



Brighton and Sussex **NHS**
University Hospitals
NHS Trust

Annual Report 2012-13

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Section 1: Introduction to BSUH	3-19
From the Chair and Chief Executive	4
About BSUH	5
Our Patients	6
Our Staff	8
Our Volunteers	10
Our Developments	11
Our Partnerships	12
Our Commissioners	13
Our Successes	14
Our Challenges	15
Our Operating Review	16
Our Money	18
Our Board	19
Section 2: Highlights of the Year	20-23
Section 3: Our Priorities for 2012-13	24-27
Section 4: Financial Review	28-41
Chief Financial Officer Report	29
Statements of Responsibilities	30
Notes to the Summary Financial Statements	31
Financial Summary	32
Independent Auditor's Report	41
Section 5: Annual Governance Statement	42-59
Scope of Responsibility	43
Trust Governance Framework	44
Risk Assessment	50
Performance	54
Review of Effectiveness of Risk Management and Control	58



“

I cannot praise highly enough the kindness and consideration shown by all staff. At the age of 94 it can be somewhat tiring and confusing but I was treated with every possible consideration.

”

Section 1: Introduction to BSUH

From the Chair and Chief Executive

The Chair

It is impossible to talk about 2012/13 without referencing the inquiry into the significant failings in the care of vulnerable patients at Mid Staffordshire NHS Foundation Trust. The publication of the Francis Report has changed the landscape in which the NHS operates. In response, along with every hospital in England, we are taking a long hard look at our priorities and ensuring we have in place the necessary checks and governance arrangements to assure ourselves and others that we understand what is happening in our hospital. Members of the public are always welcome to attend our monthly board meetings, the dates and venues for which are published in advance on our website and we would encourage anyone with an active interest in the hospital to come along.

As a Board we have a responsibility to ensure that in the light of the ever-increasing demands, and competing priorities facing every NHS organisation, we never lose sight of our primary responsibility; to provide efficient, effective and compassionate patient-centred care. Hearing the views and experiences of those who have actually used our services is an essential factor in our ability to do this well.



Chair
Julian Lee



The Chief Executive

I joined as Chief Executive of Brighton and Sussex University Hospitals at the beginning of April 2013 at a time when we were experiencing some very real and acute challenges, particularly in relation to the pathway of care and experience of patients admitted to the hospital in an emergency. We were not alone in this as the winter of 2012/13 put many other hospitals locally and across England under similar pressure. This Annual Report sets out very clearly how much has been achieved both in response to and despite the acute and unprecedented challenges of 2012/13 and this is of immense credit to the commitment and hard work of our staff. I also want to acknowledge Chris Adcock, who was interim Chief Executive for the majority of the reporting period. Along with the staff right across the Trust, his unrelenting commitment, integrity and fierce determination to do what is right for BSUH was also a significant contributory factor to the progress made and much of what was achieved. My role and responsibility is to build on the excellent work already being undertaken to improve the quality of the services we provide, achieve our performance and financial objectives, and make BSUH a place where people feel positive about working.



Chief Executive
Matthew Kershaw



About BSUH

Brighton and Sussex University Hospitals (BSUH) is an acute teaching hospital working across two sites: the Royal Sussex County Hospital in Brighton and the Princess Royal Hospital in Haywards Heath.

The Brighton campus includes the Royal Alexandra Children's Hospital and the Sussex Eye Hospital, and the Haywards Heath campus includes the Hurstwood Park Regional Centre for Neurosciences. We provide District General Hospital services to our local populations in and around Brighton and Hove, Mid Sussex and the western part of East Sussex and more specialised and tertiary services for patients across Sussex and the South East of England.

Both hospitals provide many of the same acute services for their local populations. In addition, the Princess Royal is our centre for elective surgery and the Royal Sussex County Hospital is our centre for emergency and tertiary care. Our specialised and tertiary services include neurosciences, arterial vascular surgery, neonatal, paediatrics, cardiac, cancer, renal, infectious diseases and HIV medicine and we are the major trauma centre for Sussex and the South East.



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

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

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



Our Patients

This year 775,919 patients came through our doors, including:

- 15,638 elective inpatients (planned operations requiring a stay in hospital)
- 42,541 elective day cases (procedures and operations where patients go home on the same day)
- 52,416 non-elective inpatients (patients who need emergency admission to hospital)
- 510,430 outpatients (patients who have a day appointment for a particular procedure)
- 154,894 A&E attendances

Patients are at the heart of everything we do and we are constantly striving to ensure they have positive experiences while in our hospitals. To help us provide the best possible care, we encourage patient feedback and use the information we receive to make improvements to our services whenever possible. We gather patient feedback from a range of different sources. In August 2012, we merged the Patient Experience, Patient Advice and Liaison Service (PALS) and Complaints Teams to ensure all the different sources of feedback were being gathered in one area, making it easier to identify and learn from common themes.



We seek feedback proactively through our ongoing patient satisfaction survey Patients' Voice, which is offered to all patients admitted to our hospitals and outpatient clinics. Feedback from the survey is reported to the Board monthly, enabling the ward leaders to respond quickly to any areas of concern or issues requiring immediate attention. Feedback is also received reactively through the PALS, formal complaints, external websites (e.g. NHS Choices) and national patient surveys. Action plans are produced from the feedback received through the surveys and are considered by the Board and monitored by the Patient Experience Panel.



In order to share learning from patient feedback, each ward is provided with a monthly report which details all comments received. For example, a patient who left a post on NHS Choices was invited into the hospital to discuss where we got things wrong and how we could put it right. The patient suggested we set up a patient reporting line for immediate cleaning concerns and issues and, following this feedback, the idea was taken forward.



The Patient Experience Panel is a bi-monthly forum attended by representatives from a variety of patient and community groups. The panel allows the voices of different patient groups to be heard and acted upon. It also allows us the opportunity to engage with our local community and benefit from their perspective on the care and services provided at the Trust.

Panel members are regularly recruited to inform particular service improvement initiatives and panel members have also provided invaluable help via 'Patient Walkabouts' around our hospitals.

The Friends and Family Test is an initiative to provide a national benchmark for all NHS hospitals. From 1 April 2013 all adult inpatients who have stayed at least one night in hospital or who have attended A&E will be asked to think about their experience and answer the question: "How likely are you to recommend our ward/A&E department to friends and family if they needed similar care or treatment?" They can answer with one of six options, ranging from 'extremely likely' to 'extremely unlikely'.

The Friends and Family Test is incorporated into our Patients' Voice Survey and patients attending A&E will also have the option to respond via postcard or using a token.



Our Staff

Brighton and Sussex University Hospitals employs 7,136 people, including:

- 3,196 nursing and midwifery staff
- 1,122 medical staff
- 706 scientific, therapeutic and technical staff
- 1,502 administrative, clerical and estates
- 165 other support staff



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

We aim to create a workforce that is equipped and skilled with the knowledge and capability that will ensure we deliver patient care to the highest possible standard.



To do this, we are introducing a variety of specific projects including career succession planning, talent management, workforce skills mix, organisational change and equality of opportunity. These projects will include a detailed look into areas such as management structures, staffing compliments, and layers of management and spans of control, workforce capability and skills, equality of opportunity for all staff, talent management and long-term skills mix.

We want a healthy workforce that has the right balance of physical, psychological, social, environmental and economic demands. We are working with managers to ensure a speedy and effective response on all Occupational Health matters. Progress has been made with long-term sickness levels and we will match this success by supporting staff and managers to reduce short-term absence across the Trust.

A staff survey is carried out across the Trust every year and, from the feedback received, an action plan is produced for consideration of the Board.

Equality, Diversity and Human Rights (EDHR)

During 2012-13 we completed the first year of our four-year Equality Goals and Objectives, which is underpinned by the Equality Workforce Report published in January 2013.

We have established forums in place, through the Lesbian, Gay, Bisexual and Transgender (LGBT) Forum and Black and Minority Ethnic (BME) Network, that support us to achieve our Equality Goals and Objectives.

We aim to continue to challenge stigma and discrimination in both service delivery and employment in all protected characteristics we are responsible for.



We aim to help support the organisation to improve data collection around equality, particularly for sexual orientation, disability and religion or belief. This will help give a clearer picture of how equality is embedded in BSUH and highlight any areas for improvement.

During 2012 we entered two benchmarking indexes run by Stonewall, an organisation that campaigns for equal rights for lesbian, gay and bisexual people in all aspects of life.



These were the Workplace Equality Index (WEI), where we ranked 133rd out of 376 organisations that entered, and the Healthcare Equality Index (HEI), where we ranked ninth out of 32 organisations that entered. We aim to capitalise on the good work that is being undertaken in both areas to enable us to aim to be within the Stonewall WEI top 100 gay friendly employers and to remain in the top ten in the Stonewall HEI.

EDHR will continue to be part of Trust induction and part of the mandatory training days, which helps support staff to be kept updated on current case studies that highlight issues relating to differing protected characteristics of patients, service users and colleagues/staff.



Our Volunteers

We have 516 local people who volunteer their time to help BSUH maintain quality care for patients. Collectively devoting many hundreds of hours a week, the volunteers work in a variety of roles, such as assisting on wards, in outpatient clinics, and receptions.

There are a number of charitable organisations, including the League of Friends and WRVS, whose volunteers fundraise through on-site shops and other ventures, as well as gift donations to help purchase much-needed equipment for the hospital.



The hard work of our volunteers was recognised at the annual Hospital Star Awards held in Brighton. Rita Holley (pictured on right) won the Volunteer of the Year award, with a nomination that said: “She can always put a smile on everyone’s face and there cannot be a nicer, more willing volunteer in the hospital.”

Rita said: “I love volunteering and giving something back to people but it is still so nice to feel appreciated.”

Jean Thruswell (pictured left) won the runner-up award.



Volunteer Bidge Garton hit the headlines after spending almost 30 years helping out in the Emergency Department at the Royal Sussex County Hospital.

Bidge, who received an Argus Achievement Award for her efforts, volunteers on average for three nights a week on the late shift between 7pm and 2am.

Bidge also fundraises for the hospital and has raised thousands of pounds over the years.



Our Developments



3Ts Redevelopment

The first of the 3Ts related building projects, renovating St Mary's Hall, began in December 2012. St Mary's will be the permanent home for administration and management services currently located in the redevelopment's Stage One construction area and will also supply accommodation for some junior doctors and rotational staff. The outline business case for the main scheme received support from the Department of Health in year and has moved to HM Treasury for final review, after which the scheme will move to final business case.

Carbon Footprint

At the end of 2011/2012 we had reached 10% of our overall target of 25% reduction in direct carbon emissions by 2014/15, from a base date of 2008/2009. The forecast out-turn for 2012/13 shows a reverse of this trend and put us back to 2008/2009 levels. The reason for the upturn in carbon emissions is due to lower temperatures than that of the last two years and increased business activity. To date 27 energy saving projects have been completed and seven more are currently in progress.

