

NHS

West Sussex



Annual Report

2010/11

health &
wellbeing,
for life



This report aims to tell you more about what we do as commissioners of healthcare for West Sussex residents. It is our job to help people to live healthily and stay well, and to ensure that everyone living and working in the area has access to high quality health services which meet their needs.

Under the Government's new proposals for changing the way the NHS works the responsibility for planning and buying healthcare services for Sussex residents will transfer to newly formed clinical commissioning groups - bringing together clinicians who will work together to plan and buy healthcare for their local communities.

In reality GPs already commission healthcare services every day, either by referring patients for treatment, prescribing medicines or designing services for their

practices. GPs and other clinicians have reconfirmed their aspiration that local people should only have to go to hospital when that is the best place for them to be assessed and treated. This change offers them the opportunity to link their day-to-day decisions more clearly to the overall planning of healthcare provision.

In West Sussex there are four clinical commissioning groups – the Coastal West Sussex Federation (covering Adur, Arun, Chancetonbury, Chichester and Bognor Regis, and Worthing) and three groups in the north of West Sussex - Crawley, Horsham and Mid Sussex - working together as the North West Sussex Commissioning Association.

You can find out more about what we do at www.westsussex.nhs.uk

Contents

1. Introduction

2. Achieving our goals

3. Quality at the heart of everything we do

4. Report on consultations

5. Building for the future

6. Operating and Financial Review 2010/11

If you would like a copy of this report in another format such as large print, taped version or in another language please contact us on 01903 708440.

This document is available on the NHS West Sussex website: www.westsussex.nhs.uk or you can request a printed version by contacting us on 01903 708440.

Delivering the right care

Published on 12 July 2010 by Secretary of State for Health, Andrew Lansley, the White Paper 'Equity and Excellence: Liberating the NHS' set out the ambitious plans for reform of the NHS through four key themes:

- To give patients more information and choice about their care – in future 'there will be no decisions about me without me'
- To improve health outcomes to among the best in the world
- To hand back power to patients and the NHS professionals who treat them: to empower doctors to deliver results – putting them in charge of what services best meet the needs of local people
- To also remove unnecessary bureaucracy, cut waste and make the NHS more efficient.

The NHS White Paper underlines the need for services to be joined up to deliver the right care at the right time in the right place by strengthening the relationship between local authorities and the NHS.

Chairman and Chief Executive's introduction

This annual report covers the financial year 1 April 2010 to 31 March 2011. It aims to meet our statutory reporting requirements whilst giving an overview of how we have worked in partnership, particularly with local GPs, towards realising our vision of lifelong health and wellbeing for all.

NHS West Sussex commissions healthcare for the 780,000 residents of West Sussex, with a budget of more than £1 billion. 2010/11 has been one of our most challenging years, both in terms of financial pressure and a time of unprecedented change for the NHS. It should be noted that the key financial targets were all met as set out in the finance review section of this report.

In early 2010 the government set a national target to deliver £20 billion of efficiency savings over four years, based on Quality, Innovation, Productivity and Prevention (QIPP) initiatives. For NHS West Sussex this means that we'll need to achieve efficiency savings of £193 million during the four year period.

In July 2010 the new coalition government published the NHS White Paper '*Equity and Excellence: Liberating the NHS*' setting out major reforms that aim to put patients at the centre of everything we do and devolve responsibility for commissioning healthcare to local GPs. The paper, which at the time of publishing the Annual Report remains subject to legislation, also set out plans to abolish primary care trusts (PCTs) by April 2013.

In support of plans to move from the current system to the new NHS commissioning landscape, and the requirement to deliver efficiency savings, NHS West Sussex made some significant organisational changes during 2010/11 whilst also achieving financial breakeven at the year end.

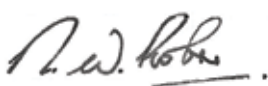
Staff consultation resulted in a phased programme of reorganisation that enabled us to reduce overhead costs and devolve more resources to support GPs

develop their clinical commissioning groups. In partnership with South Downs Health NHS Trust, we created the new Sussex Community NHS Trust by integrating our community services provider arm, West Sussex Health, with their staff. We also created the Sussex Commissioning Support Unit to improve commissioning support by bringing together a number of functions previously provided in each of the four PCTs in Sussex. In addition, we worked with West Sussex County Council to create a Joint Commissioning Board and Joint Commissioning Unit to manage specific budgets and services. We also closely aligned staff working in our Public Health team with those in the local authority.

In February it was agreed that we would move towards a PCT 'cluster' arrangement for the four PCTs in Sussex, the purpose of this being to build in resilience while also building commissioning expertise and accelerating joint arrangements with local authorities. In April 2011 a 'cluster' of the four PCTs across Sussex was formed with a new executive team led by chief executive, Amanda Fadero. Whilst the PCT in West Sussex retains its statutory responsibilities, by June 2011 the key responsibilities had been delegated to the 'cluster' Board and management. Following the change in the PCT's Accountable Officer status, Amanda Fadero countersigns these accounts in her role as the Chief Executive of NHS Sussex. The contributions made by the previous Chief Executive, John Wilderspin, in relation to the achievements listed in this report are formally acknowledged and appreciated.

Our thanks go to all our partners in primary care, community care, the acute sector, local government, the voluntary and third sector, patient and public representatives, and everyone else who contributed to our work during the year. And finally, thanks to the dedicated staff of NHS West Sussex for their hard work, commitment and skill.

Signed:



Norman Robson
Chairman
NHS West Sussex



Signed:



Amanda Fadero
Chief Executive
NHS Sussex

Who we are

As leaders of the local health economy NHS West Sussex is responsible for commissioning healthcare for about 780,000 residents of West Sussex.

With a budget of more than £1 billion, we commission health services from a complex network of healthcare providers including hospitals, GPs, community services, voluntary organisations and the independent sector, ensuring that residents can access high quality care. We also commission health prevention services such as flu immunisations, cancer screening and health visiting.

We listen to and learn from everyone who has a view on how NHS services should be provided.

Using the experiences of local people by engaging in an ongoing dialogue we learn lessons about how health services can be improved.

Who we are working with

The 782 square miles we cover includes a primary care network of 94 general practices, 149 optometrists, 217 dental practices and 156 pharmacies, working alongside acute hospital trusts and community health teams to deliver healthcare for the people of West Sussex.

The vision of the NHS White Paper *'Equity and Excellence: Liberating the NHS'* published in July 2010 proposed that in the future GPs will be commissioning the great majority of services on patients' behalf.

We believe that we have established a firm foundation for clinical commissioning that fits well with the government's vision for the future. The West Sussex clinical commissioning groups – Coastal West Sussex Federation (58 GP practices in Adur, Arun, Bognor Regis, Chichester, Chanctonbury and Worthing) and Crawley, Horsham and Mid Sussex working together as the North West Sussex Commissioning Association (36 GP practices in Crawley, Horsham and Mid Sussex) – were among the first wave of Department of Health 'pathfinders' for clinical commissioning, enabling them to pioneer the new ways of working.

By working in partnership with GPs we have proactively supported the development of clinical Commissioning and developed co-designed plans that assess the health needs of their local population and will enable them to commission joined-up services that are responsive to patients and the



public. The clinician-led groups have recruited lay members to work alongside them to strengthen public engagement and ensure patient input to the planning process.

The White Paper also underlined the need for services to be joined up to deliver the right care at the right time in the right place by strengthening the relationship between local authorities and the NHS. Local authorities will have a lead role with the NHS in promoting integration of services and will take on responsibility for health improvement.

In 2010/11 NHS West Sussex and West Sussex County Council jointly commissioned £150m worth of services for local people. The Joint Commissioning Unit, established in April 2011, will manage a budget of £375m in 2011/12, commissioning even more services together in a way which effectively engages other stakeholders such as clinical commissioners.

Our partners include Western Sussex Hospitals NHS Trust (St Richard's Hospital in Chichester, Worthing Hospital and Southlands Hospital at Shoreham), Surrey and Sussex Healthcare NHS Trust (Redhill Hospital in East Surrey), Brighton and Sussex University Hospitals NHS Trust (Royal Sussex County Hospital in Brighton and Princess Royal Hospital in Haywards Heath), and Sussex Partnership NHS Foundation Trust (mental health care), South East Coast Ambulance Service NHS Foundation Trust, Sussex Community NHS Trust (community-based services and services provided at community hospitals), West Sussex County Council, district and borough councils, voluntary groups and the independent sector.

Achieving our goals

Published in 2009, our five year Strategic Commissioning Plan (SCP) set out 12 goals based on a Joint Strategic Needs Assessment (JSNA) – a detailed analysis of the needs of the local population carried out in conjunction with West Sussex County Council. The strategic goals are reviewed on an annual basis to enable us to focus our priorities for the Annual Operating Plan.

Achieving these goals by 2014 will enable us to realise our objective of lifelong health and wellbeing for all by tackling the causes of ill health; treating and supporting those with ill health; making sure services are safe, high quality, accessible, and deliver a good patient experience; reducing health inequalities; and offering patients and service users more choice and control over their care and services.

To view the Strategic Commissioning Plan in full, visit: www.westsussex.nhs.uk/our-priorities

Despite the challenges of growing cost pressures and uncertainty about organisational change, the NHS in West Sussex has been able to make significant investments in vital services in recent years – such as mental health, cancer care, reducing waiting times and expanding community services. At the same time the quality of services has been improved, and patients have been given greater choice than ever before.

Our achievements in 2010/11 include:

- Involving local people in planning and giving feedback on health services
- Working in partnership to tackle health inequalities through Health & Wellbeing Partnerships, Local Strategic Partnerships with local authorities, the independent sector, and the voluntary and community sector
- Monitoring the quality and safety of hospital and community services to improve local healthcare
- Driving down infection rates for hospital-acquired infections
- Encouraging positive lifestyle changes and tackling unhealthy eating, alcohol misuse, smoking and low levels of physical activity
- Helping prevent serious heart related conditions by offering NHS Health Checks
- Improving services for people suffering a mini-stroke or transient ischaemic attack (TIA)
- Extending the Abdominal Aortic Aneurysm (AAA) screening programme to reduce the number of deaths from this condition
- Establishing community-based specialist nursing teams to support people living with ill health
- Helping more terminally ill patients to fulfil their wish to die at home
- Developing community mental health services to improve access to psychological therapies and offer intensive support to people with complex psychological needs
- Investing £3 million in new community-based memory assessment services for dementia patients and their carers
- Reviewing urgent and emergency care services for children and young people
- Investing £1.8m to increase access to NHS dentistry, providing capacity for an extra 25,000 people to access NHS care
- Giving some patients choice of the services they receive through a Personal Health Budget pilot programme to trial the 'Direct Payments' scheme
- Reviewing pharmaceutical services, including medicines and appliances, to help plan the future of services in the county with patients in mind
- Opening a new health centre in Crawley, open 8am to 8pm, including weekends and bank holidays
- Launching a new website that is more accessible and easy to understand
- Providing a free and confidential service that offers information and advice, helping people to get the best possible service from the NHS
- Jointly commissioned £150m worth of local services with West Sussex County Council (WSSC).



