Every year we... see 436,000 outpatients
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15. **Summary Financial Statements**
The Trust came into being in April 2009 after the merger of Royal West Sussex and Worthing and Southlands Hospitals NHS Trusts. The merger offered significant benefits for the organisation, such as sharing the expertise of the clinical teams and helping to make services more sustainable for the future because of our combined catchment area. It also provides us with a better opportunity to become a Foundation Trust, which will give us more control to design, develop and invest in our services and develop a membership that represents our patients, community and staff. Our application to become a Foundation Trust will be a focus as we move into the next financial year.

As a result of the merger, NHS West Sussex (formerly West Sussex Primary Care Trust) also reversed its original ‘Fit for the Future’ decision which required the centralisation of some services to one hospital.

Looking back on our first year we are extremely pleased by what has been achieved. There has been some excellent work carried out to bring the two former NHS Trusts together and develop our future as a new organisation. We have also worked hard to achieve our financial plan.

We are now well underway in developing our clinical strategy, which is the first part of our five year business plan and will become central to our application for Foundation Trust status. The strategy has been developed by our clinicians, many of whom are now working on the more detailed plans for individual specialties and services. A key part of this will be looking at how services are provided at Southlands Hospital and how we can refurbish and update the facilities for our patients there, focusing particularly on patient safety.

Patient safety and patients’ experience are both central to our organisation and we are always looking for ways of making improvements. Trust Board members have a programme of Patient Safety Walkrounds, visiting clinical areas across the Trust and speaking directly to front line teams about any issues. This year we have seen a continued reduction in the number of healthcare associated infections and we anticipate receiving a ‘good’ rating in the Care Quality Commission’s Annual Health Check for the quality of our services.

During the year we have welcomed around 200 additional clinical staff to the hospitals and put in place a number of very positive developments to patient services and facilities, which are detailed in this report. The Trust has also introduced new facilities such as the new birth centre at Chichester, which works alongside the maternity unit, and the Hyperbaric Medical Unit, which provides decompression treatment after diving accidents and other illnesses.

Feedback from our patients is always extremely helpful and enables us to focus on areas where we can make improvements and also praise our staff when patients appreciate their work. Earlier in the year we established a new way for our community to get involved at the Trust. The regular stakeholder forum is open to anyone who wishes to come along and hear about our work at the hospitals and to ask questions. We hope that in time, this will evolve and grow when we become a Foundation Trust and develop our formal public membership.

We have also encouraged our staff to use their ideas and initiative, taking an active role in helping to develop services. Our new ‘Ideas Factory’ aims to capture all the good ideas and suggestions from staff across the organisation and put them into action. The dedication shown by our staff is also now recognised and rewarded by the Employee of the Month scheme and next year we will introduce an annual award ceremony to highlight those that perform above and beyond their duty.

It has certainly been a busy year for everyone at the Trust, but very rewarding and we would like to thank all the staff and volunteers for their continued efforts in making the new organisation a success for our community.

Hywel Evans  Marianne Griffiths
Trust Chairman  Chief Executive
Every year we... dispense 800,000 medicines
Western Sussex Hospitals NHS Trust provides a full range of acute healthcare services at St Richard’s Hospital in Chichester and Worthing Hospital, and some inpatient and outpatient services at Southlands Hospital in Shoreham-by-Sea. Between them, the hospitals have more than 1,100 beds. Outpatient services are also provided at outreach clinics in various locations around the county in collaboration with NHS West Sussex.

Every year our 6,000 staff will:

- Treat around 112,000 inpatients and day cases
- See 436,000 outpatients
- Treat 121,000 people in the two Accident and Emergency departments
- Deliver 5,600 babies
- Receive around 1 million blood samples
- Dispense and issue 800,000 medicines
- Take 300,000 imaging exams (x-rays/scans)

The Trust works in partnership with many other healthcare providers in the region. It shares some clinical staff and accommodation with NHS West Sussex and works in partnership with other neighbouring hospitals.

1.1 The merger

The merger of Royal West Sussex NHS Trust and Worthing and Southlands Hospitals NHS Trust was discussed in public in autumn 2008. A public communication and staff consultation process was carried out to seek views prior to the two Trust Boards’ decision to merge.

The key reasons behind the merger were the benefits of greater clinical integration and a larger combined catchment area. This helps to ensure that hospital services remain clinically and financially sustainable in the longer term.

Merger also provides the best opportunity to achieve Foundation Trust status, which would give the organisation more freedom and make it more accountable to local people. Also:

- The merged clinical workforce offers a greater spread of specialist expertise across the county
- Improved workforce flexibility enables better capacity management
- Improved workforce recruitment and retention, because more opportunities can be offered by a larger Trust
- Opportunities to improve the overall use and efficiency of the Trust’s estates and facilities

The merger was agreed by the Trust Boards in December 2008 and by the Strategic Health Authority in February 2009. After final approval by the Secretary of State, the new merged Trust was formed in April 2009.

No financial debt was written off as part of merger. All existing assets and liabilities of the two former trusts were transferred to the new organisation. Reserves, other than the donated asset reserve, were combined in line with NHS merger procedures, and replaced with new originating Public Dividend Capital.

In November 2009, as a result of the merger, NHS West Sussex (formerly West Sussex Primary Care Trust) amended its earlier ‘Fit for the Future’ decision. It stated in its public Board meeting that it was impressed by the positive changes arising from the Trust merger. This decision allows the Trust to continue to deliver inpatient paediatric services, consultant-led maternity and emergency surgery services at both St Richard’s and Worthing Hospitals.

1.2 Our community

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

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

Although West Sussex is a relatively healthy and affluent area compared to the average in England, this overall social and economic profile conceals pockets of deprivation. Several of West Sussex’s poorest wards lie within the Adur, Arun and Worthing districts and important health issues include heart disease, teenage pregnancy and substance misuse. The 2007 Index of Deprivation shows that those poorest areas are becoming relatively more deprived over time.

In addition, whilst the area has one of the fittest populations in the country, this is balanced by there being double the national average of people over the age of 65 (24%) and those over 80 years (8%).

The Trust recognises the need to reach residents across the whole catchment area to support awareness and equality of access to the full range of our services.
1.4 Our strategic objectives 2009-2010

Deliver high quality care for all
- Ensure patient safety remains a priority through effective processes, systems and culture
- Reduce rates of avoidable healthcare associated infections
- Ensure patient satisfaction is effectively monitored through proactive engagement with all stakeholders
- Enable the development of wider user involvement to influence care delivery
- Use national benchmarks to facilitate improvement in clinical effectiveness

Develop an integrated organisational culture that underpins the delivery of patient-focused services
- Staff will be proud to work at the Western Sussex Hospitals NHS Trust
- All staff will know what is expected of them and have the skills and attitude to deliver
- Develop leadership throughout the organisation

Implement a new management and leadership structure with the capability to deliver the organisational strategy
- Develop and implement a new organisational structure
- Implement coherent governance processes and business systems, appropriate to a successful Foundation Trust
- Deliver the recommendations of the external review of the integration programme

Achieve targets, standards and financial plans
- Deliver excellent and sustainable performance against the Annual Health Check and Core Standards
- Develop effective working relationships with health and social care partners in the development of whole system improvement and multi-agency target delivery
- Deliver the operational, organisational and financial benefits of merger anticipated in the approved business case
- Achieve the financial plan
- Introduce service line reporting

Develop a robust organisational and clinical strategy that effectively enables delivery of Foundation Trust status
- Develop a clinical service strategy
- Develop a whole organisational strategy with supporting enabling strategies to develop an Integrated Business Plan and long term financial model
- Work with local health and social care partners to deliver the ‘High Quality Care for All – NHS Next Stage Review’ (Darzi, 2008) objectives of high quality care and equitable access
- Work with Practice Based Commissioners to deliver enhanced services in the community
- Ensure early and effective engagement and consultation with the local community and LINks (Local Involvement Networks)
- Develop a Stakeholder Engagement plan which will include measures to reach under-represented and diverse groups of patients and public

Achieving University status
- Achieve University Hospital status

1.3 Our vision and values

The Trust has defined a five year vision of providing:

‘World class care on your doorstep’

Our Mission
To be a top ten Hospital Trust that patients choose for first class, safe and comprehensive healthcare.

Trust values
The values of the organisation are as follows:

- Patients at the heart of all we do
- Excellence in all we deliver
- Openness and honesty at every level
- Promises delivered
- Listen and learn
- Equal treatment, equal access and equality of opportunity
Our first year as a new Trust

The first year began well when the Trust was named in the Top 40 Hospitals by CHKS, an independent provider of healthcare intelligence and quality improvement services. This is the ninth consecutive year that St Richard’s has achieved the award and the second consecutive year for Worthing and Southlands Hospitals.

2.1 Clinical Strategy

A central project has been the development of the new Clinical Strategy, which sets out a plan for the way in which services should develop in the future, ensuring delivery of effective and sustainable healthcare for patients. The strategy is the first part of the Trust’s five-year business plan and will be used as part of the Foundation Trust application.

The purpose is to give an overview of the future development of clinical services and help shape the more detailed individual plans for specialties and services. The strategy has been developed by clinicians many of whom are now working on the more detailed plans for the individual specialties and services.

The Trust has also involved the public in the development of the clinical strategy, and an advisory group of patient and public representatives has met regularly to discuss its development.
2.2 Patient safety

Patients expect comfortable and safe hospitals where they are treated with respect and dignity and where they feel informed and in control of their healthcare experience. There have been a number of initiatives across the Trust to focus on patients’ experience and, to help ensure that the Trust Board is fully involved, the Executive Directors conduct a programme of patient safety walkrounds, visiting wards and departments to speak with staff and patients.