New Day Surgery Unit for PRH

Work began on a new £3 million bespoke Day Surgery Unit at the Princess Royal Hospital. The unit will increase the number of patients that can be treated, with at least 3,000 operations performed every year.

New cardiac theatre for County

BSUH received approval from NHS South of England to build a third cardiac theatre at the Royal Sussex County Hospital. The new theatre will provide innovative treatment and increase surgical capacity to reduce the number of patients needing to go to London for treatment.

Birthing rooms improved

A £400,000 grant received from the Department of Health's £25 million capital funding programme to improve birthing environments was used to renovate and enhance privacy and dignity in the labour wards at the Royal Sussex County Hospital and the Princess Royal Hospital.



Our Partnerships

We work closely with our Clinical Commissioning Groups, local GPs, neighbouring hospitals, community and NHS services, local authorities, social services, local voluntary sector and the South East Coast Ambulance Service to provide co-ordinated treatment and care for patients across the region. As one teaching hospital on two sites, we work with our partner medical school and the Universities of Brighton and Sussex to train the doctors, nurses and health professionals of the future.



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

In partnership with BSUH, BSMS is developing a strong reputation for making a real impact to medical research nationally and internationally with the ultimate aim of improving medical treatment, answering fundamental biomedical and clinical questions and delivering more personalised healthcare to patients. Our research themes include cancer, cell and developmental biology, elderly care and stroke, imaging, infection and immunology, neurosciences, paediatrics, primary care and health services, psychiatry and rheumatology.

BSUH has numerous fundraising charities and groups that work tirelessly to raise money to help us enhance our services, improve our buildings and facilities and make coming into hospital a more comfortable and less anxious experience.

The Sussex Cancer Fund has been giving invaluable assistance to the Sussex Cancer Centre at the Royal Sussex County Hospital for many years, providing additional equipment and building improvements for the treatment of cancer patients.

Rockinghorse is the official fundraising arm of the Royal Alexandra Children's Hospital and the Trevor Mann Baby Unit at the Royal Sussex County Hospital. They raise money for life saving equipment and help to ensure children are treated in an environment that best suits their needs.



Our Commissioners

From 1 April 2013, seven Clinical Commissioning Groups (CCGs) took over responsibility from Primary Care Trusts (PCTs) for healthcare budgets across Sussex. They are Brighton and Hove; Coastal West Sussex; Crawley; Mid Sussex and Horsham; High Weald, Lewes and Havens; Eastbourne, Hailsham and Seaford; and Hastings and Rother.

The CCGs are groups of GP practices responsible for planning and designing health services. They 'commission' (buy) health and care services, including: planned hospital care; urgent and emergency care; rehabilitation care; community health services; and mental health and learning disability services. To do this, CCGs work with patients and health and social care partners, including hospitals, to ensure services meet local needs.

The CCG boards are made up of GPs from the local area and at least one registered nurse and one secondary care specialist doctor.

They are responsible for commissioning around 75% of services at our hospitals as well as community and primary care services, mental health services, prescribing and learning disabilities services.

The CCGs are not responsible for contracting primary medical, dental, optometric, pharmaceutical services; health improvement and prevention; and adult or children's social care. The 25% of our services designated as 'specialised' are commissioned by the NHS Commissioning Board.

The CCGs are overseen at a national level by the NHS Commissioning Board, which ensures they have the capability to commission services and meet their financial responsibilities. At a local level, new Health and Wellbeing Boards set up in Local Authorities ensure the CCGs meet the needs of local people.



Our Successes

Mortality rates

In the Dr Foster annual Hospital Guide published in December 2012 our Hospital Standardised Mortality Ratio (HSMR) appears in the top 25% of acute hospitals in England.

HSMR is a measure of deaths while in hospital based on 56 conditions that account for 80% of deaths. Our HSMR of 94 shows fewer patients than “expected” are dying in our hospital.

Falls reduction

Between June 2012 and June 2013 we reduced the rate of falls in our hospitals by a further 15% (since 2009/10 to December 2012 the rate of inpatient falls dropped by 34%). The falls reduction initiative that started on eight wards in the Barry Building at the Royal Sussex County Hospital has now been rolled out across all inpatient areas.

Single sex accommodation

Since July 2012 there have been no mixed sex accommodation breaches and this is now embedded practice and monitored as a core standard of care.



Research

A new league table published by the National Institute for Health Research Clinical Research Network showed an increase in research being undertaken by BSUH. During 2012-13, the number of studies went up from 134 the previous year to 158.

Prevention of pressure damage

We continue to make progress in reducing pressure damage. During 2012-13 the rate of pressure damage fell from 0.81 per 1,000 bed stay days to 0.58, an overall drop of 28%.

Enhanced Recovery

The Enhanced Recovery Programme has been developed in four specialities - colorectal, gynaecology, orthopaedics and urology - and it is already improving patient outcomes and reducing the time they spend in hospital.

The programme focuses on the patient playing an active part in their own recovery process and aims to ensure they receive the right care at the right time by multidisciplinary teams.



Our Challenges

Emergency Department performance

We performed well against all national targets in 2012/13, with the exception of the Accident and Emergency (A&E) four-hour standard. Significant challenges were experienced between October 2012 and March 2013 which resulted in a high number of breaches of the four-hour standard, together with a number of occasions where patients waited more than 12 hours for a bed following a decision to admit. The year end position was 93.19% against a national target of 95%. We invited the Emergency Care Intensive Support Team (ECIST) to review our performance and the emergency pathway in January 2013 and a number of actions were agreed including actions with Local Health Economy partners.



A Root Cause Analysis investigation was undertaken in each case and an overarching action plan developed to address the findings. The Trust did however perform well against its *C. difficile* target, reporting 52 cases against a target of no more than 71 in 2012/13.

Never Events

Four Never Events were reported in 2012/13. Three involved retained foreign objects post-operation and no harm was caused to the patients concerned; one involved wrong-site surgery, with low harm to the patient concerned. Each incident was investigated thoroughly and key actions identified and implemented to ensure learning.



Infection prevention

The Trust exceeded its 2012/13 MRSA reduction target which was to have no more than three Trust-acquired bacteraemia. The Trust reported six cases of MRSA in 2012/13, three were considered unavoidable infections and two were considered to be contaminated blood culture samples.



Our Operating Review

National Standards	Definition	2011/12 Threshold	2012/13	2011/12
Access to Genital Urinary Medical (GUM) clinics	% of patients offered an appointment to be seen within 48 hours	98%	100%	100%
Ethnic coding data quality	Ethnic coding levels of inpatients	90%	93%	93.4%
Reperfusion waiting times	Call to balloon time - 150 minutes or less	70%	84.8%	88%
Delayed transfers of care	Inpatients with delayed transfer of care	<3.5%	3.73%	3.3%
A&E waiting times	% of patients discharged within four hours in A&E and Minor Injuries Unit	95%	93.19%	97%
Revascularisation waiting times	Patients waiting >three hours for revascularisation	0	0	0
Rapid Access Chest Pain Clinic waiting times	Waiting times for Rapid Access Chest Pain Clinic (GP referrals only) <two weeks	98%	100%	100%
Cancelled operations	% of elective operations cancelled on day of operation	<0.8%		0.57%
	% of cancellations not re-admitted within 28 days	<5%		1.65%
Smoking during pregnancy and breastfeeding initiation rates	Smoking during pregnancy	≤ National average	6.11%	7.24%
	Breastfeeding initiative	≥ National average	87.75%	86.05%
Participation in heart disease audits	Participation in national heart disease audits with data quality >90%	90%	Achieved	Achieved
Engagement in clinical audits	Self assessment of compliance with 'best practice' audit guidance - six questions	Annual	Achieved	Achieved
Quality of stroke care	Stroke patients spending >90% of hospital time on a stroke unit	80%	90%	81.6%
Mixed Sex Accommodation	Count of breaches	0	51	881
	% of inpatients	0%	0.04%	0.89%
MRSA bacteraemias	National Vital Signs - MRSA bacteraemia reduction	<3	6	5
C. difficile infections	National Vital Signs - Number of C. difficile hospital acquired infections (age two+)	<71	52	74
18 week referral to treatment waiting times	% of admissions within 18 weeks in month	90%	91.5%	91.9%
	% of non-admissions within 18 weeks in month	95%	96.6%	97.9%
	Diagnostic waits - patients waiting over six weeks for an appointment	1%	0.40%	1.9%

National Standards	Definition	2011/12 Threshold	2012/13	2011/12
Cancer urgent referral to first outpatient appointment waiting time (two weeks)	Urgent GP referrals for suspected cancer - seen within two weeks	93%	95.33%	94.39%
	Max two-week wait from referral for general breast symptoms	93%	97.35%	94.63%
Cancer diagnosis to treatment waiting times (one month)	First cancer treatments started within one month of decision to treat	96%	98.09%	97.47%
	Max one month wait for all subsequent treatments for new cases of primary and recurrent cancer where anti-cancer drug regimen is the chosen modality	98%	99.99%	99.66%
	Max one month wait for all subsequent treatments for new cases of primary and recurrent cancer where surgery is the chosen modality	94%	96.65%	96.26%
	Max one month wait for all subsequent treatments for new cases of primary and recurrent cancer for all other treatment modalities - radiotherapy	94%	90.67%	95.22%
Cancer urgent referral to treatment waiting times (two months)	First cancer treatments started within two months of urgent GP referral for suspected cancer	85%	86.24%	85.51%
	Max two month wait from referral from a national cancer screening service to first treatment for all cancers	90%	92.71%	92.8%
	Max two month wait from a decision to upgrade the urgency of a patient suspected to have cancer to first treatment for all cancers	90%	96%	98.36%

Commissioning for Quality and Innovation (CQUIN) 2012/13

The Commissioning for Quality and Innovation (CQUIN) payment framework enables commissioners to reward excellence by linking a proportion of income to the achievement of locally agreed quality improvement goals.

National NHS Safety Thermometer	Achieved
National VTE Risk Assessment	Achieved
National Dementia	Achieved
Patient Experience	Achieved
Enhancing Quality - Acute Kidney Injury	Achieved
Enhancing Quality - Heart Failure	Achieved
Enhancing Quality - Pneumonia	Not Achieved
Enhancing Quality - Early Recovery Programme - Hip and Knee	Not Achieved
Enhancing Quality - Early Recovery Programme - Colorectal	Achieved
Enhancing Quality - Early Recovery Programme - Gynaecology	Achieved
Enhancing Quality - Dementia	Achieved
Enhancing Quality - Quality Assurance and Engagement	Achieved
High Impact Innovations	Achieved
Audacious Goals	Not Achieved

Our Money

BSUH delivered its planned surplus in 2012/13 despite the difficult economic and operational environment. The Trust declared a surplus of £3.3 million, before accounting for an impairment of £3.2 million in relation to the revaluation of the hospital buildings. This is in advance of significant capital projects. This reduced the reported surplus to a marginal surplus of £22,000 and has enabled the Trust to report a positive breakeven position, which is reported as £2.5m. There is a statutory requirement for Trusts to have a cumulative break-even position.

