner in the Sussex Cancer Centre.

Financial review

The report of the Finance Director

This was another challenging year for the organisation — and with the help of all of our staff and stakeholders, we have been able to move closer to financial sustainability. We delivered a significant financial surplus, in the context of increasing prices, increasing activity and a need for increased investment in measures to deliver our key priorities of quality and safety.

We have continued to work closely with NHS Brighton and Hove — our local commissioners for healthcare — to deliver financial balance for the whole health economy. Working together in this way delivers benefits for both BSUH and the wider Brighton health community, as it ensures that resources are placed where they can deliver the optimum benefit across the patient pathway — and has been critical to our continued improvements in financial performance. We are looking forward to working in the same way with the new 'Sussex Cluster' commissioners, and welcome the opportunity to look across to East and West Sussex, where close to half of our patients live.

Last year, I highlighted that there is no 'choice' between good financial management and caring for our patients and staff in the right way. This remains the approach that I, and the Trust Board, take. If we deliver on our commitments in the way that is safest, and at the right quality, then the financial benefits will follow.

The coming financial year will also be a challenging one — more so than ever, given the changes in economic circumstances and the organisational change currently underway across the local and national NHS. However, this will provide us with opportunities for us to build on our success. As an example, from 2011/2012 we are hosting the Kent, Surrey and Sussex Deanery within our organisation — providing an ideal opportunity to strengthen our links with education providers across the South East Coast.

We will continue to deliver on plans for improved efficiency across the organisation — allowing us to continue to focus on delivering the right services for the people of Sussex and Brighton. In doing so, we are preparing the way for the implementation of the 3Ts development and our progression towards Foundation Trust status. Both of these key projects are absolutely dependent on our ability to manage the money we are given, and with your help, we will be able to demonstrate that we are ready to move forward as an organisation.

BSUH acts as a Trustee for charitable funds of £5.6m. Income from donations legacies and grants totalled £1m. Expenditure of £1m was incurred mainly on clinical research, patient and staff welfare and amenities. BSUH is, as always, extremely grateful for the generous financial support to charitable funds that has enabled us to provide valuable extra facilities.

Chris Adcock
Chief of Finance and Operations
2 June 2011

Statement of Chief Executive's responsibilities as accountable officer of the trust

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Duncan Selbie
Chief Executive
2 June 2011

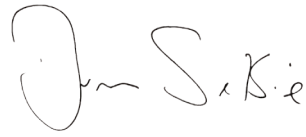
Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.



By order of the Board
Duncan Selbie, Chief Executive
Chief Adcock, Chief of Finance and Operations
2 June 2011

Notes to the summary financial statements

For the year ended 31 March 2011 there were no material changes in the Trust's accounting policies. The accounting policies are those issued by the Department of Health which follow UK generally accepted accounting policies for companies to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The Trust should achieve a financial return of 3.5% on net assets. This is done by ensuring our prices include overheads, one of which is capital charges.

West Sussex PCT, Brighton and Hove City PCT, East Sussex Downs and Weald PCT and Surrey PCT are the largest purchasers of our services.

The amount spent on staff involved in management and administration includes the cost of managing clinical services and services such as finance and personnel. Staff costs are our biggest and most important area of spend. Doctors, nurses and paramedical staff account for 76% of our staff costs.

Fixed Assets represent the value of the land, buildings and equipment used by the Trust.

The donation reserve represents the value of assets purchased from charitable donations. Past and present employees are covered by the provisions of the NHS Pensions Scheme. The Scheme is an unfunded, defined benefits scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for the Trust to identify its share of the underlying scheme assets and liabilities. Therefore the Scheme is accounted for as a defined contribution scheme and the cost of the Scheme is equal to the contributions payable to the Scheme for the accounting period. The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the Business Service Authority – Pensions Division website at www.nhspa.gov.uk. Copies can also be obtained from the Stationery Office.

The Trust's External Auditors are the Audit Commission. The District Auditor is Darren Wells. In 2010/11 the cost of audit work performed by the Audit Commission was £240,000. No non-audit services were provided to the Trust.

The Trust has one umbrella charitable fund, Brighton and Sussex University Hospitals NHS Trust Charitable Funds (number 1050864), registered with the Charity Commission to receive gifts and legacies etc. from grateful patients and relatives. These donations are used to fund patient and staff welfare and amenities, research and hospital equipment.