Despite West Sussex having one of the healthiest and wealthiest populations in England, within our county there are areas of deprivation, with some groups of people suffering far greater ill health and earlier death than others. As well as treating people with ill health, we are tackling the causes of ill health, focusing on smoking and alcohol and investing in reducing obesity.



Preventing ill health

ASSIST-ing teens to quit smoking

A West Sussex school was the first in the South East Coast region to run a new national stop smoking programme known as ASSIST which targets 12-13 year olds. Selected students act as 'peer supporters' and follow a training programme which provides knowledge and coping strategies on how to not smoke in the first place. Research shows that smoking among young people is a group activity and that peer behaviour is key in influencing others. The 'peer supporters' are encouraged to develop informal conversations with other Year 8 students about the risks of smoking and the benefits of being smoke-free.

More people than ever before are now smoke-free in West Sussex. In the 12 months up to March 2010, 4,487 people in the county successfully quit smoking with support from the local NHS Stop Smoking Services – an increase of 22%.

Alcohol Awareness Week

Last autumn the NHS in West Sussex, working in partnership with local authorities, led a countywide campaign to raise awareness of services to support alcohol misuse. Based on research that showed almost two out of three 14-15 year olds admitted that they drank alcohol regularly or occasionally, 'Alcohol and Childhood' was selected as the campaign theme. Interactive activities included the Arun Community Alcohol Liaison Team visiting schools and colleges to talk to young people about their attitudes to alcohol and

their parents' drinking habits. Real life personal stories were also shared to give the teenagers a sense of the far reaching impact and consequences of alcohol related harm on family and friends.

Launch of the Why Weight? service

Preventing obesity and giving support to those who wish to lose weight are important priorities. The Why Weight? service was introduced in 2010 and in the first ten months supported 553 adults to tackle their health issues. By attending one of the West Sussex weight management groups for up to 12 weeks, free of charge, adults with a BMI of more than 30 have been encouraged to lose weight by making positive lifestyle changes. To find out more about Why Weight? call 0300 123 0892 or speak to your GP or practice nurse.

Schemes to encourage increased levels of physical activity in the fresh air, such as 'Green Gyms' and healthy walks, have proved popular. NHS West Sussex works closely with the District and Borough councils to run a number of schemes to tackle obesity in all ages, including MEND (Mind, Exercise, Nutrition, Do it!) for overweight children aged 7-13 years old and their family.

NHS Health Checks on offer

Cardiovascular disease, which can result in a heart attack, angina, coronary heart disease and stroke, is one of the top causes of early death amongst men and women in West Sussex. As part of a national programme for adults in England between the ages of 40 and 74, NHS Health Checks are helping to prevent serious heart related conditions. NHS Health Checks have been offered at some GP surgeries and pharmacies in West Sussex since March 2010, with over 5,000 people taking part in the pilot programme during its first 12 months. Simple tests, such as blood pressure and a finger prick test for cholesterol, are taken and advice is given on how to access services such as how to stop smoking and weight management. Health advisors also offered 103 Health Checks in the first 12 days of a special promotion from a high street shop in Littlehampton.



We are improving services for people who have a stroke or heart problems, investing in screening programmes to help detect problems earlier and supporting people living with a long term condition such as diabetes.

Supporting ill health

Mini strokes treated within 24 hours

Each year around 2,240 people living in West Sussex will have a stroke and about one third of these people will be aged 75-84. This means that each week around 43 people will experience a stroke. In addition a further 21 people will have a mini-stroke or transient ischaemic attack (TIA). These figures are above the national average. Early assessment and treatment by clinicians and staff who specialise in stroke care is critical if people are to get better quicker and maintain maximum independence. In West Sussex we have improved the TIA services and rapid assessment clinics available at hospitals in Worthing, Chichester, Haywards Heath and East Surrey.

Screening programme extended

A lifesaving service has been extended across West Sussex with more men aged 65 being invited to take part in the Abdominal Aortic Aneurysm (AAA) screening programme. Older men can self-refer. An AAA – which is caused when the main blood vessel in the abdomen, the aorta, weakens and starts to expand – can be a real risk to the life of an otherwise healthy man. Detecting the aneurysm early means that the condition can be closely monitored and if surgery is thought necessary, it can be done in a pre-planned way, giving the patient the best possible chance of a speedy recovery. The test is simple, pain-free and usually takes less than 10 minutes, and men are given their results immediately with ongoing monitoring being arranged if appropriate. AAA screening therefore enables us to diagnose, monitor and treat the condition if appropriate, reducing the number of deaths.

Specialist nursing teams established

In 2010/11 we recruited specialist nursing teams in Chronic Obstructive Pulmonary Disease (COPD), Motor Neurone Disease and Diabetes to support people in their own home. All three teams are reducing the number of emergency admissions to hospital for many COPD sufferers, and we are getting positive feedback about the care patients are receiving. Our future plans include employing additional Neurology Specialist Nurses and using 'tele-health' units to help patients monitor their condition.

We are also taking part in a care planning pilot focused on supporting people to self care, helping them to help themselves and avoid inappropriate hospital admission.

Healthcare closer to home

If we want to secure local services for our patients we have to deliver the best and most appropriate care and also ensure best value for money. One of our main aims is to transfer some routine hospital-based treatments and tests closer to home by increasing the range of services delivered in GP surgeries, community hospitals and other community settings. This is particularly appropriate for planned care where patients have traditionally – and sometimes unnecessarily – travelled to outpatient departments in large hospitals. For example, we are now offering a range of dermatology services for skin conditions at community hospitals and GP practices across West Sussex. This involves a 'one-stop see and treat' service, completed within six weeks of GP referral without the majority of patients needing hospital-based care.



Improving health care

We are ensuring that healthcare is delivered to the highest possible quality and safety, and in ways which best suit the needs of the patient.

Improvements to mental health services

In March 2010 NHS West Sussex, working with Sussex Partnership Foundation NHS Trust and the two PCTs in East Sussex, launched a consultation exercise about future improvements to mental health services. The consultation was about moving mental health care out of hospital settings where it is safe and appropriate to do so, and investing in high quality, community-based care instead.

In July the Board of NHS West Sussex approved proposals for significant improvements to community and primary care mental health services, and to reduce inpatient beds once these improvements are in place. These improved services will focus on supporting people early, ensuring quick access to effective treatment and working with individual service users to develop recovery focused, personalised support plans.

A new intensive therapy service offering support to people with complex psychological needs was launched last October, aimed at helping those whose condition makes them more likely to struggle to maintain jobs and relationships, who frequently contact GPs or use the emergency services. This is the first fully dedicated service in the county to provide intensive therapies and support specifically to those with complex psychological needs.

Big increase in capacity in NHS dentistry

An extra 25,000 people a year will be able to access NHS dentistry in West Sussex thanks to a massive £1.8m investment. The big increase in capacity took place last October, following a competitive tendering exercise after which NHS West Sussex awarded 15 new contracts with dental practices across the county. The new contracts mean

that patients will be able to access care at three brand new surgeries in Chichester and Worthing (opening summer 2011) and Crawley (opened March 2011), while a further 12 existing practices will be treating more NHS patients than in the past.

Working together to get a better deal for children with complex health needs

NHS West Sussex recognises that services for children with complex health needs and disabilities need to change to ensure the availability of a combination of support and care by professionals working in a number of different services. A comprehensive service review, spearheaded by Dame Philippa Russell, a well-known figure in respect of services for the disabled and the chair of the National Children's Bureau, was launched last year to identify how changes could be achieved. The review was supported by parents and professionals from NHS West Sussex and West Sussex County Council who have been keen to make sure improvements are made as soon as possible.

Improvements in health and wellbeing

The Wellbeing teams based in Crawley (launched January 2009), Arun (launched October 2009) and Chichester (launched July 2010) have been tackling priorities such as unhealthy eating, alcohol misuse, smoking and low physical activity. The teams bring together NHS West Sussex and partners in local authorities, the independent sector and the voluntary and community sector, to help improve the health and wellbeing of their local population and reduce inequalities in health. The Health and Wellbeing teams are complemented by Health and Wellbeing Partnerships in all areas where local organisations work together to maximise improvements in healthy living within their communities.

We are committed to allowing people to have greater control of their treatment and improving services by involving people in decisions about their care.

Support in your community

Patients given their own budget

NHS West Sussex is one of first eight primary care trusts in the country chosen to trial the 'Direct Payments' scheme, which will give some patients control over the treatment they receive. 40 people, chosen from three categories – carers of those recently diagnosed with dementia, teenagers approaching the age of 18 with continence requirements, and people assessed as having continuing healthcare needs – are part of the pilot scheme. Having control of their own personal health budget will allow a new freedom to choose the services they and their health care professional believe will meet their health and wellbeing needs in a way that suits them best. The budgets could be used in many different ways – from aromatherapy to exercise classes or directly employing staff or an agency to provide care and support. Personal health budgets are all about putting people at the heart of healthcare, allowing patients to have a real influence in deciding what is best for them.

Pioneering palliative care service

Care for people with terminal illnesses has been transformed in parts of West Sussex, Hampshire and Surrey, thanks to a pioneering service based in Midhurst. Thought to be the first of its kind in the UK, the Midhurst Macmillan Specialist Palliative Care Service helps people to be treated in the place they choose. This is most often at home, but could be a nursing home, residential home or community hospital, rather than a general hospital. The number of terminally ill patients who were able to fulfil their wish to die at home rose from 36% in March 2006 to 79% for the year ending March 2011. The national average is around 20%.

New GP practices open in Crawley

Five new state-of-the-art doctor's surgeries officially opened in Crawley this year. Coachmans Medical Practice, Gossops Green Medical Centre, Ifield Medical Practice, Langley Green Surgery and Southgate Medical Group all opened in brand new buildings, making them more accessible for patients and fit for purpose for years to come. The new buildings,

made possible thanks to support from NHS West Sussex, will create capacity for the growing population of Crawley, and the improved facilities will offer opportunities to develop the range of services they provide for the local community.

Crawley Health Centre officially opened

Crawley Health Centre was officially opened on Friday 18 June 2010 by Henry Smith MP for Crawley. The new centre can be used by registered and non registered patients, making it easy for everyone to get quick access to healthcare. It is open every day of the year from 8am to 8pm, including weekends and bank holidays, and offers a range of services from regular GP appointments, treatment for minor illnesses and health information. Commissioned by NHS West Sussex, the centre is managed by Health4Crawley, a consortium of local Crawley GP practices.

Access to pharmaceutical services is good

The first Pharmaceutical Needs Assessment (PNA) for West Sussex was published last February. It found that access to pharmaceutical services is good overall, especially given that the county has large rural areas. Most people are able to reach a community pharmacy or dispensing doctor practice in 20 minutes or less.