Income

The Trust received £606 million of income in 2012/13, of which £442 million (73%) was in respect of patient care activities. Of the remaining £164 million (27%), £154 million related to education, training and research. The Trust's income has increased from the previous year by £32m. This relates to increased activity volumes mainly from services transferred to the Trust, the most significant being the Sussex Orthopaedic Treatment Centre at the Princess Royal Hospital (approximately £20m). The centralisation of services such as vascular surgery and the Major Trauma Centre will have also contributed towards this increase. The majority of income from patient activities is received from local commissioners for delivering healthcare to the local population. The Trust also provides specialist services to a wider population across Sussex.

Pay expenditure

The Trust spent £294 million on pay expenditure in 2012/13, an increase on the previous year of £19 million. This increase relates to additional patient activity and services transferred such as the Sussex Orthopaedic Treatment Centre. The impact of being a designated trauma centre and centralisation of services such as vascular will have contributed to this increase.

Of the £294 million spend on pay, £242 million (82%) is spent on direct clinical staff, medical, nursing and other healthcare professionals. The remainder (18%) is spent on administration and clerical staff, estates and management.

Other operating costs

The Trust's operating costs, which exclude pay expenditure, totalled £301.5 million in 2012/13. Operating expenses include the Fixed Asset Impairments in relation to the revaluation of the estate. Excluding this adjustment there is a comparable increase of £10.5 million from the previous year. This increase relates mainly to additional activity associated with the Sussex Orthopaedic Treatment Centre, the impact of the Major Trauma Centre and the centralisation of specialised services. Other pressures in year related to inflation, particularly utilities.



Our Board

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

The Board 2012/13



Chair
Julian Lee



Chief Executive
Duncan Selbie / Chris Adcock
(up to 7/7/12) (from 7/7/12)



Chief Operating Officer
Nikki Luffingham



Chief Financial Officer
Chris Adcock / Karen Geoghegan
(up to 7/7/12) (from 7/7/12)



Medical Director
Dr Steve Holmberg



Chief Nurse
Sherree Fagge

Non-Executive Directors

- Julie Nerney
- Richard Hawkins
- Michael Farthing
- Craig Jones
- Lewis Doyle

Clinical Leadership 2012/13



Medical Director
Dr Steve Holmberg



Chief Nurse
Sherree Fagge



Clinical Chief of Finance
Mr Phil Thomas



Chief of Women and Children
Heather Brown



Chief of Specialised Services and Interim Chief of Medicine
Dr Lawrence Goldberg



Clinical Chief of 3Ts and Director of Digestive Diseases
Mr Peter Hale



Chief of Surgery
Mr Peter Larsen-Disney



Chief of Safety
Prof Aidan Halligan



Chief of Trauma
Mr Iain McFadyen

Section 2: Highlights of the Year

“

I was so impressed by the professionalism, promptness, patience, kindness and good humour of all who treated me. Staff do a great job, often under adverse conditions.

”



Hundreds of developments, improvements and innovations have taken place across our hospitals over the last year. Here are just some of the highlights of the past 12 months as we continually enhance our services for patients.



Radiotherapy services improve at Sussex Cancer Centre

Plans to improve radiotherapy at our Sussex Cancer Centre were given the go-head. The plans will see two further types of radiotherapy provided at the centre, alongside the replacement of all four of our linear accelerator machines that are used to treat cancer patients.

BSUH becomes a Major Trauma Centre

BSUH began the year by becoming the Major Trauma Centre for Sussex. The centre, based at the Royal Sussex County Hospital, enables trauma patients to have better access to highly-skilled and experienced clinicians providing the most advanced treatments. The centre includes providing 24-hour consultant cover in the Emergency Department, an improved resuscitation area and the addition of a new CT scanner.

New Electronic Patient Record to be rolled out across hospitals

BSUH signed a contract to introduce a new Electronic Patient Record (EPR) system across our hospitals. The system will allow every patient to have one easy-to-read, easy-to-use record that can be accessed at the touch of a button. A programme to roll out the new system will take place in stages over three years and will enable safer and more efficient care for patients.

Top scores for environment, food and privacy and dignity

BSUH was rated as 'excellent' for the environment, food and privacy and dignity we provide patients by independent inspectors. The Patient Environment Action Teams (PEAT) visit all hospitals every year to rate the three categories and we were given top marks in all areas at the Royal Sussex County Hospital site and the Princess Royal Hospital site.



New screening assessment for dementia patients

A new screening assessment was introduced to improve the care of patients with dementia. All patients aged 75 years and above who are admitted as an emergency are screened to ensure dementia patients have the right care for their needs. The screening was introduced after it was reported that 40% of people over 75 admitted acutely to hospital had dementia alongside their other conditions and half of these were not diagnosed before admission.

Hospital Star Awards celebrate good work of staff

The annual BSUH Hospital Star Awards were held to recognise and celebrate the positive impact our staff make to patient care and how our hospitals work. The awards, held at the Corn Exchange in Brighton, covered a range of clinical areas and were presented to staff who were nominated by their colleagues and patients for their dedication to their work.



Sussex Cardiac Centre recognised all over the world

Clinicians from the Sussex Cardiac Centre were invited to attend the most prestigious cardiac meeting in the world in America to share findings of a pivotal trial. The research looked at which stents are most suitable to treat patients over 80-years-old, potentially improving the care of older patients with heart problems. Also as part of the meeting, clinicians from the cardiac centre performed procedures at the Royal Sussex County Hospital which were beamed live to the audience across the Atlantic.

New service improves orthopaedic care

A new orthogeriatric service has made significant improvements to the quality of pre and post-operative care for patients with hip fractures. Of the 550 patients seen by the Trust every year with hip fractures, more than 90% now have their surgery within 36 hours of sustaining their fracture, compared to around 50% three years ago.



New centre for care of older patients

A centre that specialises in the care of older people was launched at the Royal Sussex County Hospital. The Regency Centre for Older People is a unification of five wards that treat older people, as well as the Rapid Access Clinic for Older People (RACOP). By creating the centre, it is hoped the perception and attitudes towards the wards specialising in treating older patients will change, with the aim of improving patient care.

Mortality rates amongst best in country

Mortality rates at BSUH were rated in the top 25% of acute hospitals in England according to an independent survey. Information published by Dr Foster, the UK's leading independent provider of health information, gave the Trust a Hospital Standardised Mortality Ratio (HSMR) score of 94. An HSMR of 100 is the "expected" rate; below 100 means fewer patients than expected are dying and above 100 means more than expected are dying and may suggest potential underlying problems.

Pioneering clinic for children's hospital

A pioneering Gastro-Intestinal and Nutrition Clinical Investigation Unit was opened at the Royal Alexandra Children's Hospital to enhance gastro-intestinal services for young patients. The unit is the first of its kind in the country and will play a significant role in advancing the treatment of a range of gastro-intestinal conditions, benefiting hundreds of children across Sussex.

Department of Health praise care

Patient care at BSUH was praised by the Department of Health following a visit to our hospitals. Members of the Department of Health visited the Royal Sussex County Hospital to observe and score the care being given to patients by nursing staff. The team observed 448 interactions between staff and patients in four areas of the hospital and rated 86% as positive. The observations made were part of a new "Sit and See" tool that is being used in ward areas, where someone sits and observes hospital staff and scores their interactions with patients and nursing care.





“

The care I received from the nurses and healthcare assistants was of a high standard. They were caring, supportive and very professional and are all a credit to the NHS.

”

Section 3: Our Priorities for 2013-14

Our Strategic Goals

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

We want to be known for:

- Leading clinically and academically, treating the most difficult and complex cases and striving for excellence in everything we do.
- The safety and quality of our clinical services and for treating our patients, their carers and each other with kindness and compassion.
- Being tough on performance and decent with people.
- Developing strong clinical partnerships with our GPs, neighbouring hospitals and tertiary referrers and working together to the benefit of our populations, clinical service developments, the recruitment and retention of excellent staff and our teaching, research and development responsibilities.

Our strategic goals are:

- We will demonstrate the best and safest care in our District General Hospital services, more specialised and tertiary services, evidenced by regulatory compliance, health outcomes, patient satisfaction and clinical opinion.
- We will work with our partner Medical School and the Kent, Surrey and Sussex Postgraduate Deanery to deliver excellent teaching and training of current and future NHS professionals across primary and secondary care.
- We will continue to research in clearly defined areas, such as oncology, neurosciences, infectious diseases, ageing and paediatrics.
- We will deliver national and local standards, and establish targets for best and safest care that match the aspirations of our public and staff.
- We will support and develop our doctors, nurses, allied health professionals and our managers as natural leaders at every level across the Trust.
- We will continue to attract the best and most able people to work at our hospitals.
- We will continue to work efficiently and effectively to ensure we provide the best possible care for our patients and that we achieve maximum value for money.

Improving Care for Patients

Providing the best possible care for patients is at the centre of everything we do. We constantly strive to improve our services where necessary and maintain the high standards we have set.

Our priorities for improving patient care are:

- We will reduce the number of avoidable falls across the hospital by a further 10%.
- We will ensure all patients are treated in single-sex bays or wards unless clinically inappropriate.
- We will establish safe clinical pathways for all aspects of care, and all age groups, from the ambulance through to rehabilitation.



- We will focus on improving the transfer of patients, focusing on reducing the number of patients being transferred after 10.00pm and before 7.00am.
- We will establish a neurotrauma service in Brighton.
- We will continue to reduce the number of missed doses and focus on nursing behaviours and the administration of medications.

- We will improve the flow of patients within the hospital and reduce the length of stay within the Emergency Department.
- We will embed an action plan to eliminate breaches within the Emergency Department, particularly focusing on 12 hour breaches.





- We will eliminate avoidable grade 3/4 pressure ulcers and further reduce the incidence of category 2 pressure damage by 10%.
- We will aim for no more than 34 cases of hospital-acquired C. difficile and zero avoidable MRSA bloodstream infections.
- We will continue to be within the expected, or better than expected, range for Trust Hospital Standardised Mortality Ratio (HSMR) and Summary Hospital-level Mortality Indicator (SHMI).
- We will ensure at least 95% of patients have venous thromboembolism (VTE) risk assessment on admission.



- We will continue to obtain feedback from patients and to achieve the national targets for the new Friends and Family Test.
- We will improve the experience of care for people potentially coming to the end of their lives.
- We will begin to roll out an Electronic Patient Record across the Trust to improve the collection and access of patient information.



- We will deliver the Trust's strategic goal of academic excellence, by enhancing the reputation of the Trust as an academic centre for education and research and improving patient care through increasing participation in clinical trials.
- We will spend no more than we earn and generate the required surplus.

Section 4: Financial Review

“

Everything happened exactly as you said it would, all staff from reception to consultant were friendly, helpful and professional, and the hospital was spotless.

”



Chief Financial Officer Report

The Trust has delivered a surplus of £3.2m in 2012/13, after technical adjustments. These technical charges relate to the revaluation of the hospital estate in advance of a number of significant capital projects. This financial return means the Trust is in full compliance with the statutory break-even duty.