2.2.1 Patient Environment Action Team (PEAT)

PEAT involves staff representatives from nursing, infection control and facilities, together with a patient representative, who visit wards and departments every six months to help and advise on improving the environment and patient experience. Visits cover advice on cleanliness, privacy and dignity, safety and security, access, storage, general environment, patient food and beverage service and infection control.

2.2.2 Healthcare associated infections

The hospitals have also continued to focus on infection control and as a result the number of cases of MRSA and Clostridium difficile (C. difficile) has continued to fall, allowing the Trust to keep within its annual specified limit (details are in the ‘performance’ section).

The Trust has met its target to screen 100% of elective (planned treatment) patients for MRSA. This has also been achieved for emergency patients, a year ahead of the government’s required screening target.

2.2.3 Cleanliness

The Trust has introduced new cleaning regimes across the three sites to improve standards and to support the drive to reduce healthcare associated infections. St Richard’s Hospital introduced cleaning teams as part of this process, which has proved to be very effective in delivering higher standards. This is now being rolled out across all sites.

The Trust is also continuing its programme of deep cleaning across all wards and the importance of hand hygiene is constantly promoted to staff, patients and visitors through training and high-profile signage.

2.2.4 Productive Ward

All wards across the Trust have been taking part in the Productive Ward initiative, which ‘releases time to care’ by eliminating as many wasteful processes as possible, giving staff more time to focus on direct patient care.
2.3 Improving our services for patients

2.3.1 New facilities, services and initiatives

Emergency care
The new Clinical Decision Unit (CDU) in Worthing and the A&E ward at St Richard’s are for patients who have come into A&E but need further observation. The 11 bedded ward at St Richard’s also provides a surgical assessment unit (SAU), a facility which already existed at Worthing Hospital.

New Hyperbaric Medical Unit (HMU)
St Richard’s Hospital is the new base for the South East’s Hyperbaric Oxygen Chamber (decompression chamber) which provides vital treatment for decompression illness, commonly known as ‘the bends’, following a diving accident. It can also be used to treat other health problems, such as carbon monoxide poisoning.

The unit is a joint project between St Richard’s, QinetiQ and the Ministry of Defence (MOD). QinetiQ operates the chamber on behalf of the MOD with specialist staff. The Institute of Naval Medicine provides medical officers with hyperbaric expertise and the hospital provides support services including the Intensive Care Unit (ICU) and other medical services required to look after the patients between treatments.

Medical Day Case Unit
Work to expand the Medical Day Case Unit at Worthing Hospital is now complete, giving patients much more privacy and space. The unit, which cost around £400,000 to renovate, provides care for over 100 patients each week.

Surgical care unit opens
The new five-bedded Enhanced Surgical Care Unit (ESCU) at Worthing Hospital provides specialist care for surgical patients who need a higher level of monitoring and nursing care. It is intended as a step-down facility from the High Dependency Unit to a general ward for patients who have had surgery.

Fernhurst Centre, Cancer Day Unit (CDU)
After a successful fundraising campaign, the Fernhurst Centre, haematology and oncology unit, at St Richard’s opened in September 2009. The unit means that more patients can be treated at St Richard’s, reducing the need to travel long distances to receive their treatment at other hospitals.

New paediatric epilepsy service
This service aims to improve epilepsy services through liaison with the child, family and all professionals with a specialist interest. The clinical team gives advice and education in a family’s home, school and respite care facilities and provides direct and indirect support for the child, carers and family members involved with the child up to the age of 18.

Maternity – Mothers-to-be offered more choice
The Trust is now able to give women more choice about their labour and delivery after the opening of the Chichester Birth Centre and newly refurbished labour suite and neonatal unit at St Richard’s. Writer and broadcaster Dr Miriam Stoppard OBE officially opened the unit in February 2010.

The refurbishment focuses on providing mothers-to-be with a range of choices about their labour and delivery, with services tailored to meet the needs of the mother and her baby. The unit has three birthing pools, a high-tech operating theatre with a high dependency recovery area and a special care baby unit. The new Chichester Birth Centre gives mothers-to-be the option of a midwife-led service in a homely, relaxed environment.

This year, the unit also won an award from the All-Party Parliamentary Group on Maternity (APPGM) for its work to tailor services to meet the needs of fathers. The service was commended for offering fathers or partners the opportunity to stay overnight, helping new families to bond at the earliest opportunity. The Friends of Chichester Hospitals funded the 10 comfy reclining chairs and a sofa bed, together with other sofas, four nursing chairs and two chairs for the breastfeeding room.

New unit for babies at Worthing
A new unit for newborn babies and their mothers has opened at Worthing Hospital. The new four-bedded neonatal transitional care unit will provide care for small babies with a range of minor issues requiring blood glucose, temperature and jaundice monitoring. Previously, these babies would have been transferred to the special care baby unit whilst their mother remained on the maternity ward.
Developments in medical imaging

Patients attending the medical imaging department in Chichester now benefit from a refurbished digital x-ray room and a new CT scanner. The x-ray room was generously funded by the Friends of Chichester Hospitals and cost £289,000. The digital technology means that the x-ray takes less time to process and produces images of excellent quality and resolution which transfer in seconds for viewing by the clinicians. The new CT scanner also has many advanced applications including cardiac and CT colonography and provides greater access for patients and an improved environment to rest and recover following their scan.

At Southlands Hospital, a new scanner in the outpatients’ gynaecology clinic, paid for by the League of Friends, now speeds up diagnosis and saves patients from travelling to Worthing Hospital for a scan.

Endoscopy

This year, the Joint Advisory Group (JAG) for Gastro-Intestinal Endoscopy highly commended the Worthing endoscopy unit and has awarded it JAG accreditation for five years. The unit plans to participate in the Sussex Bowel Cancer Screening Programme.

Pharmacy expansion

Southlands Hospital’s pharmacy pre-packing unit has been re-opened following renovation work. The unit produces ready-to-dispense drugs for NHS and other healthcare organisations throughout the country.

Patients given chance to ski and play tennis

Worthing’s physiotherapy patients have been using a Nintendo Wii games console to assist their recovery, by using a balance board and controllers to play games such as downhill skiing and tennis. Patients with musculoskeletal problems, bad backs and ankles, heart and breathing difficulties as well as patients who have had strokes are being treated using the Wii and are actively improving their conditions while enjoying the exercise. The two Wii units were generously funded by the League of Friends and one is being used at the outreach clinic at Littlehampton Health Centre.

2.3.2 Focusing on patients’ food and nutrition

A new Trust wide Food Strategy group has been looking at all matters related to patient food and as a result a standard menu has been introduced. This focuses on nutritional content for patients with the greatest need. Worthing Hospital has also introduced new heated food trolleys for its patient services.

Around 400 nursing care staff from 200 care homes across much of West Sussex took part in training workshops led by dietitians to launch the use of a screening tool which helps identify nutritional problems. This is particularly important for patient care and the patient’s experience as it can lead to improved recovery and a shorter stay in hospital. The screening tool, which is known as MUST (Malnutrition Universal Screening Tool) is designed as an aid for clinical staff to help identify characteristics associated with nutritional problems and is used to screen all patients on admission.

2.3.3 Focusing on privacy and dignity

As part of a national programme to improve single-sex accommodation in hospitals, the Trust received nearly £350,000 from the Strategic Health Authority to make some important changes, and can now demonstrate that all wards have single-sex bays. To further ensure the privacy and dignity of patients at Worthing, the hospital re-designated surgical wards so that they are entirely single-sex and created additional toilet facilities in ward areas throughout the hospital.

The only areas in both hospitals where male and female patients may receive treatment in the same location is in highly specialised clinical areas such as critical care units and areas where patients choose to remain in a mixed sex environment, such as the bariatric service.
Performance

The Trust’s performance is monitored by the national independent organisation the Care Quality Commission (CQC), which rates NHS organisations through its Annual Health Check assessment system.

In October 2010, the CQC will release its assessment of NHS Trusts for the period April 2009 to March 2010. This will look at many areas, such as how well the Trust performed against the core national standards relating to safety and quality of care. It will also assess waiting times, access to services and rate the Trust against other national priorities.

The Trust monitors its progress against these national targets on an ongoing basis and reports this every month in its Trust Board meeting.

3.1 Progress against key national targets

Access to cancer diagnosis and treatment
The Trust will fully meet its requirement to ensure that:

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

Emergency care
The Trust will fully meet its requirement to ensure that:

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

The Trust has partially met its requirement to ensure that the majority of patients suffering from a heart attack receive thrombolysis treatment within 60 minutes of calling for professional help. The large rural area served by the Trust has meant that the joint ambulance/Trust target has not been achieved yet and an action plan is in place to achieve this.

Infection control
The Trust has fully met both the MRSA and Clostridium Difficile limits:

- The total number of cases of MRSA in Southlands, Worthing and St Richard’s Hospitals, together with those in the surrounding community healthcare organisations must not exceed 22. The actual number of cases was 20, which represents a 47.3% reduction from the previous year.
- The total number of cases of Clostridium Difficile at Southlands, Worthing and St Richard’s Hospitals must not exceed 257. The actual number was 161, which represents a 37% reduction from the previous year.

Waiting times

- Inpatients – the Trust has met its requirement to ensure that the maximum wait for patients is 26 weeks.
- Outpatients – The Trust has met the requirement to maintain a maximum wait of 13 weeks for an outpatient’s appointment in all services except one. In April and May 2009, the Trust was unable to meet this requirement for its bariatric service and therefore the overall target was not met.
- 18 week waiting time – This target aims to ensure that patients do not wait more that 18 weeks from the time they are referred to the hospital to the start of their treatment.