Providers of pharmaceutical services can play a crucial role in improving the health of local people. They are often the first point of contact, especially for those who might otherwise struggle to access health services. As well as dispensing medicines and other prescription items, pharmacists and pharmacy staff play a critical role in promoting the safe and effective use of medicine. The PNA outlined how this role could be expanded further by providing a wider range of NHS services, becoming more involved in public health strategies and working more closely with other health professionals. The PNA can be viewed at www.westsussex.nhs.uk/pna

Quality at the heart of everything we do

Promoting quality is an integral part of the commissioning process – it is not just about the numbers of operations, or the price of a service, it is about the safety of the patient, and their experience of health care.

Our Quality team is an extremely effective unit, who work hard to protect the interests of the patient, improving what is on offer so that patients have better clinical outcomes. The team follow up all reported serious incidents, meet regularly with service providers, closely scrutinise data to pick up any trends requiring investigation, and look into complaints to find lessons to be learned. This work is crucial to ensure that services are safe; a fundamental element of our work.



Promoting safe, clean care

During 2010/11 we worked hard with colleagues in hospitals, community services and general practice to reduce the incidence of healthcare associated infection (HCAI) across the healthcare community in West Sussex. We introduced successful strategies to reduce infection – notably 21 cases of MRSA blood stream infections compared to a Department of Health target of 35 and 364 cases of Clostridium difficile compared to a Department of Health target of 592. In addition, collaborative work with dental practitioners ensured that the nationally agreed essential quality requirements, aimed at the prevention and control of infection, are in place. Working together with local providers of healthcare services will be a priority for 2011/12, building on our success and further developing the programme to reduce HCAI so that the people of West Sussex enjoy access to safe, clean care.

Putting problems right more quickly

A new system introduced in March 2011 gives local doctors access to a unique online incident reporting and learning database, designed to detect problems in patient care more easily. Now that the quality and safety of all NHS services are monitored and recorded on this bespoke system, managing risks in patient care is easier and problems can be detected more easily. This is resulting in quicker solutions and improved healthcare for local people.

Customer service is everyone's business

By listening to people – whether they are patients, residents, stakeholders or employees of companies or other public

sector organisations – about their experiences of local healthcare services, we can resolve mistakes faster, learn new ways to improve, prevent the same problems from happening in the future, and help them to get the best possible service from the NHS.

Our customer service team provides a free and confidential service to the residents of West Sussex, offering support and advice, and receiving feedback, complaints and compliments about the services we commission. By sharing – anonymously – the information we receive with staff who commission services we are able to identify where improvements need to be made. For example, patient feedback has led to improvements in access to GP surgeries, a reduction in waiting times and cancelled operations, and improved written communications for continuing healthcare applications. In 2010/11 we received 318 complaints of which 152 were investigated by NHS West Sussex and 162 referred to partner organisations such as GP practices, dental practices and hospitals for investigation and response. Our customer service team also responded to 3,557 individual requests for support, information and advice.

The NHS Constitution was created to protect the highest quality of service for patients in England. Created to protect the principles of the NHS and empower patients, public and staff.

It sets out, for the first time in one place, existing legal rights and pledges. These cover how you access health services, the quality of care you receive, the treatment available to you, confidentiality and your right to complain if things go wrong.



We listen to you...

Listening to local people

Involving local people in planning and giving feedback on health services is a vital part of our work. To ensure that services are effective, efficient, and accessible the commissioning process must fully understand and respond to the patient experience.

Improvements to the process of public engagement continued in 2010/11, influencing commissioning decisions and keeping a continual focus on improving services. Working with the West Sussex LINK (Local Involvement Network), and other patient groups, ensures that we listen to what local people have to say about health and social care services.

There is a report detailing consultation activity carried out by NHS West Sussex in 2010/11 on pages 12 to 14. For the purposes of the report, consultation means 'asking a person for their views' and the report explains how their views have influenced our commissioning decisions

Proposals for better care

A public consultation was launched last February to gather views around proposals to improve hospital and community NHS services along the south coast in West Sussex. Clinicians have drawn up the plans in a bid to make patients safer, reduce the number of times patients need to be transferred between hospitals, and reduce the amount of time staff spend travelling between sites. The three-month consultation process gave people the chance to have their say on plans to improve orthopaedic, elderly care, and ophthalmology (eye) services at St Richard's (Chichester), Worthing and Southlands Hospitals. The proposed changes, called 'Service Redesign for Quality in West Sussex – Our proposals for better care', also include investment in better community services, especially for the elderly.

New Sussex Community NHS Trust

The majority of community health services in the county are commissioned from Sussex Community NHS Trust, formed in October 2010 when responsibility for management of West

Sussex Community Health Services (the provider services arm of NHS West Sussex) was transferred to South Downs Health NHS Trust. NHS West Sussex were one of the first primary care trusts (PCTs) in the country to separate commissioning and provider functions and the transfer of approximately 3,000 staff into the new trust was a great achievement for those involved.

Helping to improve services

Our membership scheme *My NHS West Sussex* was designed to create a pool of local people who are interested in the NHS, and who can play a role in influencing how services are developed. Elected from more than a thousand people signed up to *My NHS West Sussex*, 11 Patient and Public Council members and one staff member played an important role during 2010/11. They represented the views and interests of patients and the public by being actively involved in priority projects, having a regular slot at board meetings and lobbying on issues such as thrombolysis and patient transport. Members of both *My NHS West Sussex* and the council are now working with clinical commissioning groups in the north and the south of the county to help shape future services.

New website launched

Research told us that local people were looking for a website that was more accessible, easy to understand and navigate, and designed from the user's point of view – they found it difficult to find information about services and their entitlements on our previous website. Users also wanted better signposting to other local NHS services, and more opportunities to interact with NHS West Sussex. Some of the features of the new website we launched last April include a facility to search for local services by postcode/address, developed with the national NHS Choices site; a section called 'Your Rights' – letting people know what they can expect from the NHS; and a 'Talk to Us' section – a home for all our consultations, surveys and other public engagement work. You can visit our website at www.westsussex.nhs.uk

NHS West Sussex: Report on consultations conducted between 1 April 2010 and 31 March 2011

As the lead commissioners of health services in West Sussex we need to have continuous and meaningful engagement with the public to shape services and improve health. We believe that involving local people in developing health services and listening to their experiences of care are vital steps in making services better.

During a time of such significant change to the NHS maintaining public involvement and engagement is crucial. We are already engaging the public in the commissioning process and now our challenge is to ensure effective public engagement is embedded within the new clinical commissioning groups. To this end we have been working closely with GP colleagues to develop appropriate, inclusive models for public engagement. This means creating engagement practices that meets the needs of both our clinical commissioners and the public.

Launched in 2009, our *My NHS West Sussex* public membership scheme has been a crucial element of our public engagement strategy. It has enabled us to listen to the public voice in order to effect change and improvement. Recruitment to the scheme will continue and in the future members will be involved in the activities of the clinical commissioning groups in West Sussex.

The NHS has a legal duty to involve and consult patients and the public. The law requires NHS organisations to involve patients and the public in the planning and provision of services, developing and considering proposals for changes in how services are provided and making decisions that affect how services operate. The Government's Health and Social Care Bill (currently going through the Parliamentary process) is proposing that this legal duty is passed on to the new clinical commissioning groups.

All primary care trusts have to publish an annual report on the influence people's views have had on commissioning decisions. This particular report covers consultations that occurred between the dates 1 April 2010 and 31 March 2011 and, where known, consultations planned after March 2011.

For the purposes of this report, 'consultation' means asking a person for her/his views on a proposal or issue, before a decision is made. It is not just limited to the big formal 12 week public consultations but encompasses the vast majority of public engagement activity undertaken by NHS West Sussex.

Details of consultations are shown in the following table.

Date or period of consultation	Subject area	Who was consulted and how?	Feedback received	In what way did the feedback influence commissioning decisions?
April 2010 to March 2011	Individual assessments for Continuing Healthcare (CHC)	<p>Patients are assessed as meeting CHC by the completion of a Decision Support Tool, this is completed with patient and relative involvement.</p> <p>Commissioning reviews are completed on funded patients, patients relatives have an opportunity to provide feedback on care commissioned.</p>	Relative and patient feedback and involvement during the assessment period and once care is commissioned.	Feedback is used to develop and shape individual's care package.
April 2010 to March 2011	Urgent Care Pathway project for Children and Young People	<p>Children and young people and parents/carers. Email group for information and feedback. Parents' stories about their children's care. Interviews with parents/carers. Lesson Plan with years 8 and 10 pupils.</p>	Parents' stories and responses from interviews. Evaluation of lesson plan by pupils and their teachers.	Feedback from young people, parents and carers (which supported national and international research evidence about children's urgent care services) informed the development of the strategy and is ongoing.

Ongoing from April 2010	Criteria used for the commissioning of radiotherapy services	A Patient Reference Panel was established including patients and members of local cancer networks. In addition focus groups were held and on-line surveys conducted.	Themes identified included travel times and access to services. Further work is planned to broaden the responses.	Engagement is ongoing but is already shaping the thoughts of both commissioners and clinicians.
April 2010 to July 2010	NHS dental provision	A lay member was involved in the tender evaluation panel.	Input into application and proposal from potential providers.	Input to final decisions as part of the evaluation team.
May 2010 to July 2010	Production of a business case and service specification for the re-modeling of Community Health Access Point (CHAP) into a single point of access 'One Call'	A lay member was part of the stakeholder group.	Feedback included in the final documents.	The lay member's views were valuable and contributed to a robust service specification.
July 2010	Crawley hospital Urgent Treatment Centre (UTC)	A workshop was held and two patients attended.	Patients contributed effectively to the discussion around the potential decommissioning of services.	The workshop informed thinking about the future re-commissioning of the Urgent Treatment Centre (and potential decommissioning of the planned treatment centre).
July 2010 to August 2010	Preparation of draft Pharmaceutical Needs Assessment (PNA)	Questionnaires to pharmacy and dispensing GP practice service users.	Almost 2,000 completed questionnaires were received (25% response rate).	Responses used to inform the draft PNA and the final PNA
October 2010 to December 2010	Consultation on draft PNA	General public via website, libraries and the media, staff and stakeholders via direct contact and meetings, patient participation groups, Patient & Public Council, young people, people with learning disabilities (Easy Read document), black and minority ethnic representatives, carers via mail-outs and direct contact.	Feedback received from 34 individuals and organisations. Feedback received via email, telephone, post and online.	Responses used to inform the final PNA.
Ongoing from December 2010	Horsham GP Commissioning Consortia Executive Board	Two patients were appointed to the Horsham GP Commissioning Consortia Executive Board.	The lay members attend Board meetings and provide a patient perspective on every aspect of the Board. including service models, specifications and business cases.	Feedback from the lay members is used to inform the work of the commissioning executive.