The Trust achieved its operating surplus despite an extremely challenging winter period. This has been possible through the continuous and effective partnership working with our commissioners and the local health community to ensure resources are used most effectively to deliver safe and efficient patient care across the whole local health economy.

As the organisational changes in the health economy bed in the Trust will continue to develop effective relationships with the newly formed Clinical Commissioning Groups (CCGs) and Specialist Commissioners

It promises to be an equally challenging year in 2013/14. The economic environment going forward means that like all other NHS bodies, BSUH will be required to deliver continuous improvement in the services we provide whilst ensuring we spend no more than we can afford. We will do this through new and innovative ways of working; and will continue to review all aspects of the Trust's activities to find ways we can be more efficient and provide value for money to the taxpayer.

There are a number of significant investments the Trust will be making during 2013/14. The Trust will open a third cardiac theatre and a new Interventional Radiology Suite. There will be further service developments in imaging and radiotherapy as well as implementing an Electronic Patient Record system.

During 2013/14 the Trust will be seeking HM Treasury approval for the outline business case of the 3Ts redevelopment. We will also be advancing the process for Foundation Trust status. Our continuing demonstration of sound financial management will underpin the progress we aim to achieve against our future plans and ambitions.

BSUH acts as a Trustee for charitable funds of £7.7m. Income from donations, legacies and grants totalled £2.4m in 2012/13. During the year £1.4m was spent on clinical research, patient and staff welfare. Significant purchases were made to support video sleep studies and monitors to prevent patient falls as well as vital equipment for cardiac and renal.

We continue to be extremely grateful for the continuing support we receive from our volunteers, supporters, Friends and other providers of charitable donations and the additional facilities these enable us to provide.



Chief Financial Officer
Karen Geoghegan

Statements of Responsibilities

Statement of Chief Executive's responsibilities as Accountable Officer of the Trust

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers' Memorandum issued by the Department of Health. These include ensuring that: there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance; value for money is achieved from the resources available to the Trust; the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them; effective and sound financial management systems are

in place; and annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



Matthew Kershaw
Chief Executive
July 2013

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
Matthew Kershaw, Chief Executive
Karen Geoghegan, Chief Financial Officer
July 2013

Notes to the Summary Financial Statements

For the year ended 31 March 2013 there were no material changes in the Trust's accounting policies. The accounting policies are those issued by the Department of Health which follow UK International Financial Reporting Standards for companies to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

- The Trust should achieve a financial return of 3.5% on net assets. This is done by ensuring our prices include overheads, one of which is capital charges.
- West Sussex PCT, Brighton and Hove City PCT, Surrey PCT and Western Sussex Hospitals NHS Foundation Trust are the largest purchasers of our services.
- The amount spent on staff involved in management and administration includes the cost of managing clinical services and services such as finance and personnel.
- Staff costs are our biggest and most important area of spend. Doctors, nurses and paramedical staff account for 77% of our staff costs.
- Fixed Assets represent the value of the land, buildings and equipment used by the Trust.
- Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefits scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales.

As a consequence it is not possible for the Trust to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period. The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary Report, which forms part of the NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the Business Service Authority - Pensions Division website at www.nhs.gov.uk. Copies can also be obtained from the Stationery Office.

- The Trust's external auditors are Ernst & Young. In 2012/13 the cost of audit work performed by Ernst & Young was £135,000. No non-audit services were provided to the Trust.
- The Trust has one umbrella charitable fund, Brighton and Sussex University Hospitals NHS Trust Charitable Funds (number 1050864), registered with the Charity Commission to receive gifts and legacies from grateful patients and relatives. These donations are used to fund patient and staff welfare and amenities, research and hospital equipment.

The financial statements are a summary of the full accounts and statements of the Trust, which are attached to this report.

A full set of the hospital's charity accounts can be obtained from the Director of Corporate Affairs, The Royal Sussex County Hospital, Western Road, Brighton, BN2 5BE. Telephone 01273 664905.

Financial Summary

Statement of comprehensive income for the year ended 31 March 2013

	2012/13 £000	2011/12 £000
Employee benefits	(294,833)	(275,804)
Other costs	(301,542)	(303,818)
Revenue from patient care activities	442,496	403,097
Other operating revenue	163,578	171,121
Operating surplus (deficit)	9,699	(5,404)
Investment revenue	85	54
Other gains and (losses)	429	(144)
Finance costs	(2,962)	(2,922)
Surplus/(deficit) for the financial year	7,251	(8,416)
Public dividend capital dividends payable	(7,273)	(7,829)
Retained deficit for the year	(22)	(16,245)
Other comprehensive income		
Impairments and reversals	(3,386)	(1,444)
Gains on revaluations	231	3,943
Net gain on assets held for sale	160	0
Total comprehensive income for the year	(3,017)	(13,746)



Statement of cash flows for the year ended 31 March 2013

	2012/13 £000	2011/12 £000
Cash flows from operating activities		
Operating surplus/(deficit)	9,699	(5,404)
Depreciation and amortisation	19,724	18,006
Impairments and reversals	3,213	16,020
Other gains/(losses) on foreign exchange	11	(43)
Donated assets received credited to revenue but not cash	0	(409)
Interest paid	(2,709)	(2,619)
Dividends paid	(7,643)	(7,819)
Increase in inventories	(882)	(129)
Decrease in trade and other receivables	12,711	3,741
Increase in trade and other payables	1,819	11,636
Provisions utilised	(665)	(163)
Decrease in provisions	1,498	524
Net cash inflow from operating activities	36,776	33,341
Cash flows from investing activities		
Interest received	85	54
Payments for property, plant and equipment	(27,880)	(45,025)
Proceeds of disposal of assets held for sale (PPE)	1,860	0
Net cash outflow from investing activities	(25,935)	(44,971)
Net cash inflow/(outflow) before financing	10,841	(11,630)
Cash flows from financing activities		
Public dividend capital received	212	12,306
Public dividend capital repaid	0	(8,000)
Loans received from DH - New Capital Investment Loans	14,439	0
Loans received from DH - New Working Capital Loans	0	15,000
Loans repaid to DH - Capital Investment Loans Repayment of Principal	(255)	0
Loans repaid to DH - Working Capital Loans Repayment of Principal	(3,000)	(1,500)
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI	(1,443)	(1,689)
Capital grants and other capital receipts	0	409
Net cash inflow from financing	9,953	16,526
Net increase in cash and cash equivalents	20,794	4,896
Cash and cash equivalents at beginning of period	14,875	9,979
Effect of exchange rate changes on the balance of cash held in foreign currencies	0	0
Cash and cash equivalents at the end of financial year	35,669	14,875

Statement of financial position as at 31 March 2013

	31 March 2013 £000	31 March 2012 £000
Non-current assets		
Property, plant and equipment	283,855	286,077
Intangible assets	202	5
Trade and other receivables	3,276	3,275
Total non-current assets	<u>287,333</u>	<u>289,357</u>
Current assets		
Inventories	8,136	7,254
Trade and other receivables	20,383	32,725
Cash and cash equivalents	35,669	14,875
	<u>64,188</u>	<u>54,854</u>
Non-current assets held for sale	5,805	7,055
Total current assets	<u>69,993</u>	<u>61,909</u>
Total assets	<u>357,326</u>	<u>351,266</u>
Current liabilities		
Trade and other payables	(53,469)	(54,697)
Provisions	(1,412)	(681)
Borrowings	(1,548)	(1,442)
Working capital loan from Department	(3,000)	(3,000)
Capital loan from Department	(782)	0
Net current liabilities	<u>(60,211)</u>	<u>(59,820)</u>
Total assets less current liabilities	<u>297,115</u>	<u>291,446</u>
Non-current liabilities		
Trade and other payables	(602)	(1,336)
Provisions	(3,180)	(2,825)
Borrowings	(35,587)	(37,136)
Working capital loan from Department	(7,500)	(10,500)
Capital loan from Department	(13,402)	0
Total non-current liabilities	<u>(60,271)</u>	<u>(51,797)</u>
Total assets employed	<u>236,844</u>	<u>239,649</u>
Financed by taxpayers' equity		
Public dividend capital	234,942	234,730
Retained earnings	(22,291)	(23,811)
Revaluation reserve	24,193	28,730
Total taxpayers' equity	<u>236,844</u>	<u>239,649</u>





Income from activities

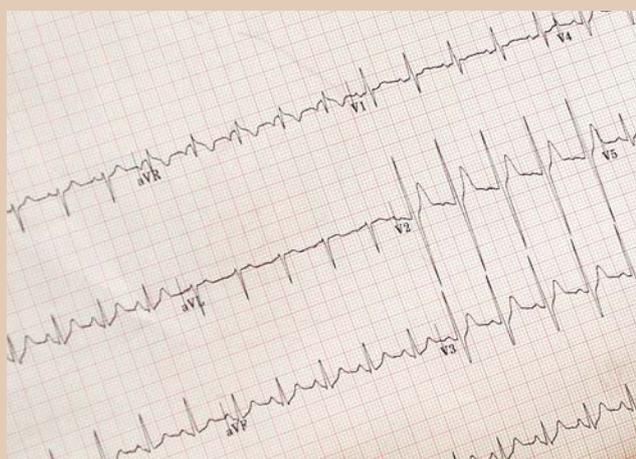
Revenue from patient care activities	2012/13	2011/12
	£000	£000
Strategic Health Authorities	2,282	1,502
NHS Trusts	3,573	4,973
Primary Care Trusts - tariff	378,222	357,002
Primary Care Trusts - non-tariff	28,280	11,793
Primary Care Trusts - market forces factor	18,700	16,297
Foundation Trusts	1,380	1,250
Local Authorities	293	439
Department of Health	796	337
NHS other	306	347
Non-NHS:		
Private patients	4,565	4,921
Overseas patients (non-reciprocal)	353	156
Injury costs recovery	1,384	1,478
Other	2,362	2,602
	442,496	403,097

* Injury cost recovery income is subject to a provision for impairment of receivables of 12.6% to reflect expected rates of collection

Other operating revenue	2012/13	2011/12
	£000	£000
Recoveries in respect of employee benefits	1,905	0
Education, training and research	154,460	162,723
Charitable and other contributions to expenditure	631	2
Receipt of donations for capital acquisitions	725	409
Income generation	5,433	6,609
Rental revenue from operating leases	412	440
Other revenue	12	938
	163,578	171,121
Total operating revenue	606,074	574,218

Operating expenditure (excluding employee benefits)

	2012/13	2011/12
	£000	£000
Services from other NHS Trusts	4,806	3,054
Services from PCTs	1,098	2,593
Services from other NHS bodies	19	1,619
Services from Foundation Trusts	1,809	1,156
Purchase of healthcare from non-NHS bodies	5,399	5,062
Trust Chair and Non-Executive Directors	61	65
Supplies and services - clinical	93,291	81,289
Supplies and services - general	13,494	18,589
Consultancy services	737	1,575
Establishment	12,581	7,245
Transport	1,291	4,967
Premises	21,771	19,074
Impairments and reversals of receivables	668	2,026
Depreciation	19,627	17,984
Amortisation	97	22
Impairments and reversals of property, plant and equipment	3,213	16,020
Audit fees	135	249
Other auditor's remuneration - internal audit	191	206
Clinical negligence	9,351	8,418
Education and training	109,224	111,605
Change in discount rate	9	0
Other	2,670	1,000
	<u>301,542</u>	<u>303,818</u>
Employee Benefits		
Employee benefits excluding Board members	294,060	275,036
Board members	773	768
Total employee benefits	<u>294,833</u>	<u>275,804</u>
Total operating expenses	<u>596,375</u>	<u>579,622</u>





Property Plant and Equipment

Expenditure on capital was £24m. The main projects undertaken during the year were the works on the third cardiac theatre, Major Trauma Centre, refurbishment of St Mary's, the development of an Electronic Patient Record system and the 3Ts development project. There are two private finance initiative schemes. The first scheme relates to staff accommodation built by the London & Quadrant Housing Trust, a registered social landlord with expertise in the staff accommodation field. In 2012/13 the charge to operating expenses for this scheme was £105,000. The second scheme was entered into in June 2004 for the build of a new children's hospital. In 2012/13 the charge to the operating expenses was £1,275,000.

