

Western Sussex Hospitals



NHS Trust



ANNUAL REPORT AND SUMMARY FINANCIAL STATEMENTS 2010-11

ANNUAL REPORT

AND SUMMARY FINANCIAL STATEMENTS 2010-11



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Foreword by the Trust Chairman and Chief Executive

“The new services and facilities we have developed during the year have all been created with our priorities of safety and quality at their core”

Welcome to the second annual report of Western Sussex Hospitals NHS Trust.

Our second year as a merged hospitals Trust has been every bit as rewarding and as challenging as our first. The good work we began in year one to bring together our two predecessor organisations and build on the best elements of both has continued throughout the year. And getting those practicalities of merger right from the outset has also enabled us to move quickly towards developing the robust plans that will allow us to realise the full potential of the enlarged new Trust over time. As a result, we were able to begin our second year with a new clinical strategy in place and end it in the final stages of creating the integrated business plan that will make our long-term clinical vision a working reality.

The strength of this plan is also central to the success of our application for NHS Foundation Trust status, an ambition enabled by the merger and which has been at the centre of our strategic focus throughout the year. Becoming a Foundation Trust will give us more freedom to design, develop and invest in our hospital services, and will enable our patients and public to have a more active say in their running and planning. We remain on course to achieve Foundation Trust status in 2012.

Past performance is another key factor in the granting of Foundation Trust status, and we are pleased to report that our 6,000-plus staff once again rose to the challenges they were set in 2010-11. In particular, we again achieved significant reductions in healthcare-associated infection rates; operated within the required waiting time limits and met some difficult financial targets.

Of course, achieving these national objectives is not our only ambition. When the new Trust was established, we made it plain that patient safety and quality of patient experience would be at the heart of everything we do. That continues to be the case, and the new services and facilities we have developed during the year have all been created with these priorities at their core.

At St Richard's Hospital, we have opened a large new Acute Medical Unit that enables patients admitted in an emergency or unexpectedly to have all the tests they need in a single place, and have expanded our day surgery capacity so more people can benefit from new operating techniques that increase the number of procedures that can be carried out without a hospital stay. At Southlands we have refurbished the public areas of the x-ray department and created a new training facility for staff. And at Worthing, we opened an enlarged new resuscitation area, began work on an accident and emergency facility dedicated to the care of children, and are building new wards and a new outpatients department that will improve the environment in which the large majority of our patients receive their hospital care.

The true measure of the quality of that care, however, is the way in which we provide it. On that count, we have been gratified by the positive feedback the hospitals have received from the independent organisations that have inspected us throughout the year, particularly when this has come from the testimony of patients and their relatives.

The dedication and initiative our people show in their work is truly impressive and is greatly valued by the whole Trust Board. To demonstrate this, we have introduced our new STAR – STaff Achievement and Recognition – Awards, which honour excellent performance throughout the hospitals at an annual presentation evening. We have received external recognition as well, retaining our status as a CHKS Top 40 Hospital, winning a regional NHS Best of Health Award for our Enhanced Recovery Programme and being shortlisted for a national Patient Safety Award too.

What is clear now, though, is that the commitment, invention and flexibility that make our hospitals thrive will be needed more than ever in coming years that are likely to be among the most difficult the NHS has known. We are determined that this Trust will meet the challenges ahead. We are working internally to improve the ways in which we work, and externally with our healthcare partners to adapt to changes in our population's health needs and in medical practice, through initiatives such as our Service Redesign for Quality proposals, on which we are currently consulting.

We know we have the people with the skills and expertise to continue providing excellent hospital care for all in our community, and would like to thank all our staff and volunteers for their continued efforts on our patients' behalf.

[Hywel Evans, Trust Chairman](#)
[Marianne Griffiths, Chief Executive](#)

1. About the Trust

Western Sussex Hospitals NHS Trust was established on 1 April 2009 by the merger of Royal West Sussex and Worthing and Southlands Hospitals NHS Trusts. This brought together two acute NHS Trusts some 20 miles apart on the south coast of West Sussex, with hospitals sited in Chichester, Worthing and Shoreham-by-Sea.

Both St. Richard's and Worthing Hospitals provide a full range of acute hospital care, including accident and emergency services, acute medical care, maternity and children's services and a range of surgical specialties. Southlands Hospital in Shoreham provides a smaller range of inpatient and outpatient services but does not have an accident and emergency, paediatric or obstetric department.

The Trust also runs outpatient clinics in Bognor War Memorial Hospital, plus a number of health centres and general practitioner surgeries.

We are committed to working closely with our provider of community hospitals, Sussex Community NHS Trust, and the local provider of mental health services, Sussex Partnership NHS Foundation Trust. The Trust does not provide tertiary services and looks towards Brighton, Portsmouth and Southampton for these.

The Trust has an annual budget of around £350 million. Our services are commissioned predominantly by NHS West Sussex, with whom we are committed to providing high-quality integrated care across the local health economy.

Every year, our 6,000 staff:

- Treat 118,000 inpatients and day cases
- Make 476,000 outpatient appointments
- See 126,000 people in the two Accident and Emergency departments
- Deliver 5,500 babies
- Dispense and issue around 740,000 medicines
- Take more than 310,000 imaging exams (x-rays/scans)

1.1 Our community

The Trust serves a population of around 450,000 people across an area stretching along the south coast from East Hampshire to Shoreham-by-Sea and north up to Midhurst, Billingshurst and Storrington. There is also a flow of patients from the bordering areas of Hampshire, East Sussex and Brighton and Hove.

The majority of the catchment population live in the county's south coast towns and villages, which have relatively good travel links and services to the Trust's hospitals. However, there are significant numbers who live in the rural areas in the north of the catchment area and to the south of Chichester, around Selsey, where travel services are limited.

Although West Sussex is a relatively healthy and affluent area compared to the average in England, this overall social and economic profile conceals pockets of deprivation. Several of West Sussex's poorest wards lie within the Adur, Arun and Worthing districts, and mortality rates among the most deprived 20% of the population are nearly two-thirds higher than within the least deprived 20%. Important health issues include heart disease, alcohol misuse and obesity.

Most significantly though, the population structure of West Sussex is much older than that of the country as a whole, and expected to become more so in the future. Over the next 15 years, the over-65 population is expected to grow by 27% and the over-85 population to grow by 45% - compared to growth of just 3% in the number of under-65s.

Less than 0.5% of the hospitals' catchment area population is classified as Black or Minority Ethnic (BME).

The Trust recognises the need to reach residents across the whole catchment area to support awareness of, and equality of access to, the full range of our services.



Antenatal Clinic receptionist
Denise Horne: Nominated
for a STAR Award, 2011

1.2 Our vision

The Trust ended 2010-11 by updating its vision and values statement in response to feedback indicating the original version did not accurately reflect our focus on patients and the care we offer them.

Our Vision - We Care

We care passionately about providing the best quality care for our local population; this is what drives us as an organisation.



We Care about... Quality

We want to improve our services, achieve the best experience and outcomes for our patients and respond positively to their feedback.



We Care about... Patients

Firstly, and most importantly, we care about YOU, the patient. We will do all we can to make sure we treat you with kindness, respect and compassion. We are here to serve you and your needs and we will never forget this.



We Care about... Serving local people

Wherever possible we want to provide a comprehensive, locally based service to the 450,000 population we serve, so that when they need care they will choose to come to us.



We Care about... The future

We want to be an organisation that people can rely on, both now and in the future. That's why it is important we make sure that we operate within our means and invest for the future.



We Care about... Safety

We are committed to providing the safest care possible, eradicating hospital acquired infections, reducing mortality and providing the best environment for our patients



We Care about... Improvement

We want to continually strive to be better, to make sure that we are providing modern evidence based care to our population



We Care about... Being stronger together

We know how important it is for patients to receive integrated care across primary, secondary, community and social care. We will work relentlessly with partners to make sure this happens.

1.3 Our strategic objectives 2010-11

The Trust's strategic objections for 2010-11 were:

The Board should lead the introduction of new processes to enable staff development, mentoring and the introduction of medical revalidation

Creating a culture of patient safety throughout the Trust with appropriate feedback and monitoring mechanism to confirm our success

Put patients first by maintenance of a full engagement process with stakeholders and PPI fora so that we know and implement where possible the views of our public

Deliver a realistic but ambitious clinical strategy which allows for the delivery of services on all our sites, driven by our clinicians and evolving with national best practice in our chosen specialties

Continue to foster seamless working with primary care that introduces more efficient services closer to home but with the support and advice of secondary care consultants

Develop more effective admission and discharge processes that get diagnosis right first time and aid the most appropriate and effective recovery

Create University Hospital training facilities in partnership with our medical school partners and our wider clinical and corporate workforce

Produce and implement a multi-disciplinary research strategy

Improve the use of our infrastructure and work with our staff to meet and exceed our financial, operational and clinical performance targets by means of better theatre utilisation, more effective ambulatory care and progress through the introduction of Service Line Reporting

Continue to reduce our rates of healthcare-associated infection

Donald Wilson Neurological Rehabilitation
Centre Ward Manager Moira Whitlock:
Health Professional of the Year,
STAR Awards 2011



2. The year in review

Western Sussex Hospitals NHS Trust is now two years old. In its second year of life, the Trust has continued to build on the successes of its first 12 months in bringing together staff and services across its three hospital sites to improve quality of care for patients.

Two of the most important strategic projects the Trust embarked upon during the year are its application for NHS Foundation Trust status and its proposals to redesign the way in which a number of its services are delivered in future. More information about these projects' goals can be found in Section 11, *Our plans for the future*.

2.1 NHS Foundation Trust application

The Trust began its Foundation Trust application process in September 2010 by holding a 12-week public consultation on its plans and opening Trust membership to patients and the public.

At the end of March 2011, the Trust was preparing for a review of its Integrated Business Plan, the document that outlines its plans and vision, with the Strategic Health Authority and is on course to achieve Foundation Trust status in 2012.

2.2 Service Redesign for Quality in West Sussex

At the beginning of 2011, the Trust and its partner organisations NHS West Sussex, the Coastal West Sussex GP Federation and Sussex Community Trust drew up proposals to change the way in which we deliver orthopaedic surgery, elderly care and ophthalmology (eye services).

The Trust and its partners were consulting with the public on these proposals at the end of March 2011.

2.3 Prioritising our patients' safety

Avoiding pressure ulcers

Specialist nurses in the Trust have been doing some excellent work in identifying patients at risk of developing pressure ulcers and taking steps to avoid these. At the end of March 2011, 70% of wards across the hospitals were using the new 'skin bundle' tool and taking the actions it recommends according to the patient's level of risk, with a further 9% being trained to use it.

The pilot skin bundle scheme achieved 167 days with no avoidable pressure damage among patients on the ward, and by the end of 2010-11 a total of 14 wards had delivered more than 100 pressure ulcer-free days, with one area managing 328. The aim is now to introduce the skin bundle to all wards by September 2011.

Patient Environment Action Team (PEAT)

All three hospitals are regularly inspected by our Patient Environment Action Team (PEAT), which advises the Trust on improving the hospital environment and the patient experience. The team is made up of staff representatives from nursing, infection control and facilities, together with one patient representative, and looks at areas including cleanliness, privacy and dignity, food and hygiene.

Our latest inspections were carried out in February 2011 and standards were found to be 'good' or 'excellent' in all key areas of assessment, while accompanying feedback from both the patient representative and external validator was also positive.

Healthcare-associated infections

The Trust has retained its constant focus on infection control throughout 2010-11 and its zero-tolerance approach to the issue has led to another significant fall in incidence of MRSA and Clostridium difficile (C.diff), so that case numbers remain below the ceiling set by the Department of Health.

We also continue to screen all patients for MRSA, whether they are coming into the hospitals for planned treatment or arrive in an emergency.

Cleanliness

The new cleaning regimes introduced across the Trust in 2009-10 have played an important part in helping reduce incidence of healthcare-associated infection (HCAI) during 2010-11. The creation of cleaning teams at St Richard's Hospital was particularly effective in delivering higher standards of cleanliness and this approach has now been adopted across all three sites.

2.4 Improving services for patients

2.4.1 New facilities

Acute Medical Unit

The end of 2010 saw the opening at St Richard's Hospital of a new Acute Medical Unit (AMU), which contains 43 beds across five single-sex bays, nine en-suite side rooms and a walk-in area with consulting, treatment and counselling rooms. The £1.2 million facility has been built to meet the needs of the growing number of people who need assessment or tests after being sent to hospital by their GP or referred for further investigation from Accident and Emergency.