December 2010	Access to the National Screening Programmes for people with a learning disability, in particular, bowel, breast and cervical cancers	Face to face discussions with patients, their carers and their advocates, regarding any barriers they may have accessing screening tests.	To ensure leaflets for people with learning difficulties are available to explain in more detail about the screening programme.	Feedback will be used in future commissioning decisions
March 2010 to June 2010	Improving Mental Health services in West Sussex	Formal public consultation involving members of the public, staff, General Practitioners, primary care staff, voluntary sector partners, community groups, members of ethnic groups, West Sussex County Council, the West Sussex Health Oversight and Scrutiny Committee, and Members of Parliament. Formal public consultation document, six public meetings, website and media activity, 69 stakeholder meetings.	A report on the key themes is available and focuses on views and experiences of mental health services in West Sussex. <ul style="list-style-type: none"> • General but not universal support for reduction in beds. • Real concern about 'loss' of NHS services generally in some rural areas, e.g. Mid Sussex. Widespread dissatisfaction with performance of Community Mental Health Teams.	The feedback will influence the decisions on where beds will be closed, how commitments to improve community services measure up against the expectations of our population, and whether new services are investments which people are able to support.
January 2011	Implications of GP commissioning in the local Crawley community	A meeting with patients and the public was organised to obtain feedback which would inform commissioning decisions.	More services should be provided closer to home.	Feedback will be given to the GP commissioning Board and will inform or reinforce commissioning decisions.
February 2011	Crawley Practice Nurse	A meeting with patients was held to discuss take up for cervical screening programme for a population which has a large cohort of Pakistani Muslim women.	Ensure information available in languages other than English.	Feedback will be used in future commissioning decisions.
February 2011 to April 2011	Proposals to improve hospital and community NHS services along the south coast in West Sussex, i.e. major orthopaedic operations transferring to Worthing Hospital, ophthalmology services should be moved to new facilities at Southlands Hospital (Shoreham) and St Richard's Hospital (Chichester), elderly care should be brought together in one place at Worthing.	A formal public consultation involving six public meetings.	Consultation is ongoing.	A report on feedback from the consultation will be written by an independent analyst and this will be used to influence future decisions.

Building for the future

Demanding year ahead

To focus its business and service priorities for the coming year, NHS West Sussex produces an annual Operating Plan, which sets the priorities and direction for the commissioning of local healthcare services in the year which will deliver the five year Strategic Commissioning Plan.

Our plan for 2011/12 is focused on ensuring that we deliver financial sustainability, whilst continuing to deliver improved quality by improving safety, effectiveness and patient experience. We also intend to maintain performance on key waiting times, continue to reduce healthcare associated infections and reduce emergency admissions to hospital.

In addition to significant financial challenge, our 2011/12 Operating Plan reflects an NHS in transition, most significantly the shift over the next two years of accountability for the commissioning of the majority of health services to local clinical commissioning groups. NHS West Sussex remains as the statutory body until 2013 and has an important oversight and governance role to play in managing the transition to new organisational structures.

NHS Sussex

As part of our transition from the current NHS system to new ways of working, NHS West Sussex moved to a 'Sussex PCT Cluster' arrangement in April 2011, working with NHS Brighton and Hove, NHS West Sussex, NHS East Sussex Downs and Weald, and NHS Hastings and Rother. The purpose of this was to build in resilience for the next couple of years, while also building commissioning expertise and support for emerging clinical commissioning groups, and accelerating joint arrangements with local authorities.

NHS Sussex, led by a single Chief Executive, Amanda Fadero, will oversee service delivery during the transition phase until the abolition of PCTs and will be responsible for supporting and developing the new commissioning system.

Clinical Commissioning Group development

In West Sussex we've already done a great deal to establish clinical commissioning, which puts us in a good position to further develop in a way that supports the government's vision for the future that puts GPs at the heart of the commissioning process. Coastal West Sussex Federation and North West Sussex Commissioning Association – have been granted 'pathfinder' status and operated in shadow form from April 2011, whilst still being accountable to NHS Sussex.

Sussex Commissioning Support Unit (CSU)

Formally established in April 2011, the Sussex Commissioning Support Unit will continue to provide Sussex commissioners with the commercial and technical skills and capabilities necessary to commission high quality healthcare in an increasingly challenging environment. The CSU will work consistently across Sussex to raise the standard of commercial knowledge at all levels, ensuring that appropriate support and structures are in place to deliver value for money, efficient, innovative and responsive care for patients and collaborative working through shared resources.

Local HealthWatch

Subject to Parliamentary approval, Local HealthWatch will replace Local Involvement Networks (LINKs), retaining the best aspects of the current system, and strengthening the public and patient voice throughout the health and social care systems. West Sussex County Council has established a HealthWatch Planning Group, comprising county councillors and representatives from the Health Overview and Scrutiny Committee (HOSC), LINKs, the local authority and the two clinical commissioning groups, the aim being to develop the structure for Local HealthWatch in West Sussex.





Coastal West Sussex Federation

Coastal West Sussex (CWS) Federation was set up in July 2010 and has a mandate to act at a strategic level on behalf of 58 practices across a population of 538,000 people.

In 2011/12 CWS Federation will focus on the following priorities: pro-actively caring for the elderly, managing GP referrals to reduce inappropriate hospital treatment, redesigning care pathways for Ophthalmology and Musculo-skeletal (MSK) services, working with Western Sussex Hospitals NHS Trust to provide even better quality care at Worthing and Southlands Hospitals, and working with GP practices to promote cost effective prescribing.

North West Sussex Commissioning Association

The three clinical commissioning groups in Crawley, Horsham and Mid Sussex have agreed to work closely together and collaboratively as the North West Sussex Commissioning Association (NWSCA). This style of working will allow collaboration on major pieces of work, will allow risk to be shared across a larger population, and will preserve a strong local influence through links to practices, local authorities and other local stakeholders.

In 2011/12 NWSCA will focus on the following priorities: reducing inappropriate hospital admissions by managing GP referrals for planned care and redesigning care pathways for unscheduled care, supporting cost effective and safe prescribing, developing care pathways for long term conditions including heart failure, neurology and chronic pulmonary obstructive disease (COPD), and redesigning children's services.

Public Health

Responsibility for Public Health will formally pass to West Sussex County Council from April 2013 as part of the White Paper changes. In order to maximise the benefits of local authority engagement and leadership, from April 2011 our Public Health team will be operating in transition under a formal agreement with the County Council. For 2011/12 the team's work will be directed by the NHS West Sussex Operating Plan and the County Council's Business Plan for Public Health, working towards implementing the Government's White Paper on 'Healthy Lives, Healthy People'.

Key areas include developing a new West Sussex-wide Public Health Plan in close collaboration with district and borough councils, as well as implementing the Health and Wellbeing programme and commissioning "lifestyle" services. Work will be evidence based and driven in particular by the Joint Strategic Needs Assessment (JSNA) and the Child Poverty Strategy. There will be significant work required to support the new Health and Wellbeing Board, in particular further development of the JSNA. The role of the team has also extended as the Director of Public Health has taken on additional responsibility within the County Council for safeguarding, domestic violence and working with the voluntary sector.

Joint Commissioning Unit (JCU)

NHS West Sussex has a strong track record of partnership working with West Sussex County Council through its pooled commissioning arrangements for mental health services and people with learning difficulties. As a key feature of the emerging commissioning landscape, work on this has been developed to form an overarching Section 75 agreement that will allow both NHS West Sussex and the County Council to maximise the benefits for patients and clients across children's and adult services. To this end, a Joint Commissioning Unit owned by partner organisations and hosted by the County Council was established from April 2011. Representatives from the clinical commissioning groups will play a key role in the Joint Commissioning Management Group, developing the commissioning intentions from the JCU into services for people across West Sussex.

In itself, joining together the commissioning work of health and social care offers the prospect of greater efficiencies and a more 'joined up' experience for the patient and their carers. However, improved services do not simply happen, and we will need to work hard to ensure we achieve the benefits we all want to see. For example, the JCU will be reviewing intermediate care, 'reablement' and community rehabilitation services, with a view to fully integrating them within 12 months. Establishing a single team, with a single pathway, and a single set of eligibility criteria, to support people back to a dignified independent life, is a goal which will be of enormous benefit to patients.

The 2011/12 Operating Plan has been published on the website www.westsussex.nhs.uk/our-priorities

Operating and Financial Review 2010/11

Introduction

In this section we provide information on how we operated in 2010/11 and our plans for 2011/12. More detail on our Strategic Commissioning Plans and Operating Plans can be found on our website: www.westsussex.nhs.uk/our-priorities

Governance

The Governance structure of NHS West Sussex in 2010/11 remains the same as that implemented during 2009/10 following the independent reviews carried out by Humana and Capsticks. The Board sub-committees are:

- Audit and Assurance Committee
- Quality, Innovation, Leadership and Learning Committee (QuILL)
- Remuneration Committee

The Primary Care Trust Board

Our Board has confirmed its primary role in setting strategic direction and in obtaining assurance against delivery of plans. Details of Board members appear in the Remuneration Report (see pages 45 to 47) Voting Board members appear below:

Board Members (voting)

Michael Harris, Chairman (until 30th September 2010)
 Norman Robson, Chairman (from 1st October 2010)
 Barbara Wilkins, Vice Chair
 Jean Barclay, Non-Executive Director
 David King, Non-Executive Director
 Norman Robson, Non-Executive Director (until 30th Sept 2010 – see above)
 Christopher Moore, Non-Executive Director
 George Tainsh, Non-Executive Director
 Stephen Turner, Non-Executive Director
 Dr Andrew Foulkes, Medical Director
 Dr Tim Fooks, GP Member (until November 2010)
 John Wilderspin, Chief Executive
 Neil Ferrelly, Director of Finance (until June 2010)
 Jonathan Molyneux, Interim Director of Finance, Planning and Governance (from June 2010)
 Judith Wright, Director of Public Health and Wellbeing
 Julia Dutchman-Bailey, Director of Quality, Chief Nurse/ Infection Prevention and Control, Communications and Public Engagement
 Louise Watson, Director of Clinical Commissioning (now Managing Director for the North West Sussex Commissioning Association)

Board Members (non voting)

Steven Pollock, Director of Communications, Public Engagement & Human Resources (now Managing Director for the Coastal West Sussex Federation)
 Debbie Turner, Interim Director of Contracting and Performance (from 15th June 2010)
 Sara Weech, Director of Operations, Joint Commissioning NHS West Sussex/West Sussex County Council
 Sarah Creamer, Director of Planning and Governance (until January 2011)
 Dr Katie Armstrong, Chair, Coastal West Sussex Federation (from October 2010)
 Dr Simon Dean, North West Sussex Commissioning Association (from October 2010)

The names and dates of service for Executive Directors and Senior Managers are listed in the tables of Salary and Pension Entitlements of Senior Managers on pages 44 to 46 of this report.