The net book value of property, plant and equipment held by the Trust was as follows:

	£000
Purchased at 01 April 2012	280,733
Donated at 01 April 2012	5,344
Total at 01 April 2012	286,077
Purchased at 31 March 2013	278,636
Donated at 31 March 2013	5,219
Total at 31 March 2013	283,855

The decrease in asset value of £2m comprises £24m capital expenditure less depreciation and impairments of £26m.

Better Payment Practice Code: measure of compliance

	2012/13		2011/12	
	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	113,317	231,208	101,326	227,958
Total non-NHS trade invoices paid within target	100,147	167,385	80,090	143,422
Percentage of non-NHS trade invoices paid within target	88%	72%	79%	63%
Total NHS trade invoices paid in the year	4,270	129,958	3,910	118,129
Total NHS trade invoices paid within target	3,250	110,727	2,722	100,488
Percentage of NHS trade invoices paid within target	76%	85%	70%	85%

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.

Remuneration Committee 2012/13

The Remuneration Committee is a committee of the Trust Board and comprises the Chair of the Trust, three Non-Executive Directors, the Chief Executive and the Director of Human Resources.

The committee is chaired by the Chair of the Trust. The Director of Corporate Affairs attends meetings in an advisory capacity. No member is involved in any decision as to their own remuneration. The committee is responsible for making recommendations to the Trust Board on:

The appropriate remuneration and terms of service for the Chief Executive, Executive Directors and other directors and senior managers (outside of the national terms of conditions) to ensure they are fairly rewarded for their individual contribution to the organisation, having proper regard to the organisation's circumstances and overall performance, including on:

- Any cost of living increases for the Chief Executive, Executive Directors and other designated directors and senior managers taking into account the provision of any national agreements for such where appropriate.
- Appropriate contractual arrangements for the Chief Executive, Executive Directors and other designated directors and senior managers including the proper calculation and scrutiny of any termination payments for executive directors taking account of value for money and relevant national guidance.

In most circumstances remuneration of directors is that of a base salary only without further enhancements. The annual pay award for such staff rate is at a rate generally commensurate with, and no greater than, that agreed nationally for other groups of staff within the NHS and salary levels are independently reviewed and benchmarked against comparable NHS organisations.

Basic salary and pay awards are based upon satisfactory performance being achieved and assessed against annual objectives. The remuneration of the previous Chief Executive, who was on secondment to the Trust from the Department of Health until 31st June 2012, was dealt with under senior civil service pay arrangements, with involvement from the Trust Chair as appropriate.

The Chief Executive agrees and reviews the objectives of the executive directors. Directors are required as part of their contracts of employment to abide by the core standards of conduct contained in the "Code of Conduct for NHS Managers" published by the Department of Health in October 2002. The appointment of executive directors is to permanent positions with relevant notice periods. Continuation of appointment is subject to satisfactory performance.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Brighton and Sussex University Hospitals in the financial year 2012-13 was £239,689 (2011-12 £192,500). This was 9.4 times (2012-13 7.0) the median remuneration, which was £25,415 (2011-12 £27,625).

In 2012-13, 0 employees received remuneration in excess of the highest paid director (2011-12 0). Remuneration ranged from £12,103 to £239,689 (2011-12 £6,258 to £192,500).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration

		2012-13			
Name and Title		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Bonus payments (bands of £5000) £000	Benefits in kind (rounded to the nearest £100)
Non-Executive					
Julian Lee	Chair	20-25			
Julie Nerney **	Non-Executive	5-10			
Carole Nicholson **	Non-Executive	3-5			
Richard Hawkins **	Non-Executive	5-10			
Michael Farthing	Non-Executive	5-10			
Lewis Doyle	Non-Executive	5-10			
Craig Jones	Non-Executive	5-10			
Executive					
Duncan Selbie	Chief Executive (until 30 June 2012)	45-50			
Chris Adcock	Interim Chief Executive (from 1 June 2012)	130-135			
Chris Adcock	Chief Financial Officer (until 31 May 2012)	20-25			
Karen Geoghegan	Interim Chief Financial Officer (from 1 May 2012)	110-115			
Nikki Luffingham	Chief Operating Officer (from 1 May 2012)	110-115			
Sherree Fagge	Chief Nurse	120-125			
Dr Jo Andrews	Chief of Clinical Operations (until 16 July 2012)	10-15	30-35	5-10	
Dr Stephen Holmberg	Medical Director	65-70	115-120	55-60	

		2011-12			
Name and Title		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Bonus payments (bands of £5000) £000	Benefits in kind (rounded to the nearest £100)
Non-Executive					
Julian Lee	Chair	20-25			
Julie Nerney **	Non-Executive	5-10			
Carole Nicholson **	Non-Executive	5-10			
Richard Hawkins **	Non-Executive	5-10			
Michael Farthing	Non-Executive	5-10			
Lewis Doyle	Non-Executive	0-5			
Craig Jones	Non-Executive	0-5			
Executive					
Duncan Selbie	Chief Executive	180-185		5-10	
Chris Adcock	Chief Financial Officer	125-130			
Sherree Fagge	Chief Nurse	120-125			
Dr Jo Andrews	Chief of Clinical Operations	55-60	110-115	20-25	
Dr Stephen Holmberg	Medical Director	65-70	120-125	55-60	

**Audit Committee member

Pension benefits

Name and title	Real increase in pension at age 60	Real increase in pension lump sum at 60	Total accrued pension at age 60 at 31 March 2013	Lump sum at age 60 related to accrued pension at 31 March 2013
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000
Chris Adcock	3	9	28	83
Karen Geoghegan	5	14	30	90
Nikki Luffingham	2	5	46	139
Sherree Fagge	(1)	(3)	50	149
Dr Stephen Holmberg	(1)	(3)	90	270
Name and title	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real Increase/ (Decrease) in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	£000	£000	£000	To nearest £100
Chris Adcock	391	323	36	
Karen Geoghegan	459	350	64	
Nikki Luffingham	906	804	42	
Sherree Fagge	990	933	7	
Dr Stephen Holmberg	1,918	1,795	22	

Related party transactions

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

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

	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£	£	£	£
Michael Farthing Vice Chancellor, University of Sussex	3,941,545	760,089	1,411,594	440,605
Craig Jones Director of Brighton and Sussex Care (BASC)		749		32



Independent Auditor's Report

Independent Auditor's Report to the Directors of Brighton and Sussex University Hospitals NHS Trust

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2013 issued on 10 June 2013 we reported that, in our opinion, the financial statements:

- Gave a true and fair view of the financial position of Brighton and Sussex University Hospitals NHS Trust as at 31 March 2013 and of its expenditure and income for the year then ended; and
- Had been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Issue of value for money conclusion

In our audit report for the year ended 31 March 2013 issued on 10 June 2013 we reported that, in our opinion, in all significant respects, Brighton and Sussex University Hospitals NHS Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Certificate

In our report dated 10 June 2013, we explained that we could not formally conclude the audit on that date until we had completed the work to provide assurance on the Trust's annual quality accounts. We have now completed this work. No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion and value for money conclusion.

We certify that we have completed the audit of the accounts of Brighton and Sussex University Hospitals NHS Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Paul King
For and on behalf of Ernst & Young LLP
Reading
28 June 2013



“

I would like to say a very heart felt thank you for all that you did for my brother. He received nothing but the best kindness and best care.

”

Section 5: Annual Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Brighton and Sussex University Hospitals NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brighton and Sussex University Hospitals NHS Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

- Chief Nurse, who had delegated responsibility for ensuring that the Risk Management Strategy is implemented and evaluated effectively.
- Chief Financial Officer, who had delegated responsibility for managing the Trust's principal risks relating to the delivery of financial plans agreed by the Board.
- Chief Operating Officer, who had delegated responsibility for managing the Trust's risks relating to operational performance, fire safety and resilience.