The Trust has met the required target for non-admitted patients (those whose treatment is completed without a stay in hospital), but did not reach its target for admitted patients (those whose treatment requires a stay in hospital) in the final quarter of 2009-10. An action plan to ensure this target is reached is already in place.

3.2 Care Quality Commission registration

Western Sussex Hospitals NHS Trust has been registered with the Care Quality Commission without any registration conditions. This means that the Care Quality Commission found no issues relating to safety or quality of care at St Richard’s, Worthing or Southlands Hospitals as part of its registration process.
4.1 New Trust Stakeholder Forum

Western Sussex Hospitals NHS Trust is keen to hear from patients, public and stakeholders in our community about their views and priorities for the provision and development of healthcare services provided at St Richard’s, Worthing and Southlands Hospitals.

Although the Trust arranges a number of specific patient groups, the organisation has taken another positive step to engage with our local community by establishing a Stakeholder Forum. The Forum is open to patients, voluntary organisations, carers and interested members of the public – indeed anyone who lives in the area we serve and who is interested in the hospitals.

We are especially keen to involve minority groups in the Forum and would particularly welcome interest from these sections of the local community.

The Chairman, Chief Executive and senior managers of the Trust attend the Stakeholder Forum and information about meeting dates is published in the local media, in the hospitals and on the Trust website as it becomes available (www.westernsussexhospitals.nhs.uk). Please email Kathryn.Upton@wsht.nhs.uk for more information.

4.2 The clinical strategy - involving our stakeholders

Western Sussex Hospitals NHS Trust is developing a clinical strategy to ensure delivery of effective and sustainable services for the people of West Sussex. The Trust is committed to ensuring the input of a representative range of public, patients and other stakeholders in the development of the strategy.

A public and patient group was established in 2009 and has met regularly to discuss the clinical strategy and give their views.

4.3 National Inpatient Survey

The Care Quality Commission published the results of the fifth national survey of NHS inpatients for 2008. Western Sussex Hospitals NHS Trust received two separate reports, one for Royal West Sussex and one for Worthing and Southlands.

The survey asked patients a range of questions about their stay in hospital and this year the feedback indicated an improvement in areas such as ward cleanliness and patients' access to single-sex bathrooms and showers.

The areas highlighted for improvement included giving information to patients in an understandable way following a procedure or an operation and regarding medication, and ensuring patients know how to complain.

4.4 Disability Access Group

The Disability Access Group (DAG) is a group of patients and patient representatives for various disabilities including sight impairment, hearing impairments, learning difficulties and physical disabilities.

The group had a guided tour of the Fernhurst Centre at St Richard’s Hospital before and after it opened to give their opinions on the accessibility of the new facility. They made some very helpful suggestions about areas such as signage, and were happy about the general accessibility and space in the building.

4.5 Patient Advice and Liaison Service (PALS)

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

4.6 Customer relations

The Trust has a customer relations service who assist patients by contacting them either on the telephone or in writing. Patient complaints are managed through the complaints procedure which follows the ‘Principles of Remedy’ as laid down by the Parliamentary and Health Service Ombudsman. Complaints are dealt with carefully by following up all the issued raised and the majority will receive a full response within 25 working days.
Our staff

This year the Trust has:
- Ensured the safe and effective transfer of staff from the former organisations to the new Trust
- Established a new Trust Board, senior management arrangements and restructured corporate and clinical divisions
- Secured a 4% growth in our clinical workforce
- Secured compliance with the new European Working Time Directive (EWTD) for doctors in training in the majority of specialties
- Established an Employee Partnership Forum
- Developed a clinical leadership programme
- Arranged staff celebration events across three hospitals in conjunction with the recognised Trade unions
- Integrated electronic staff records and payroll
- Implemented new HR policies
- Established the Ideas Factory and Employee of Month Scheme
- Vaccinated over 2,500 front line staff against Swine Flu
- Reduced sickness absence by 0.5%, which is now at 4%

Staff Information Events
More than 1,000 staff attended the staff information events which took place at each hospital. A range of information was distributed and the events used to gain feedback on our draft values for the organisation.

5.1 Staff restructuring
As a result of the merger, the Trust has restructured corporate and clinical divisions and reviewed senior clinical and operational management arrangements. Each clinical Division is now led by a Management Board consisting of a Chief of Service, Director of Clinical Services and Head of Nursing or Head of Profession. This structure is replicated at specialty level to ensure appropriate clinical leadership throughout the Trust.

The Trust has also strengthened its nursing workforce by introducing senior clinical nurses on all sites and reinforcing the responsibility, accountability and authority of clinical staff on wards.

5.2 Equality and diversity
We are committed to delivering the highest standards of access and care to all patients from a diversity of cultures, age groups, abilities and needs, and recognise the need to proactively develop a culture which is diverse, and one where individual differences are valued and respected, both in healthcare provision and employment with the Trust.

To help ensure there is no unlawful or unfair discrimination on the grounds of gender, sexual orientation, marital status, race, colour, nationality, ethnic origin, disability, religion or age for patients, their carers, visitors, employees or contract workers, the Trust has launched a new Single Equality Scheme. This underpins our desire to be the healthcare provider and employer of choice in the community that we serve and will support us in fulfilling our Equality and Diversity legal duties and obligations as a public body.

The Trust’s Single Equality Scheme is available on the public website at www.westernsussexhospitals.nhs.uk/about-us/equality-diversity-human-rights/

Equality and Diversity Celebration Day
The Trust hosted two free public events this year to celebrate equality and diversity and recognise the increasingly diverse community that the hospitals serve. The events were organised in partnership with other public services and private organisations and took place at Broadwater Green in Worthing and the Bishop Otter campus at the University of Chichester.
5.3 Ideas Factory

The Trust has set up an ‘Ideas Factory’ to make the most of the experience and innovation of the organisation’s staff. Their ideas help to:

- improve the service we provide to our patients
- improve the working lives of staff
- help us work more efficiently

The Ideas Factory is held in each of our three hospitals every three months, is chaired by the Chief Executive and staff attend to share their ideas.

5.4 Outstanding individuals

Employee of the Month

The Trust’s new Employee of the Month scheme has been set up to recognise the contribution of staff who have gone ‘the extra mile’ to make a difference to a patient, visitor, colleague or service. Nominations can be made by any staff member, patient or visitor and can refer to work undertaken by any employee, bank worker or volunteer.

Since it was launched in October 2009, winners have included an A&E Sister, a physiotherapy administrator, one of the data quality team, a nursing assistant and a housekeeper.

Health Hero

Consultant Surgeon Mr Riccardo Bonomi at Worthing Hospital was chosen as the Worthing Herald’s Health Hero from nominations in the Worthing Community Stars awards. He was nominated by a patient who praised his dynamic, innovative and professional approach.

Learning and Skills Council award

Domestic supervisor at St Richard’s Hospital Frank Havelec was presented with a Learning and Skills Council Works Award for his achievement in adult learning.

Best of Health Awards - Unsung Hero

Tracey Rose, Assistant General Manager for Medicine at Worthing Hospital, was nominated by a colleague for the Unsung Hero award at the NHS South East Coast 2009 Best of Health awards. Tracey was runner-up in the category, which recognises an individual who has inspired and motivated others to make real and lasting improvements and to achieve personal and professional goals.

5.5 Team success

Members of the Paediatric Dietitian team at St Richard’s presented at the annual research day of Kent, Surrey & Sussex Regional Paediatric and Neonatal Research Network. They presented an audit investigating the impact of a low amine diet on the symptoms of cyclical vomiting syndrome in children and a project researching the effects of Calogen (a fat supplement) supplementation in children with chronic non-specific diarrhoea.

Award-winning Diabetes team

The Diabetes team at Worthing Hospital won a Nursing in Practice Award. The award recognised the excellent work undertaken to redesign Worthing’s diabetes service. Patients attending diabetes clinics in all 32 GP practices in the Worthing area have improved care now the service is jointly provided by a Specialist Nurse and the Practice Nurse.

Maternity team win All-Party Parliamentary Group on Maternity (APPGM) award

The award praised St Richard’s maternity team’s work to tailor services to meet the needs of fathers. The service was commended for offering fathers or partners the opportunity to stay overnight, helping new families to bond at the earliest opportunity. There are now 10 comfy reclining chairs and a sofa bed for partners.

5.6 Training

There are currently more than 120 staff studying for National Vocational Qualifications (NVQ) at the Trust across a range of subjects including ESOL (English for speakers of other languages), cleaning, team leading and health. In addition to NVQs, there are apprenticeships which allow completion of an English and maths qualification.

Training achievements

A presentation ceremony took place at St Richard’s to recognise the achievements of 95 members of staff who have studied for NVQs, English for Speakers of Other Languages and a Certificate in Nutrition.

The hospital works very closely with Chichester College to train support staff including care assistants, domestics and administrators. This extra knowledge and understanding enhances the care we give patients, helps these members of staff progress their careers and improves recruitment and retention.
Our volunteers and Friends

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

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

6.2 Western Sussex Hospitals Charities
The new Western Sussex Hospitals Charities was established at the time of the merger between St Richard’s Hospital and Worthing and Southlands Hospitals in April 2009.

The charity now encompasses various funds which raise money for the organisation as a whole but also for the individual hospital sites. This enables our loyal donors to give to their specific hospital or to the organisation as a whole. Each of the wards has its own fund that grateful patients and families can donate to as well.