Quality, Innovation, Learning and Leadership (QuILL)

This committee reflects NHS West Sussex's commitment to quality. Meeting monthly, this committee provides the Board with assurance on the quality outcomes of commissioned services.

The Audit and Assurance Committee (AAC)

This consists of four Non-Executive Directors: Stephen Turner (Chair of AAC); Jean Barclay, Christopher Moore, Norman Robson (until 30th September 2010), and George Tainsh (from 1st October 2010). The Committee meets bi-monthly to review the effectiveness of financial and governance controls and receives reports from the internal and external auditors. The Committee ensures there is an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities that supports the achievement of the organisation's objectives. In particular, the Committee reviews the adequacy of:

- all risk and control-related disclosure statements, together with Head of Internal Audit statement, external audit opinion or other appropriate independent assurances
- the underlying assurance processes that indicate the degree of the achievement of

- corporate objectives and the effectiveness of the management of principal risks
- the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- the policies and procedures for all work-related to fraud and corruption.

The Remuneration Committee

This Committee meets to consider all elements of the remuneration for Directors and other associated issues. The Committee consists of the NHS West Sussex Chairman, Michael Harris (until 30th September 2010) and Non-Executive Directors: Barbara Wilkins, Jean Barclay, Norman Robson (now Chairman), David King, Christopher Moore, Stephen Turner, George Tainsh, and Interim Director of HR, Denis Gibson.

Declared interests of NHS West Sussex Board Members

NHS West Sussex is required to maintain a register of declared interests of the Board Members, details of which can be found on pages 20 to 22. Declarations of interest are invited at each Board meeting and formally minuted. During the period 1st April 2010 to 31st March 2011, the majority of the Board Members, their immediate families, or members of the key management staff or parties related to them, did not undertake any material transactions with West Sussex Primary Care Trust. The only exception to this was that GP members of the Board and the Quality, Innovation, Learning and Leadership Committee received income from the PCT for General Medical Services and Personal Medical Services.

Members who have no declared interests

Christopher Moore, Non-Executive Director
 Stephen Turner, Non-Executive Director
 Julia Dutchman-Bailey, Director of Quality, Chief Nurse/ Infection Prevention and Control, Communications and Public Engagement
 Neil Ferrelly, Director of Finance (until June 10)
 Judith Wright, Director of Public Health and Wellbeing

Our Performance

The Board assesses performance against a range of targets and standards including those set out by the Department of Health. A detailed report of performance is received at each of our formal meetings and the Board considers what further action is required. In 2010/11 this was supported by a working group, with Non-Executive Director membership to review Finance and Performance monthly. Our Joint Strategic Needs

Assessment prepared jointly with West Sussex County Council, is the key driver for our Strategic Commissioning Plan and the 12 strategic goals are reflected in our Board Assurance Framework. Section 1 of this report gives some background and information on the PCT's performance.

In 2010/11, NHS West Sussex set out 21 priority projects in its Operating Plan (www.westsussex.nhs.uk/our-priorities) in line with its strategic goals. The programme leads report their progress against the agreed key milestones outcomes, delivery of objectives, financial costs/savings and activity as well as identify risks for non-delivery on a monthly basis. The information provided is collated by the Programme Management Office, reviewed by the Executive Team and reported to the Board as part of the Performance Management Report.

In addition to our 12 strategic goals set out in our Strategic Commissioning Plan 2010/14, we have achieved our national target of separation of our Community Provider Services through the integration with South Downs Health NHS Trust to form Sussex Community NHS Trust.

The Finance section on page 37 gives a review of our financial performance. The analysis of significant accounting policies and the impact of these on financial performance going forward have been outlined in Page 9, Note 1 of the annual accounts 2010/11. Issues regarding the valuation of land are covered in Page 9, Note (ii) of the annual accounts 2010/11.

Declaration of Board Members' Interests 1 April 2001- 31 March 2011

Name	Designation	Directorships, including non-executive directorships held in private companies or PLCs with the exception of those of dormant companies	Ownership or part-ownership of private companies, business or consultancies likely or possible seeking to do business with the NHS	Majority or controlling shareholders in organizations likely or possibly seeking to do business with the NHS	A position of authority in a charity or voluntary body in the field of health and social care	Any connection with a voluntary body or other body contracting for NHS services
Michael Harris (Voting member to September 2010)	Chairman	Chair of Stewart Signs Limited Director of Tedfold Residents Association Ltd.	None	None	None	None
Norman Robson (Voting member)	Chairman 1st October 2010- to present Previously Non-Executive Director	Chairman and Director of CTF Training Ltd Director of King's School, Bruton Ltd Director of Bremere Lane Management Company Ltd. (Co. No. 4836945) Non-Executive Finance Director of Chichester Yacht Club Ltd (Co. No. 1238153) Non-Executive Director of KSB Foundation Ltd (Co No 4314697)	None	None	None	Member of Council of Governors, Portsmouth Hospitals Trust
Jean Barclay (Voting member)	Non-Executive Director	None	None	None	None	Worthing and Arun Mind British Red Cross Macmillan Cancer Support Health Launchpad (a Project of The Young Foundation) The Practice Management Network (hosted by RCGP) Vision (a national partnership hosted by RNIB)
David King (Voting member)	Non-Executive Director	Director of Optimo Solutions Ltd & JDE Investments Ltd	None	None	Trustee of West Sussex Council for Voluntary Youth Services	None
Christopher Moore (Voting member)	Non-Executive Director	None	None	None	None	None

Name	Designation	Directorships, including non-executive directorships held in private companies or PLCs with the exception of those of dormant companies	Ownership or part-ownership of private companies, business or consultancies likely or possible seeking to do business with the NHS	Majority or controlling shareholders in organizations likely or possibly seeking to do business with the NHS	A position of authority in a charity or voluntary body in the field of health and social care	Any connection with a voluntary body or other body contracting for NHS services
George Tainsh (Voting member)	Non-Executive Director	AYGEO Ltd West Sussex Community Solutions Ltd	None	None	None	Governor – Sussex Partnership NHS Foundation Trust
Stephen Turner (Voting member)	Non-Executive Director AAC Chair	None	None	None	None	None
Barbara Wilkins (Voting member)	Non-Executive Director	Director of Knabsind (Brighton) Ltd – Property / Building Director of Furzefield Investments Ltd – Property and Investments	None	None	President of Friends of Henfield Medical Centre	None
John Wilderspin (Voting member)	Chief Executive	None	None	None	None	Spouse runs a consultancy which works in the NHS (but never with organisations in West Sussex to avoid conflicts of interest)
Neil Ferrelly (Voting member to June 2010)	Director of Finance (until June 2010)	None	None	None	None	Governor at Royal Surrey County Hospital, Guildford
Judith Wright (Voting member)	Director of Public Health and Wellbeing NHS West Sussex/ West Sussex County Council	None	None	None	None	None
Andrew Foulkes (Voting member)	Medical Director	None	Partner in Avisford Medical Group	None	None	None
Tim Fooks (Voting member to November 2010)	Clinical Board Member GP member QuILL member	Director of Sussex Apothecary Ltd, Spiro Close Pulborough West Sussex RH20 1FG	Partner in Pulborough Medical Centre (a provider of vasectomy service and sexual health service)	None	None	None

Name	Designation	Directorships, including non-executive directorships held in private companies or PLCs with the exception of those of dormant companies	Ownership or part-ownership of private companies, business or consultancies likely or possible seeking to do business with the NHS	Majority or controlling shareholders in organizations likely or possibly seeking to do business with the NHS	A position of authority in a charity or voluntary body in the field of health and social care	Any connection with a voluntary body or other body contracting for NHS services
Julia Dutchman-Bailey (Voting member)	Director of Quality/Chief Nurse	None	None	None	None	None
Louise Watson (Voting member)	Director of Clinical Commissioning	None	None	None	None	None
Jonathan Molyneux (Voting member from June 2010)	Interim Director of Finance	Director of Jonathan Molyneux Associates Ltd (the company that provides the services of Jonathan Molyneux as Interim Director of Finance to NHS West Sussex)	Owner of Jonathan Molyneux Associates Ltd	Controlling Shareholder of Jonathan Molyneux Associates Ltd	None	None
Debbie Turner (Non-voting member)	Interim Director of Contracting	Debbie Turner Consulting Ltd	Debbie Turner Consulting Ltd	None	None	None
Sara Weech (Non-voting member)	Director of Joint Commissioning, NHS West Sussex/ West Sussex County Council	Maison Malestroit	None	None	None	None
Steven Pollock (Non-voting member)	Director of Communications, Public Engagement & Human Resources	None	None	None	None	None
Sarah Creamer (Non-voting member until January 2011)	Director of Planning & Governance	None	None	None	None	None
Dr Katie Armstrong (Non-voting member from October 2010)	GP representative for Coastal West Sussex Federation	None	None	None	None	None
Dr Simon Dean (Non voting member from October 2010)	GP representative for North West Sussex Commissioning Association	None	None	None	None	None

Additional Operating and Financial Matters

Emergency preparedness

Every primary care trust has a responsibility under the Civil Contingencies Act 2009 to ensure that it is prepared for and capable of responding to, a major emergency, 24 hours a day, including major transport incidents, severe weather, flooding or pandemic flu. NHS West Sussex is the lead NHS organisation for emergency planning across Sussex and has the responsibility of representing NHS in Sussex on the Sussex Local Resilience Forum, (a multi-agency forum preparing for, training for and responding to emergencies).

The Trust continually reviews its Major Incident Plans to reflect the roles of the Trust as a commissioning organisation and is supporting the emerging clinical commissioning groups in commissioning services that are resilient and prepared to deliver an effective response to threats and hazards.

Serious Untoward Incidents involving Data Loss or Breach of Confidentiality (See SIC)

The PCT closely monitors the way in which it manages personal information and ensures that it is kept in line with the Data Protection Act 1998. All staff are required to report any incidents where personal information of either patients or staff has been lost or confidentiality breached.

During 2010/11, there were no more than 20 serious untoward incidents in which personal records were involved or where the information was of a highly sensitive nature. However, six incidents did occur of a less significant nature and these are shown in the table below with a comparison for 2009/10

Summary of other personal data related incidents

Category	Nature of incident	Total 2010/11	Total 2009/10
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	1	3
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	1	1
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0	0
IV	Unauthorised disclosure	4	0
V	Other	0	0
	Totals for the year	6	4

Freedom of Information

NHS West Sussex acknowledges its obligation to disclose all information it holds subject only to the reasons for exemption in the Freedom of Information Act. Between January and

December 2010, 373 requests for information were made to the PCT, an overall reduction of 1.5% on the previous year. All but three received a response within the deadline of 20 working days.