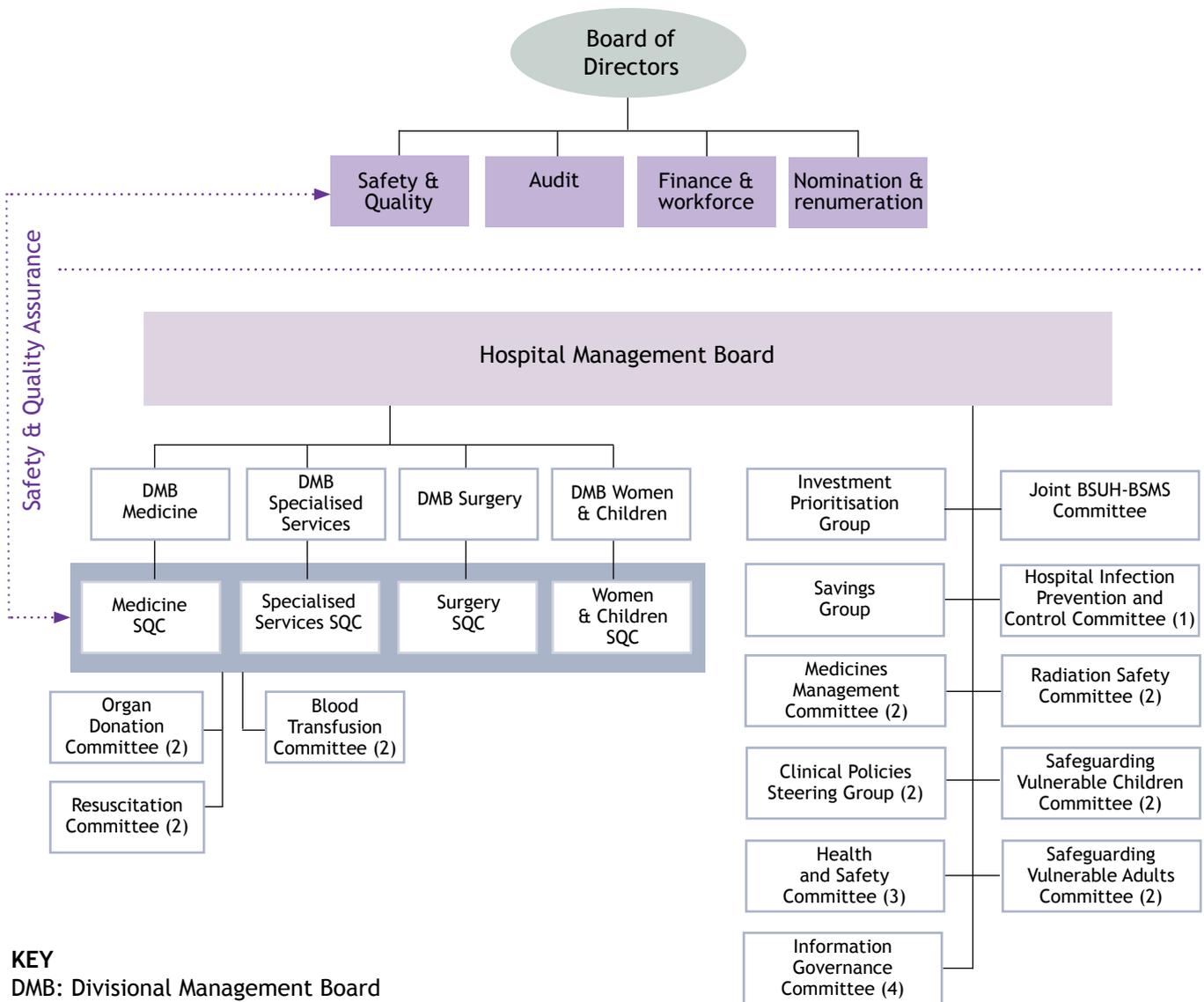
- Medical Director, who had delegated responsibility for managing the principal risks relating to infection control as Director of Infection Prevention and Control, and for managing the strategic development and implementation of safety and quality governance, for reporting to the Board, through its Safety and Quality Committee, and for the assessment and reporting of clinical risk.
- Director of Human Resources, who had delegated responsibility for managing the Trust's principal risks relating to workforce planning.
- Director of Health Informatics, who had delegated responsibility for the Trust's information governance arrangements.

A complete description of the responsibilities, accountabilities and duties for risk management is described in the Trust risk management strategy. An internal audit review of the Assurance Framework and Risk Management, which reported in April 2013, provided a qualified significant assurance opinion over the risk management processes operating within the Trust. It concluded that those processes are established, developed and embedded within the organisation and linked to the Board Assurance Framework. The review made recommendations concerning Board Committee review of the Board Assurance Framework and management review of the Hospital Risk Register which have been incorporated in the business schedule of the Finance and Workforce Committee and Hospital Management Board respectively. As described in this statement, and following a detailed assessment of the effectiveness of the Trust Quality Governance arrangements, the Safety and Quality Committee will be superseded by an Executive Safety and Quality Committee, and Board Quality and Risk Committee, effective from June 2013.

Trust Governance Framework

The BSUH Rules of Procedure, which were approved in October 2010 and reviewed and updated by the Board in October 2011, set out the corporate governance arrangements for the Trust. An internal audit review of the Rules of Procedure, which reported in June 2013, gave significant assurance of compliance with the Rules of Procedure, with no adverse findings. The scope of the audit included providing assurance over the operational effectiveness, and compliance with the Rules of Procedures, of the following groups and committees: Board of Directors (and Board sub-committees); Audit Committee; Nomination and Remuneration Committee; Safety and Quality Committee; Finance and Workforce Committee.

This review provides assurance of the effectiveness of the Board and the Board Committees, in respect of compliance with the Rules of Procedure in 2012/13. The Standing Orders, Schemes of Reservation and Delegation and Standing Financial Instructions were also reviewed and approved by the Board in May 2012.



KEY

DMB: Divisional Management Board

SQC: Safety and Quality Committee (divisional)

(1) Quarterly report to Safety & Quality Committee of the Board and by exception

(2) Bi-annual report to Safety & Quality Committee of the Board and by exception

(3) Bi-annual report to Finance & Workforce Committee of the Board and by exception

(4) Bi-annual report to Audit Committee of the Board and by exception

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

Audit Committee

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

The Audit Committee's membership is drawn exclusively from independent non-executive directors and has been supported by the work programmes of internal and external audit. This ensures independence from executive and operational management.

The Audit Committee has met quarterly in 2012/13 and has provided independent monitoring and scrutiny of the processes implemented in relation to governance, risk and internal control.



The committee has reported its proceedings to the Board of Directors following each of its meetings. The committee considered a draft version of this Annual Governance Statement, which assesses the adequacy of the Trust internal control system at its meeting in March 2013.

The Audit Committee underwent a formal external evaluation of its effectiveness which was reported to the Board in June 2012.

Safety and Quality Committee



The Safety and Quality Committee, which has met monthly, has delegated authority to assure the ongoing development and delivery of the Trust's Safety and Quality Strategy and that this drives the Trust's overall strategy.

It has been supported by the work of the Divisional Safety and Quality Committees and reports from the Trust Safety and Quality Team. The Chair of the Safety and Quality Committee, a Non-Executive Director, has reported on key issues to the Board of Directors after each meeting, and, as a member of the Audit Committee, has raised any issues relating to internal control systems with that committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee's role is to appoint, and, if necessary, dismiss the executive directors; establish and monitor the level and structure and reward of the Chief Executive and executive directors, ensuring transparency and fairness and consistency; develop and implement succession planning for key senior management posts; ensure that contractual terms on termination and any payments in respect of executive directors are lawful and represent value for money; and ensure all provisions regarding disclosure of remuneration, including pensions, are fulfilled.

As part of the Trust response to the Francis Inquiry, the Board of Directors agreed, in February 2013, that the Nomination and Remuneration Committee would also review all compromise and similar agreements to ensure they were consistent with the law and guidance around public interest disclosure.



The Rules of Procedure require the Nomination and Remuneration Committee to meet quarterly. It did not meet with sufficient frequency in 2012/13. However a quarterly schedule of meetings has been established for 2013/14.

Finance and Workforce Committee

The Finance and Workforce Committee, which has met monthly, has provided assurances to the Board of Directors in the following areas: strategic financial and workforce matters;



implementation of the human resources strategy; delivery of in-year financial plans and cost improvement plans; the Trust's financial and investment policies; long-term financial sustainability, capital investment, delivery of significant projects and financial sustainability; and health and safety in relation to the Trust's estate, through compliance with industry standards and implementation of effective internal controls around the health and safety of staff.

The Chair of the Finance and Workforce Committee, a Non-Executive Director, has reported on key issues to the Board of Directors after each meeting.

Board and committee reviews of effectiveness

Board of Directors

An assessment of the Board of Directors was undertaken using the Board Governance Memorandum and was reviewed by the Board in January 2013. This assessment included: Board composition and commitment; Board evaluation, development and learning; Board insight and foresight; Board engagement and involvement. The main gaps identified through the assessment concerned the composition of the Board and Board learning.

The former has subsequently been addressed by the appointment of a substantive Chief Executive and the recruitment of two Non-Executive Directors, and one Non-Executive Director Designate. The latter will be addressed through a formal external evaluation of Board effectiveness which will be undertaken in 2013/14 as part of the Board development programme.

Safety and Quality Committee

As part of its preparations as an aspirant Foundation Trust, a detailed self-assessment of the Trust quality governance arrangements was undertaken in 2012/13. The outcome of the review was considered by the Board of Directors at a Board seminar and recommendations agreed to further develop quality governance and the role of the Safety Quality Committee.



This included the development of an Executive Safety and Quality Committee and Board Quality and Risk Committee which will supersede the current committee. The assessment also found that roles and accountabilities in relation to quality governance needed to be clarified and a Quality Governance Task and Finish Group has been established to address this and other issues identified through the self-assessment.

Audit Committee

A comprehensive review of the work of the Audit Committee, externally facilitated, was undertaken in April 2012 and reported to the Board of Directors in June 2012. This review identified three main areas for the further development of the work of the committee: achieve better executive accountability; improve the understanding of the roles of the three main Board committees; and management of meetings, which are kept under review by the Audit Committee.

A further review of the effectiveness of the committee was undertaken by the Committee Chairman, Chief Financial Officer and Director of Corporate Affairs in March 2013, when the outcome of the external review; the terms of reference of the Audit Committee; and the Audit Committee self-assessment checklist were considered.





The review agreed that in terms of executive accountability, director representation at the committee was appropriate. With regard to reporting from the other key Board committees, routine reports from the other Board committees were discussed at each meeting of the Audit Committee, but may benefit from a focus on gaps in controls or assurance established at those committees.

The Audit Committee had also highlighted to the Board gaps in control and assurance regarding quality governance, which would need to be addressed through the Quality Governance Working Group and would continue to be monitored by the committee.

The chairman of the committee also agreed to take forward meetings with external and internal audit prior to the Audit Committee. An annual review meeting would also be held with internal audit.

The other Board committees have also reviewed and updated their terms of reference in accordance with the Trust Rules of Procedure.

A formal review of the effectiveness of the Finance and Workforce Committee has been planned for June 2013 following receipt of the governance review of major programmes.

Discharge of statutory functions

A comprehensive review of the Trust statutory duties was undertaken in Quarter Three 2012/13. This review followed an incident in which legionella was found to be present in one of the older wards, and subsequent review identified gaps in control and assurance in the water management system. These gaps have been rectified and the Executive Team and Board of Directors receive regular updates on the water management system.

Arising from the review, a plan has been developed to ensure that the Trust policy framework is comprehensive and current, competent persons have been identified in all areas, responsibilities are understood and reporting arrangements are clear.

The Board agreed a framework in February 2013 which aligned all of the Trust statutory duties to management and Board committees to ensure effective oversight of those duties.

Executive oversight of risk framework

The Executive Team, which meets weekly, and the Hospital Management Board, which meets weekly, are responsible for overseeing the operation, completeness and accuracy of the risk management process and provide the Audit Committee and Board of Directors with assurance on the effective development of the Hospital Risk Register and Board Assurance Framework.



Clinical Divisions

The day-to-day business of the Trust is managed by the four Clinical Divisions: Medicine, Specialised Services, Surgery, and Women and Children. Each division has its own Clinical Chief, who chairs their Divisional Management Board, and has clear delegated responsibilities for key objectives and risk management. They are supported by the Corporate Directorates of 3Ts, Estates and Facilities, Finance and Human Resources.

The Clinical Divisions have well developed patient safety structures and responsibilities exercised through the Divisional Safety and Quality Committees which report directly to the Safety and Quality Committee of the Board.



Each divisional Safety and Quality Committee also has an identified Deputy Chief of Safety, most of whom are practising clinicians, and who chair the Divisional Safety and Quality Committees.