The AMU replaces the old Medical Assessment Unit, which treated 8,000 people a year, and offers hi-tech care in a spacious environment that allows patients to remain in one area while undergoing the tests they need. Patients whose investigations may take up to 72 hours to complete can be admitted to a fully-equipped short-stay unit within the facility.

Wards and outpatient facilities

The year ended with work well under way on a new ward and outpatients block at Worthing Hospital next to the main entrance and Children's Centre. An improved and enlarged outpatients department will take up the ground floor of the two-storey building, containing 26 consultation rooms, three treatment rooms and well-equipped patient facilities. The first floor will house two new wards, each of which will have 20 beds, including five in single rooms with en-suite facilities.

The development will also make room in the main building to create a new emergency assessment area, which will improve urgent admission care by enabling doctors to assess, diagnose and plan treatment for patients more quickly than at present.

Children's Unit

£1.6 million was spent this year on the refurbishment of the Howard Children's Unit at St Richard's Hospital to improve the quality of care it can offer, raise standards of cleanliness and ensure the highest standards of privacy and dignity for patients and their relatives.

The unit is now divided into three distinct but integrated areas, for under-12s, for 13-18-year-olds and for children and young people who need their care requirements assessed before, for example, going home or being admitted to a ward as an inpatient. Facilities for the sickest children have also been upgraded to include a high dependency area big enough for two children, and a large treatment room with equipment for the stabilisation of a child needing extra care.

Children's A&E

In November 2010, the Trust began work on a £1.9 million dedicated area for the treatment of children within the Accident and Emergency department at Worthing Hospital. With Worthing's A&E currently having only one room designated for children, recent increases in the numbers requiring treatment mean they often have to share amenities with adults.

The new facility will include four treatment rooms, a plaster room, waiting room and interactive play area. The new Children's A&E department will be completely separate from the adult treatment and waiting areas and will be staffed by children's nurses.

Day Surgery Unit

The Trust has invested £1 million in refurbishing and reopening the mothballed Day Surgery Unit (DSU) at St Richard's Hospital to enable more patients to undergo operations. The DSU was taken out of use when it was replaced by the Chichester Treatment Centre in 2005, but has now been brought back into service in response to the rising number of people requiring surgery at the Trust. Around 80-90 people a week are able to undergo planned operations in the unit.

A&E resuscitation area

A new, enlarged resuscitation area opened in Worthing Hospital's Accident and Emergency department in December 2010. The new facility is able to accommodate two more adults but also has a large and completely new paediatric area for unwell children.

Simulation and Learning Suite

Doctors and nurses are now benefiting from an excellent new training facility at Worthing Hospital.

The centrepiece of the Spring Simulation and Learning Suite is a highly-realistic mannequin that enables participants to experience a wide range of scenarios that develop their clinical and team-working skills without having to involve a 'real-life' patient. These exercises are monitored and filmed to enable feedback to be shared and learned from after each session.

Artist's impressions of the extension to A&E (top) and the new clinical block (middle) at Worthing Hospital; and the opening of the paediatric resuscitation area (bottom)



2.4.2 New services and initiatives

Ophthalmic surgery returns to St Richard's

A commitment from the Friends of Chichester Hospitals to fund more than £300,000 worth of eye examination and surgery equipment has enabled us to set up a new Eye Day Surgery Unit (iDSU) at St Richard's. The ophthalmology centre will grow to become a world-class centre equipped with medical innovations seen in few other facilities in the UK, and will end the need for patients in the Chichester area to travel to Worthing for examination, treatment and follow-up.

Cardiac patients benefit from new technology

Patients requiring treatment for heart conditions are benefitting from new interactive conferencing technology that enables decisions about surgery and angioplasty to be taken more quickly. The cardiac and cardiac surgery departments at Worthing, Brighton, Eastbourne and Hastings are the first in the country to be linked by the Lifestream system, which enables clinicians to get multi-disciplinary input into cases without the need to arrange on-site meetings.



Staff on Ashling Ward have created a range of ice cream smoothies to help elderly patients get the nutrition they need



2.5 Focusing on patients' food and nutrition

Ensuring our patients receive the nutrition they need and are adequately supported at meal times continues to be among the Trust's main priorities.

The major advances we have made in this area during the last year include significant improvements to the quality and choice of food available to patients at Southlands Hospital. Frozen foods from external suppliers are no longer used and have been replaced by a new menu of freshly prepared dishes created by our dietitians and catering staff.

We have also introduced new menu cards featuring dietary information and

photographs of dishes to help people with communication difficulties choose their own meals. The new menus have been developed by the catering department, speech and language therapists and dietitians at St Richard's and are being introduced across all three hospital sites.

A successful six-month trial of using red trays, jugs and cups to identify patients who need help at mealtimes and/or who are at risk nutritionally and of dehydration has led to this system being rolled out across the Trust. Research has shown that dementia patients in particular respond well to the colour red and are consequently more likely to drink from a cup of this colour.

2.6 Focusing on privacy and dignity

The Trust performed very well in the Privacy and Dignity Peer Review it received in February 2011. The review identifies areas of good practice and others that require improvement using a traffic light scoring system. Western Sussex Hospitals received a 'green' rating on 86.5% of measures, 'amber' on 10% and 'red' on 3.5%.

The only issues highlighted for improvement related to signage and to provision of internal curtains in assisted bathrooms and toilets at St Richard's. A post-review action plan is expected to be completed in May 2011.

Single-sex accommodation is now the norm throughout the Trust, following the opening of the new Acute Medical Unit at St Richard's, the one mainstream area for which an exception had previously been made. The only places in which male and female patients may be treated in the same area are in highly-specialised clinical areas such as critical care facilities and the bariatric unit.

Areas of good practice highlighted across the Trust included:

- Consistently clean patient and public areas
- Policies and guidelines to support privacy and dignity
- Patient information boards above beds
- Nursing documentation project
- Patient therapy boards
- Refurbished wards, especially toilet and bathroom areas
- Identified MRSA bays in recovery area(s)
- Protected meal times



Chief Executive Marianne Griffiths and Medical Director Dr Phillip Barnes (right) receive the Trust's Top 40 Hospitals Award

2.7 Recognising success



40 Top Hospitals Award

The Trust was named among the country's 40 Top Hospitals for the second year running by CHKS, a leading independent provider of healthcare intelligence and quality improvement services. The awards recognise excellence and outstanding performance in 21 areas covering safety, clinical effectiveness, health outcomes, efficiency, patient experience and quality of care, which we believe are all critical to delivering good patient care.

Best of Health Award

Worthing Hospital's Enhanced Recovery Programme (ERP) earned praise for its ground-breaking work in improving care for patients undergoing major surgery by winning the Acute Care category of the regional NHS Best of Health Awards in October.

The programme focuses on all stages of the patient pathway to improve care for people undergoing major colorectal (bowel) surgery. Efficient team working across disciplines and the encouragement of patients to participate in their own recovery have contributed to average length of hospital stay for this type of surgery falling from 11 days to six, and the number of patients needing re-admission with post-operative complications also reducing significantly.

3. Performance

The Trust's performance is normally monitored by the Care Quality Commission (CQC), the independent regulator of health and social care in England, through its Periodic Annual Review assessment system. However, this process was suspended in 2009-10 and has not been reinstated in the same form for the 2010-11 review.

In its absence, the Trust has continued to undertake real-time assessment of notional CQC scores for the relevant metrics under Existing Commitments and National Priorities as part of our own performance monitoring processes. Data for the year collected at the end of March 2011 shows that, had the Periodic Annual Review process been in place for 2010-11, the Trust would have received an 'Excellent' rating for both Existing Commitments and National Priorities.

The Trust is also assessed against the requirements of the separate NHS Performance Framework, through which the Department of Health monitors non-Foundation Trusts. A number of the measures of assessment included in this framework were also subject to revision during the year, due to the publication of the Revised NHS Operating Framework in June 2010, which effectively suspended the review process from that point.

The Trust has now received the revised NHS Performance Framework operational metrics for 2011-12 and the assessment thresholds that determine how organisations are classified in performance terms. This has enabled us to carry out an indicative assessment of our 2010-11 performance data against the operational standards set for 2011-12, which suggests the Trust would achieve the highest possible rating, 'Performing'.

Western Sussex Hospitals' score under our indicative assessment was 2.72 out of a possible 3.00, which is both high in itself and significantly ahead of the 2.4-point threshold below which an organisation would be classified as having its 'Performance Under Review'.

The Trust recognises that further progress is still required, but the national NHS assessment tools demonstrate that the significant performance improvements delivered in year one of the merged organisation's life have been sustained, and in many cases enhanced, during year two.





3.1 Progress against key national targets

Access to cancer diagnosis and treatment

The Trust fully met its requirement to ensure that:

- Patients do not have to wait longer than two weeks for their first hospital outpatient appointment after an urgent referral by their GP for suspected cancer
- Patients do not have to wait longer than two months from their urgent GP referral to starting cancer treatment
- Patients do not have to wait more than one month from their diagnosis to starting their cancer treatment.

Regrettably, the Trust did not achieve the target of offering urgent appointments within 14 days to 93% of referred patients who are, on the basis of symptoms described in the referral letter, assessed by the hospitals as being at risk of cancer.

Emergency care

The Trust fully met its requirement to ensure that:

- Patients do not have to wait longer than four hours in A&E from their arrival to either their admission into the hospital for further treatment, their transfer to another healthcare organisation or their discharge.
- Patients do not have to wait longer than two weeks for an appointment at a rapid access chest pain clinic.

Infection control

The Trust has fully met both the MRSA and Clostridium difficile limits:

- The total number of cases of MRSA in St Richard's, Southlands and Worthing Hospitals, together with those in the surrounding community healthcare organisations, must not exceed nine. The actual number of cases was seven, which represents a 65% reduction from the previous year.
- The total number of cases of Clostridium difficile at St Richard's, Southlands and Worthing Hospitals must not exceed 187. The actual number was 125, which represents a 22.4% reduction from the previous year.

Cancelled operations

The Trust fully met its requirement to ensure that:

- No more than 0.80% of patients' operations were cancelled on, or after, the day of admission.
- At least 95% of those patients whose operations were cancelled on, or after, the day of admission were subsequently readmitted within 28 days.

Elective waiting times

As a result of elective demand for hospital services significantly exceeding available capacity during the year, exacerbated by operational issues such as increasing levels of emergency activity, the Trust did not meet its elective waiting times target of treating 90% of admitted patients within 18 weeks of referral.

An action plan has since been developed with our local healthcare partners both to address the imbalance in elective demand sustainably and to ensure compliance from Quarter 3 2011/12 for both existing 18 week targets and the new waiting time targets introduced by the revised NHS Operating Framework in June 2010.

4. Listening to our patients and our community

4.1 Foundation Trust consultation

As part of its application for NHS Foundation Trust status, the Trust held a 12-week public consultation on its plans between 22 September and 15 December 2010.

The consultation document set out the Trust's vision, values and strategic objectives as a prospective Foundation Trust, detailed the benefits and risks of this type of organisation, explained its governance arrangements and encouraged readers to become a member of the Trust.

1,300 full consultation documents and 8,500 summary versions were distributed to patients, staff, stakeholders and the public during the consultation. The same information was also made available on the Trust website and presented by directors at seven public meetings held across the hospitals' catchment area. Meetings were also held for staff and interested stakeholder groups.

People were able to share their views on these plans at the meetings, in writing, by email, through an online feedback form on the Trust website or by telephone. Responses were assessed by an independent analyst, who then produced a report of issues and concerns raised. This was presented to the March 2011 meeting of the Trust Board and will be a key part of the final submission to Monitor, the independent regulator that will make the decision of whether to approve our application.

4.2 Service Redesign for Quality in West Sussex consultation

2010-11 ended with the launch of the year's second public consultation exercise, this time on the Service Redesign for Quality in West Sussex proposals the Trust has drawn up with its local health care partners (see section 11).

The consultation period opened on 7 February 2011 and was scheduled to run until 29 April 2011. By the end of March, the

Trust had held seven public meetings and a series of internal events for staff and had circulated 4,500 copies of the consultation document, which was also available on the Trust website.

The public meetings were well attended and responses to the proposals were being received via the same feedback systems used in the Foundation Trust consultation.



4. Listening to our patients and our community

4.3 Stakeholder Forum

The Trust's Stakeholder Forum continues to meet on a quarterly basis and is open to patients, voluntary organisations, carers and interested members of the public – indeed anyone who lives in the area we serve and who is interested in our hospitals.