The Financial Statements are a summary of the Full Accounts and Statements of the Trust. A full set of these and the hospital's charity activity can be obtained from:

The Director of Corporate Affairs, The Royal Sussex County Hospital, Eastern Road, Brighton BN2 5BE. Telephone: 01273 664905

Statement of comprehensive income for the year ended 31 March 2011

	2010/11 £000	2009/10 £000
Revenue		
Revenue from patient care activities	386,522	368,116
Other operating revenue	53,228	47,834
Operating expenses	(440,995)	(401,029)
Operating surplus	(1,245)	14,921
Finance costs:		
Investment revenue	49	35
Other gains	(6)	359
Finance costs	(2,924)	(3,151)
Surplus for the financial year	(4,126)	12,164
Public dividend capital dividends payable	(7,734)	(7,561)
Retained surplus for the year	(11,860)	4,603
Other comprehensive income		
Impairments and reversals	(2,626)	(43,145)
Gains on revaluations	5,225	14,721
Receipt of donated	649	525
Reclassification adjustments:		
Transfers from donated and government grant reserves	(878)	(959)
Total comprehensive income for the year	(9,490)	(24,255)

Summary Financial Statements

Cash flow statement for the year ended 31 March 2011

	2010/11 £000	2009/10 £000
Cash flows from operating activities		
Operating (deficit)/surplus	(1,245)	14,921
Depreciation and amortisation	15,116	14,904
Impairments and reversals	15,974	5,414
Transfer from donated asset reserve	(878)	(959)
Interest paid	(2,804)	(2,966)
Dividends paid	(8,085)	(7,561)
(Increase) in inventories	(39)	(789)
(Increase)/Decrease in trade and other receivables	(11,389)	44
(Decrease) in trade and other payables	(3,114)	(2,312)
(Decrease) in provisions	(1,238)	(490)
Net cash inflow from operating activities	2,298	20,206
Cash flows from investing activities		
Interest received	49	35
(Payments) for property, plant and equipment	(27,184)	(24,294)
Proceeds from disposal of property, plant and equipment	43	0
Proceeds from disposal of intangible assets	0	464
Net cash outflow from investing activities	(27,092)	(23,795)
Net cash outflow before financing	(24,794)	(3,589)
Cash flows from financing activities		
Public dividend capital received	40,123	6,269
Loans received from DH	10,000	0
Loans repaid to the DH	(17,460)	(2,488)
Other capital receipts	649	525
Capital element of finance leases and PFI	(1,607)	(1,692)
Net cash inflow/(outflow) from financing	31,705	2,614
Net Increase/(decrease) in cash	6,911	(975)
Cash at the beginning of the financial year	3,074	4,049
Effect of exchange rate changes on the balance of cash held in foreign currencies	(6)	0
Cash at the end of the financial year	(9,979)	3,074

Independent Auditor's Statement

Independent auditor's report to the directors of Brighton and Sussex University Hospitals NHS Trust

I have examined the summary financial statements for the year ended 31 March 2011, set out on pages 22 to 30, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and the related notes.

This report is made solely to the Board of Directors of Brighton and Sussex University Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

My responsibility is to report to you my opinion on the consistency of the summary financial statements within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

I conducted my work in accordance with Bulletin 2008/03 'The auditor's statement on the summary financial statement in the United Kingdom' issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of my opinion on those financial statements.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements of Brighton and Sussex University Hospitals NHS Trust for the year ended 31 March 2011.

I have not considered the effects of any events between the date on which I signed my report on the statutory financial statements (9 June 2011) and the date of this statement.

Darren Wells
District Auditor
Audit Commission
c/o Kent County Council,
4th Floor, "B" Block,
Sessions House,
County Hall,
Maidstone,
Kent, ME14 1XQ

Better Payment Practice Code - measure of compliance

	2010/11 Number	2010/11 £000	2009/10 Number	2009/10 £000
Total Non-NHS trade invoices paid in the year	96,656	182,976	115,608	171,909
Total Non NHS trade invoices paid within target	68,958	112,007	85,196	107,636
Percentage of Non-NHS trade invoices paid within target	71%	61%	74%	63%
Total NHS trade invoices paid in the year	2,760	41,330	2,678	43,023
Total NHS trade invoices paid within target	1,576	16,894	1,810	24,505
Percentage of NHS trade invoices paid within target	57%	41%	68%	57%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

Sickness Absence

There was an average of 8 working days lost per staff year during 2010-11 (2009-10: 9).