Prior to merger, the St Richard’s charity fundraising team raised £2 million for a Hospital Equipment Appeal, £1 million for the A & E Appeal, £1 million for the MRI Scanner Appeal and £4 million for the Cancer Day Unit appeal, for St Richard’s Hospital. Since the merger, the charity team has organised a successful Children’s Christmas Appeal for Worthing and St Richard’s Hospitals and arranged fundraising events on all hospital sites.

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

At St Richard’s
- A new digital x-ray room and waiting area costing £289,000. This technology means that x-rays take less time to process and produce images of excellent quality.
- £65,000 for an additional scanner and examination chair for gynaecology patients.
- More than £40,000 for equipment for maternity services.
- £47,000 for equipment for the bariatric service.
- Equipment for Donald Wilson Neurological Rehabilitation Centre costing £45,000.
- An instrument tracking system for sterile services costing £43,900.
- New patient name boards for wards costing £12,000.
- Six new trauma trolleys for A&E costing £21,000.
- A patient and visitor pager system costing £18,000.
- £4,000 for new seats in the main reception and £12,000 for refurbishing the reception area of the Munro Unit.

At Worthing
- Echocardiography ultrasound system and Excelera image management system for the cardiac department costing £93,792.00.
- An ultrasound scanner for the department of medicine for the elderly (DOME) - £28,876.75.
- A cerebral function monitor for Beeding ward costing £14,445.00.
- £12,111.45 for various equipment for the anaesthetics department.
- A bladder scanner and stand for the Emergency Assessment Unit, Coombes ward and the Community Paediatrics, each costing £8,650.00.
- Equipment for audiology, including a video otoscope and a middle ear analyser for £10,867.26.
- £10,000 for various furniture for ward refurbishments.
- New phlebotomy chair, trolleys and stools for the pathology department - £6,840.00.
- ECG recorder and vital signs monitors for the Surgical Pre-Assessment Clinic costing £5,960.06.
- Physiotherapy patients have benefited from a Nintendo Wii games console funded to assist their recovery, by using a balance board and controllers.

At Southlands
- Extending screens for patient privacy in day surgery costing £6,400.
- £5,200 for a hoist with scales.
- An induction loop system for the chapel - £3,200.
- Ultrasound machine for physiotherapy - £900.
- Exercise bike for physiotherapy - £700.
- Baby feeding chair unit costing £450.
- A new gynaecology scanner.
Every year we...
treat 112,000 inpatients and day cases
Our environment

7.1 Energy-saving projects

The Trust reduced its energy bill by 3% as a direct result of its plans to save energy and to switch off electrical appliances when not in use.

Attention has been paid to lighting and St Richard’s Hospital has been gradually changing to low energy lighting in areas including wards, public spaces, corridors and plant rooms. The lighting at Worthing and Southlands Hospitals is also being reviewed with plans to install the new generation of energy saving lights, including LED. Further energy saving for lighting has included the fitting of automatic controls to ensure that lights are not left on during the day time or when areas are not in use.

Additional work has been developed in monitoring energy activity and installing management systems so this can be monitored and adjusted more efficiently. Water saving devices have also been installed in the majority of bathrooms, washroom and toilets across the Trust.

7.2 Building projects

The Trust continues to develop its estate and this year has included some significant improvements to patient areas. Worthing Hospital has developed its ward areas to improve Privacy and Dignity arrangements by developing ward facilities. Project work is also well underway in developing a new endoscopy facility within the main hospital and the parents’ room in Beeding ward has been refurbished. St Richard’s has continued to develop its Women and Children’s services by refurbishing its labour suites and the Special Care Baby Unit. A new Oncology and Haematology Unit, the Fernhurst Unit, was completed this year providing state of the art services to both inpatients and day patients. The Hyperbaric Unit providing decompression treatment for divers was built and the main reception was also completely refurbished and the ward refurbishment programme has continued.

The Trust manages its contractors and suppliers via the ISEE framework (Improvement and Efficiency South East) and a collaborative working ethos which enables us to deliver cost efficiency whilst maintaining quality standards.

Using technology

8.1 Patient Administration System Merger Project

The Trust brought together the two main patient administration systems to ensure that the Trust uses the same IT system. The project to merge the systems across the Trust was completed in October 2009.

8.2 Shared Business Services

The Trust also standardised its finance and procurement processes and procedures in December using NHS Shared Business Services (SBS).

8.3 Worthing Microbiology system upgrade

The microbiology unit in Worthing successfully upgraded its laboratory systems to the ‘Telepath 2000’. This means that hospital clinicians and GPs can now access results electronically via the patient administration system or GP links. This is a great improvement on the old system where the result would only be available on a paper printout or via a telephone call which takes time. Clinicians can now see the results on screen, which means quicker reporting and a better service for patients.

8.4 Public and staff websites

The merger has given the Trust the opportunity to redevelop and redesign its staff and public websites over the year.
Governance

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

Governance in the Trust is assured through the governance framework. The Trust Board is responsible for ensuring the application of standards, legal compliance and continual improvement in relation to healthcare. The governance framework is the means by which this assurance is given.

9.1 Managing risk

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

Details of specific risks which are managed by the Trust on a routine basis are detailed in the monthly public Trust Board papers. These are updated and available on the Trust’s public website at www.westernsussexhospitals.nhs.uk/about-us/trust-board/trust-board-meetings/board-papers/

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

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

The key stages to the assessment:

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

The risk assessment programme operates primarily at three levels within the organisation; strategic corporate and operational. Integral to this process are the Corporate and Divisional Risk Registers and the Trust’s annual Assurance Framework.

9.2 Clinical governance

The established Clinical Governance frameworks that existed in both former Trusts continued during the transitional period following merger until the implementation of a revised Clinical Governance Framework and establishment of the new Clinical Divisional structures in October 2009. This included the development of a programme of quarterly Divisional Clinical Governance Reviews, which are monitored by the Integrated Governance Committee on behalf of the Trust Board.

A comprehensive programme of policy review and merger was commenced and key issues considered within the Clinical Governance Framework have included:

- Risk Management and Patient Safety
- Infection Control
- Clinical Audit
- Complaints and the Patient Experience
- Staff Development and Training

Monitoring of infection control matters, including MRSA and Clostridium Difficile has been carried out through the Clinical Governance Framework and in June 2009 the Trust received notification from the Care Quality Commission (CQC) of unconditional registration for 2009/10 in relation to the Health and Social Care Act 2008 Code of Practice for the Prevention and Control of Healthcare Associated Infection (The Hygiene Code). In December 2009, the CQC undertook the annual unannounced Hygiene Code inspection of the Trust. This took place simultaneously at all three hospitals and no material breaches of the Hygiene Code were found.

During the year, the Trust prepared its application for the new CQC registration requirements which are replacing the Standards for Better Health. The Trust has been awarded unconditional registration from 1 April 2010 under the Health and Social Care Act 2008 (Regulated Activities) Regulations 2009.

9.3 Information governance

The Trust can confirm that it did not report any Serious Untoward Incidents involving data loss or breaches of confidentiality.
Every year we...

treat 121,000 people in our two A&E departments
Emergency planning incorporates all elements of dealing with emergencies which are beyond the normal capabilities of an organisation.

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

10.1 Major incident/emergency

All major incidents / major emergencies will require special action to be taken when responding. Nationally there is an agreed definition which sets out when a major incident / major emergency should be declared:

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

Western Sussex Hospitals NHS Trust, in liaison with the Ambulance Service and other community services, has plans in place to deal with such incidents. These plans are regularly tested and updated.

10.2 Business continuity

Business continuity exists to ensure continuity of critical functions in the event of a disruption, and the effective recovery afterwards. Examples of the types of incidents which would effect and require business continuity management would be:

- Loss of utilities
- Loss of IT/Telecommunications
- Severe weather
- Flooding

Western Sussex Hospitals NHS Trust has a Business Continuity Plan in place to deal with any type of disruption as well as specific plans for identified possible nationally identified events.

- Heatwave
- Fuel disruption
- Pandemic Influenza

10.3 Pandemic Influenza

In 2009 the World Health Organisation (WHO) declared a worldwide Influenza Pandemic (H1N1 Swine Flu). The plans within Western Sussex Hospitals NHS Trust and those across all Sussex were activated.

Regular specialist Trust wide meetings took place throughout 2009 at which the situation was monitored closely, taking into account:-

- Assessment criteria and diagnosis
- Patient pathways
- Provision and training on Personal Protective Equipment
- Treatment and isolation
- Vaccination of frontline staff

Although the numbers of H1N1 Swine Flu cases have reduced, the situation continues to be monitored and the challenges faced will be dealt with on an ongoing process.
Our plans for the future

Western Sussex Hospitals NHS Trust’s second year will see the start of the organisation’s application to become a Foundation Trust (FT). It will also involve the further integration of services as the clinical strategy continues to develop.

11.1 Foundation Trust application

The Trust believes that the most effective way to secure the future of the organisation is to become an NHS Foundation Trust. Therefore, in this financial year, the Trust will be developing and submitting an application to become a Foundation Trust (FT). The benefits of becoming a FT include:

- Greater freedom with regard to determining their own destiny
- Freedom to invest surpluses in developing new services for local people
- Freedom of local flexibility to tailor new governance arrangements to the individual circumstances of their community
- Freedom to access capital on the basis of affordability instead of the current system of centrally controlled allocations

NHS Foundation Trusts are accountable to their local populations through their membership schemes. The membership scheme gives more power and a greater voice to their local communities and front line staff over the delivery and development of local healthcare. NHS Foundation Trusts have members drawn from patients, the public and staff and are governed by a Board of Governors comprising people elected from and by the membership base. They also have:

The process of becoming a Foundation Trust is intense and lengthy, it demands rigorous assurance that the Trust has sufficient governance processes and systems in place to ensure patients receive safe and high quality, cost effective care. The Trust’s plan is to complete its application by April 2011 and, if successful, would hope to become a Foundation Trust in summer 2011.