The Forum exists to enable the Trust to learn the views and priorities of patients, the public and stakeholders in our community. The Chairman, Chief Executive and senior managers of the Trust attend the Forum and information about meeting dates is published in the local media, in the hospitals and on the Trust website as it becomes available. (www.westernsussexhospitals.nhs.uk).

We are especially keen to involve minority groups in the Forum and would particularly welcome interest from these sections of the local community. Please email Lyn. Gaylor@wsht.nhs.uk for more information.

4.4 Patient Advice and Liaison Service

The Trust's Patient Advice and Liaison Service (PALS) provides patients and the public with easily accessible information and assistance. It is a free, confidential service that helps people who need advice or have concerns. The PALS officers are based at St Richard's and Worthing Hospitals and answer enquiries in person, by telephone, email or letter.

4.5 Customer relations

The Trust has a customer relations service to provide assistance to patients either by telephone or in writing. Patient complaints are managed through the Trust's complaints procedure, which follows the 'Principles of Remedy' as laid down by the Parliamentary and Health Service Ombudsman. Complaints are dealt with carefully by following up all the issues raised and the majority will receive a full response within 25 working days.

Chilgrove Ward Clerk Sharon Harwood:
STAR Awards 2011 Winner, Outstanding
Contribution - Non-clinical category



5. Our staff

2010-11 was another busy year for the Trust and its staff. Key achievements were:

- The recruitment of more than 400 new staff
- A significant reduction in the use of agency staff, to just 1.3% of overall staffing capacity
- The success of two recruitment drives in Ireland for qualified nurses
- An increase in the number of staff receiving statutory and mandatory training
- The attendance of more than 120 staff, including 65 nurse leaders, at our new three-day Management Development Programme
- Further development of our Employee Partnership Forum, through which our staff side has been engaged on key strategic issues including our Foundation Trust application and Service Redesign for Quality in West Sussex proposal
- The participation of more than 3,500 staff in the national NHS staff survey
- Staging staff information events across all three sites
- Re-establishing our Disability Forum
- An increase in the proportion of staff receiving regular appraisals to 85%



Among the Trust employees recognised in the 2011 STAR Awards were (clockwise from main picture): Ward sister Kelly Mash, senior staff nurse Richard Young, nurse consultant Sara Da Costa and consultant Dr Lavanya Buddha



5.1 Staff survey

Our 2010 staff survey results indicate that we are in the best 20% of acute hospital trusts in the country in a number of areas:

- Staff receiving health and safety training in the last 12 months;
- Staff intention to leave jobs;
- Percentage of staff believing the Trust provides equal opportunities for career progression or promotion; and
- Percentage of staff experiencing discrimination in the last 12 months

The Trust was also pleased to learn from the survey that staff satisfaction had also improved over the year since the previous edition.



5.2 Equality and diversity

The Trust is committed to offering the highest standards of access and care to all patients from a diversity of cultures, age groups, abilities and needs, and recognises its duty to proactively develop a culture that is diverse and in which individual differences are valued and respected, both in health care provision and employment within the hospitals.

Single equality scheme

In April 2010, we were able to formalise these commitments in a new Single Equality Scheme (SES), which was developed in consultation with a wide range of stakeholders. The scheme has been written with a human rights focus and will help the Trust ensure that there is no unlawful or unfair discrimination within the organisation on grounds of gender, sexual orientation, marital status, race, colour, nationality, ethnic origin, disability, religion or age. This commitment applies to our patients, their carers, visitors to the Trust, and existing or potential employees. The SES underpins our desire to be both the health care provider and employer of choice within our community and will support us in fulfilling our legal obligations on equality and diversity as a public body.

We have also re-established our Diversity Matters Steering Group to oversee continuing progress on equality issues.

Breaking Through Programme

In September 2010, the Trust launched its Breaking Through Programme to support the development of leadership and managerial skills among Black and Minority Ethnic (BME) staff, and enable them to perform effectively at senior level in a dynamic NHS organisation.

The programme offers two day-long sessions with group and individual projects undertaken between them, and provides a valuable self-development opportunity for participants by enhancing and consolidating leadership qualities such as

- A passion for success and an extremely high degree of self-motivation
- A high degree of self-awareness, and the confidence to be self-critical
- A willingness to challenge and change behaviours and mindsets
- Resilience in dealing with setbacks and the ability to actively seek and implement solutions
- The ability to effectively liaise, negotiate and work collaboratively
- Initiative, self-organisation and a positive mindset that seeks solutions and opportunities

Disability Forum

The Trust re-established its Disability Forum in June 2010 as one of the commitments made in our new Single Equality Scheme. The forum enables staff with a disability to raise, share and seek to resolve issues affecting them directly, and meets every three months. We would like to encourage more staff and external organisations to become involved in the forum to ensure the Trust continues to identify and address any real or potential inequalities that affect staff, patients and visitors.

5.3 Outstanding individuals

Staff Achievement and Recognition Awards – STARS

In June 2010, the Trust held its first STARS ceremony to honour the inaugural winners of its new Staff Achievement and Recognition Awards. More than 90 members of staff attended the presentation evening, which was funded by the Love your hospital charity.

Awards were made in nine different categories ranging from outstanding contributions in clinical and non-clinical areas, innovative practice and patient safety. The overall employee of the year was chosen from the winners of

the Employee of the Month scheme set up in 2009, and revealed as the Worthing cardiac department's Senior Chief ECG Officer, Siew Lu Chan, who was nominated for the difference her outstanding commitment and technical expertise had made to patient care.

Health Hero

Senior Nurse Endoscopist Barbara Willett was named Worthing's Health Hero in the Herald newspaper's annual Community Stars awards. Barbara was nominated by colleague Kim Walder, who praised her as someone who "goes beyond her job every day of the week".



Celebrating the year's outstanding individuals at the 2011 STAR Awards, held at Fontwell Racecourse

5.4 Team success

Enhanced Recovery Programme

The ground-breaking work of Worthing Hospital's Enhanced Recovery Programme (ERP) was recognised at the regional NHS Best of Health Awards in October 2010, where the programme team were winners in the Acute Care category.

ERP was launched at Worthing in 2007 to improve care for patients undergoing major colorectal (bowel) surgery. It focuses on all stages of care, ensuring the patient is in the best possible physical condition before they undergo surgery, has the best possible management during their operation, and the best post-operative and rehabilitative care.

The programme has been very successful in improving results for patients and helping them get better quicker. The average length of hospital stay for people undergoing major colorectal surgery has fallen from 11 days to just five as a direct result of the ERP, while the number of patients needing to be re-admitted to hospital with post-operative complications has also fallen significantly.

Congress success for anaesthesia research

Worthing Hospital's Department of Anaesthesia won four out of the 12 prizes available at the 2010 Association of Anaesthetists of Great Britain and Ireland (AAGBI) annual congress. The department also contributed a third of the congress's original research contributions.

Patient safety shortlisting

Diabetes consultant Dr Gordon Caldwell and his team at Worthing Hospital were shortlisted for a Patient Safety in Clinical Practice award in the 2011 Patient Safety Awards organised by Nursing Times and Health Service Journal.

The team were recognised for the success of the 25-point ward round checklist they created to ensure reliability and uniformity on the round and with drug charts. The introduction of the considerative procedure ensures that all aspects of care are addressed and that doctors actively report to the nurses after a ward round.

5.5 Learning and development

As well as providing doctor education for the Kent Surrey Sussex Deanery and both postgraduate and Continuing Professional Development (CPD) courses for the Universities of Surrey and Brighton, the Trust continues to offer a wide range of training opportunities internally to staff.

In 2010-11, the number of staff studying for National Vocational Qualifications almost doubled to 236 from around 120 in 2009-10, while the Learning and Development Unit made more than 28,000 bookings for training courses covering mandatory topics such as infection control and specialist areas from acute pain management to venepuncture.

The Trust was also successful in gaining validation for two degree programmes with the University of Winchester, which allows us to provide a top-up degree in-house using a range of modules taught by clinical experts.

Use of e-learning facilities continues to grow and will be a continued focus for development in the year ahead as it gains further in popularity, while another key area will be growth in apprenticeships. The Trust enrolled 20 staff onto apprenticeships in 2010-11 and will increase emphasis on these opportunities again in 2011-12.



6. Our volunteers and Friends

6.1 Volunteers

All three of our hospitals are very fortunate to have the support of many volunteers who assist throughout the Trust and fundraise in the community. There are more than 1,000 dedicated volunteers across the hospitals who freely give up their time to help patients and staff.

The WRVS, the Seaside and Chichester Hospital Radio teams, our chaplaincy volunteers, the Friends charities at all three hospitals, the clinical volunteers and the independent volunteers are all a central part of the team who help to ensure the hospitals have a friendly, welcoming atmosphere and provide high quality care.



6.2 Love your hospital charity

Western Sussex Hospitals Charities, established at the time of the merger between the Royal West Sussex and Worthing and Southlands Hospitals Trusts in April 2009, is now operating as 'Love your hospital charity'.

While there was already a well-known charity at each of the hospitals it was felt these needed some revitalisation, and the merger of the Trusts created an ideal opportunity to re-brand as 'Love your hospital charity'.

The charity now encompasses various funds which raise money for the organisation as a whole but also for the individual hospital sites.

This enables our loyal donors to give to their specific hospital or to the organisation as a whole. Each of the wards has its own fund that grateful patients and families can donate to as well.

During the year, the charity team has organised a number of successful events and campaigns that have raised money for specific projects around the Trust. We will continue to raise funds for capital appeals and projects and equipment appeals.



The annual Hearts, Flowers and Memories Walk is one of the many fundraising events staged each year by the Love your hospital charity.



6.3 Friends

The Trust is very fortunate to have three Friends charities which raise money for the hospitals. The Friends of Chichester Hospitals has been in existence since 1948, the Friends of Worthing Hospitals was established in 1949 and the League of Friends of Southlands Hospital was set up in 1952. All are run by independent committees of trustees who co-ordinate activities, manage funds and approve specific donations. There are shops and cafes run by the Friends' volunteers on all three sites.

During the last year, the Friends of our hospitals have provided items ranging from Christmas gifts to state of the art operating theatre equipment. These include:

At St Richard's Hospital

- Diagnostic and surgical equipment for Ophthalmic Day Surgery costing £345,496
- £61,500 worth of landscaping and equipment for patients' therapeutic garden at Donald Wilson Neurological Rehabilitation Centre
- A £65,400 portable echo machine for Cardiology
- £41,500 for refurbishing and equipping the Gynaecology Colposcopy Clinic
- Defibrillators for the Diabetes and Respiratory Centres at a cost of £4,285
- Bladder scanners worth £15,000
- A bariatric echo couch for Cardiology costing £2,275
- A £9,000 OSNA breast cancer lymph node analyser
- Pressure sore and ulcer prevention pads worth £11,393
- A Venturi Negative Pressure Wound Therapy System costing £4,010
- A £12,478 prescription tracking system for Pharmacy



6. Our volunteers and Friends

At Worthing Hospital

- £450,000 towards a new Cardiac Catheter Laboratory
- Infection control ultrasound machines costing £23,090
- £11,764 for refurbishment work, respiration monitors and resuscitation baby mannequins on Beeding Ward
- A £4,910 ophthalmic chair for the Accident and Emergency department
- An automated height/weight machine, blood pressure measurement device, pulse oximeter and haemoglobin analyser for use in Anaesthetics and costing £14,712
- £14,576 for a bladder scanner, vital signs monitor and visitor chairs on Brooklands Ward
- Five cardiac event recorders, publications and pedestal fans costing £7,186 for the hospital's elderly medicine wards
- £8,293 for paediatric cuff, physiotherapy assessment kits, storage units, a TV and DVD player in the Children's Centre
- A £9,245 bladder scanner on Durrington Ward
- Repose mattress sets for the Moving and Handling department costing £9,875
- A £3,702 prescription tracking system for Pharmacy

- £23,307 for hoists, slings, pelvic models, treatment couches, a TV balance system and gym equipment in Physiotherapy

At Southlands Hospital

- £7,500 for a hoist and scale
- £1,300 of speech therapy tools
- £10,000 to buy 10 Axi wheelchairs for outpatients' use



Equipment donated by the Friends of the hospitals in 2010-11 included baby resuscitation mannequins (top), equipment for the Ophthalmic Day Surgery Unit at St Richard's (above), life-saving heart difibrilators (top left) and Axi wheelchairs (far left)

Friends of Chichester Hospitals members attend the opening of the new digital x-ray facility at St Richard's in August 2010 (left)

7. Our environment

The standard of the facilities and conditions in which our patients are treated have a major impact on the quality and outcomes of their hospital experience, so effective cleaning and maintenance are important priorities for the Trust.