Statement of financial position as at 31 March 2011

	31 March 2011	31 March 2010
	£000	£000
Non-current assets		
Property, plant and equipment	297,100	277,597
Intangible assets	27	49
Trade and other receivables	2,806	3,154
Total non-current assets	299,933	280,800
Current assets		
Inventories	7,125	7,086
Trade and other receivables	34,419	22,522
Cash and cash equivalents	9,979	3,074
	51,523	32,682
Non-current assets held for sale	0	0
Total current assets	51,523	32,682
Total assets	351,456	313,482
Current liabilities		
Trade and other payables	(59,258)	(41,732)
DH working capital loan	0	(2,488)
Borrowings	(1,689)	(1,607)
Provisions	(214)	(1,057)
Net current liabilities	(9,638)	(14,202)
Total assets less current liabilities	290,295	266,598
Non-current liabilities		
Borrowings	(38,578)	(45,239)
Provisions	(2,628)	(2,903)
Total assets employed	249,089	218,456
Financed by taxpayers' equity:		
Public dividend capital	230,424	190,301
Retained earnings	(18,968)	(8,028)
Revaluation reserve	31,247	29,655
Donated asset reserve	6,386	6,528
Total Taxpayers' Equity	249,089	218,456

Income from activities

Revenue from patient care activities	2010/11 £000	2009/10 £000
Strategic health authorities	1,821	1,418
NHS trusts	3,863	4,599
Primary care trusts	370,110	351,964
Foundation trusts	1,357	1,205
Local authorities	550	592
Department of Health	350	42
NHS other	0	0
Non-NHS:		
Private patients	5,311	5,171
Overseas patients (non-reciprocal)	243	187
Injury costs recovery*	1,077	1,296
Other	1,840	1,642
	386,522	368,116

Other operating income

Other Operating Revenue	2010/11 £000	2009/10 £000
Education, training and research	44,937	40,488
Transfers from Donated Asset Reserve	878	959
Income generation	4,292	3,472
Rental revenue	424	313
Other revenue	2,697	2,602
	53,228	47,834

* Injury cost recovery income is subject to a provision for impairment of receivables of 9.6% to reflect expected rates of collection

Expenditure

	2010/11 £000	2009/10 £000
Services from other NHS Trusts	1,807	2,447
Services from PCTs	1,699	1,432
Services from other NHS bodies	8	28
Services from Foundation Trusts	440	1,092
Purchase of healthcare from non NHS bodies	4,952	4,216
Directors' costs	63	871
Other employee benefits	262,897	246,402
Supplies and services - clinical	76,860	71,198
Supplies and services - general	17,435	15,889
Consultancy services	2,439	1,600
Establishment	4,768	4,509
Transport	4,886	4,677
Premises	16,396	15,862
Provision for impairment of receivables	283	(302)
Depreciation	15,094	14,884
Amortisation	22	20
Impairments and reversals of property, plant and equipment	15,974	5,391
Impairments and Reversals for Non Current Assets held for sale	0	23
Audit fees	240	248
Other auditor's remuneration - internal audit	235	186
Clinical negligence	7,453	4,523
Education and training	4,691	4,665
Other	2,353	1,168
	440,995	401,029

Management costs

	2010/11 £000	2009/10 £000
Management costs	17,523	16,461
Income	439,750	415,950

Property plant and equipment

Expenditure on capital was £48m. The main projects undertaken during the year were the reconfiguration of Level 5 at the Royal Sussex County Hospital, the refurbishment of Level 8 of the Thomas Kemp Tower, The 3Ts development project and the purchase of St Mary's School in Brighton.

There are two Private Finance Initiative schemes. The first scheme relates to staff accommodation built by the London & Quadrant Housing Trust, a registered social landlord with expertise in the staff accommodation field. In 2010/11 the charge to operating expenses for this scheme was £105,000.

The second scheme was entered into in June 2004 for the build of a new children's hospital. In 2010/11 the charge to the operating expenses was £839,000.

The net book value of assets held by the Trust was as follows:

	£000
Purchased at 01 April 2010	271,069
Donated at 01 April 2010	6,528
Total at 01 April 2010	277,597
Purchased at 31 March 2011	290,714
Donated at 31 March 2011	6,386
Total at 31 March 2011	297,100

The increase in asset value of £20m comprises £48m capital expenditure, indexation and revaluation of £2m less depreciation and impairments of £30m.