During the period 1st January to the 30th September 2010, prior to the completion of the integration of Provider Services with South Downs Health (now Sussex Community NHS Trust) on the 1st October 2010, 7 requests (2.4%) relating to the Provider Arm were received compared to 29 (10.3%) for the same period in 2009. The remainder of the requests were for NHS West Sussex.

Research Governance

The Trust is a member of both the Comprehensive Clinical Research Network and the Sussex NHS Research Consortium. The Sussex NHS Research Consortium, which is hosted by Western Sussex Hospitals NHS Trust, provides research approval on behalf of NHS West Sussex.

Assurance Framework and Internal Audit

The Assurance Framework describes in some detail the Trust's approach to ensuring the effectiveness of its controls (see our Statement of Internal Controls below). Regular review of the Assurance Framework by the Audit and Assurance Committee and then the Board, provides evidence of the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. The Board Assurance Framework (BAF) is regularly updated through discussions with the responsible Executive Directors.

The purpose of the BAF may be summarised as:

To provide a comprehensive method for the effective and focused management of the principal risks to achieving principal objectives and strategic goals.

The PCT's Board had an agreed Internal Audit Plan to ensure that proper and independent assurances were given on the soundness and effectiveness of the systems and processes in place for meeting its objectives and delivering appropriate outcomes.

Severance Payments

See separate Remuneration Report.

Principles for Remedy

The Parliamentary and Health Service Ombudsman has published two documents ('Principles of Good Administration' and 'Principles of Remedy') describing how public bodies should remedy injustice or hardship resulting from poor administration or poor service (see www.ombudsman.org.uk). Examples of remedy include an apology, an explanation, remedial action or financial compensation.

Any remedy agreed should be fair and proportionate to the injustice or hardship suffered. The six 'Principles of Remedy' have been adopted by NHS West Sussex as part of its process for handling individual complaints and are referred to as required. The Treasury has also issued guidance on this topic (see the 'Managing Public Money' section at www.hm-treasury.gov.uk for more details).

Better Payment Policy

The Better Payment Practice Group was established to promote a better payment culture within the UK and urges all firms to adopt a responsible attitude to paying on time.

Companies can support the work of the Group by signing up to the 'Better Payment Practice Code', and agreeing to uphold the four cornerstones of prompt payment:

1. Agreeing payment terms at the outset of a deal and sticking to them;
2. Explaining payment procedures to suppliers;
3. Paying bills in accordance with any contract agreed with the supplier or as required by law;
4. Telling suppliers without delay when an invoice is contested, and settle disputes quickly.

By agreeing to these terms and signing up to the Code, businesses send a clear signal to their customers and suppliers of their commitment to good credit management and paying on time. Evidence of the PCT's compliance with the code is reported on Page 28 of the Annual Accounts 2010/11. NHS West Sussex is signed up to the Prompt Payments Code.

Our Staff

NHS West Sussex has continued its 'Let's Work Together' programme during a year of tremendous change affecting staff and fundamentally reshaping the workforce, including the integration of the PCT's Provider Services arm, West Sussex Health, with Sussex Community NHS Trust on 1st October 2010 when almost 3,000 employees (2,163 full-time equivalents) moved to the Sussex Community NHS Trust.

A national requirement to make management cost savings led to a re-organisation of the PCT's core functions and a number of job losses, either through compulsory redundancy or by staff volunteering to leave under the Mutually Agreed Resignation Scheme (MARS).

Supporting the principles set out in the Government's White Paper published in July 2010, the PCT carried out a staff restructure to enable improved support for the emerging clinical commissioning groups (Coastal West Sussex Federation and the North West Sussex Commissioning Association). In addition, some staff were seconded to West Sussex County Council to further develop the joint commissioning of services and staff working in Public Health moved to Chichester to work closely with colleagues in West Sussex County Council. The remaining staff will work in central functions shared across a cluster of four primary care trusts in Sussex

NHS West Sussex continues to host the Sussex Health Informatics Service. This service has undergone a radical reorganisation, due to the ending of nationally-funded IT programmes, reducing its income by £8m in 2011/12.

The result of these changes on the size and shape of the PCT's workforce are summarised as follows:

- Provider Services whole time equivalent staff of 2,163 had zero increase over the period and 100% transferred to Sussex Community NHS Trust
- Sussex Health Informatics Services with whole time equivalent staff of 377 at the start of the financial year reduced to 333 at the close of the year, a reduction of 12%.
- PCT commissioning functions started the financial year with 430 whole time equivalent staff and this was reduced to 360 at the close of the year, a reduction of 16%.

At the beginning of 2010/11, most of the PCT's trade union representatives were employed in the directly-managed clinical services. When these services transferred to Sussex Community NHS Trust in October 2010, The PCT worked with trade unions to establish representation from within the commissioning functions, resulting in a new Staff Partnership Forum for the commissioners which began meeting in the autumn of 2010. This Forum has been a key part of the staff consultation arrangements at a time of intense change and uncertainty for staff.

The Board of NHS West Sussex is grateful to its staff and their representatives for the positive manner in which they have responded to the recent transformation of the organisation.

The national NHS Staff Survey carried out in 2010/11 showed an increase in staff appraisals (up from 53% to 76%) which followed a re-launch of the Trust's appraisal scheme and a renewed emphasis on performance review during the year. However, change and uncertainty was also reflected in the results with an increasing number of staff indicating their intention to leave their job and fewer staff seeing opportunities to develop themselves and their careers during 2010/11.

Sickness Absence

We monitor sickness absence rates and benchmark our performance. Our average rates of sickness absence for the year beginning April 2010 rose from 3.7% in 2009/10 to 4.13% in 2010/11. This increase can, to some extent, be attributed to a year of change and uncertainty.

Pension Liabilities

A full explanation of the accounting treatment of the organisation's pension liabilities is set out in the Trust's Annual Accounts 2010/11 in Note 7.5 on page 26. Details of the pension liabilities in relation to Senior Managers are set out in our remuneration report on page 46.

Quality Report 2010/11

Quality Statement from director of quality and performance and head nurse

Quality, defined as patient safety, patient experience and clinical effectiveness, is a golden thread through the commissioning cycle and is of paramount importance. Setting quality expectations within contracts with providers, monitoring and holding to account are key to ensuring that quality is safeguarded and improved. The Quality Team are focussed on ensuring that standards and objectives are met and where errors occur, ensure that learning takes place to reduce the risk of recurrence.

Monitoring and Assurance

NHS West Sussex has developed and continues to deploy, an integrated governance review framework drawing together intelligence from finance, contract performance, workforce, communications and quality. The information is triangulated, where possible, to provide a robust mechanism to review the quality of clinical care.

Quality Management Committee

The Board's sub-committee Quality Assurance, Innovation, Learning and Leadership (QuILL) is supported by a Quality Management Committee (QMC). Meeting monthly, QMC focuses on current and emerging issues within the health care provision of West Sussex, enabling monitoring and intervention to support providers and thus ensuring improvements and learning with the aim of improving service to patients.

The Quality Management sub-group carry out a monthly table-top review of available provider data to identify significant issues and trends, identify common themes from all learning and outcomes and monitors actions. The focus of the sub-group work is across safeguarding, complaints, claims, medicines management, Patient Advice and Liaison Service (PALS), incidents and serious incidents, assessing soft and hard intelligence

Provider Quality meetings

Ongoing clinical quality review meetings are held with each provider to ensure all quality issues are fully reviewed and where appropriate, action plans are in place. Providers are held to account for the quality of their services.

Quality indicators, standards and performance

Clinical Quality Performance Indicator (CQUIN) - Clinical Quality Performance Indicators first mentioned in '*High Quality Care for All, June 2008*' is an incentive scheme to 'encourage organisations to pay higher regard to quality'. Using the framework in 2009/10, the PCT

linked 0.5% of acute contracts to CQUIN achievements. This was expanded in 2010/11 to 1.5% of acute, community and mental health contracts. The framework also provides a link between the contracts and both the Quality Innovation Productivity and Prevention (QIPP) agenda and the transformation programme.

All provider trusts to West Sussex are required to submit clinical quality dashboards on a monthly basis which includes the CQUIN metrics. The data provided is validated on a monthly basis and then reviewed at the end of each quarter for agreement and payment on achievement of trajectories.

NHS West Sussex will work with clinical commissioners at all stages in the CQUIN process with a view to including both the nationally and regionally mandated indicators, as well as locally driven initiatives

Safe Care

NHS West Sussex leads this national work-stream across Sussex. The aspirational goal for this work is to achieve 95% 'Harm Free Care' by December 2012 by focussing on a reduction in the number of falls causing serious harm, pressure ulcers, catheter associated urinary tract infections and VTE (blood clots). The programme is viewed as an enabler supporting improvements in patient safety, experience and clinical effectiveness.

The PCT has included Safe Care in all 2011/12 provider contracts.

Privacy and Dignity/Mixed Sex Accommodation

NHS West Sussex monitors breaches of single sex accommodation and applies sanctions based on the national guidance. Further to changes in November, Sussex-wide guidance has been developed and agreed which further tightens the requirements to preserve the privacy and dignity of patients. Acute, mental health and community providers in West Sussex made a declaration of compliance with the new mixed sex accommodation requirements on or before 31st March 2011. Maintaining the privacy and dignity of patients in West Sussex remains a priority and sanctions will be applied where this has been breached.

Healthcare acquired infections

The reduction of Healthcare Acquired Infection (HCAI) rates remains a national objective, with particular emphasis on MRSA and *Clostridium difficile*. The PCT continues to work with providers in hospitals, community services, general medical and dental practices to reduce healthcare acquired infections.

NHS West Sussex has taken a multi-faceted approach to delivering HCAI messages and initiatives that have resulted in many successes across the healthcare economy. Notably, indicative year end data is 25 cases of MRSA blood stream infections across the health economy compared to a Department of Health target of 35; and indicative year end data is 377 cases of Clostridium difficile across the health economy compared to a Department of Health target of 592.

We continue to work together with local providers of healthcare services to build on this success and further develop the programme to reduce HCAI so as to ensure that the people of West Sussex enjoy access to safe, clean care and this will remain a priority for 2011/12.

Patient safety

Manchester Patient Safety Framework (MPSF) - This framework tool, endorsed by the National Patient Safety Agency (NPSA), was developed to make the concept of safety culture more accessible. It helps an organisation understand its level of development with regard to the value that they place on patient safety.

In 2010/11, NHS West Sussex undertook this assessment of its patient safety culture within the commissioning structures. This showed a strong and improving culture with good indications that the organisation's expectations of having a proactive patient safety culture will be fulfilled in 2011/12.

The PCT has also worked with its major NHS providers to ensure that they have undertaken MPSF surveys in 2010/2011. This will enable both providers and the commissioner to have an understanding of the maturity of patient safety within commissioned services.

Incident reporting - All incidents are reported electronically via the web incident reporting system on the PCT's intranet. These incidents are collated onto the integrated risk management database software and used to plot any trends related to the commissioning of services. A total of 76 incidents were reported on this system in 2010/11.