During 2010-11, St Richard's Hospital maintained the very high standards it has achieved in recent years, while significant improvements have been made at our Worthing and Southlands sites.

7.1 Measuring standards

The Trust uses a range of internal and external systems to ensure its facilities are maintained to the highest possible standards. Regular 'peer group reviews' are in place to assess cleaning services across the three hospitals, while external reviews and audits are concluding that the Trust is consistently providing very high standards throughout its estate.

7.2 Building projects

As part of the year's Capital Programme, the Trust committed to a number of schemes aimed at improving the services provided to our patients and the hospital environment.

Worthing Hospital continues to develop its estate, with the successful completion of a new Endoscopy Decontamination Suite and the refurbishment of Eartham Ward. A new Discharge Lounge was also built and now provides much improved facilities for patients leaving hospital.

Construction is also under way on a new Paediatric Accident and Emergency Department, a new Outpatients Department and a 38-bedded inpatient ward. A project is also in place to develop two new laminar flow operating theatres at Worthing during 2011.

At St Richard's Hospital, works completed during the year included the provision of a new Acute Medical Unit (AMU) and a new Paediatric Ward. The AMU development has enabled quicker and more direct care, while the Paediatric Ward has been a great success, offering state-of-the-art facilities for its patients.

For more detail about these projects, please see Section 2, *The year in review*.

7.3 Catering services

Since August 2010 all three hospitals have been providing patients with a standardised menu offering the same meal choices and improving nutritional standards. As part of the continued improvements, Southlands patients now receive a 'cook chill' service run from the St Richard's site

In January 2011, the new Shoreline Restaurant opened at Worthing Hospital as part of a major refurbishment scheme in the South Wing, which suffered considerable damage during a fire which broke out in the staff restaurant in March 2010. The new facility is open to all staff and visitors.

7.4 Energy performance

The Trust continued in 2010-11 its ongoing efforts to reduce energy consumption and cost across its three hospitals. Measures introduced to achieve this ranged from low energy lighting improvements to the introduction of water-saving devices such as a borehole at St Richard's to support the Trust's laundry and provide a source of water for the hospital grounds and gardens.



Worthing Hospital's new Shoreline restaurant opened in January 2011

8. Using technology

Technology plays an important and expanding role in enabling the Trust to deliver high quality care for patients. These are some of the key developments that took place during 2010-11.

8.1 Data warehouse

The Trust's Information Teams have created a new 'data warehouse' to improve the provision of accurate and timely information across the hospitals. The warehouse brings together the data feeds and reports created by the hospitals' core IT systems to support statutory and operational reporting, and has extended this toolset to support the service-line management (SLM) system being introduced to the Trust in 2011-12. Work to provide data feeds from the remaining departmental systems is ongoing.

8.2 AMU whiteboard

A new electronic 'whiteboard' system for managing patients coming into the Trust in an emergency has been introduced in Worthing's Acute Medical Unit (AMU), with positive results. The same system will now be installed at St Richard's.

8.3 Near-patient monitoring pilot

The Trust ended 2010-11 in the final stages of a tendering process for a near-patient monitoring system, following a successful 12-month pilot on two wards at Worthing. Near-patient monitoring allows ward staff to record a patient's vital signs electronically, enabling the system to monitor their condition and alert staff to any deterioration.

8.4 Outpatient GP letters

A new version of the Trust's Office Automation tool has been developed to enable medical secretaries to produce clinical correspondence for GPs following outpatient attendances using standardised templates and filing structures. Once completed, these documents are automatically and securely transmitted to the GP via NHS mail. In March 2011, more than 5,000 letters were sent to GP practices in this way from Worthing Hospital. During 2011-12, this system will be rolled out across all three hospital sites.

8.5 Electronic inpatient discharge summaries

Wards are now able to send discharge summaries automatically and securely to GP's via NHS mail, following a successful pilot at Worthing and St Richard's. By the end of the year, more than 1,000 summaries had been sent in this way.

8.6 Electronic transmission of radiology results

A secure, automated system similar to that used to send outpatient letters and discharge summaries has also been developed to notify GPs of their patients' radiology results.

8.7 Paper-light

Alongside moves to reduce the amount of paper the hospitals post to GPs, the Trust's medical records department is investigating options for going 'paper-light' by developing electronic versions of our current paper records. This will be a large project that is likely to take several years to complete.

8.8 IT infrastructure

During 2010-11, the Trust took a number of steps to improve the flexibility, resilience and cost-effectiveness of its IT services. These included a move to a 'virtual server' environment, a review of the St Richard's IT network with a view to bringing it up to the same standard as those of Worthing and Southlands, and the introduction of a new 'Active Directory' system as a foundation for the deployment of new services in the future.



Near-patient monitoring technology on trial in the Trust

9. Governance

The Trust is committed to providing the highest quality patient care, with patient safety and excellent clinical standards as its core objectives.

The Trust is governed through a robust framework of systems and processes designed to ensure transparency, accountability, challenge and an appropriate amount of independent review at each stage of decision making. This is achieved by clearly-defined roles and responsibilities within the organisation.

Reporting is governed in line with good practice and covers clinical care, financial and operational performance, risk management, training and education and other relevant data. This ensures the Board and governance committees have a clear oversight of the organisation and an understanding of its operations at a strategic level.

9.1 Managing risk

The strategic processes for managing risk are fundamentally linked to organisational culture and finance. The management of risk ensures that the outcomes of care are good quality, cost effective and efficient. The corporate and transparent management of patient safety and experience ensures that the Trust is ready for Foundation Status.

The risks managed by the Trust on a routine basis are detailed in the monthly public Trust Board papers available on the Trust's public website at www.westernsussexhospitals.nhs.uk/board-papers.

Risk is managed through the governance framework, and ensures that individually identified risks are then managed collectively to enable recognition of Trust-wide implications. Risk to delivery of the corporate objectives is monitored on the Board Assurance Framework. The Trust's risks are evaluated under the following key headings:

- Strategic
- Operational
- Patient Safety
- Finance
- IT
- HR
- Governance

The key stages to the assessment of risk are:

- Identification of the risk issue – this may be service delivery, planned development, operational activity or impact of external forces
- Assessment of significance of this uses a 5 x 5 matrix which considers the likelihood of occurrence (score 1 to 5, where 1 is rare and 5 almost certain to occur) multiplied by the possible consequences (score 1 to 5, where 1 is insignificant and 5 is catastrophic)
- Implementation of risk treatment plans to mitigate the risk through to elimination or an acceptable residual level
- Prioritisation of the risks with comparison with other operational, strategic and corporate issues to set the context of the risk in terms of significance, tolerability and assurances required
- Monitoring and review mechanisms to assess the effectiveness of mitigating actions and to provide assurance on the residual risk value
- The high level risks are recorded monthly as part of the Trust Board papers.

The risk assessment programme operates primarily at three levels within the organisation; strategic corporate and operational. Integral to this process are the Corporate Risk Register and the Trust's annually-published Assurance Framework.

9.2 Clinical governance

The revised Clinical Governance frameworks have continued since merger and the establishment of the Clinical Divisional structures in October 2009. This process included the development of a programme of quarterly Divisional Governance Reviews of the clinical divisions plus IT and Facilities/ Estates, which are monitored by the Clinical Governance Group on behalf of the Trust Board.

A comprehensive programme of policy review has continued throughout the year, and as such, in February 2011 the organisation was successful in achieving Level 1 of the NHS Litigation Authority (NHSLA) Risk Management Standards for Acute Trusts 2010-11 and Level 1 accreditation in the Clinical Negligence Scheme for Trusts (NHSLA).

9.3 Information Governance

The Trust can confirm that it reported one information governance breach as a Serious Incident Requiring Investigation (SIRI), which is being managed and investigated through the appropriate SIRI management channels.

9.4 Patient Safety

All patient safety incidents are entered onto and monitored via the Datix system, which was implemented Trust-wide in September 2010. The new system has enabled more robust analysis and interpretation of incidents by identifying themes and trends from which valuable lessons can be shared throughout the organisation.

All incidents graded as moderate or above are subject to a Root Cause Analysis Investigation, and are monitored through the divisional governance processes. Additionally, the Triangulation Group identifies existing or potential links between reported events from incidents, complaints, claims and PALS.

A monthly SIRI report is provided to the Trust Board on a quarterly basis, and includes in-depth analysis of patient safety incidents, falls and 'CLIP' (Complaints, Legal, Incidents and PALS).

10. Emergency planning

Emergency planning incorporates all elements of dealing with emergencies which are beyond the normal capabilities of an organisation.

Examples range from localised flooding that causes widespread disruption but affects just a few residents to a terrorist attack resulting in large numbers of people being injured or killed. Hospitals, Primary Care Trusts and the Ambulance Service have a wealth of expertise, which is used daily to deliver the services expected by the public.

10.1 Major Incident / Emergency

All major incidents / major emergencies will require special action to be taken in response. Within the Civil Contingencies Act 2004, which governs the national response to emergencies, there is an agreed definition which sets out when a major incident / major emergency should be declared:

An emergency is an event or situation which threatens serious damage to human welfare, the environment or security in the United Kingdom.

As an acute trust, Western Sussex Hospitals NHS Trust works closely in liaison with the Ambulance Service and other community services in the preparation of these plans. Particular focus is placed on the triage, treatment and management of casualties from an incident who may be transported to the Accident and Emergency departments at either St Richard's or Worthing Hospital sites.

To this effect and to test the Western Sussex Hospitals NHS Trust Major Incident Plan, an EMERGO exercise was completed in March 2011. It was the first major incident exercise for hospital staff in the area since the merger of the Royal West Sussex and Worthing and Southlands Hospitals NHS Trusts in 2009, meaning staff faced the new challenge of coordinating the overall response to a larger-scale emergency which could impact on all sites.

The exercise scenario was based around a road traffic collision involving a minibus carrying school children and a heavy goods vehicle which rolled through a railway bridge parapet, falling onto a train line. The success of the exercise and the enthusiastic participation of staff from all levels means the Trust Board, other external NHS bodies and our emergency services partners can be assured that Western Sussex Hospitals NHS Trust is able to respond to an incident involving casualties in a structured, clear and efficient way.

10.2 Business continuity

Business continuity exists to ensure continuity of critical functions in the event of a disruption, and the effective recovery afterwards.

Examples of the types of incident that would affect and require business continuity management would be:

- [Loss of utilities](#)
- [Loss of IT/telecommunications](#)
- [Flooding](#)
- [Severe weather](#)
- [Heat wave](#)
- [Disruption to fuel supplies](#)
- [Pandemic Influenza](#)

Business continuity was tested during the spate of heavy snow in early December 2010. Transport infrastructure was severely disrupted as roads became blocked and snow made driving hazardous and sometimes impossible. Transport plans were put into action and, with the determination and commitment of staff and the support of our voluntary and emergency services partners, the Trust was able to provide all services during this time.

10.3 Pandemic Influenza

In the event of Pandemic Influenza it can be expected that additional demands will be placed on all healthcare facilities. Response plans should be flexible enough to deal with a range of possible attack rates. An increase in the numbers of patients and staff suffering with influenza and its direct complications may cause particular challenges to the provision of services, which will be exacerbated by the depletion of the workforce and by logistical difficulties

Western Sussex Hospitals NHS Trust has a Pandemic Influenza Plan which caters for this event and incorporates a response to a worst-case scenario.

The Trust carried out a major incident exercise in March 2011



11. Our plans for the future

Our future plans are focused on two major objectives: the achievement of NHS Foundation Trust status and the implementation of the Service Redesign for Quality in West Sussex proposals drawn up in partnership with NHS West Sussex, the Coastal West Sussex GP Federation and Sussex Community Trust.

11.1 Foundation Trust application

Western Sussex Hospitals NHS Trust was established in April 2009 with a remit to provide safe, high-quality healthcare that meets the needs of the people of western Sussex; and a commitment to continuing to improve its performance and to giving staff, patients and the wider community greater involvement in determining how its services and facilities should develop in future.

We believe our hospitals will be best able to fulfil these commitments as an NHS Foundation Trust, and so have been progressing through the application process during the past year. The main advantages of NHS Foundation Trust status are of greater freedom to make our own decisions on service design, development and investment, and of greater involvement for our patients and the public in shaping those decisions.

These enhanced levels of local accountability will be achieved through the continuing development of our Foundation Trust membership base, which builds on the pro-active approach to stakeholder engagement the new organisation has already put in place. Members receive and are invited to give feedback on Trust reports, plans and other information, are entitled to elect representatives to the new Council of Governors and can stand for these positions themselves. Between September 2010 and March 2011 we have recruited 1,500 public members.