Pension benefits

Name and title	Real increase in pension at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2011 (bands of £5000) £000
Mr Duncan Selbie	0-2.5	0	90-95
Mr Chris Adcock	0-2.5	2.5-5	20-25
Mr Des Holden	5-7.5	15-17.5	50-55
Mr Michael Wilson	2.5-5	7.5-10	50-55
Mr Jonathan Andrews	0-2.5	0-2.5	25-30
Mrs Sherree Fagge	12.5-15	40-42.5	45-50

Name and title	Lump sum at age 60 related to accrued pension at 31 March 2011 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2011 £000	Cash Equivalent Transfer Value at 31 March 2010 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension To the nearest £100
Mr Duncan Selbie	0	1,154	1,215	(11)	
Mr Chris Adcock	60-65	233	258	(25)	
Mr Des Holden	160-165	852	862	(10)	
Mr Michael Wilson	150-155	834	888	(54)	
Mr Jonathan Andrews	80-85	342	407	(65)	
Mrs Sherree Fagge	140-145	839	656	183	

Related party transactions

Brighton and Sussex University Hospitals NHS Trust is a body corporate established by order of the Secretary of State for Health.

Any material transactions undertaken with Brighton and Sussex University Hospitals NHS Trust by organisations in which Brighton and Sussex University Hospitals NHS Trust Board members have registered interests, are as follows:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
University of Sussex The Vice Chancellor Michael Farthing is Non Executive Director	5,127,664	656,435	357,423	176,026

Remuneration

**Audit Committee member

Name and title		2010/11		
		Salary (bands of £5000) £000	Other remuneration (bands of £5000) £000	Benefits in kind rounded to the nearest £100
Non-Executive				
Mr Julian Lee	Chair (from 1 May)	20-25		
Mrs Lynette Gwyn-Jones	Acting Chair (to 30 April) Non-Executive (to 31 Dec)	5-10		
Miss Julie Nerney **	Non-Executive	5-10		
Carole Nicholson **	Non-Executive	5-10		
Dr Tony Holloway **	Non-Executive	5-10		
Mr Richard Hawkins **	Non-Executive	5-10		
Michael Farthing	Non-Executive (from 1 July)	5-10		
Executive				
Mr Duncan Selbie	Chief Executive	190-195		
Mr Michael Wilson	Deputy Chief Executive (to 30 September)	25-30		
Mr Chris Adcock	Chief Financial Officer	125-130		
Mrs Sherree Fagge	Director of Nursing	120-125		
Dr Jo Andrews	Chief of Clinical Operations (from 1 November)	25-30	165-170	
Mr Des Holden	Medical Director	70-75	130-135	

Name and title		2009/10		
		Salary (bands of £5000) £000	Other remuneration (bands of £5000) £000	Benefits in kind rounded to the nearest £100
Non-Executive				
Mr Julian Lee	Chair (from 1 May)	10-15		
Mrs Lynette Gwyn-Jones	Acting Chair (to 30 April) Non-Executive (to 31 Dec)	5-10		
Miss Julie Nerney **	Non-Executive	5-10		
Carole Nicholson **	Non-Executive	5-10		
Dr Tony Holloway **	Non-Executive	5-10		
Mr Richard Hawkins **	Non-Executive	0-5		
Michael Farthing	Non-Executive (from 1 July)			
Executive				
Mr Duncan Selbie	Chief Executive	195-200		
Mr Michael Wilson	Deputy Chief Executive (to 30 September)	130-135		
Mr Chris Adcock	Chief Financial Officer	75-80		
Mrs Sherree Fagge	Director of Nursing	20-25		
Dr Jo Andrews	Chief of Clinical Operations (from 1 November)			
Mr Des Holden	Medical Director	55-60	85-90	

Statement of internal control

1. Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

I work in partnership with colleagues at the South East Coast Strategic Health Authority and the Primary Care Trusts that commission services from Brighton and Sussex University Hospitals ("the Trust") to maximise the health gain to the local population with regular reviews of performance being undertaken.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Brighton and Sussex University Hospitals NHS Trust; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Brighton and Sussex University Hospitals NHS Trust for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

As Chief Executive, I am accountable for the overall risk management activity within the Trust. In discharging these responsibilities I am assisted by the following Directors:

- the Medical Director, who has delegated responsibility for managing the strategic development and implementation of safety and quality governance, for reporting this to the Board, through its Safety & Quality Committee, and for the assessment and reporting of clinical risk;

- the Deputy Chief Executive and Strategy Director, who has delegated responsibility for managing the strategic development and implementation of organisational risk management and the assurance processes; and

- the Chief of Operations and Finance, who has delegated responsibility for the Trust's Information Governance arrangements.

A range of risk management training is provided to staff and there are policies in place which describe the roles and responsibilities in relation to the identification, management and control of risk. All relevant risk policies are available to staff via the Trust extranet.