NHS West Sussex has worked with local clinicians to develop a robust incident reporting and learning system for primary care providers. This system became live in 2010/11.

Serious Incident management - Serious Incidents (SIs) are managed according to National Patient Safety Agency and South East Coast Strategic Health Authority (SECSHA) guidelines. NHS West Sussex is responsible for performance managing all its provider trusts' SIs, including Sussex Community NHS Trust, Western Sussex Hospitals NHS Trust, Queen Victoria Hospital NHS Foundation Trust, Sussex Partnership NHS Foundation Trust, Surrey and Sussex Healthcare NHS Trust and all independent providers.

In 2010/2011, NHS West Sussex monitored and managed the learning from 162 SIs generated by all providers of healthcare in West Sussex.

All commissioned providers have engaged with and used the SUI processes developed by the PCT. The total number of all SIs reported by providers in West Sussex was 185.

Never events - NHS West Sussex, as part of its patient safety process, also monitor 'Never Events'. These are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented.

During 2010/11, two events were recorded, Queen Victoria Hospital NHS Foundation Trust reported one surgical instrument-related Never Event and Surrey and Sussex Healthcare NHS Trust reported one surgical instrument related Never Event. Learning from these events has been monitored and preventative measures put in place.

Adult Safeguarding - NHS West Sussex is working with West Sussex County Council and with all providers to ensure that each has an infrastructure that enables the delivery of adult safeguarding. Through effective communication and working across all organisations, we are able to triangulate information that in turn helps to support, challenge and give assurance with regard to the quality of the service delivery. The Trust is also an active member of the local Adult Safeguarding Board.

Adult services are working closely with partner agencies to develop a tool that in future can be used to measure the amount of care, kindness, and compassion that patients experience on their journey of care.

Child Safeguarding - The Trust works very closely with the Local Safeguarding Children's Board within West Sussex County Council and the Children's Trust around national and local agendas. There is also a strong interface with the Joint Commissioning Unit for children. In 2010/11, the Safeguarding team has worked to develop a training programme with GPs and practice managers to develop and enhance their skills to recognise where children are at risk which in turn, helps to support children and their families within the local health economy. In addition, work has been undertaken with named nurses based within Sussex Community NHS Trust, to develop services to enable the support of projects within primary care in the future.

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE PRIMARY CARE TRUST

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the primary care 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 primary care trust;
- the expenditure and income of the Primary Care Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the net operating cost, recognised gains and losses and cash flows for the year.

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

Signed:



Date: 07 / 06 / 2011

Amanda Fadero
Chief Executive

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 primary care trust and the net operating cost, recognised gains and losses and cash flows for the year. In preparing these 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 primary care 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 primary

care 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 that they have complied with the above requirements in preparing the accounts.

By order of the Board.

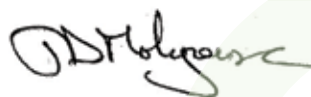
Signed:



Date: 07 / 06 / 2011

Amanda Fadero
Chief Executive

Signed:



Date: 07 / 06 / 2011

Jonathan Moluneaux
Finance Director

STATEMENT ON INTERNAL CONTROL 2010/11

1. Scope of responsibility

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

My formal accountabilities as Chief Executive are described and approved by the Board in the PCT's Governance Framework, Standing Orders and Standing Financial Instructions. The PCT is performance managed by NHS South East Coast Strategic Health Authority, principally through the submission of budgets, plans and strategies and through performance management meetings.

2. The purpose of the system of internal control

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

- Identify and prioritise the risks to the achievement of the organisation's objectives, policies and aims
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to mitigate them efficiently, effectively and economically.

The system of internal control has been in place in NHS Sussex for the whole year ended 31st March 2011, and up to the date of approval of the Annual Report and Accounts.

3. Capacity to handle risk

The PCT has Chief Executive, Board and Director level commitment to risk management, supported by the work of risk specialists in the Finance, Planning and Governance Directorate and within the Business Assurance Team of NHS West Sussex. With effect from 1st October 2010, the West Sussex Health Community Services Risk Team merged into the newly formed Sussex Community NHS Trust. For NHS West Sussex, risk champions and risk administrators have been identified throughout the organisation and these were provided with specific training. Specific reference to risk management responsibilities is

included in staff job descriptions. Risk management training continues to be part of the overall strategy and the training programme, revised in September 2010, which includes staff induction and specific courses for Board members, managers and other staff, has been ongoing throughout the year.

Actions against the PCT's principal objectives are assigned to accountable Directors in the PCT's Assurance Framework. NHS Sussex achieved accreditation at Level 1 of the NHS Litigation Authority's (NHSLA) Risk Management Standards for PCT's in March 2009. The PCT proactively sought this independent assurance from the NHSLA as good practice, at a time of national transition when it was an optional assessment. The PCT has remained at Level 1 following the merger of its community services with South Downs Health NHS Trust. The NHSLA announced in January 2011 that there will be no standards and therefore no assessment for Trusts that only commission services. No advice is yet available as to what level PCT's will be given in terms of NHSLA premium discount, this is awaited.

The PCT's Risk Management Strategy, Policy, Procedure and Guidance document was reviewed and revised during August/September 2010. It was endorsed by the Audit and Assurance Committee, who have responsibility for overseeing risk management, in October 2010. The Strategy, Policy, Procedure and Guidance are available on the PCT's intranet. The Strategy sets out the systems, processes and accountability for risk management within the PCT, promoting high quality, safe, accountable healthcare, minimising risks to patients, staff and the PCT maximising available resources.

From September 2009 until September 2010, the risk management processes of the PCT's Provider Arm (West Sussex Health) and the commissioning PCT (NHS West Sussex) continued to be split to facilitate the PCT's provider arm integration of the PCT's Provider Services with South Downs Health NHS Trust, under the terms of 'Transforming Community Services'. This integration took place formally on 1st October 2010. These services were previously managed under a formally agreed management contract until 30th September 2010. Provider arm assurance was overseen as part of the management contract arrangement with South Downs Health NHS Trust during this transition period. The Commissioning PCT processes for corporate risk management continued to be managed through the PCT's Audit and Assurance Committee (AAC) and for any clinical risk management, the Quality Assurance, Innovation, Learning and Leadership Committee (QuILL). These committees are both accountable to the Board and provide it with assurance. From the 1st October 2010, the PCT's Provider Services were transferred to South Downs Health NHS Trust.

During 2010/11, the structure of the PCT's Risk Registers has been reviewed and revised to include organisation-wide risks within the Corporate Risk Register. These link to actions taken by responsible Directors within their own Directorate risk registers. Following the White Paper '*Equity and Excellence: Liberating the NHS*', a Risk Register relating to the transition process was set up and is reviewed weekly by the newly formed 'Transition Steering Group'.

4. The Risk and Control Framework

The PCT's Risk Management Strategy, Policy and Procedures describe a systematic method for identifying, evaluating and communicating risks associated with business activities. Delegated authority to approve formal policies remains with executives, unless such policies are politically sensitive, have cost implications or where there is a legal requirement for Board approval. The PCT can demonstrate the communication of risk processes throughout the organisation.

The PCT's Board Assurance Framework (BAF) has been reviewed by the Executive Team, Audit and Assurance Committee, Commissioning Executive (Executive Directors meeting monthly with Practice Based Commissioning Clinical Leads) and the PCT Board. The BAF is derived from the PCT's Strategic Commissioning Plan 2009 -2014 and is linked to its Operating Plan and the Government's White Paper '*Equity and Excellence - Liberating the NHS - NHS Outcomes Framework*'. It identifies goals, principal objectives and the principal and associated risks that may prevent their achievement. All principal and associated risks that affect delivery are recorded in the PCT's Risk Register and cross-referenced to the BAF. Where gaps have been identified, actions have been put in place and are detailed within the BAF showing how these are to be addressed/mitigated and progress is regularly reviewed. This process provides the basis for the Board and its Audit and Assurance Committee to regularly assess the effectiveness of, and assurances on, the controls to manage risks. All strategic principal objectives contained within the BAF are RAG-rated and are regularly reviewed by the Board, Executive Team, Audit and Assurance Committee and the Commissioning Executive (CommEx).

Internal Audit reviewed the PCT's Board Assurance Framework and Risk Management processes in September 2010 and provided the PCT Board with Significant Assurance for 2010/11.

The publication of the White Paper '*Equity and Excellence: Liberating the NHS*' during the year has prompted a number of actions to support the assurance process as we move towards implementation. The PCT has established a 'Transition Steering Group' which has oversight of the process. In addition, a commissioning steering group is in place and working with our pathfinder clinical commissioning groups to develop systems and processes and implement a

comprehensive organisational development plan. In addition, the new clinical commissioning groups are developing their own risk processes that will give continuity assurance for the future. The PCT has identified specific risks associated with transition and these are recorded on the PCT's Risk Register. Emerging clinical commissioning groups, previously Practice Based Commissioning Consortia, already work within a Governance and Accountability Agreement with the PCT and this will be further developed during 2011/12 to support increasing devolution of responsibility. An individual Executive of the PCT Board was appointed as Interim Managing Director to each of the clinical commissioning groups in order to provide a direct link with the PCT Executive Team during transition.

We recognise that in the short term, the most significant challenges and risks to delivery are the ability to focus immediate decision making on delivering the most appropriate care for patients (including appropriate access times, specifically) within the context of the financial resources available, designing clinical pathways to create sustainable provider infrastructure, managing the transition to clinical commissioning groups and improving the quality of the local healthcare estate to facilitate delivery of the most appropriate care. In future years, these challenges evolve into delivering continued high performance in primary and community care to minimise demand on secondary care, the risk to sustained competency of GP and joint commissioning entities and managing public expectations of capacity within the health system.

Information Governance

In October 2010, the PCT submitted its Information Governance Toolkit (IGTKV8) baseline assessment and in March 2011, its annual Information Governance Toolkit return, along with a signed Statement of Compliance (SOC) document. Both of these documents are mandatory requirements. During 2010/11, evidence has been collected and collated to demonstrate compliance with the IG Toolkit requirements and this has been a continuous process throughout the year.

The PCT underwent an internal audit of its baseline submission of its compliance with the IGTKV8 in November 2010 and was given limited assurance. From January to March 2011, further work was undertaken following the recommendations made in the report, where it was noted by our internal auditors, that significant progress had been made towards compliance since the baseline audit. In its March 2011 submission, following extensive work, the PCT had reached full compliance in the key 22 requirements of the Toolkit at Level 2 and is currently awaiting official confirmation that the required levels have been achieved and that the IGSoC has been accepted by the NHS Connecting for Health Information Governance team. In 2011/12, the PCT will continue to work towards Level 3 compliance with the new V9 of the toolkit criteria.