The Trust has a Safety and Quality Team whose responsibility is to promote a culture of openness by encouraging staff to be open with patients involved in serious clinical incidents and their families and to ensure that lessons are learnt from incidents, and that these lessons are disseminated on the frontline to staff members.



The Trust also has a Patient Ombudsman and Guardian of Good Quality and Safe Care which is an important element of the Trust whistle-blowing framework.

In addition to the Divisional Safety and Quality Committees, the Deputy Chiefs of Safety convene Patient Safety Incident Review Meetings every month. In this meeting, each of the incidents that have arisen during the month is discussed and the action taken to address the incident is reported.

The Safety and Quality Directorate also holds a weekly patient safety review meeting, chaired by the Chief of Safety and attended by the Deputy Chiefs of Safety. This meeting undertakes a qualitative review of all patient safety incidents within the Trust, identifying any trends or issues that need follow up.



Risk Assessment

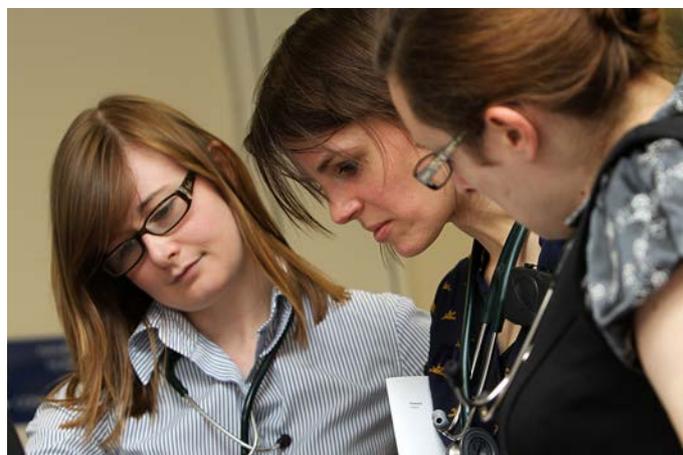
Risk Management Strategy

The Risk Management Strategy and supporting policies and procedures set out the key responsibilities for managing risk within the organisation, including ways in which the risk is identified, evaluated and controlled. The risk management strategy was updated and reviewed by the Board in September 2012.

An internal audit review of the Risk Management Strategy in 2012/13 gave qualified significant assurance to the effectiveness of the implementation of risk management processes.

Risk management, Board Assurance Framework and key risks

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



Board Assurance Framework (BAF)

The BAF provides the Board with a vehicle for satisfying itself that its responsibilities are being discharged effectively. It identifies through assurance where aspects of service delivery are being met to satisfy internal and external requirements. In turn it informs the Board where the delivery of principal objectives are at risk due to a gap in control and/or assurance.

The BAF is reviewed quarterly by the Board. The BAF identifies the principal risks facing the Trust and informs the Board how each of these risks is being managed and monitored effectively. Each principal risk has an identified local risk manager who is responsible for managing and reporting on the overall risk. The identified local risk manager is normally an Executive Director. An Assurance Committee is also identified to assure the Board that each principal risk is being monitored, gaps in controls identified, and processes put in place to minimise the risk to the Trust. The designated assurance committees of the Board are the Safety and Quality Committee (Clinical Risk) and the Finance and Workforce Committee (Financial and Workforce Risk). The Audit Committee reviewed a report on the BAF in March 2013 and will receive a report on the revised BAF in June 2013, following a Board seminar in March 2013 which reviewed the risks, controls and assurance within the BAF. Significant work has been undertaken to implement the BAF, which is supported by well developed processes of review.



An internal audit review of risk management and the assurance framework gave qualified significant assurance to arrangements for the BAF. However, further work is required to ensure that the risks identified in the BAF have sufficient specificity, that all appropriate risks are included in the BAF and the Board of Directors has asked the Audit Committee to ensure reductions in the grading of risks are well supported by improved controls and assurance. The Board of Directors has reviewed the BAF in detail and a revised and updated BAF has been developed which will be reviewed by the Audit Committee and Board in June 2013.



Hospital Risk Register (HRR)

Risk assessment is carried out and managed locally on the local risk register. If these risks are unresolved and significant then they are entered on the Hospital Risk Register (HRR). The HRR is reviewed alongside the BAF by the Executive Team, prior to review of the BAF by the Board of Directors. As part of its preparations for NHS Foundation Trust status, the Trust's Risk Management Strategy was reviewed and re-approved in September 2012.

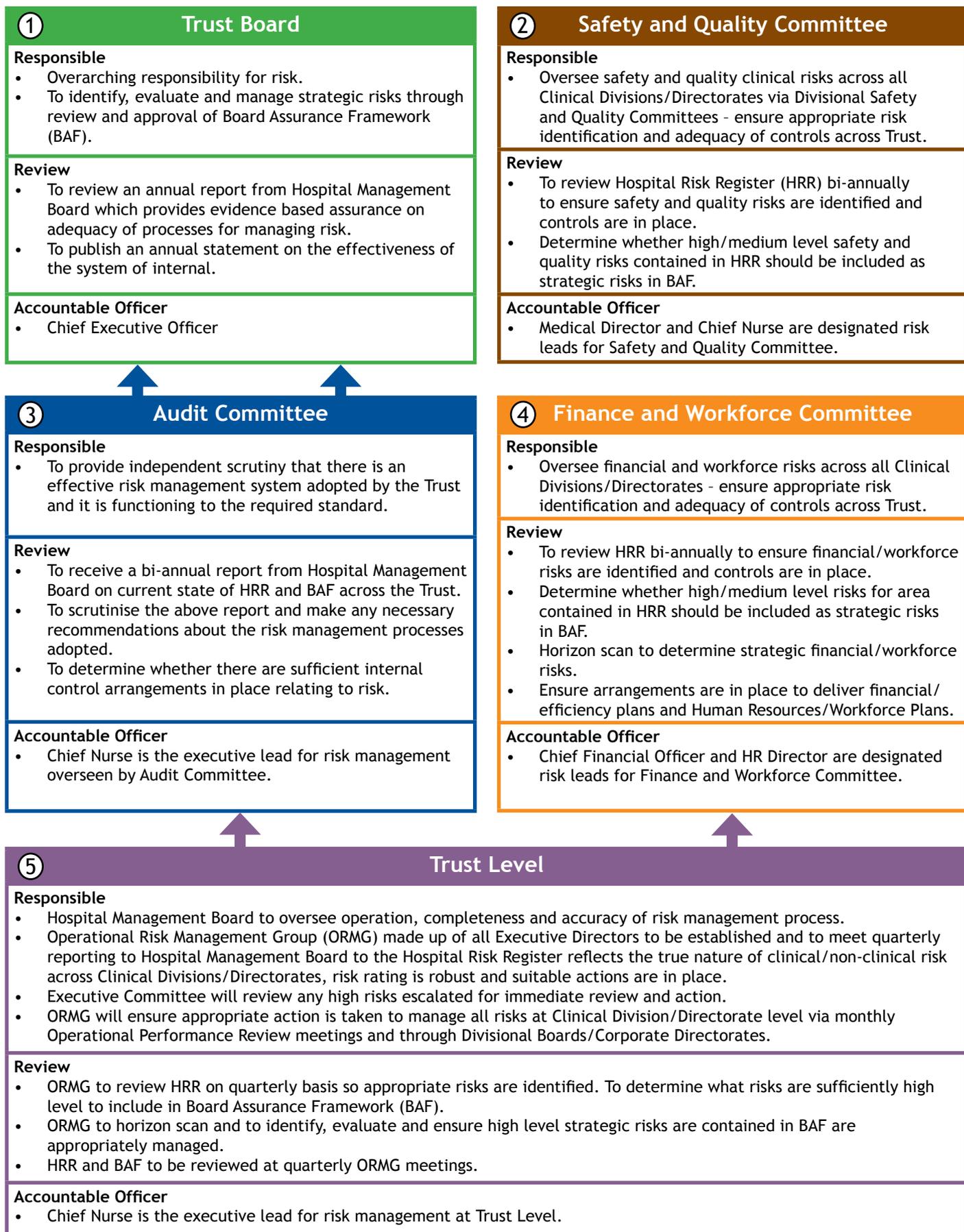
The Board Assurance Framework is reviewed every quarter by the Board of Directors and by the Executive Team prior to submission to the Board of Directors. In the Board Assurance Framework report to the Board of Directors in January 2013, the last quarterly report to the Board in 2012/13, four risks were identified with a net severity of 15+. The Board reviewed ten key risks in January 2013. For six of the ten risks, the net severity was reduced from the gross severity. For the four risks below, the net severity remained the same.

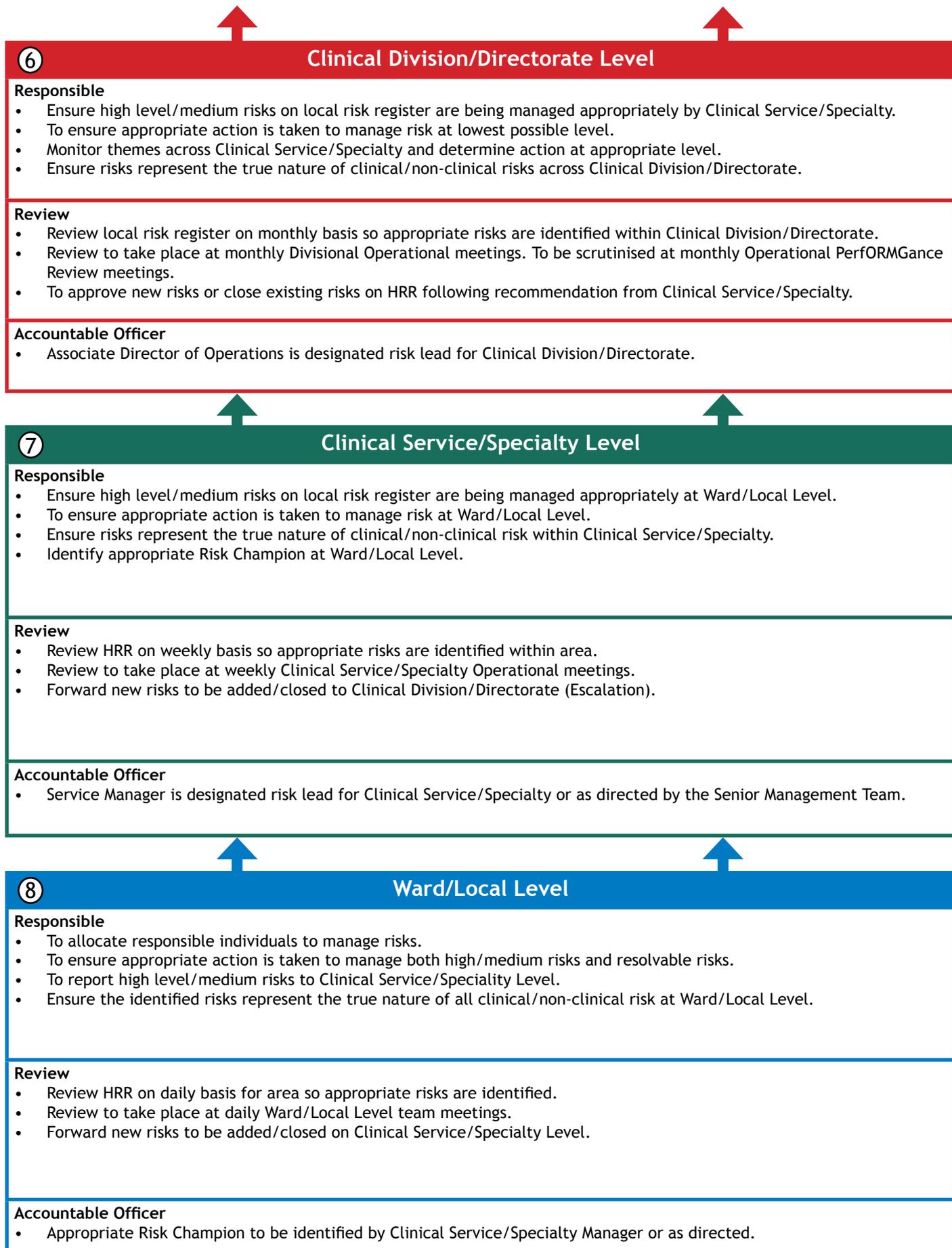
Table 1: The Net (current) high rated risks on the BAF