The Trust learns from good practice through a range of mechanisms including clinical supervision, reflective practice, individual and peer reviews, performance management, continuing professional development, clinical audit and application of evidence based practice.

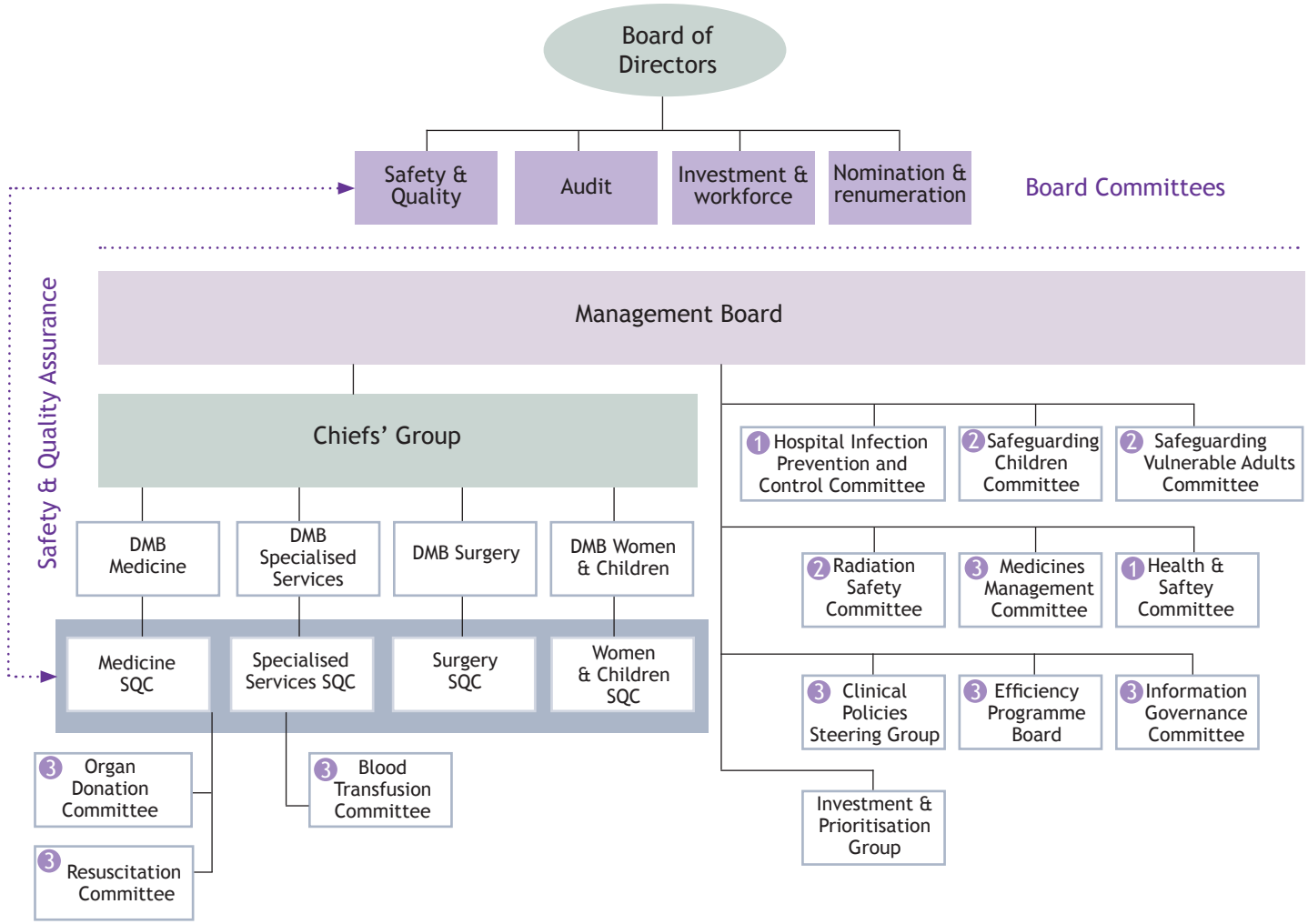
Statement of internal control

4. The risk and control framework

4.1 Risk management strategy

The Risk Management Policy and supporting procedures set out the key responsibilities for managing risk within the organisation, including ways in which the risk is identified, evaluated and controlled.

As part of its preparations for NHS foundation trust status, the Trust concluded a fundamental review of its corporate governance arrangements in the second quarter of the 2010/11 financial year. The BSUH Rules of Procedure, which were approved by the Board in October 2010, set the arrangements out in detail and are publicly available on the Trust's website. An updated set of Standing Orders, Schemes of Reservation and Delegation and Standing Financial Instructions was approved by the Board in November 2010. These are also available on the Trust's website.