During the first half of 2011-12, the South East Coast Strategic Health Authority will review our Integrated Business Plan, the document that sets out our plans to achieve our Foundation Trust objectives, and then we hope forward our application to the Department of Health and Monitor, the independent regulator of Foundation Trusts. Our application remains on course

to be authorised during 2012.

11.2 Service Redesign for Quality in West Sussex

One of the first decisions taken by the Board of the new Western Sussex Hospitals NHS Trust in 2009 was to set patient safety and quality of care at the heart of all that we do. This means never being content with the existing quality of services, but constantly trying to make them safer and better.

In line with this philosophy, at the beginning of 2011, the Trust and its partner organisations NHS West Sussex, the Coastal West Sussex GP Federation and Sussex Community Trust drew up proposals to change the way in which we deliver orthopaedic surgery, elderly care and ophthalmology (eye services).

Under these plans, on which the Trust was consulting with the public at the end of March 2011, we are proposing to:

- Invest in and develop Southlands Hospital as an ambulatory care centre. (Ambulatory care is care such as day surgery, outpatients, diagnostics and other services that do not require an overnight hospital stay)
- Move planned inpatient orthopaedic services from Southlands Hospital to Worthing Hospital. (Inpatient services are where the patient stays in hospital and receives treatment there. Orthopaedic surgery repairs and deals with disorders of the spine and joints)
- Move elderly care inpatient services from Southlands Hospital to Worthing Hospital
- Provide an additional 60 acute hospital beds on the Worthing site
- Work jointly with the West Sussex Commissioners and the Sussex Community Trust to provide more beds and services in the community for people who need rehabilitation after a long spell in hospital. This will enable us to reduce by 60 the overall number of hospital beds at Worthing and Southlands Hospitals.
- Build two new laminar flow theatres at Worthing Hospital. (Laminar flow ventilation is used in modern orthopaedic surgery to reduce the number of infectious organisms present in the air)

- Move ophthalmology from Worthing Hospital to Southlands Hospital and St Richard's Hospital, Chichester

These proposals have been drawn up by our doctors and nurses, and are supported by local commissioners and the National Clinical Advisory Team. They are based on the need to improve the quality and experience of care for our patients and will provide a secure and clearly-defined future for Southlands Hospital.

This will be achieved by:

- Providing surgery and post-operative care close to critical care facilities for elective orthopaedic patients in accordance with best practice
- Providing surgery within a laminar flow theatre for all orthopaedic patients at Worthing
- Reducing the length of acute hospital stay for trauma and elderly care patients
- Improving emergency assessment at Worthing Hospital

Our patients' experience of care will be improved by:

- Shorter hospital stays
- Enabling more patients to be assessed and provided with supported care at home rather than in an acute hospital bed
- Eliminating the transfers between Worthing and Southlands that are uncomfortable and inconvenient for patients and relatives, and which result in delays in decision-making and discharge
- Better facilities for ophthalmology patients at Chichester and at Southlands

The Trust expects to make a final decision on the proposals in May 2011. If they go ahead, it is anticipated they will take two years to implement, including the construction of new facilities.

11.3 Strategic objectives 2011-12

When the Trust decided to update its vision (see Section 1, *About The Trust*), we also looked closely at our strategic objectives and ways in which they could specifically support that vision.

The following objectives for 2011-12 have been identified with this in mind and will enable us to deliver the high-quality services our patients deserve. The objectives will be tested fully among our stakeholders alongside our vision statement.

Our strategic objectives are:

- **We care about patients** - Embed a culture of customer focus throughout the Trust to ensure that we treat patients with kindness, dignity and respect. This will be evidenced through improvements in our patient survey, and in real-time feedback from patients and carers.
- **We care about quality** - Provide the highest possible quality of care to our patients. This we will do through focusing on a range of measures to improve clinical effectiveness.
- **We care about safety** - Ensure that our services are the safest we can make them. We will do this by eradicating hospital acquired infections, investing to provide the right environment for patient services, and continually striving to improve our clinical outcomes.
- **We care about serving local people** - Ensure that we can meet the needs of our local population, both now and in the future by providing the right range of services, improving accessibility and providing care closer to home where possible.
- **We care about being stronger together** - Work closely in partnership with our commissioners and other providers in order to provide streamlined, integrated care for patients, removing duplication and improving the quality and efficiency of the care we provide.
- **We care about improvement** - Improve our performance against a range of quality, access and productivity measures through the introduction and spread of best practice throughout the organisation.
- **We care about the future** - Ensure the sustainability of our organisation by continuing to meet our national targets and financial performance and investing in appropriate infrastructure and capacity



“Hitting targets is not enough - all of my patients deserve personal care and attention”

Mr Clive Pratt | Consultant Oral and Maxillofacial Surgeon
Nominated for a STAR Award 2011

We Care... about Patients

Living our Vision | Patients | Quality | Serving Local People | Safety | The Future | Improvement | Being Stronger Together



Western Sussex Hospitals 
NHS Trust



“We know excellent food makes a real difference to the health and wellbeing of our patients”

Worthing Hospital Catering Team
Nominated for a STAR Award 2011

We Care... about Quality

Living our Vision | Patients | Quality | Serving Local People | Safety | The Future | Improvement | Being Stronger Together



Western Sussex Hospitals 
NHS Trust




“My team is always keen to develop new ways of improving patient care”

James Walker | Charge Nurse
Nominated for a STAR Award 2011

We Care... about Improvement

Living our Vision | Patients | Quality | Serving Local People | Safety | The Future | Improvement | Being Stronger Together



Western Sussex Hospitals 
NHS Trust

12. Trust Board

Board members (full membership)



Mr Hywel Evans (Chairman)

Commenced on 1st April 2009 on formation of Trust (resigned 15th April 2011)

Chair of Finance & Investments Committee and Appointments & Remuneration Committee



Mr Anthony Clark (Vice-Chairman)

Commenced as Non-Executive Director on 1st April 2009 (5 year term)

Vice-Chairman since 1st December 2009

Chair of Complaints Committee and Integrated Governance Committee

Member of Finance & Investments Committee



Ms Marianne Griffiths (Chief Executive)

Commenced on 1st April 2009 on formation of Trust



Dr Phillip Barnes (Medical Director)

Commenced on 21st September 2009



Mr Spencer Prosser (Director of Finance and Joint Deputy Chief Executive)

Commenced on 14th September 2009



Ms Jane Farrell (Chief Operating Officer and Joint Deputy Chief Executive)

Commenced on 1st April 2009 on formation of Trust



Mrs Cathy Stone (Director of Nursing and Patient Safety)

Commenced on 1st April 2009 on formation of Trust



Mr Martin Phillips (Non-Executive Director)

Commenced on 1st April 2009 on formation of Trust (5 year term)

Chair of Charitable Funds Committee
Member of Complaints Committee,
Finance & Investments Committee,
Integrated Governance Committee &
Infection Control Committee



Mr Michael Carter (Non-Executive Director)

Commenced on 1st April 2009 on formation of Trust – Resigned 28th February 2011

Chair of Audit Committee
Member of Appointments & Remuneration Committee, Charitable Funds Committee & IM&T Board



Mrs Joanna Crane (Non-Executive Director)

Commenced on 1st April 2009 (5 year term)

Member of Audit Committee and
Integrated Governance Committee



Mr Jon Furmston (Non-Executive Director)

Commenced on 1st April 2009 (5 year term)

Member of Appointments and Remuneration Committee, Audit Committee (Chair from 1st March 2011) and Charitable Funds Committee

In attendance at the Board

Mr William Brown (Non-Executive Director Designate – Advisor to the Board)

Commenced on 1st April 2009
Member of Complaints Committee,
Finance & Investments Committee &
Integrated Governance Committee and
Security Group

Mrs Denise Farmer (Director of Organisation Development and Leadership)

Commenced on 1st April 2009 on formation of Trust

Mr Nick Fox (Director of Strategy)

Commenced on 1st April 2009 on formation of Trust

Mrs Paula Gorvett (Director of IM&T)

Commenced on 1st April 2009 on formation of Trust and resigned from Director of IM&T post on 1st May 2010.

Mr Andrew McGrath (Commercial/ Business Recovery Director)

Commenced on 6th July 2009.
Resigned on 11th June 2010

Mr Giles Peel (Director of Corporate/ Foundation Trust Development)

Commenced on 6th July 2009

13. Remuneration report

Membership of the Appointments and Remuneration Committee

The committee is chaired by the Chairman of the Trust and members include two non-executive directors.

Policy Statement on the remuneration of senior managers for current and future financial years

In coming to any decision on remuneration, the Committee must take into account the circumstances of the organisation, the size and difficulty of the job (benchmarked against other NHS organisations), the performance of the individual and national guidance as appropriate.

Methods used to assess whether performance conditions were met and why those methods were chosen

All Directors' performance is subject to an annual appraisal and, additionally, a report submitted to the Committee from the Chief Executive Officer prior to any decision on remuneration. For the Chief Executive Officer appraisal is undertaken by the Chief Executive Officer of the Strategic Health Authority and a report is submitted to the Committee by the Chairman of the Board.

Statement of policy on duration of contracts, notice periods and termination payments

HM Treasury has issued specific guidance on severance payments (i.e. payments that are not made under either legal or contractual obligation) within "Managing Public Money." Special severance payments when staff leave require Treasury approval.

13. Remuneration report

There are no contractual provisions for payments on termination of contract.

| Name | Title | Date of contract | Unexpired Term | Notice period from the Trust | Notice period to the Trust |
|-----------------------|--|------------------|------------------------|------------------------------|----------------------------|
| Ms Marianne Griffiths | Chief Executive Officer | 01/04/2009 | | 6 months | 3 months |
| Ms Jane Farrell | Chief Operating Officer & Joint Deputy Chief Executive | 01/04/2009 | | 6 months | 3 months |
| Mr Spencer Prosser | Director of Finance & Joint Deputy Chief Executive | 14/09/2009 | | 6 months | 3 months |
| Mrs Cathy Stone | Director of Nursing and Patient Safety | 01/04/2009 | | 6 months | 3 months |
| Mr Nick Fox | Director of Strategy | 01/04/2009 | | 6 months | 3 months |
| Mrs Denise Farmer | Director of Organisation Development and Leadership | 01/04/2009 | | 6 months | 3 months |
| Mr Andrew McGrath | Commercial/ Business Recovery Director | 06/07/2009 | Left on 11th June 2010 | 6 months | 3 months |
| Mr Giles Peel | Director of Corporate/ Foundation Trust Development | 06/07/2009 | 3 months | 6 months | 3 months |
| Dr Phillip Barnes | Medical Director | 21/09/2009 | | 6 months | 3 months |

Salary and pension entitlements of senior managers

A) Remuneration 2010/2011

| Name & Title | Salary (Bands of £5000) £000 | Bonus payments (Bands of £5000) £000 | Other remuneration (Bands of £5000) £000 | Benefits in kind (Rounded to the nearest £00) £00 |
|--|------------------------------------|---|---|---|
| Ms M Griffiths Chief Executive | 195 - 200 | 0 | 0 | 0 |
| Ms J Farrell Chief Operating Officer & Joint Deputy Chief Executive | 130 - 135 | 0 | 0 | 0 |
| Mr S Prosser Director of Finance & Joint Deputy Chief Executive | 140 - 145 | 0 | 0 | 8 |
| Dr P Barnes Medical Director | 210 - 215 (*) | 0 | 0 | 0 |
| Mrs C Stone Director of Nursing and Patient Safety | 105 - 110 | 0 | 0 | 0 |
| Mr N Fox Director of Strategy | 115 - 120 | 0 | 0 | 0 |
| Mrs D Farmer Director of Organisation Development and Leadership | 100 - 105 | 0 | 0 | 0 |
| Mr A McGrath Commercial/Business Recovery Director | 25 - 30 | 0 | 0 | 0 |
| Mr G Peel Director of Corporate/ Foundation Trust Development | 125 - 130 | 0 | 0 | 0 |
| Mr H Evans Chairman | 20 - 25 | 0 | 0 | 0 |
| Mr A Clark Vice-Chairman | 5 - 10 | 0 | 0 | 0 |
| Mr M Carter Non-Executive Director | 5 - 10 | 0 | 0 | 0 |
| Mrs J Crane Non-Executive Director | 5 - 10 | 0 | 0 | 0 |
| Mr J Furmston Non-Executive Director | 5 - 10 | 0 | 0 | 0 |
| Mr M Phillips Non-Executive Director | 5 - 10 | 0 | 0 | 0 |
| Mr W Brown Non-Executive Director | 5 - 10 | 0 | 0 | 0 |