HRR ref.	Ref.	Description	Executive Lead	Net Score
1352	6	Financial targets may not be met due to underperformance against plans and impact of local and national health economy pressures	Chief Financial Officer	15 ↔
1359	9	An incident or event significantly impacting upon service, patient flow, operational delivery and standards of patient safety	Chief Operating Officer	15 ↔
1345	1	Workforces, including clinicians, do not buy into the Trust's vision and do not drive the required service redesign	Director of HR	15 ↔
1348	4	Delay to implementation of 3Ts programme	Director of 3Ts	16 ↔

For each of the risks above, the detailed Board Assurance Framework describes the processes and controls in place to manage the risk, assurance and gaps in assurance in respect of the risks, and what further action is necessary to control the risk.

Risk and control framework





Performance

Emergency Department performance

The Trust performed well against its targets in 2012/13, with the exception of the Emergency Department four-hour wait standard where significant challenges were experienced in Quarter Three and Quarter Four. This included a high number of breaches of the four-hour wait standard and a number of occasions where patients waited more than 12 hours for a bed following a decision to admit. The year end position was 93.19%, against a national target of 95%.

The Trust invited the Emergency Care Intensive Support Team (ECIST) to review its performance and the emergency pathway in January and February 2013 and a number of actions were agreed following the ECIST review, including actions with Local Health Economy partners.

A discussion and presentation on the ECIST recommendations and agreed actions was made to the March Board of Directors meeting, when the Board sought assurance that the actions contained within the plans were appropriate and sufficient to address the patient safety, experience and organisational performance concerns identified in the ECIST review and from the Trust's assessment of its position.



Infection prevention

The Trust exceeded its 2012/13 MRSA reduction target which was to have no more than three Trust-acquired bacteraemias. The Trust reported six cases of MRSA in 2012/13, three were considered unavoidable infections and two were considered to be contaminated blood culture samples. A Root Cause Analysis (RCA) investigation was undertaken in each case and an overarching action plan developed to address the findings of the investigations. However, the Trust performed well against its C. difficile target of 71 Trust-acquired cases, with 52 cases reported in 2012/13.

Never Events

Four Never Events were reported in 2012/13. Three involved retained foreign objects post-operation and no harm was caused to the patients concerned; one involved wrong-site surgery, with low harm to the patient concerned. Each incident was investigated thoroughly and key actions identified and implemented to ensure learning from the incident. Serious incidents and the actions and learning arising from those incidents are monitored by the Divisional Safety and Quality Committees and through the weekly patient safety review meeting. Learning is also shared widely through the monthly Patient 1st bulletin.



Information Governance

The Annual Governance Statement 2011/12 disclosed an incident concerning the sale of redundant Trust hard drives on eBay. On 28th May 2012, the Information Commissioner's Office (ICO) served the Trust with a Civil Monetary Penalty (CMP) of £325,000 and the Trust paid a reduced fine of £260,000 in June 2012.

The Trust has consequently strengthened the processes relating to the disposal of redundant hard drives and the Audit Committee has kept under review the Trust information governance arrangements.

An incident concerning the misdirection of three faxes to a member of the public was reported to the Information Commissioner's Office (ICO) in June 2012. A detailed programme of remedial work has been undertaken to strengthen controls around faxing and has been communicated to the ICO. All new staff are given information governance training through corporate induction, in which they are informed of the law, NHS guidance and the Trust's policies on the safe and appropriate processing of data.

All existing staff are provided with bespoke training as and when necessary, and with guidance by the information governance and risk management teams. This case has now been closed by the Information Commissioner's Office.



Care Quality Commission Registration

The Care Quality Commission (CQC) carried out four inspections in the Trust in 2012/13. As part of a programme of national inspections of Termination of Pregnancy Services, the CQC inspected the Royal Sussex County Hospital and the Princess Royal Hospital in March 2012 and reported in June 2012 that the hospitals were compliant with all standards inspected.

Scheduled, unannounced inspections were also undertaken at the Princess Royal Hospital and the Royal Sussex County Hospital in November 2012. The Royal Sussex County Hospital was judged to be compliant with all standards inspected. The Princess Royal Hospital was judged to be compliant with all standards inspected, with the exception of outcome 13 (staffing) in relation to midwifery staffing levels.

Prior to the CQC inspection, a business case had been approved to enhance midwifery staffing levels. Following the inspection, a compliance action plan was submitted to the CQC, as required, confirming the action the Trust was taking, with a target date for compliance of 1st April 2013.



Relevant local proactive exercises (LPEs) are consequently built into the Trust's annual counter fraud work plan, which is overseen by the Audit Committee. In common with other large acute hospitals, staff members working elsewhere while on sick leave remains among the most common fraud types at BSUH.

The LCFS / Compliance Manager helps to foster an anti-fraud culture within the Trust through delivery of an ongoing training programme across a wide range of staff groups. This features regular presentations on counter fraud and on compliance with the UK Bribery Act 2010.

Financial performance

The Board receives a monthly report from the Chief Financial Officer on financial performance. Financial performance is reviewed at the Executive Team and Hospital Management Board and by the Finance and Workforce Committee of the Board. The Chair of the Finance and Workforce Committee, in turn, provides a formal monthly report to the Board of Directors. The Trust delivered a surplus of £3.2m, in 2012/13, in excess of the control total agreed with commissioners and the Strategic Health Authority.

Counter fraud

The Trust is required under the terms of the new Standard NHS Contract (as it was previously required under Secretary of State's Directions) to ensure appropriate counter fraud measures are in place. Underlining its commitment to counter fraud, in October 2012 the Trust directly recruited a full-time Local Counter Fraud Specialist (LCFS)/ Compliance Manager, having previously used an audit consortium (South Coast Audit) for its LCFS service.

The LCFS adopts a risk-based approach to counter fraud work, using the NHS Protect Risk Assessment Tool (RAT) and the incidence of local frauds to identify areas of potential vulnerability.

Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. The Department of Health has issued guidance to NHS Trust Boards on the form and content of annual quality reports.

The Trust Quality Account for 2012/13 was published in June 2013. In addition to reporting on the improvements the Trust delivered in 2012/13, the Quality Account identified quality improvement priorities for 2013/14, in the areas of Safety, Effectiveness and Experience.



Directors are required to confirm:

- That the Quality Account presents a balanced picture of the Trust's performance, and that:
- The performance information reported in the Quality Account is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Account has been prepared in accordance with Department of Health guidance.

The requirements on Directors are reviewed by independent auditors who provide a limited assurance report as to whether the requirements have been met.

The Trust Quality Governance Framework provides the structure, systems and process through which the Trust Quality Account is assured. This is overseen by the Trust Board Safety and Quality Committee and Divisional Safety and Quality Committees.

Additional assurance is provided by internal audit reviews, together with the programme of external reviews of safety and quality which are reported to the Hospital Management Board.

Internal audit

An annual audit plan which is risk-based and linked to the Board Assurance Framework is undertaken by Internal Audit and monitored by the Audit Committee. The table describes the internal audit reviews undertaken in 2012/13 and the level of assurance provided.

Table 2: Internal audits 2012/13

Audit	Assurance level provided
Discharge and bed management	Significant
Various follow ups	Significant
Board reporting data quality	Significant
HIS Risk Transfer	Significant
Critical Financial Assurance - financial accounting and non-pay expenditure	Significant
Critical financial assurance - pay	Significant
Annual policy review	Significant
CQC self-assessment review	Significant
Ward visits, comfort rounds, controlled drugs, essential outcome reviews	Significant
Critical financial assurance (part 2)	Significant
Cost improvement programmes	Significant
Charitable funds	Significant
Assurance framework/risk management	Significant
Quality Account	Significant
Business continuity	Significant
3Ts capital assurance	Significant
Ward visits, patient monies and property, ward safety checklists	Limited
Clinical mandatory training	Limited
Follow-up information governance	Limited
Gifts and hospitality arrangements	Limited
Clinical audit and effectiveness	Limited
Consultant annual leave	Limited
Stock management	Limited

Review of Effectiveness of Risk Management and Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Safety and Quality Committee, and the Finance and Workforce Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

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

The Board of Directors and its committees meet regularly and, as part of their consideration, keep arrangements for internal control under review through discussion and approval of policies and practice. The Audit Committee has provided the Board of Directors with an independent and objective review of financial and corporate governance, and internal financial control within the Trust.

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

I have also been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, Audit Committee and Executive Directors. These groups each receive regular reports and updated action plans to manage or monitor progress on major risks, as defined in their respective terms of reference. A plan to address weaknesses and ensure continuous improvement of the system is in place.

A number of external agencies and other assessors measure and report on the Trust's performance against statutory requirements or best practice. These groups examine many potentially high risk areas. The results of their work are considered and acted on where necessary by the relevant Executive Director. All significant external scrutiny reports are also reported to the appropriate committee for monitoring in-line with the Trust policy on External Agency Visits, Inspections and Accreditations.

Significant issues

I have considered the factors described in the Department of Health guidance on the 2012/13 governance statement in respect of significant issues. I have identified control issues in this statement in relation to performance, water management, quality governance and information governance. I am satisfied that those issues have been or are being actively addressed.

Accountable Officers

The Trust had two Accountable Officers in 2012/13: Duncan Selbie was the Accountable Officer from April to May 2012 and Chris Adcock was the Accountable Officer from June 2012 to March 2013.

The Accountable Officer from April 2014 is Matthew Kershaw, who is the signatory to the Annual Governance Statement.

Accountable Officer: Matthew Kershaw, Chief Executive

Organisation: Brighton and Sussex University Hospitals NHS Trust

Signature:



Date: July 2013

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

with our partners:



Brighton and Sussex 
University Hospitals
NHS Trust

Annual Report 2012-13