NOTES
DMB Divisional Management Board
SQC Safety and Quality Committee (divisional)
1 Quarterly report to Safety & Quality Committee of the Board and by exception
2 Bi-annual report to Safety & Quality Committee of the Board and by exception
3 Annual report to Safety and Quality

The Trust's corporate governance structure is designed to ensure appropriate oversight and scrutiny and to ensure lessons are learnt and good practice is followed. There are four Committees of the Board of Directors:

Audit Committee

In line with the requirements of The NHS Audit Committee Handbook and the NHS Codes of Conduct and NHS Code of Accountability, which are consistent with Monitor's NHS Foundation Trust Code of Governance, the Audit Committee provides the Board of Directors with an independent and objective review of its financial systems, financial information, system of internal control and compliance with laws, guidance and regulations governing the NHS.

The primary role of the Audit Committee, which meets at least quarterly, is to conclude upon the adequacy and effective operation of the Trust's overall internal control system. It is the role of the executive to implement a sound system of internal control agreed by the Board of Directors. The Audit Committee provides independent monitoring and scrutiny of the processes implemented in relation to governance, risk and internal control.

The Audit Committee's work focuses on the framework of risks, controls and related assurances that underpin the delivery of the Trust's objectives. The Audit Committee has a crucial function in reviewing the Trust's external reporting disclosures in relation to finance and internal control, including the annual report and accounts, Statement on Internal Control and required declarations.

The Audit Committee's membership is drawn exclusively from independent non-executive directors and is supported by the work programmes of internal and external audit. This ensures independence from executive and operational management. The Chair of the Audit Committee reports key issues to the open session of the Board of Directors after each meeting.

Safety and Quality Committee

The Safety and Quality Committee, which meets monthly, has delegated authority to assure the ongoing development and delivery of the Trust's Safety and Quality strategy and that this drives the Trust's overall strategy. It is supported by the work of the Divisional Safety and Quality Committees, which were established in September 2010, and reports from the Trust Safety and Quality team. The Chair of the Safety and Quality Committee, a Non-Executive Director, reports on key issues to the Board of Directors after each meeting, and, as a member of the Audit Committee, raises any issues relating to internal control systems with that Committee.

Investment and Workforce Committee

The Investment and Workforce Committee, which meets bi-monthly, provides oversight of the Trust's financial and investment policies, and oversees long-term capital investment and financial sustainability. The Chair of the Investment and Workforce Committee, a Non-Executive Director, reports on key issues to the Board of Directors after each meeting.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee's role is to appoint, and, if necessary, dismiss the executive directors, establish and monitor the level and structure and reward of the executive directors, ensuring transparency, fairness and consistency.

Statement of internal control

The Trust's Management Board, which meets monthly, is tasked with oversight of the operation, completeness and accuracy of the risk management process and provides the Audit Committee and Board of Directors with assurance on the effective development of the corporate risk register. It also oversees the delivery of the priorities set out in 'Our Priorities 2010/11', which include delivery of national standards and commitments. It is supported by the Chiefs Group, which oversees the conduct of the day-to-day business of the Trust by the four Clinical Divisions: Medicine, Specialised Services, Surgery, and Women and Children. Each Division has its own Clinical Chief, who chairs their Divisional Management Board, and has clear delegated responsibilities for key objectives and risk management.

As with all NHS hospital trusts, there is a risk that the Trust may not meet some of its targets or monitoring obligations, for example, some 18 week, cancer or emergency treatment targets. This could be for a variety of external or internal reasons, including capacity, trust and primary care arrangements, changes to targets or rules or unforeseen issues such as weather, power or mechanical failure. The Trust has robust arrangements in place to reduce and control the risks, including daily escalation/review policies, weekly Hospital Operations Team meetings, Chiefs Group, speciality reviews to agree priorities and clinical practice, monthly monitoring and reporting to the Management Board and Board of Directors, clinical escalation processes and arrangements to work with partners in primary and secondary care.

All new staff are given information governance training through corporate induction. They are informed of the law, NHS guidance and the Trust's policies on the safe and appropriate processing of data. All existing staff are provided with bespoke training as and when necessary, and with guidance by the information governance and risk management teams.