* includes Clinical Excellence Award

Salary and pension entitlements of senior managers

B) Pension Entitlements

| | Increase in pension at age 60 (bands of £2,500) | Real increase in pension lump sum at aged 60 (bands of £2,500) | Total accrued pension at age 60 at 31 March 2011 (bands of £5,000) | Lump sum at age 60 related to accrued pension at 31 March 2011 (bands of £5,000) | 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 | Employer's contribution to Stakeholder Pension £000 |
|----------------|--|--|--|--|--|--|--|---|
| Ms M Griffiths | 0 - 2.5 | 5 - 7.5 | 15 - 20 | 45 - 50 | 278 | 255 | 17 | 0 |
| Ms J Farrell | 0 - 2.5 | 5 - 7.5 | 40 - 45 | 125 - 130 | 754 | 780 | (43) | 0 |
| Mrs C Stone | 0 - 2.5 | 2.5 - 5 | 35 - 40 | 115 - 120 | 624 | 659 | -50 | 0 |
| Mr N Fox | 0 - 2.5 | 0 - 2.5 | 55 - 60 | 175 - 180 | - | 1,460 | N/A | 0 |
| Mrs D Farmer | 0 - 2.5 | 5 - 7.5 | 35 - 40 | 110 - 115 | 725 | 731 | (23) | 0 |
| Mr G Peel | Opted out of Pension Scheme | | | | | | | |
| Mr A McGrath | -(0-2.5) | 0 | 0 | 0 | 0 | 15 | (15) | 0 |
| Mr S Prosser | 12.5 - 15 | 40 - 42.5 | 30 - 35 | 95 - 100 | 449 | 478 | (40) | 0 |
| Dr P Barnes | 10 - 12.5 | 30 - 32.5 | 60 - 65 | 185 - 190 | 1,007 | 925 | 59 | 0 |

Information on exit packages, covering all staff, is disclosed under Note 10.5 to the accounts.

The Government Actuary Department ("GAD") factors for the calculation of Cash Equivalent Transfer Factors ("CETVs") assume that benefits are indexed in line with CPI which is expected to be lower than RPI (used previously) and hence will tend to produce lower transfer values

14. Financial review 2010/11

14.1 Financial performance and risk

At the start of the financial year, the Trust had set itself a target surplus of £5.2m. This was to ensure that it could generate sufficient cash to meet its working capital loan repayments (£4.02m) and invest in its estate.

Through the hard work of all staff across the Trust, this planned target was achieved, thereby meeting the control total agreed with South East Coast Strategic Health Authority. An adjustment to this total of £1.767m to account for the reversal of some of the previous year's land and building impairments, in a recovering economic environment, resulted in a final outturn of £7.001m.

| | 2010/11 |
|---|---------|
| | £000 |
| Retained surplus/(deficit) for the year | 7,001 |
| Adjustments for Impairments | (1,767) |
| Break-even in-year position | 5,234 |

The most significant financial risk for the Trust during 2010/11 was increased emergency activity during the winter months. This was compounded by the impact of the non-elective cap which means that the Trust is only reimbursed at 30% of tariff for emergency admissions in excess of 2008/09 levels. The Trust has worked and continues to work with its partners to implement alternative clinical pathways to manage the level of emergency admissions.

The financial year also brought improved services to patients as the Trust assigned £15m of cash and a £2m long term capital investment loan to its capital programme for major refurbishment at the hospital sites, the purchase of medical equipment and improved information technology.

Further capital investment loans are planned for the new financial year, as elements of Service Redesign for Quality and other schemes are set in motion for the local community. The loans will be fixed at a time of historically low interest rates.

As the Trust completes its Foundation Trust (FT) application, attention is being given to its on-going cash position. Both merger partners prior to 1st April 2009 had weak balance sheets with working capital loans. These loans will be paid in full by the end of 2014/15 but the need for a sounder balance sheet is immediate. The FT environment focuses on particular financial risks of which liquidity is one. The Trust will therefore be seeking longer term working capital loans during the 11/12 financial year.

The results of the FT metrics on which overall financial risk is assessed is as follows (5 is the lowest risk, 1 is the highest):

| | Trust Performance | Rating |
|--|-------------------|--------|
| EBITDA* Actual vs Plan (A measure of how the Trust delivered against Plan) | 7.3 | 3 |
| EBITDA Margin (%) (A measure of Trust financial efficiency) | 88.4 | 4 |
| Return on Assets (%) (A measure of how effectively the Trust uses its assets) | 5.5 | 4 |
| I&E Surplus Margin (%) (A further measure of Trust financial efficiency) | 1.6 | 3 |
| Liquidity** (days) (Stating how many days cash cover the Trust has) | 12 | 2 |
| Overall Rating (A weighted combination of the above) | | 3 |

*EBITDA = Earnings before interest, taxation, depreciation and amortization

** The liquidity calculation includes a maximum working capital facility of 30 days.

The Trust is seeking to reduce financial risk in future periods and is currently reviewing options to increase liquidity such as longer term loan funding which can be repaid over time from greater efficiency. As part of its FT application preparation, models have been developed under various future conditions so that the extent of any future financial risk can be measured and assessed.

During the year, protracted but now resolved discussions with the main commissioner over the payment of past activity, led to a partial interruption to cash flow. The impact is set out in Note 12 to the accounts which reports on compliance with the Better Payment Practice Code. Priority was given to paying non-NHS suppliers ahead of NHS suppliers as the Trust has signed up to the national Prompt Payments Code, and this is borne out in the results. As a large public body, the Trust's responsibility for maintaining good cash flow with local suppliers in the current economic environment cannot be overstated. For 11/12 additional improved performance is being pursued through earlier dispute resolution with NHS organisations and refinement of internal systems.

NHS Trusts have four key financial duties:

- **Break-even duty:** NHS Trusts normally plan to meet this duty by achieving a balanced position on their income and expenditure accounts each and every year. The break-even duty is calculated after adjusting for any impairments charged to the Statement of Comprehensive Income.
- **Capital cost absorption duty:** The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets and pay this to the Department of Health as a dividend.
- **Capital resource limit:** This is a limit on the amount of capital expenditure the Trust can incur in the year. The limit is set by the Department of Health. The Trust can underspend against the limit but may not exceed this limit.
- **External financing limit:** This is a control on the net cash flows of the Trust. The limit is set by the Department of Health and may not be exceeded.

The Trust's performance against all of these external financial targets are summarised as below:

| | Target | Trust Performance | Status |
|------------------------------|----------|-------------------|----------|
| In year Break-even duty | £5.2m | £5.2m | Achieved |
| Capital cost absorption duty | 3.5% | 3.5% | Achieved |
| External Financing Limit | £1.251m | (£2.719m) | Achieved |
| Capital Resource Limit | £20.124m | £16.497m | Achieved |

The accounts provide fuller information on the Trust's financial position and performance. They set out the accounting policies which are largely unchanged from the previous year other than:

- Last year the Trust indexed all of its plant and machinery and transport equipment to reflect current cost but is now following restricting this to high value or long life assets only if their fair value is found to differ from depreciated historic cost.
- A change in the national accounting policy on the accounting of fixed asset impairments in which only those revaluation decreases that do not result from a loss of economic value or service potential is recognised as an impairment charged first to the revaluation reserve and any remaining balance to expenditure. Last year this applied to all revaluation decreases, whatever the reason.
- A further change but one not applicable to the Trust is that leased land is now assessed as being either a finance lease or operating lease whereas previously it would have been automatically accounted for as an operating lease.

The accounts are prepared on a going concern basis under International Financial Reporting Standards using the historic cost accounting convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

The results of the Trust's own charitable funds, the "Love your hospital" charity, are not consolidated within these results but reported separately. All charitable income and expenditure is maintained and accounted for separately from exchequer funds. The Trust Board acts as trustee and is grateful to the many donors that have given over the past year. The charity's own annual report and accounts on the application of these funds will be available later in the year.

14.2 External audit

The Trust's external auditor is the Audit Commission. The total audit fee for the statutory audit in 2010/11 was £190,800 plus VAT. A further £20,000 plus VAT was charged for the Trust's quality accounts. There were no further assurance services or other services provided to the Trust by the Audit Commission during the period reported.

14.3 Pension liabilities

Past and present employees are covered by the NHS Pension Scheme. Details of the treatment of pension costs can be found in notes 1.5 and 11 of the annual accounts.

14.4 Severance payments

HM Treasury has specific guidance on severance payments and NHS bodies have no delegated authority to make such payments unless so approved. In the period reported, no severance payments were made.

14.5 Glossary of NHS financial terms

The following glossary is provided for terms not already defined above and is designed to assist the reader of this report and others produced by the Trust over the year.

Capital and Depreciation

Recorded on the Statement of Financial Position under fixed assets, capital expenditure is that in excess of £5,000 applied to the estate (other than maintenance) and equipment purchases. It is written off over its useful life to the Statement of Comprehensive Income and this is termed depreciation.

Charitable Funds

This relates to donations by patients, relatives, fundraisers, charities and the public. These are accounted for separately and do not form part of these accounts.

Payment by Results (PbR)

The principle funding mechanism for the treatment of patients, providing a national tariff framework.

Public Dividend Capital (PDC)

Effectively the public's equity stake in the Trust, it represents the value of total assets employed, other than donated assets, on the original formation. A dividend is payable to the Department of Health at the rate of 3.5%.

15. Summary financial statements

The summary financial statements do not contain sufficient information to allow as full an understanding of the results of the trust and state of affairs of the Trust and of its policies and arrangements concerning directors' remuneration as would be provided by the full annual accounts and reports. Where more detailed information is required a copy of the Trust's full accounts and reports are obtainable free of charge from the Company Secretary, Worthing Hospital, Lyndhurst Road, Worthing, West Sussex, BN11 2DH.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2011

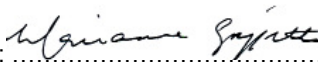
| | 2010/11 £000 | 2009/10 £000 |
|--|-----------------|-----------------|
| Revenue | | |
| Revenue from patient care activities | 321,382 | 309,368 |
| Other operating revenue | 40,211 | 37,438 |
| Operating expenses | (346,643) | (394,510) |
| Operating Surplus/(Deficit) | 14,950 | (47,704) |
| Finance Costs: | | |
| Investment revenue | 21 | 29 |
| Other gains and (losses) | (384) | (828) |
| Finance costs | (736) | (1,304) |
| Surplus/(Deficit) for the Financial Year | 13,851 | (49,807) |
| Public Dividend Capital dividends payable | (6,850) | (7,561) |
| RETAINED SURPLUS/(DEFICIT) FOR THE YEAR | 7,001 | (57,368) |
| Other Comprehensive Income: | | |
| Impairments and reversals | 0 | (11,759) |
| Gains on revaluations | 889 | 22,702 |
| Receipt of donated/government granted assets | 758 | 1,976 |
| Reclassification adjustments: | | |
| - Transfers from donated and government grant reserves | (1,176) | (1,032) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 7,472 | (45,481) |

The retained surplus for the year of £7.001m includes technical reversals of impairments of £1.767m that are excluded from the Trust's breakeven duty.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

| | 31 March 2011 £000 | 31 March 2010 £000 |
|--|-----------------------|-----------------------|
| Non-current assets | | |
| Property, plant and equipment | 239,410 | 231,974 |
| Intangible assets | 1,858 | 2,606 |
| Trade and other receivables | 552 | 594 |
| Total non-current assets | 241,820 | 235,174 |
| Current assets | | |
| Inventories | 4,491 | 4,436 |
| Trade and other receivables | 24,781 | 20,601 |
| Cash and cash equivalents | 2,326 | 2,124 |
| Total current assets | 31,598 | 27,161 |
| Total assets | 273,418 | 262,355 |
| Current liabilities | | |
| Trade and other payables | (38,325) | (30,905) |
| DH Working capital loan | (4,020) | (4,020) |
| DH Capital Investment Loan | (82) | 0 |
| Borrowings | (445) | (568) |
| Provisions | (1,172) | (2,041) |
| Net current assets/(liabilities) | (12,446) | (10,373) |
| Total assets less current liabilities | 229,374 | 224,801 |
| Non-current liabilities | | |
| Borrowings | (3,007) | (3,395) |
| DH Working capital loan | (8,489) | (12,508) |
| DH Capital Investment Loan | (1,927) | 0 |
| Provisions | (2,420) | (2,839) |
| Total assets employed | 213,531 | 206,059 |
| Financed by taxpayers' equity: | | |
| Public dividend capital | 237,388 | 237,383 |
| Retained earnings | (49,639) | (56,640) |
| Revaluation reserve | 13,670 | 12,933 |
| Donated asset reserve | 12,117 | 12,383 |
| Total Taxpayers' Equity | 213,531 | 206,059 |