11.2 Membership development

All NHS Foundation Trusts are required to establish a membership base and then ensure that an ongoing membership scheme is managed effectively to continue to attract new members.

Achieving Foundation Trust status will mean that patients, carers, members of the public and staff will have a greater say in how the Trust’s services are provided and developed in the future. The Trust already has a proactive approach to stakeholder engagement and this greater level of participation will build on established links with the local community and patient and public stakeholders. For staff, this will further develop the inclusive approach to partnership working and recognise the position of the Trust as a major employer in the county.

To support the membership recruitment process, the Trust will implement a communications strategy that raises the awareness and understanding of FT status and promotes the benefits that it brings. This will involve a range of activities and recruitment drives to appeal to all groups of the community in line with the Trust’s engagement strategy.

11.3 Our Strategic objectives 2010 / 2011

The Trust has developed its Annual Plan for 2010/2011 which details its strategic objectives and actions for achieving these objectives. The Annual Plan can be viewed on the Trust’s public website at www.westernsussexhospitals.nhs.uk/about-us/annual-report-accounts/
The Trust’s strategic objectives for 2010/2011 are:

- The Board should lead the introduction of new processes to enable staff development, mentoring and the introduction of medical revalidation
- Creating a culture of patient safety throughout the Trust with appropriate feedback and monitoring mechanism to confirm our success
- Put patients first by maintenance of a full engagement process with stakeholders and PPI fora so that we know and implement where possible the views of our public
- Deliver a realistic but ambitious clinical strategy which allows for the delivery of services on all our sites, driven by our clinicians and evolving with national best practice in our chosen specialties
- Continue to foster seamless working with primary care that introduces more efficient services closer to home but with the support and advice of secondary care consultants
- Develop more effective admission and discharge processes that get diagnosis right first time and aid the most appropriate and effective recovery
- Create University Hospital training facilities in partnership with our medical school partners and our wider clinical and corporate workforce
- Produce and implement a multi-disciplinary research strategy
- Improve the use of our infrastructure and work with our staff to meet and exceed our financial, operational and clinical performance targets by means of better theatre utilisation, more effective ambulatory care and progress through the introduction of Service Line Reporting
- Continue to reduce our rates of healthcare associated infection

11.4 Plans for Southlands Hospital

A major project for the Trust in 2010/11 is the plan to build new operating theatres and beds at Worthing Hospital to provide accommodation to move orthopaedic surgery and inpatient beds over from Southlands Hospital.

At the time of writing, plans are under development and will be subject to public consultation later in 2010 and for Strategic Health Authority approval. If successful, they will bring about real improvements to the overall quality of care and to the experience of patients currently admitted or transferred to Southlands. They will also improve the efficiency of the service by reducing the time spent by doctors shuttling between the sites and by closing down redundant Trust buildings at Southlands.

Southlands Hospital will continue as an ‘ambulatory’ care centre providing outpatient clinics, day surgery, and diagnostic services. The retained buildings will undergo refurbishment to bring them up to the standards required for modern healthcare.

The Trust will need to complete the project within a constrained timescale, alongside a refurbishment programme for some of the wards at Worthing.
Trust Board

Board members (full membership)

Mr Hywel Evans (Chairman)
Commenced on 1st April 2009 on formation of Trust
Chairman Designate from 19th January 2009
Chair of Finance & Investments Committee and Appointments & Remuneration Committee
Non-Executive Director for Penn Pharmaceutical Services

Mr Anthony Clark (Vice-Chairman)
Commenced as Non-Executive Director on 1st April 2009
Vice-Chairman since 1st December 2009
Non-Executive Director with former Royal West Sussex NHS Trust (RWS) since 1st August 2006
Chair of Complaints Committee and Integrated Governance Committee
Member of Finance & Investments Committee and the Sussex HIS Board

Ms Marianne Griffiths (Chief Executive)
Commenced on 1st April 2009 on formation of Trust
Chief Executive of former RWS from 1st January 2009
Chief Executive Designate since February 2009

Mr Spencer Prosser (Director of Finance and Joint Deputy Chief Executive)
Commenced on 14th September 2009

Ms Jane Farrell (Chief Operating Officer and Joint Deputy Chief Executive)
Commenced on 1st April 2009 on formation of Trust
Director of Operations and Deputy Chief Executive with former RWS since 21st July 2008

Dr Phillip Barnes (Medical Director)
Commenced on 21st September 2009

Mrs Cathy Stone (Director of Nursing and Patient Safety)
Commenced on 1st April 2009 on formation of Trust
Director of Nursing with former Worthing and Southlands Hospitals NHS Trust (WaSH) since 7th January 2008

Mr Michael Carter (Non-Executive Director)
Commenced on 1st April 2009 on formation of Trust
Non-Executive Director with former RWS since 1st March 2007
Chair of Audit Committee
Member of Appointments & Remuneration Committee, Charitable Funds Committee, IM & T Board and the Sussex HIS Risk and Audit Committee

Mrs Joanna Crane (Non-Executive Director)
Commenced on 1st April 2009
Member of Audit Committee and Integrated Governance Committee

Mr Jon Furmston (Non-Executive Director)
Commenced on 1st April 2009
Member of Appointments and Remuneration Committee, Audit Committee and Charitable Funds Committee

Mr Martin Phillips (Non-Executive Director)
Commenced on 1st April 2009 on formation of Trust
Non-Executive Director with former WaSH since 1st April 2008
Chair of Charitable Funds Committee
Member of Complaints Committee, Finance & Investments Committee, Integrated Governance Committee, Infection Control Committee, Patient Environment Strategy Group and Food Strategy Group

In attendance at the Board

Mr William Brown (Non-Executive Director Designate – Advisor to the Board)
Commenced on 1st April 2009
Member of Complaints Committee, Finance & Investments Committee, Integrated Governance Committee and Security Group

Mrs Denise Farmer (Director of Organisation Development and Leadership)
Commenced on 1st April 2009 on formation of Trust
Director of Human Resources and Organisation Development with former RWS since 25th February 2008
Mr Nick Fox
(Director of Strategy)
Commenced on 1st April 2009 on formation of Trust
Director of Planning with former RWS since its formation
on 1st April 1994

Mrs Paula Gorvett
(Director of IM&T)
Commenced on 1st April 2009 on formation of Trust

Mr Andrew McGrath
(Commercial/Business Recovery Director)
Commenced on 6th July 2009

Mr Giles Peel
(Director of Corporate/Foundation Trust Development)
Commenced on 6th July 2009

Changes during 2009/10

Mr Richard Hathaway
(Transitional Director of Finance)
Commenced on 1st April 2009 on formation of Trust
Director of Finance with former RWS since 1st October 2006
On secondment from the Trust from August 2009
Left the Trust on 31st March 2010

Dr Robert Haigh
(Medical Director, Chichester site)
Commenced on 1st April 2009 on formation of Trust
Medical Director of former RWS since 1st May 2008
Left the Board on 20th September 2009

Mr Michael Rymer
(Medical Director, Worthing and Southlands sites)
Commenced on 1st April 2009 on formation of Trust
Medical Director of former WaSH since 1st May 2006
Left the Board on 20th September 2009

Part 1

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

Policy Statement on the remuneration of senior managers for
current and future financial years
In coming to any decision on remuneration, the Committee must
take into account the circumstances of the organisation, the size and
difficulty of the job (benchmarked against other NHS organisations),
the performance of the individual and national guidance as
appropriate.

Methods used to assess whether performance conditions
were met and why those methods were chosen
All Directors’ performance is subject to an annual appraisal
and, additionally, a report submitted to the Committee from the
Chief Executive Officer prior to any decision on remuneration.
For the Chief Executive Officer appraisal is undertaken by the Chief
Executive Officer of the Strategic Health Authority and a report is
submitted to the committee by the Chairman of the Board.

Statement of policy on duration of contracts, notice periods
and termination payments
HM Treasury has issued specific guidance on severance payments
(i.e. payments that are not made under either legal or contractual
obligation) within “Managing Public Money.” Special severance
payments when staff leave require Treasury approval.