Risk management is taken into account in the organisation in a variety of ways. All staff are responsible for responding to incidents, hazards, complaints and near misses in accordance with the appropriate policies. Local management teams are responsible for developing and maintaining local risk registers and overseeing the management of adverse incidents. Divisional Management Teams are responsible for reviewing risk action plans and ensuring they are implemented through business planning and other established routes. Risk processes are monitored and reviewed by the Management Board, Safety and Quality Committee and Audit Committee.

4.2 Board assurance framework and key risks

As part of its ongoing preparations for NHS foundation trust status, the Trust has followed up the findings of the independent review in April 2010 of its Board reporting, data quality and risk management arrangements. Work has continued on the development of the Trust's risk management strategy as part of ensuring that it is aligned to our vision and strategic goals, which were agreed in December 2010 and on which we consulted the public from January to May 2011 as part of our ongoing preparations for NHS foundation trust status. During the course of 2010/11, a number of workshops have been facilitated by external professional advisors and a work programme has been developed, delivery of which will enable the Trust to demonstrate improved co-ordinated and active risk management throughout the organisation by the end of 2011/12.

The Director of HR position has been filled on an interim basis since the beginning of February 2011. A recruitment process is currently underway with a view to a substantive appointment being made in July 2011. The key risks identified during 2010/11 to delivery of the Trust's vision and strategic goals are shown below:

Identified areas of risk to be developed	Actions to mitigate risks
The cultural change to embed the three strategic priorities of best and safest care, academic excellence and high performance stalls in the face of limited leadership and management capability and a hostile resource environment.	The establishment of the governance arrangements set out in the Rules of Procedure are enacted throughout BSUH as part of its assurance programme.
The ambition for academic and NHS leadership for Kent, Surrey and Sussex is thwarted by narrow and parochial interest groups and the perception that BSUH's success is a threat to others.	Continuing to demonstrate how re-positioning Kent, Surrey and Sussex strengthens the appeal and quality of all NHS and academic partners across the region, for example in securing higher specialist medical training within the KSS Deanery, securing the regional trauma centre within Kent, Surrey and Sussex and supporting credible plans for a community approach to implementing the National Dementia Strategy based on a social care model.
Failure to deliver quickly enough the significant productivity gains which are required to underpin BSUH's financial maturity.	A persistent and relentless focus on the efficient use of resource now and planning ahead, with increasingly high quality management support to doctors and nurses in charge delivering improved productivity year in, year out. A matched ability to work with emerging GP consortia and other providers to ensure that a genuinely competitive market place is not created at the expense of zero sum game and an unstable and unsustainable service provision.

The Board has received monthly reports on financial performance and the steps taken to mitigate risk to delivery of the year-end financial control total. The Trust delivered a financial surplus of £4.1m at the year-end before technical adjustments against a planned control total of £4.7m surplus. After technical accounting adjustments for treatment of the Royal Alexandra Children's Hospital PFI, this translates to delivery of a £4.5m surplus. The control total target for the Trust on this basis was set at £4.96m. NHS South East Coast are fully aware of the issues faced by the Trust in delivery of its year-end position and are satisfied that this represents strong financial performance.

4.3 Information governance

There was one incident involving data that required disclosure further to the Department of Health's information governance assurance requirements. The incident, which involved the theft of computer hardware by an individual, is currently the subject of a criminal investigation. The Trust and NHS Counter Fraud are assisting this process. In the meantime, the Trust has provided an undertaking to the Information Commissioner that it is taking all appropriate steps to mitigate the risk of such an act occurring in the future.

Statement of internal control

4.4 Involving public stakeholders

The Trust provides information and assurance to the public on the Trust's performance against its principal risks and objectives in a number of different ways, including:

- actively seeking the views of patients through the Patient Voice survey, the BSUH Patient Experience Panel, nationally mandated surveys and patient involvement in the Patient Environment Action Team (PEAT) audit;
- stakeholder engagement events as part of the development of the Trust's 3Ts programme and the four month public consultation on its plans to become a foundation trust, during which we received 377 responses and recruited over 1,400 public members;
- quarterly stakeholder briefings ("Talkback") to inform and receive feedback on key topics, which are circulated to staff, stakeholders, and our public members;
- monthly briefings to our GPs ("GPLINK");
- the weekly "Friday Message" from the Chief Executive, which is circulated to staff and stakeholders;
- public meetings of the Board of Directors, the papers for which are published in advance on the Trust's website;
- publication of the Trust's operational and financial performance in the papers considered at open Board meetings;
- the Trust's registration status with the Care Quality Commission is published on the Trust's website;
- reports to the Department of Health (DH) on incidents and accidents including all aspects of risk; and
- statutory estate returns to DH (Estate Return Information Certificate) on backlog maintenance, health, safety and fire.