Signed:  (Chief Executive)

Date: 7th June 2011

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

| | PUBLIC DIVIDEND CAPITAL (PDC) | RETAINED EARNINGS | REVALUATION RESERVE | DONATED ASSET RESERVE | OTHER RESERVES | TOTAL |
|---|----------------------------------|----------------------|------------------------|--------------------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Changes in taxpayers' equity for 2010/11 | | | | | | |
| Balance at 1 April 2010 | 237,383 | (56,640) | 12,933 | 12,383 | 0 | 206,059 |
| Total Comprehensive Income for the year: | | | | | | |
| Retained surplus/(deficit) for the year | 0 | 7,001 | 0 | 0 | 0 | 7,001 |
| Net gain on revaluation of property, plant, equipment | 0 | 0 | 737 | 152 | 0 | 889 |
| Receipt of donated assets | 0 | 0 | 0 | 758 | 0 | 758 |
| Reclassification adjustments: - transfers from donated asset reserve | 0 | 0 | 0 | (1,176) | 0 | (1,176) |
| Balance at 31 March 2011 | 237,383 | (49,639) | 13,670 | 12,117 | 0 | 213,531 |
| Changes in taxpayers' equity for 2009/10 | | | | | | |
| Balance at 1 April 2009 | 188,428 | (57,555) | 105,394 | 14,157 | 1,116 | 251,540 |
| Reserves eliminated on dissolution | 0 | 57,555 | (105,394) | 0 | (1,116) | (48,955) |
| Other movements in PDC in year | 48,955 | 0 | 0 | 0 | 0 | 0 |
| Total Comprehensive Income for the year: | | | | | | |
| Retained surplus/(deficit) for the year | 0 | 57,368 | 0 | 0 | 0 | (57,368) |
| Transfers between reserves | 0 | 728 | (728) | 0 | 0 | 0 |
| Impairments and reversals | 0 | 0 | (8,596) | (3,163) | 0 | (11,759) |
| Net gain on revaluation of property, plant, equipment | 0 | 0 | 22,257 | 445 | 0 | 22,702 |
| Receipt of donated assets | 0 | 0 | 0 | 1,976 | 0 | 1,976 |
| Reclassification adjustments: - transfers from donated asset reserve | 0 | 0 | 0 | (1,032) | 0 | (1,032) |
| Balance at 31 March 2010 | 237,383 | (56,640) | 12,933 | 12,383 | 0 | 206,059 |

STATEMENT OF CASH FLOWS

for the year ended 31 March 2011

| | 2010/11 | 2009/10 |
|---|-----------------|-----------------|
| | £000 | £000 |
| Cash flows from operating activities | | |
| Operating surplus/(deficit) | 14,950 | (47,704) |
| Depreciation and amortisation | 13,223 | 14,317 |
| Impairments and reversals | (1,767) | 61,506 |
| Transfer from donated asset reserve | (1,176) | (1,032) |
| Interest paid | (669) | (1,258) |
| Dividends paid | (6,850) | (7,561) |
| (Increase)/decrease in inventories | (55) | (9) |
| (Increase)/decrease in trade and other receivables | (4,138) | (812) |
| Increase/(decrease) in trade and other payables | 7,324 | 6,285 |
| Increase/(decrease) in provisions | (1,354) | 880 |
| Net cash inflow/(outflow) from operating activities | 19,488 | 24,612 |
| Cash flows from investing activities | | |
| Interest received | 21 | 29 |
| (Payments) for property, plant and equipment | (16,823) | (20,614) |
| Proceeds from disposal of plant, property and equipment | 5 | 0 |
| (Payments) for intangible assets | 0 | (964) |
| Proceeds from disposal of intangible assets | 33 | 0 |
| Net cash inflow/(outflow) from investing activities | (16,764) | (21,549) |
| Net cash inflow/(outflow) before financing | 2,724 | 3,063 |
| Cash flows from financing activities | | |
| Public dividend capital received | 2,050 | 0 |
| Loans repaid to the DH | (4,061) | (4,020) |
| Other capital receipts | 0 | 1,976 |
| Capital element of finance leases and PFI | (511) | (682) |
| Net cash inflow/(outflow) from financing | (2,522) | (2,726) |
| Net increase/(decrease) in cash and cash equivalents | 202 | 337 |
| Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year | 2,124 | 1,787 |
| Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year | 2,326 | 2,124 |

**STATEMENT OF THE CHIEF EXECUTIVE'S
RESPONSIBILITIES AS THE 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.

Signed.....
Chief Executive

Date: 7th 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

Date: 7th June 2011

Chief Executive.....

Date: 7th June 2011

Finance Director.....

15. Summary financial statements

MANAGEMENT COSTS

| | 2010/11 £000 | 2009/10 £000 |
|------------------|-----------------|-----------------|
| Management costs | 16,965 | 16,289 |
| Income | 361,593 | 346,806 |

RELATED PARTY TRANSACTIONS

Details of related party transactions with individuals are as follows:

| | Payments to Related Party | Receipts from Related Party | Amounts owed to Related Party | Amounts due from Related Party |
|--|------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| | £ | £ | £ | £ |
| H Evans, Chairman (Note 1) | 7,504 | 0 | 0 | 0 |
| J Furmston, Non Executive Director (Note 2) | 113,000 | 0 | 0 | 0 |

Note 1: Transactions between the Trust and Penn Pharmaceuticals.
H Evans is a Non-Executive director of the company

Note 2: Transactions between the Trust and BT plc. J Furmston is
Director of Group Regulatory Compliance for BT and his wife works
for BT in the department supplying services to the NHS

The Department of Health is regarded as a related party. During the year Western Sussex Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

| | Payments to Related Party | Receipts from Related Party | Amounts owed to Related Party | Amounts due from Related Party |
|---|------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| | £000 | £000 | £000 | £000 |
| South East Coast Strategic Health Authority | 17 | 9,493 | 146 | 346 |
| West Sussex Primary Care Trust | 2,532 | 298,348 | 1,590 | 10,342 |
| Hampshire Primary Care Trust | 0 | 8,078 | 0 | 194 |
| West Kent Primary Care Trust | 0 | 3,257 | 0 | 312 |
| NHS Litigation Authority | 5,971 | 0 | 1 | 0 |
| NHS Purchasing and Supply Agency | 8,063 | 0 | 1,722 | 0 |
| NHS Blood & Transplant | 2,571 | 0 | 396 | 0 |

Western Sussex Hospitals NHS Trust is sole corporate trustee of Western Sussex Hospitals Charitable Trust, from whom the Trust has received revenue and capital payments. There are no guarantees given or received. No amounts were written off during the year and no provisions made for doubtful debt at year end.

| | Payments to Related Party | Receipts from Related Party | Amounts owed to Related Party | Amounts due from Related Party |
|---|------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| | £000 | £000 | £000 | £000 |
| Western Sussex Hospitals Charitable Trust | 0 | 1,082 | 0 | 90 |

15. Summary financial statements

Better Payment Practice Code – measure of compliance

| | 2010-11 | | 2009-10 | |
|---|---------|---------|---------|--------|
| | Number | £000 | Number | £000 |
| Total Non-NHS trade invoices paid in the year | 103,482 | 105,068 | 105,831 | 98,460 |
| Total Non-NHS trade invoices paid within target | 96,880 | 95,180 | 73,647 | 68,750 |
| Percentage of Non-NHS trade invoices paid within target | 94% | 91% | 70% | 70% |
| Total NHS trade invoices paid in the year | 3,077 | 27,952 | 3,755 | 31,457 |
| Total NHS trade invoices paid within target | 1,375 | 11,873 | 2,019 | 14,134 |
| Percentage of NHS trade invoices paid within target | 45% | 42% | 54% | 45% |

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.

The Late Payment of Commercial Debts (Interest) Act 1998

| | 2010-11 | 2009-10 |
|---|---------|---------|
| | £000 | £000 |
| Amounts included in finance costs from claims made under this legislation | 0 | 0 |
| Compensation paid to cover debt recovery costs under this legislation | 0 | 0 |
| Total | 0 | 0 |

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF WESTERN SUSSEX HOSPITALS NHS TRUST

I have examined the summary financial statement for the year ended 31 March 2011 which comprises Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows set out in section 15 of the Annual Report.

This report is made solely to the Board of Directors of Western Sussex 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 statement 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 statement.

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 statement is consistent with the statutory financial statements of the Western Sussex Hospitals NHS Trust for the year ended 31 March 2011.

Darren Wells
Officer of the Audit Commission
Second Floor, The Agora
Ellen Street
Hove
East Sussex
BN3 3LN

9 June 2011

Statement on internal control 2010/11

1. Scope of responsibility

1.1 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.

1.2 I am accountable for the organisation's performance and its compliance with all relevant legal, regulatory and policy requirements. I am accountable in the first instance to the Board but also to the Trust's principal commissioner, West Sussex Primary Care Trust (NHS West Sussex), and to South East Coast Strategic Health Authority. Meetings are held regularly with both organisations to address the Trust's performance and its strategies and plans for services. In the context of the forthcoming changes to commissioning arrangements, the Trust has formed good working relationships with the Coastal West Sussex Federation. Meetings are also held regularly with other local NHS providers and with West Sussex County Council.

1.3 The Trust is also accountable publicly for its performance, particularly in respect of the quality of care provided by the organisation and progress made against plans for service improvements. The Board meets in public each month; the papers for these meetings are published. There are regular Stakeholder Forum meetings and members of the public are also involved in a range of service or issue-specific consultative groups across the organisation.

2. The purpose of the system of internal control

2.1 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 organisation's policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2.2 The system of internal control has been in place in Western Sussex 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

3.1 The Trust's governance framework integrates clinical and corporate governance and through this structure risks are actively identified and managed. This is

achieved through the Board Assurance Framework, Risk Management Strategy (and supporting policy) and risk reports to the Board and Committees.

3.2 Throughout 2010/11 the Integrated Governance Committee provided managed assurance to the Board that the Trust's processes and controls are effective in delivering the organisation's objectives. The Finance & Investment Committee provided managed assurance in respect of financial management and strategy, and the supporting controls. The Audit Committee provides independent assurance that risk management arrangements are in place and are effective.

3.3 There are clear Executive-level and Divisional Director responsibilities for risk management and reporting, which I oversee. The Company Secretary has responsibility for strategic risk management and reporting, and works closely with the Director of Nursing and Patient Safety who is responsible for the system through which operational risks are recorded and managed.

3.4 In common with other areas of the Trust's governance arrangements, through the professional approach which responsible Directors and managers take to their roles they identify developing good practice in other organisations and in the NHS generally, and apply relevant learning to improve the Trust's risk management arrangements. In respect of learning on risk management within the Trust, the arrangements include a regular meeting led by the Director of Nursing & Patient Safety which reviews complaints, claims and incidents to identify cross-cutting themes and trends such that improvement action can be taken where necessary.

3.5 All staff have the opportunity to receive training and guidance in basic risk management processes according to their authority and duties. A session on risk management is included in the Trust's induction programme to ensure that all new staff understand the importance of effective risk identification and management. The staff who support and administer the Trust's risk management system meet regularly with responsible managers to provide any additional training which is necessary and generally to facilitate effective risk management.

4. The risk and control framework

4.1 The risk and control framework comprises principally of the Board Assurance Framework and the Risk Management Strategy.

4.2 The Risk Management Strategy provides a framework for risk management within the Trust which:

- is based on best practice, national guidance and compliance with the standards for the National Health Service Litigation Authority (NHSLA) and

Clinical Negligence Scheme for Trusts (CNST) risk standards and Care Quality Commission Requirements for registration;

- integrates risk management across the Trust and supports convergence of all aspects of Governance;
- supports the Trust Board, in agreeing the Statement of Internal Control and Assurance Framework and realising the significant quality, financial and organisational benefits from minimising risk; and
- embeds risk management practices into the day-to-day function of the Trust and within the role of every staff member.