There are no contractual provisions for payments on termination
of contract.
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date of contract</th>
<th>Unexpired Term</th>
<th>Notice period from the Trust</th>
<th>Notice period to the Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Marianne Griffiths</td>
<td>Chief Executive Officer</td>
<td>01/04/2009</td>
<td></td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Ms Jane Farrell</td>
<td>Chief Operating Officer &amp; Joint Deputy Chief Executive</td>
<td>01/04/2009</td>
<td></td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Mr Spencer Prosser</td>
<td>Director of Finance &amp; Joint Deputy Chief Executive</td>
<td>14/09/2009</td>
<td></td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Mrs Cathy Stone</td>
<td>Director of Nursing and Patient Safety</td>
<td>01/04/2009</td>
<td></td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Mr Nick Fox</td>
<td>Director of Strategy</td>
<td>01/04/2009</td>
<td></td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Mrs Denise Farmer</td>
<td>Director of Organisation Development and Leadership</td>
<td>01/04/2009</td>
<td></td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Mrs Paula Gorvett</td>
<td>Director of IM&amp;T</td>
<td>01/04/2009</td>
<td>5 months</td>
<td>4 weeks</td>
<td>12 weeks</td>
</tr>
<tr>
<td>Mr Andrew McGrath</td>
<td>Commercial/Business Recovery Director</td>
<td>06/07/2009</td>
<td>15 months</td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Mr Giles Peel</td>
<td>Director of Corporate/ Foundation Trust Development</td>
<td>06/07/2009</td>
<td>15 months</td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Dr Phillip Barnes</td>
<td>Medical Director</td>
<td>21/09/2009</td>
<td></td>
<td>6 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Mr Richard Hathaway</td>
<td>Transitional Director of Finance</td>
<td>01/04/2009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Then on secondment from August 2009. Left 31/03/2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr Robert Haigh</td>
<td>Medical Director – Chichester</td>
<td>01/04/2009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>to 20/09/2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Michael Rymer</td>
<td>Medical Director – Worthing and Southlands</td>
<td>01/04/2009</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Part 2

Salary and pension entitlements of senior managers

**A) Remuneration**

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>2009-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary</strong></td>
<td>(bands of 5000) £000</td>
</tr>
<tr>
<td>Ms M Griffiths Chief Executive</td>
<td>185 – 190</td>
</tr>
<tr>
<td>Ms J Farrell Chief Operating Officer and joint Deputy Chief Executive</td>
<td>125 – 130</td>
</tr>
<tr>
<td>Mr S Prosser Director of Finance and joint Deputy Chief Executive</td>
<td>75 – 80</td>
</tr>
<tr>
<td>Dr P Barnes Medical Director</td>
<td>90 – 95</td>
</tr>
<tr>
<td>Mrs C Stone Director of Nursing and Patient Safety</td>
<td>95 – 100</td>
</tr>
<tr>
<td>Mr N Fox Director of Strategy</td>
<td>115 – 120</td>
</tr>
<tr>
<td>Mrs D Farmer Director of Organisational Development &amp; HR</td>
<td>95 – 100</td>
</tr>
<tr>
<td>Mrs P Gorvett Director of IM&amp;T</td>
<td>80 – 85</td>
</tr>
<tr>
<td>Mr A McGrath Commercial/Business Recovery Director</td>
<td>90 – 95</td>
</tr>
<tr>
<td>Mr G Peel Director of Corporate / Foundation Trust Development</td>
<td>95 – 100</td>
</tr>
<tr>
<td>Mr R Hathaway Director of Finance</td>
<td>40 – 45</td>
</tr>
<tr>
<td>Dr R Haigh Medical Director – Chichester</td>
<td>25 – 30</td>
</tr>
<tr>
<td>Mr M Rymer Medical Director – Worthing and Southlands</td>
<td>35 – 40</td>
</tr>
<tr>
<td>Mr H Evans Chairman</td>
<td>20 – 25</td>
</tr>
<tr>
<td>Mr A Clark Vice-Chairman</td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mr M Carter Non-Executive Director</td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mrs J Crane Non-Executive Director</td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mr J Furmston Non-Executive Director</td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mr M Phillips Non-Executive Director</td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mr W Brown Non-Executive Director</td>
<td>5 – 10</td>
</tr>
</tbody>
</table>

**Note 1**

Other remuneration for Dr Robert Haigh and Mr Michael Rymer relates to clinical duties. The totals have not been disclosed as it is deemed that it prejudices their rights to retain confidentiality on income not connected to serving on the Board.
### Part 2

**Salary and pension entitlements of senior managers**

**B) Pension Entitlements**

<table>
<thead>
<tr>
<th>Name</th>
<th>Real increase in pension at age 60 (£2500)</th>
<th>Real increase in pension lump sum at aged 60 (£2500)</th>
<th>Total accrued pension at age 60 at 31 March 2010 (£5000)</th>
<th>Lump sum at age 60 related to accrued pension (£5000)</th>
<th>Cash Equivalent Transfer Value (£5000)</th>
<th>Real increase in Cash Equivalent Transfer Value (£5000)</th>
<th>Employer’s contribution to Stakeholder Pension (£5000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms M Griffiths</td>
<td>2.5 – 5</td>
<td>7.5 – 10</td>
<td>10 – 15</td>
<td>40 – 45</td>
<td>255</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td>Ms J Farrell</td>
<td>2.5 – 5</td>
<td>12.5 – 15</td>
<td>40 – 45</td>
<td>120 – 125</td>
<td>780</td>
<td>79</td>
<td>0</td>
</tr>
<tr>
<td>Mrs C Stone</td>
<td>5 – 7.5</td>
<td>15 – 17.5</td>
<td>35 – 40</td>
<td>105 – 110</td>
<td>659</td>
<td>81</td>
<td>0</td>
</tr>
<tr>
<td>Mr N Fox</td>
<td>15 – 17.5</td>
<td>42.5 – 45</td>
<td>55 – 60</td>
<td>170 – 175</td>
<td>1,460</td>
<td>277</td>
<td>0</td>
</tr>
<tr>
<td>Mrs D Farmer</td>
<td>2.5 – 5</td>
<td>12.5 – 15</td>
<td>30 – 35</td>
<td>100 – 105</td>
<td>731</td>
<td>74</td>
<td>0</td>
</tr>
<tr>
<td>Mrs P Gorvett</td>
<td>2.5 – 5</td>
<td>10 – 12.5</td>
<td>15 – 20</td>
<td>55 – 60</td>
<td>327</td>
<td>51</td>
<td>0</td>
</tr>
<tr>
<td>Mr A McGrath</td>
<td>0 – 2.5</td>
<td>0 – 2.5</td>
<td>0 – 5</td>
<td>0</td>
<td>15</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Mr G Peel</td>
<td>0 – 2.5</td>
<td>0 – 2.5</td>
<td>0 – 5</td>
<td>0</td>
<td>13</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Mr S Prosser</td>
<td>0 – 2.5</td>
<td>5 – 7.5</td>
<td>30 – 35</td>
<td>90 – 95</td>
<td>478</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td>Dr P Barnes</td>
<td>7.5 – 10</td>
<td>22.5 – 25</td>
<td>50 – 55</td>
<td>150 – 155</td>
<td>925</td>
<td>102</td>
<td>0</td>
</tr>
<tr>
<td>Mr R Hathaway</td>
<td>0 – 2.5</td>
<td>0 – 2.5</td>
<td>20 – 25</td>
<td>70 – 75</td>
<td>380</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Dr R Haigh</td>
<td>0 – 2.5</td>
<td>0 – 2.5</td>
<td>45 – 50</td>
<td>140 – 145</td>
<td>988</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>Mr M Rymer</td>
<td>2.5 – 5</td>
<td>7.5 – 10</td>
<td>50 – 55</td>
<td>160 – 165</td>
<td>–</td>
<td>–</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: CETV values are not stated where the employee is over the age of 60.
Every year we...
deliver 5,600 babies
14.1 Accounting policies

In preparing the 2009/10 accounts there have been two significant changes from the accounting policies used by either Royal West Sussex or Worthing and Southlands Hospitals NHS Trusts.

- From 1st April 2009 all NHS organisations adopted International Financial Reporting Standards (IFRS). NHS accounts had previously been prepared under UK General Accepted Accounting Principles (UK GAAP). There are some presentational and terminology differences between UK GAAP and IFRS. There are also some changes in the way certain items are accounted for. For Western Sussex Hospitals the significant changes were as follows:
  - the requirement to include a provision for untaken annual leave carried forward to the next financial year by members of staff
  - the capitalisation of leases previously recognised as operating leases
- HM Treasury requires all NHS Trusts to adopt a standard approach to asset valuations based on modern equivalent assets. All NHS Trusts are required to apply this new valuation requirement by 1st April 2010. Western Sussex Hospitals undertook a valuation of assets on a modern equivalent asset basis as at 1st April 2009

14.2 Financial performance

For 2009/10 the Trust is reporting a retained deficit of £57.4m. This includes impairments on fixed assets of £61.5m.

Impairments

These impairments arose as follows:

- The revaluation of assets on a modern equivalent asset basis resulted in an impairment of £41.6m
- During the year indexation to reflect current valuation was applied to the estate which resulted in a further impairment of £11.8m.
- Southlands Hospital was revalued at year end resulting in an impairment of £8.1m.

When a fixed asset reduces in value the reduction in value is usually offset against the revaluation reserve. It is only where there is an insufficient balance in the revaluation reserve that that the fall in value is charged to the Statement of Comprehensive Income. As a newly merged organisation, Western Sussex Hospitals NHS Trust has a zero opening balance on its revaluation reserve therefore any falls in value have had to be charged to income and expenditure resulting in such a high level of charges to the Statement of Comprehensive Income.

Underlying performance

Excluding the impact of the impairments the Trust made a surplus of £4.1m during the year. This was slightly higher than the planned surplus of £4.0m.

During the financial year the Trust faced some financial pressures including:

- Increasing demand for elective (scheduled) services resulting in higher treatment costs where our capacity was exceeded
- Severe weather conditions resulting in increased emergency activity during the winter months

We were able to achieve our planned surplus position through increased income for the additional activity and also because the fall in value of the Trust’s fixed assets resulted in lower capital charges.

For 2010/11 we have undertaken detailed capacity and activity planning to ensure that the financial plan reflects the underlying demand for our services. Our forecast position for 2010/11 is a surplus of £5.0m

Financial duties

NHS Trusts have four key financial duties as follows:

- Break-even duty: NHS Trusts normally plan to meet this duty by achieving a balanced position on their income and expenditure accounts each and every year. The break-even duty is calculated after adding back any impairments charged to the Statement of Comprehensive Income
- Capital cost absorption duty: The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets and pay this to the Department of Health as a dividend
- Capital resource limit: This a limit on the amount of capital expenditure the Trust can incur in the year. The limit is set by the Department of Health. The Trust can underspend against the limit but may not exceed this limit.
- External financing limit: This is a control on the net cash flows of the Trust. The limit is set by the Department of Health and may not be exceeded.
The Trust is projecting a surplus of £5.0m in 2010/11, however, given the current economic climate and the likely rate of growth and inflation in NHS funding we are aware that we will have to prepare for some difficult financial challenges.