4.5 Equality and Diversity

Control measures are in place, and reviewed on a regular basis, to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. This has included presentations from the Trust's Race Equality Commission on the implementation of the Commitment to Change programme.

4.6 NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are

complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the scheme are in accordance with the scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

4.7 Climate change

The trust has undertaken a climate change risk assessment and developed an Adaptation Plan, to support its emergency preparedness and civil contingency requirements, as based on the UK Climate Projections 2009 (UKCP09), to ensure that this organisation's obligations under the Climate Change Act are met.

The Board approved the Trust's Carbon Reduction Plan in February 2011, which is publicly available on the Trust's website.

4.8 Registration with Care Quality Commission and compliance with CQC standards of safety and quality

The Trust was registered with the Care Quality Commission without conditions in April 2010 and has maintained this status since that time.

In December 2010, the Trust pro-actively advised the CQC that it was not fully compliant with outcomes 2, 4 and 16 of their essential standards of safety and quality and of the actions taken to ensure future compliance. The CQC was satisfied with the action taken by the Trust to ensure that our arrangements for safeguarding vulnerable adults are appropriate and that the quality of care in the Sussex Rehabilitation Centre, responsibility for which the Trust took on from Sussex Community NHS Trust in November 2010, is consistent with that required across our hospital. The Trust expects to be fully compliant with outcomes 2, 4 and 16 by July 2011 and this will be reviewed by the CQC as part of a planned visit that month.

Statement of internal control

5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of Internal Audit's work. Internal audit has reviewed and reported upon control, governance and risk management processes, based on an audit plan approved by the Audit Committee with input from executive directors. The work included identifying and evaluating controls and testing their effectiveness, in accordance with NHS Internal Audit Standards. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management.

The Head of Internal Audit opinion is that significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.

My review is also informed by executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Directors and its committees meet regularly and, as part of their consideration, keep arrangements for internal control under review through discussion and approval of policies and practice. The Audit Committee has provided the Board of Directors with an independent and objective review of financial and corporate governance, and internal financial control within the Trust. During the course of 2010/11, the Committee has sought further assurance on the actions being taken in response to internal audit reports on clinical coding, consultant job planning, HR policies in respect of bank and agency staffing and whistle-blowing facilities available to staff. The Committee has assured the Board that the Trust has acted on the recommendations with consequent improvement in the services the Trust is able to offer patients and will seek follow-up audit testing to provide further assurance that the recommendations are fully embedded in the Trust's internal processes.

The Audit Committee has received reports from external and internal audit including reports relating to the Trust's counter fraud arrangements. The Trust's Executive Directors and managers, and the Chairman of the Safety and Quality Committee of the Board, have provided the Board of Directors with reports on risk management, performance management and safety and quality governance.

As described in section 4.2 above, significant work has been undertaken in 2010/11 to develop the Board Assurance Framework and ensure that it is fully aligned to our vision and strategic goals. During the period that developmental work was being undertaken, the Assurance Framework could not provide in its own right reasonable assurance that there was an effective system of internal control in place, I am confident that the developmental work we are

pro-actively undertaking as part of our plans to prepare for NHS foundation trust status will provide such assurance in the future.

My review has also been informed by presentations made to the Trust Board by external audit in respect of the annual audit letter and other relevant reports. I have also been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, Audit Committee and Management Board.

These groups each receive regular reports and updated action plans to manage or monitor progress on major risks, as defined in their respective terms of reference. A plan to address weaknesses and ensure continuous improvement of the system is in place.

A number of external agencies and other assessors measure and report on the Trust's performance against statutory requirements or best practice. These groups examine many potentially high risk areas. The results of their work are considered and acted on where necessary by the relevant executive director. All significant external scrutiny reports are also reported to the appropriate Committee for monitoring.

In November 2010, the Trust achieved full compliance with Level One of the NHS Litigation Authority's Clinical Negligence Scheme for Trusts, which offers considerable assurance of compliance within the 50 out of 50 areas passed.

6. Significant internal control issues

With the exception of the internal control issues that I have outlined in this statement, my review confirms that Brighton and Sussex University Hospitals NHS Trust has a generally sound system of internal controls that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.

Duncan Selbie
Chief Executive
2 June 2011

Annual Report 2010-11

Our vision is to be locally and nationally renowned for delivering safe, high quality and compassionate care and to be the regional centre of clinical and academic excellence

www.bsuh.nhs.uk  nhsbsuh