4.3 The Risk Management Strategy is supported by a policy which defines the operational processes through which risks are identified, evaluated and managed. Risks identified by staff are reviewed by senior managers to ensure consistency in respect of describing and rating them. The Trust has a Risk Register, relevant parts of which are managed by clinical Divisions and corporate departments. Divisional managers review risks each month to re-assess them and ensure that they are being properly managed, and they are considered in detail at Divisional Governance Reviews, which Executive and Non-executive Directors attend. The Board receives at each monthly meeting a report of risks rated at 15 or over; the Integrated Governance Committee has received at each of its meetings a report of risks rated at 12 and over. (Risks rated at 12 or above are considered to be more significant and therefore require attention at the Board or Board-level Committee.)

4.4 The Trust has a Board Assurance Framework which includes the key components required of an assurance framework, as set out by the Department of Health. The Board Assurance Framework identifies the key risks which relate to the Trust's corporate objectives for the year. The risks are identified, described and rated by objective/risk owners, ie, Executive Directors, and are subject to review and approval by the Board prior to the beginning of the financial year. The Board Assurance Framework is subject to review in each quarter thereafter (in each review the Executive Directors consider the continued relevance of risks as well as their descriptions, ratings, controls and assurances). The Board reviews and re-approves the Board Assurance Framework after each quarterly review and selected risks within the Framework were subject to in-depth reviews, which were reported to the Integrated Governance Committee. The Board Assurance Framework identifies some areas for improvement in controls and sources of assurance but these are not considered to be material. Action plans (which are referenced in the Board Assurance Framework) are in place and are being implemented to address the gaps identified. The Board Assurance Framework supports the preparation of the Statement on

Internal Control by identifying risks the achievement of corporate objectives and gaps in internal controls or assurances. I consider the content of the Board Assurance Framework when preparing the Statement on Internal Control.

4.5 The Trust's risk management arrangements and Board Assurance Framework were subject to two Internal Audit reviews during the year and an opinion of "Significant assurance" was given in both reports, which were presented to the Audit Committee and the Board.

4.6 The Trust has a Stakeholder Forum to engage with the local community. The Stakeholder Forum is open to anyone who lives in the area served by the Trust and who is interested in the services provided at St Richard's, Worthing and Southlands Hospitals. This includes patients, voluntary organisations, carers and interested members of the public. I attend the Stakeholder Forum along with the Trust Chairman and other senior managers in the Trust. The public are consulted specifically on all significant changes to the Trust's services.

4.7 The Trust has specific policies and processes in place to manage and control data security. These are set out in the Information Governance and Security Policy which is supported by additional guidelines such as the use of mobile computing equipment. Information governance and data security training is available to all staff and is included on the Trust's induction programme. The Information Governance Steering Group is responsible for ensuring that an annual audit of information governance is undertaken, agreeing improvement plans where appropriate and monitoring the progress of these improvement plans.

4.8 The Board Assurance Framework identifies four principal areas of risk for the Trust. These were risks during 2010/11 and the Board has assessed them as being likely to continue for the short-term.

1. The future financial position of the NHS could result in reduced income, changes to contractual arrangements or non-payment for activity.

This risk will be managed through the Trust's Cost Improvement Programme, through enhanced transparency created by the introduction of Service Line Management, and through ongoing discussions with West Sussex Primary Care Trust to identify opportunities for care pathway re-design and the costs associated with care.

2. Uncertainty in how services will be commissioned and the Quality Innovation Productivity and Prevention (QIPP) agenda will be delivered arising from the transition of commissioning responsibilities from PCTs to GP Commissioning Consortia.

The risk will be managed through participation in the Western Sussex Coastal Cabinet which focuses on

local health economy plans and services, and regular operational meetings with commissioners. The Trust is developing QIPP plans for emergency care pathways, and it has engaged commissioners in the development of its Clinical Strategy. The Trust's senior management maintains regular dialogue with colleagues in NHS West Sussex and the local GP commissioning consortium which covers longer term strategic issues.

3. The potential mismatch between the capacity of the Trust and the demand for our services, particularly in the potential rise in demand for emergency care fuelled by demographic changes within our catchment population.

As stated above, the Trust participates in the Western Sussex Coastal Cabinet with local health and social care partners, aimed at developing community-based services and changing pathways such that patients who do not need emergency care in hospital are cared for elsewhere.

4. Failing to integrate sufficiently rapidly to benefit from the merger of the two former Trusts and develop a cohesive Trust-wide clinical strategy. Failure to integrate policies, procedures and working practices (particularly clinical) will result in inefficiency and potential reduced quality of care.

There is an organisation development plan to move towards a unified culture and approach to staff management and development. The clinical divisions have plans which address alignment of services, working practices, use of products, etc. The Trust is introducing organisation-wide controls and processes to address rationalisation of products, identify procurement gain and other opportunities.

4.9 Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

4.10 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.

4.11 The Trust has emergency preparedness and civil contingency requirements that include the potential effects of climate change. The Trust is currently undertaking a series of climate change risk assessments which will be integrated with and will support the emergency preparedness and civil contingency requirements as based on the UK Climate Projections 2009 (UKCP09) and ensure that this organisation's obligations under the Climate Change Act are met.

4.12 At the year-end the Trust is fully compliant with Care Quality Commission's (CQC) essential standards of quality and safety. There are no conditions attached to the Trust's registration with the CQC. The Trust has received positive reports from the CQC following unannounced visits to the organisation's three hospitals during the year. These have been reported to the Board and the senior management team regularly receives reports of the CQC's assessments of the Trust's compliance with the essential standards. I have set out below further statements in respect of CQC compliance.

5. Review of effectiveness

5.1 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. The Head of Internal Audit has given an opinion of "Significant assurance" in respect of the arrangements for ensuring the effectiveness of the system of internal control. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself, combined with the associated review processes, provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- the reviews undertaken throughout the year by Internal Audit;
- the outcomes from the clinical audit programme;
- the audit and non-audit work carried out by the External Auditor;
- service-specific reviews undertaken by senior managers;
- Executive-level responsibility for, and review of, audit recommendations; and
- preparation for, and the outcomes of, a range of external assessments, including those undertaken by the CQC, the NHSLA and CNST, and the monitoring arrangements for the action plans arising from such assessments.

5.2 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, Audit Committee, Integrated Governance Committee, Finance & Investment Committee and by the Clinical Governance Group and other groups/committees within the Trust's clinical governance structure. A plan to address weaknesses and ensure continuous improvement of the system is in place.

5.3 The system of internal control has been maintained and reviewed during 2010/11 through the following processes:

The Board: The Board receives at each monthly meeting reports on patient safety, infection control, operational and financial performance and the most significant risks for the organisation. In addition, the Board receives on a quarterly basis reports on complaints and claims. The Board also undertakes a quarterly review of the Board Assurance Framework, supplemented by reports from Committees about their in-depth reviews of selected risks from the Framework. There is active and timely reporting to the Board in respect of service, control, reputational and other issues as they arise in-year.

The Audit Committee: The Audit Committee is a Committee of the Board and reports directly to it. The Audit Committee and the Integrated Governance Committee share responsibility for risk management and oversight of the internal control framework.

In particular, the Audit Committee is responsible for overseeing the activities of Internal Audit, External Audit and the Local Counter Fraud Specialist. For each of these it:

- approved the annual plans at the beginning of the financial year;
- has received reports on the work undertaken and the findings and recommendations from that work; and
- has reviewed the management response to reports, and held management to account for the completion of recommendations.

In accordance with recommended practice, the Audit Committee has held private meetings with Internal and External Auditors when necessary. The Audit Committee is also responsible for co-ordinating assurances on the overall effectiveness of the system of internal control, governance and risk management.

The Audit Committee routinely reviews reports on tender waivers, and losses and special payments. The Audit Committee also reviews the annual accounts before approval.

The Integrated Governance Committee: The Integrated Governance Committee is also a Committee of the Board. Its purpose is to:

- scrutinise and maintain the processes and structures for good governance at the Trust, to assess the effectiveness of those processes and structures and to seek their continuous improvement;
- monitor the performance of the Trust to ensure that the necessary clinical governance processes are in place to assure the Board of quality in clinical care; and
- ensure that the Trust's systems of internal control are established and monitored, including governance arrangements, the approach to risk management, and compliance with legislation and the requirements of all relevant external regulatory bodies.

Executive Team: The purpose of the Executive Team is to:

- develop strategies, plans and business cases, for Board approval where necessary, and manage implementation of them;
- oversee and where necessary direct activity to ensure co-operation with the Trust's commissioners, the Strategic Health Authority and other providers;
- oversee and, where necessary, approve proposals to support organisational development programmes;
- set policy in accordance with the Scheme of Delegation; and
- generally act as the most senior Executive-level decision-making forum for the Trust.

Members of the Executive Team have responsibility for specific aspects of the system of the internal control that are relevant to their role. My review of the systems of internal control is informed by reports made to the Executive Team by individual Directors.

Internal Audit: Internal Audit provides an independent and objective opinion on the degree to which risk management, control and governance support the achievement of the Trust's objectives. For 2010/11 the Head of Internal Audit gave the opinion 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 weaknesses in the design or inconsistent application of controls put the achievement of particular objectives at risk" Internal Audit reports its findings to relevant Executive Directors, to the Audit Committee and to the Chair of the Integrated Governance Committee. External Audit: The External Auditor reports (through the Audit Committee) to the Trust on the findings from his/her audit work, in particular the review of the accounts statements and financial aspects of corporate governance.

5.4 My review of the effectiveness of the system of internal controls has identified the following issues which arose during the year or which remain at year-end:


Care Quality Commission: During the year the CQC carried out unannounced visits to all three of the Trust's hospitals. The CQC reported following a visit to Worthing Hospital that it had some moderate concerns, mainly in respect of record keeping. An action plan was produced, completion of which was led by the Director of Nursing & Patient Safety. The completed plan was reported to the CQC and following a visit to Southlands Hospital in March 2011 the CQC commended the Trust on the improvements made through the action plan. The CQC has confirmed that the Trust is compliant with all the essential standards.

Orthopaedic Surgery at Southlands Hospital: During the year the laminar flow-equipped operating theatre at Southlands Hospital failed a routine inspection. Following an assessment of the work required to repair the equipment, and in the context of the ongoing public consultation about the proposed move of orthopaedic surgery from the site, to protect patient safety it was decided to move joint-related orthopaedic surgery to St.Richard's Hospital. The process was well-managed although the Trust recognises that the service move has caused inconvenience to some patients.

5.5 My review of the effectiveness of the system of internal controls also identified the following significant control issue which remains at year-end:

Operational Performance: In conjunction with health and social care partners the Trust continues to actively address capacity and care pathway re-design in the local health economy. This is necessary in order to achieve sustainable alignment of resources/capacity to demand for services. In the context of demand being significantly in excess of capacity, and a number of operational issues including the continued increase in the level of emergency activity, the Trust has experienced significant challenges in respect of compliance with the requirement to treat within 18 weeks 90% of patients admitted electively. As a result the Trust was not compliant with this aspect of the NHS Operating Framework (which was in place until 21 June 2010), the South East Coast Operating Framework or the NHS Constitution. The Trust acknowledges that this constitutes a significant issue in respect of control and service to patients. Through firm, focused attention at Executive Director level an action plan has been developed jointly with partners in the local health economy to ensure that patients on waiting lists are treated at the earliest opportunity and to put into place arrangements to ensure sustained compliance for referral to treatment time targets.

5.6 With the exception of the internal control issues that I have outlined in this statement, my review confirms that Western Sussex 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.

Signature.....

Name: Marianne Griffiths

Job Title: Chief Executive

Date: 7th June 2011

WESTERN SUSSEX HOSPITALS NHS TRUST

| | | |
|-----------------------|-------------------|---------------------|
| St Richard's Hospital | Worthing Hospital | Southlands Hospital |
| Spitalfield Lane | Lyndhurst Road | Upper Shoreham Road |
| Chichester | Worthing | Shoreham-by-Sea |
| West Sussex | West Sussex | West Sussex |
| PO19 6SE | BN11 2DH | BN43 6TQ |
| Main switchboard | Main switchboard | Main switchboard |
| 01243 788122 | 01903 205111 | 01903 205111 |

WWW.WESTERNSUSSEXHOSPITALS.NHS.UK

We hope you found the Trust's Annual Report and Summary Financial Statements for 2010-2011 informative.

- Was there something you found particularly interesting?
- Was there something else you would like to have been included?
- Was there anything you would have preferred not to have been included?

Please send your comments to:

Head of Communications and Engagement
Western Sussex Hospitals NHS Trust
Worthing Hospital
Lyndhurst Road
Worthing
West Sussex
BN11 2DH

Or, if you prefer to email someone, contact communications@wsht.nhs.uk

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