The Trust has responded to this by setting up a Business Delivery Board to provide a focus on value for money and efficiency in everything that we do. We have also an established group to review the level of emergency admissions and identify ways in which we can reduce these.

The Trust is also reviewing the use of Southlands Hospital and is currently consulting on proposals to develop Southlands into an ambulatory care centre. Subject to the outcome of the consultation and the approval of any associated business case this would involve major capital works in the order of £16m. This is in addition to the planned 10/11 capital programme of £15m, excluding donated assets (09/10 outturn: £15.9m capital expenditure excluding donated assets).

As part of the approval of the accounts the Trust has considered the current and future financial risks. The Directors have concluded that the Trust is a going concern and have authorised the preparation of the accounts on that basis.

14.4 Better Payments Practice Code

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.

During 2009/10 the Trust’s performance is as follows:

<table>
<thead>
<tr>
<th>Number of Invoices</th>
<th>Invoice Value (£000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>109,586</td>
</tr>
<tr>
<td>Paid within terms</td>
<td>75,666</td>
</tr>
<tr>
<td>% compliance</td>
<td>69.0%</td>
</tr>
</tbody>
</table>

(EBITDA = Earnings before interest, taxation, depreciation and amortisation)

Ratings are measured on a scale of 1 (high risk) to 5 (low risk)
The liquidity calculation includes a maximum working capital facility of 30 days

The Trust has a low level of liquidity as a result of the historic deficits incurred by the former Royal West Sussex and Worthing and Southlands Hospitals NHS Trusts. The Trust is reviewing its liquidity position to identify ways in which this can be improved in the short to medium term.
14.5 Prompt Payment Code

In December 2008, the Department for Business, Innovation and Skills, together with the Institute of Credit Management, launched a new prompt payment code to tackle the issue of late payments to help businesses. By signing the code, an organisation commits to paying suppliers on time and according to their agreed terms, to communicate effectively with suppliers and work with supply chains to encourage payment best practice.

To become an approved signatory to the code organisations must nominate two referees who agree that the organisation is a prompt payer and support the application. Western Sussex Hospitals was approved as a signatory to the Prompt Payment Code on 21st July 2009.

14.6 External audit

The Trust’s external auditor is the Audit Commission. The total audit fee for 2009/10 was £251,300. The entire fee related to audit services, that is the statutory audit and services carried out in relation to the statutory audit. There were no further assurance services or other services provided to the Trust by the Audit Commission during 2009/10.

14.7 Statement on Internal Control

The annual accounts contain a statement detailing the directors’ responsibility in respect of:

- Scope of responsibility
- The purpose of the system of internal control
- Capacity to handle risk
- The risk and control framework
- Review of effectiveness
- Significant internal control issues

14.8 Glossary of NHS financial terms

Break-even
The Trust’s statutory duty is to break even over a three year period, or in exceptional circumstances, a five-year period.

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

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

Capital Cost Absorption Duty
This is calculated by averaging the owned assets held at the beginning and end of the year and setting the PDC dividend such that it produces a 3.5% return.

Capital Resource Limit (CRL)
The limit set by the Department of Health for capital investments.

External Financing Limit (EFL)
This represents the amount the Trust is allowed to borrow from external sources. It is one of the controls used by the Department of Health to ensure NHS cash expenditure is kept to the amount agreed to by Parliament. Trusts are not allowed to exceed this limit. It takes into account borrowings and repayments.

Payment by Results (PbR)
The principle funding mechanism for the treatment of patients, providing a national tariff framework.

Public Dividend Capital (PDC)
Effectively the public’s equity stake in the Trust, it represents the value of total assets employed, other than donated assets, on the original formation. A dividend is payable to the Department of Health at the rate of 3.5%.
Summary financial statements

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

**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31 March 2010

<table>
<thead>
<tr>
<th></th>
<th>2009/10 £000</th>
<th>2008/09 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from patient care activities</td>
<td>319,128</td>
<td>276,420</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>27,678</td>
<td>39,951</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>-394,510</td>
<td>-304,686</td>
</tr>
<tr>
<td><strong>Operating Surplus/(Deficit)</strong></td>
<td>-47,704</td>
<td>11,685</td>
</tr>
<tr>
<td><strong>Finance Costs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment revenue</td>
<td>29</td>
<td>335</td>
</tr>
<tr>
<td>Other gains and (losses)</td>
<td>-828</td>
<td>-621</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-1,304</td>
<td>-1,703</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) for the Financial Year</strong></td>
<td>-49,807</td>
<td>9,696</td>
</tr>
<tr>
<td>Public Dividend Capital dividends payable</td>
<td>-7,561</td>
<td>-9,084</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus/(deficit) for the year</td>
<td>-57,368</td>
<td>612</td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>-11,759</td>
<td>-34,505</td>
</tr>
<tr>
<td>Gains on revaluations</td>
<td>22,702</td>
<td>867</td>
</tr>
<tr>
<td>Receipt of donated/government granted assets</td>
<td>1,976</td>
<td>4,178</td>
</tr>
<tr>
<td>Reclassification adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transfers from donated and government grant reserves</td>
<td>-1,032</td>
<td>-1,091</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>-45,481</td>
<td>-29,939</td>
</tr>
</tbody>
</table>

The retained deficit for the year of £(57.4)m includes technical impairments of £61.5m that are excluded from the Trust’s breakeven duty.
### STATEMENT OF FINANCIAL POSITION

as at 31 March 2010

<table>
<thead>
<tr>
<th></th>
<th>31 March 2010 £000</th>
<th>31 March 2009 £000</th>
<th>1 April 2008 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>231,974</td>
<td>280,141</td>
<td>311,671</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,606</td>
<td>2,226</td>
<td>6</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>0</td>
<td>0</td>
<td>140</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>594</td>
<td>533</td>
<td>399</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>235,174</td>
<td>282,900</td>
<td>312,216</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>4,436</td>
<td>4,427</td>
<td>4,477</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>20,601</td>
<td>19,850</td>
<td>14,275</td>
</tr>
<tr>
<td>Other current assets</td>
<td>0</td>
<td>0</td>
<td>1,819</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,124</td>
<td>1,787</td>
<td>1,260</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>27,161</td>
<td>26,064</td>
<td>21,831</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>262,355</td>
<td>308,964</td>
<td>334,047</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(30,905)</td>
<td>(28,277)</td>
<td>(15,727)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>0</td>
<td>0</td>
<td>(5,414)</td>
</tr>
<tr>
<td>DH Working capital loan</td>
<td>(4,020)</td>
<td>(4,020)</td>
<td>(3,140)</td>
</tr>
<tr>
<td>Borrowings</td>
<td>(568)</td>
<td>(674)</td>
<td>(685)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(2,041)</td>
<td>(1,039)</td>
<td>(567)</td>
</tr>
<tr>
<td><strong>Net current assets/(liabilities)</strong></td>
<td>(10,373)</td>
<td>(7,946)</td>
<td>(3,702)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>224,801</td>
<td>274,954</td>
<td>308,514</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>(3,395)</td>
<td>(3,971)</td>
<td>(4,087)</td>
</tr>
<tr>
<td>DH Working capital loan</td>
<td>(12,508)</td>
<td>(16,528)</td>
<td>(22,822)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(2,839)</td>
<td>(2,915)</td>
<td>(1,958)</td>
</tr>
<tr>
<td><strong>Total assets employed</strong></td>
<td>206,059</td>
<td>251,540</td>
<td>279,647</td>
</tr>
</tbody>
</table>

#### Financed by taxpayers' equity:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2010 £000</th>
<th>31 March 2009 £000</th>
<th>1 April 2008 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public dividend capital</td>
<td>237,383</td>
<td>188,428</td>
<td>186,596</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(56,640)</td>
<td>(57,555)</td>
<td>(58,928)</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>12,933</td>
<td>105,394</td>
<td>139,553</td>
</tr>
<tr>
<td>Donated asset reserve</td>
<td>12,383</td>
<td>14,157</td>
<td>11,310</td>
</tr>
<tr>
<td>Other reserves</td>
<td>0</td>
<td>1,116</td>
<td>1,116</td>
</tr>
<tr>
<td><strong>Total Taxpayers' Equity</strong></td>
<td>206,059</td>
<td>251,540</td>
<td>279,647</td>
</tr>
</tbody>
</table>

Mrs Marianne Griffiths
Chief Executive
8 June 2010
## STATEMENT OF CHANGES IN TAXPAYERS’ EQUITY

as at 31 March 2010

<table>
<thead>
<tr>
<th></th>
<th>Public dividend capital (PDC)</th>
<th>Retained earnings</th>
<th>Revaluation reserve</th>
<th>Donated asset reserve</th>
<th>Other reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 31 March 2008</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As previously stated</td>
<td>186,596</td>
<td>(48,862)</td>
<td>129,487</td>
<td>11,310</td>
<td>1,116</td>
<td>279,647</td>
</tr>
<tr>
<td>Prior Period Adjustment</td>
<td>0</td>
<td>(10,066)</td>
<td>10,066</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Restated balance</strong></td>
<td>186,596</td>
<td>(58,928)</td>
<td>139,553</td>
<td>11,310</td>
<td>1,116</td>
<td>279,647</td>
</tr>
<tr>
<td><strong>Changes in taxpayers’ equity for 2008/09</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income for the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus/(deficit) for the year</td>
<td>0</td>
<td>612</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>612</td>
</tr>
<tr>
<td>Transfers between reserves</td>
<td>0</td>
<td>761</td>
<td>(761)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>0</td>
<td>0</td>
<td>(34,245)</td>
<td>(260)</td>
<td>0</td>
<td>(34,505)</td>
</tr>
<tr>
<td>Net gain on revaluation of property, plant, equipment</td>
<td>0</td>
<td>0</td>
<td>847</td>
<td>20</td>
<td>0</td>
<td>867</td>
</tr>
<tr>
<td>Receipt of donated assets</td>
<td>0</td>
<td>0</td>
<td>4,178</td>
<td>0</td>
<td>0</td>
<td>4,178</td>
</tr>
<tr>
<td>Reclassification adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- transfers from donated asset reserve</td>
<td>0</td>
<td>0</td>
<td>(1,091)</td>
<td>0</td>
<td>(1,091)</td>
<td>(1,091)</td>
</tr>
<tr>
<td>New PDC received</td>
<td>1,832</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,832</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2009</strong></td>
<td>188,428</td>
<td>(57,555)</td>
<td>105,394</td>
<td>14,157</td>
<td>1,116</td>
<td>251,540</td>
</tr>
<tr>
<td><strong>Balance at 1 April 2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As previously stated</td>
<td>188,428</td>
<td>(57,555)</td>
<td>105,394</td>
<td>14,157</td>
<td>1,116</td>
<td>251,540</td>
</tr>
<tr>
<td>Reserves eliminated on dissolution</td>
<td>0</td>
<td>57,555</td>
<td>(105,394)</td>
<td>0</td>
<td>(1,116)</td>
<td>(48,955)</td>
</tr>
<tr>
<td>Other movements in PDC in year</td>
<td>48,955</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income for the year:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus/(deficit) for the year</td>
<td>0</td>
<td>(57,368)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(57,368)</td>
</tr>
<tr>
<td>Transfers between reserves</td>
<td>0</td>
<td>728</td>
<td>(728)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>0</td>
<td>0</td>
<td>(8,596)</td>
<td>(3,163)</td>
<td>0</td>
<td>(11,759)</td>
</tr>
<tr>
<td>Net gain on revaluation of property, plant, equipment</td>
<td>0</td>
<td>0</td>
<td>22,257</td>
<td>445</td>
<td>0</td>
<td>22,702</td>
</tr>
<tr>
<td>Receipt of donated assets</td>
<td>0</td>
<td>0</td>
<td>1,976</td>
<td>0</td>
<td>1,976</td>
<td>0</td>
</tr>
<tr>
<td>Reclassification adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- transfers from donated asset reserve</td>
<td>0</td>
<td>0</td>
<td>(1,032)</td>
<td>0</td>
<td>(1,032)</td>
<td>(1,032)</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2010</strong></td>
<td>237,383</td>
<td>(56,640)</td>
<td>12,933</td>
<td>12,383</td>
<td>0</td>
<td>206,059</td>
</tr>
</tbody>
</table>
### STATEMENT OF CASH FLOWS
for the year ended 31 March 2010

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2009/10 £000</th>
<th>2008/09 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating surplus/(deficit)</td>
<td>(47,704)</td>
<td>11,685</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>14,317</td>
<td>14,694</td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>61,506</td>
<td>1,654</td>
</tr>
<tr>
<td>Transfer from donated asset reserve</td>
<td>(1,032)</td>
<td>(1,091)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,258)</td>
<td>(1,680)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(7,561)</td>
<td>(9,084)</td>
</tr>
<tr>
<td>(Increase)/decrease in inventories</td>
<td>(9)</td>
<td>50</td>
</tr>
<tr>
<td>(Increase)/decrease in trade and other receivables</td>
<td>(812)</td>
<td>2,649</td>
</tr>
<tr>
<td>(Increase)/decrease in other current assets</td>
<td>0</td>
<td>(2,066)</td>
</tr>
<tr>
<td>Increase/(decrease) in trade and other payables</td>
<td>6,285</td>
<td>5,099</td>
</tr>
<tr>
<td>Increase/(decrease) in provisions</td>
<td>880</td>
<td>1,406</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from operating activities</strong></td>
<td><strong>24,612</strong></td>
<td><strong>23,316</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>29</td>
<td>335</td>
</tr>
<tr>
<td>(Payments) for property, plant and equipment</td>
<td>(20,614)</td>
<td>(17,987)</td>
</tr>
<tr>
<td>(Payments) for intangible assets</td>
<td>(964)</td>
<td>(24)</td>
</tr>
<tr>
<td>Revenue rental income</td>
<td>0</td>
<td>(914)</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from investing activities</strong></td>
<td><strong>(21,549)</strong></td>
<td><strong>(18,590)</strong></td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) before financing</strong></td>
<td><strong>3,063</strong></td>
<td><strong>4,726</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public dividend capital received</td>
<td>0</td>
<td>1,832</td>
</tr>
<tr>
<td>Loans repaid to the DH</td>
<td>(4,020)</td>
<td>(5,744)</td>
</tr>
<tr>
<td>Other capital receipts</td>
<td>1,976</td>
<td>0</td>
</tr>
<tr>
<td>Capital element of finance leases and PFI</td>
<td>(682)</td>
<td>(287)</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from financing</strong></td>
<td><strong>(2,726)</strong></td>
<td><strong>(4,199)</strong></td>
</tr>
</tbody>
</table>

| **Net increase/(decrease) in cash and cash equivalents**                | 337          | 527          |
| **Cash (and) cash equivalents (and bank overdrafts) at the beginning of** | 1,787        | 1,260        |
| the financial year                                                      |              |              |
| **Cash (and) cash equivalents (and bank overdrafts) at the end of the**  | 2,124        | 1,787        |
STATEMENT OF THE CHIEF EXECUTIVE’S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

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

• there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

• value for money is achieved from the resources available to the Trust;

• the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

• effective and sound financial management systems are in place; and

• annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs of the Trust and of 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.

Mrs Marianne Griffiths
Chief Executive
8 June 2010

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

Mrs Marianne Griffiths
Chief Executive
8 June 2010

Mr S Prosser
Finance Director
8 June 2010
**Related Party Transactions**

Details of related party transactions with individuals are as follows:

<table>
<thead>
<tr>
<th>Payments to Related Party £</th>
<th>Receipts from Related Party £</th>
<th>Amounts owed to Related Party £</th>
<th>Amounts due from Related Party £</th>
</tr>
</thead>
<tbody>
<tr>
<td>H Evans, Chairman (Note 1)</td>
<td>10,436</td>
<td>0</td>
<td>1,035</td>
</tr>
<tr>
<td>K Upton, Head of Engagement and External Relations (Note 2)</td>
<td>31,999</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Note 1:** Transactions between the Trust and Penn Pharmaceuticals  
**Note 2:** Transactions between the Trust and The Campaign Company

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

<table>
<thead>
<tr>
<th>Payments to Related Party £</th>
<th>Receipts from Related Party £</th>
<th>Amounts owed to Related Party £</th>
<th>Amounts due from Related Party £</th>
</tr>
</thead>
<tbody>
<tr>
<td>South East Coast Strategic Health Authority</td>
<td>3</td>
<td>8,826</td>
<td>11</td>
</tr>
<tr>
<td>West Sussex Primary Care Trust</td>
<td>5,062</td>
<td>297,433</td>
<td>1,487</td>
</tr>
<tr>
<td>Hampshire Primary Care Trust</td>
<td>0</td>
<td>7,884</td>
<td>0</td>
</tr>
<tr>
<td>West Kent Primary Care Trust</td>
<td>0</td>
<td>3,729</td>
<td>0</td>
</tr>
<tr>
<td>NHS Litigation Authority</td>
<td>3,151</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>NHS Purchasing and Supply Agency</td>
<td>6,849</td>
<td>0</td>
<td>682</td>
</tr>
<tr>
<td>NHS Blood &amp; Transplant</td>
<td>2,316</td>
<td>7</td>
<td>292</td>
</tr>
</tbody>
</table>

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with HM Revenue & Customs, Chichester District Council, Worthing Borough Council and Adur District Council.

Western Sussex Hospitals NHS Trust is sole corporate trustee of Western Sussex Hospitals Charitable Trust, from whom the Trust has received revenue and capital payments.
Independent auditor’s report to the Board of Directors of Western Sussex Hospitals NHS Trust


This report is made solely to the Board of Directors of Western Sussex Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of directors and auditor
The directors are responsible for preparing the Annual Report.

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

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement. The other information comprises only the Foreword by Trust Chairman and Chief Executive, the unaudited part of the Remuneration Report and section 14 - Financial Review.

I conducted my work in accordance with Bulletin 2008/03 “The auditor’s statement on the summary financial statement in the United Kingdom” issued by the Auditing Practices Board.

My report on the statutory financial statements describes the basis of my opinion on those financial statements.

Opinion
In my opinion the summary financial statement is consistent with the statutory financial statements of the Western Sussex Hospitals NHS Trust for the year ended 31 March 2010.

Darren Wells
Officer of the Audit Commission
Engagement Lead
Audit Commission
16 South Park
Sevenoaks
Kent
TN13 1AN

10 June 2010
Every year we...

receive around one million blood samples
We hope you found the Trust’s Annual Report and Summary Financial Statements for 2009 – 2010 informative.

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

Please send your comments to or, if you prefer to email someone, contact:

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

Email: kathryn.upton@wsht.nhs.uk

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