Security continued to be enhanced within the PCT with the encryption of all laptops and mobile computing devices. Every effort has been made to keep information secure so that even if theft or loss takes place, the information cannot be accessed. Furthermore, efforts have been made through the appointment of Information Asset Owners throughout the organisation to identify critical information assets and ensure the confidentiality of person-identifiable data, as well as assessing potential risks to the security of that data. The information data flows exercise has been repeated and data flows updated in the light of the many transitional changes the organisation is currently undergoing. This exercise ensured that the PCT did everything possible to prevent breaches of confidentiality and/or loss of data, and to ensure that patients, staff and the public could have every confidence that their records and other personal information are safe.

Subject Access Requests are dealt with effectively, within the time constraints set out by the Department of Health. A 'Subject Access' and 'Caldicott Log' is maintained and updated by the Business Assurance Team to keep track of any queries raised by staff and members of the public about the management of personal information.

In June 2010, following the restructuring, a new Senior Information Risk Owner (SIRO) was appointed to the organisation and in December 2010 a new Caldicott Guardian. The IG Toolkit action plan is a standing item on the agenda of the Information Governance & Records Management Working Group, which meets bi-monthly to review information governance and records management issues. Information Governance training was provided to staff within induction and risk management sessions and all staff were required to complete the mandatory information governance online training provided by Connecting for Health.

Under the terms of the Department of Health guidance on reporting of personal data related incidents, there were no serious untoward incidents relating to information governance within the PCT during 2010/11, which resulted in data loss or breach of confidentiality leading to damage to the reputations of the PCT, its services or the NHS as a whole.

Shared Business Services

National Shared Business Services (SBS) provides financial accounting services for NHS West Sussex. This includes supplier payments, cash management, customer accounts, VAT and general ledger. The Director of Finance delegates responsibilities in respect of Standing Financial Instructions in the areas covered by SBS, but the Director of Finance remains accountable for financial control.

Payroll & Charitable Funds

NHS West Sussex provides payroll processing

services and administers charitable funds for NHS West Sussex. The Director of Finance delegated responsibilities in respect of Standing Financial Instructions in the areas covered by Western Sussex Hospitals NHS Trust, but the Director of Finance remains accountable for financial control.

Sussex Health Informatics Service

The Sussex Health Informatics Service (HIS) is a shared service and is operated by the host organisation, NHS West Sussex on behalf of NHS member organisations across Sussex. The Sussex HIS Audit and Risk Committee reports to NHS West Sussex Audit & Assurance Committee. The Board is chaired by a Western Sussex Hospitals NHS Trust Non-Executive Director and is responsible for defining the accountability relationship with the HIS Director. This incorporates all governance and accountability issues, including the financial performance. The Chief Executives of the NHS PCT member organisations attend the HIS Board in rotation. The Director of Finance of NHS West Sussex is a member of the HIS Board. Statutory arrangements such as those required for financial and employment purposes are vested in NHS West Sussex as host organisation. The PCT endeavours to exercise its powers within the relevant legal and NHS framework and the common interest of all the Members expressed through the decisions of the HIS Board. The Chief Executive of NHS West Sussex is the Accountable Officer for this service.

Sussex Area Commissioning Service (SACS)

(Sussex Commissioning Support Unit - CSU from 1st November 2010)

SACS provides a management function to the four Sussex PCT's, with the purpose of improving the effectiveness of commissioning acute hospital services. It operates as a shared service consortium and is hosted and managed by NHS West Sussex. SACS is governed by the SACS Joint Committee, having senior membership from each PCT. The Chief Executive of NHS West Sussex is the Accountable Officer for this service.

From 1st November 2010, SACS became incorporated into the new Sussex Commissioning Support Unit (CSU), providing Contracting and Business Intelligence Support to the Sussex PCTs. The CSU is governed through a Memorandum of Understanding that is overseen by the Sussex Commissioning Group.

Partnership Working - Section 75 Pooled Budgets

Section 75 of the National Health Service Act 2006, enables the pooling of money between health bodies and health-related local authority services, and the integration of resources and management structures. Local interpretation and implementation of Section 75 is achieved through the commissioning and

scrutiny role of the West Sussex Joint Commissioning Board; a joint board representing West Sussex County Council and NHS West Sussex. Each organisation has six voting members on the Joint Commissioning Board. The Chairmanship rotates annually between the PCT and local authority.

Sussex Strategic Executive Group

(Formerly West Sussex Chief Executives Strategy and Performance Group)

The PCT Chief Executives, including the Chief Executive of NHS West Sussex, meet once a month with the Chief Executives of trusts serving Sussex - Queen Victoria Foundation NHS Trust, Brighton and Sussex University Hospitals NHS Trust, Surrey and Sussex Healthcare NHS Trust, Sussex Partnership Foundation NHS Trust, Western Sussex Hospitals NHS Trust, Sussex Community NHS Trust and East Sussex Healthcare NHS Trust, to discuss overall strategy and performance issues, particularly where there is a risk of not achieving targets.

West Sussex Commissioning Executive

The purpose of the West Sussex Commissioning Executive is to ensure that the PCT delivers its compelling strategic objectives to improve the health and wellbeing of the West Sussex population. This includes both the Executive Directors of the PCT and the Clinical Leaders of the four clinical commissioning groups in West Sussex.

The key tasks of the Commissioning Executive are to:

- Within the Board approved Strategic Commissioning Plan, determine commissioning priorities and resource investment/disinvestment, based on objective assessment of needs and health benefit across all health and wellbeing programmes.
- Make investment decisions, in line with delegated authority from the PCT Board, to support the agreed strategic commissioning priorities.
- Ensure that the PCT commissioning resource is used to best effect, reflecting needs, supporting the PCT strategic objectives and ensure high quality safe services and improved patient experience.
- Review West Sussex commissioning performance and agree remedial action as it relates to West Sussex.
- Make commissioning decisions on behalf of the PCT, on the basis of presented business cases/plans from other commissioners working with the PCT.
- Develop an effective partnership between the officers of the PCT and local clinicians as they take on an ever increasing level of commissioning responsibility.

Public and Stakeholders

The Patient and Public Council (PPC) is the major stakeholder forum for the PCT to share information about the organisation and Strategic Commissioning Plans. The PPC meets monthly and will continue to discuss the Operating Plan, priority programmes, the financial position of the organisation and the challenges over the next period. This will also include any risks that are identified as part of this process in order that the PPC are able to understand these and discuss how the PCT can best communicate Trust decisions to patients and the public.

The PPC represents the views and interests of the 'My NHS West Sussex' members (as at 31st March 2011: 1,250) and the general public to senior managers and directors. PPC members are elected by the 'My NHS West Sussex' membership and their duties include:

- Regularly feeding back information and seeking views of the 'My NHS West Sussex' membership
- Actively supporting the promotion of the 'My NHS West Sussex' membership scheme
- Ensuring that members' and the public's views are represented to the Board of NHS West Sussex and other senior committees and working groups.

The 'My NHS West Sussex' membership scheme was launched in April 2009 and continues to serve as a forum for discussion regarding the way in which NHS West Sussex carries out its work. It ensures the membership has real influence over the quality and types of services purchased.

In response to the Government's White Paper 'Equity and Excellence – Liberating the NHS', work is underway to develop effective models of public engagement at clinical commissioning groups level. For example, Department of Health funding has been secured to develop public engagement within the Coastal West Sussex Federation clinical commissioning group.

Public engagement continues at a corporate PCT level. This includes formal public consultations and engagement within priority programmes.

Regular engagement and communication is held with other key stakeholder and scrutiny forums, including the West Sussex Local Involvement Network (LINK) and the West Sussex Health Overview and Scrutiny Committee (HOSC).

Customer Services

The PCT's Customer Service Team (CST) provides a free, confidential service for members of the public who need advice, information and/or help, or may have a concern about the care provided or commissioned

by the PCT. This team has brought together the previous PALS, Complaints and Customer Services team into one unit. The service provides a central point of contact for patients with the NHS and aims to deliver prompt resolutions for patients and carers to a high standard of customer care. The CST works closely with staff at all levels of the organisation to resolve complaints and patient issues and to provide further patient feedback to the PCT Board and management to inform commissioning decisions.

The CST has produced customer care standards that apply to all staff in the organisation to ensure that they are clear about what is expected of them in terms of patient and public contact and managing queries and complaints.

Management of complaints has been reviewed again this year and reported to the Audit and Assurance Committee, to ensure PCT compliance continues with the complaints regulations 2009.

Correspondence with MPs and Councillors

MPs and councillors are provided with briefings, either collectively or individually, on major issues facing the PCT. All correspondence received from MPs or councillors is logged and tracked to ensure timely response and any risks identified are added to the Risk Register.

Compliance with Equality, Diversity and Human Rights obligations

The PCT has had both Race and Disability Equality Schemes in place and has established an Equality and Diversity Steering Group. Both schemes were assessed by the EHRC and were found to be compliant. However, following review, these have been replaced with a Single Equality Scheme after stakeholder and staff consultation. Both general equality and diversity training, as well as specific training in Equality Impact Assessments continues to be provided for staff and a rolling programme to review corporate, clinical and human resources policies has been established and ongoing. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

NHS Pension Scheme

As an employer with staff entitled to membership of the NHS pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales

detailed in the Regulations. The PCT's payroll service is provided by Western Sussex Hospitals NHS Trust.

Compliance with Climate Adaption reporting to meet requirements under the Climate Change ACT

The PCT has undertaken a climate change risk assessment and developed an adaptation plan to support its emergency preparedness and civil contingency requirements, as based on the UK climate projections 2009 (UKCP09), to ensure that this organisation's obligations under the Climate Change Act are met. Our adaptation plan is embodied within our Board-approved Carbon Management Plan, emergency preparedness plans and within estates maintenance and improvement plans.

In accordance with the Emergency Preparedness and Civil Contingency Act 2004 statutory requirements, the PCT, along with all Sussex Category 1 Responders, assess the risk of Heatwave and other associated risks relating to climate change; these risks are recorded on the Sussex Community Risk Register (SCRR). To support this, a core assessment by NHS South East Coast Strategic Health Authority resulted in NHS West Sussex's emergency planning arrangements being assessed as 'Green' status as Lead PCT for emergency planning, in supporting emergency preparedness across the NHS in Sussex.

Care Quality Commission – Registration Requirements

In April 2010, the PCT declared its final position for the future management of its Provider Services (West Sussex Health). From April to September 2010, these services were provided under the terms of a formally agreed management contract with South Downs Health NHS Trust, in preparation for formal integration and full transfer to them under the terms of 'Transforming Community Services' from 1st October 2010.

For the period 1st April to 30th September, following the withdrawal of the CQC core standards assessment, which allowed provider services to fall in line with the new Care Quality Commission registration requirements, but continue to encapsulate the core standards ethos, the PCT, following self assessment in January 2010 and its registration submission 17th March 2010, was granted registration with the CQC without conditions for its provider services during that period.

On the 1st October 2010, the PCT's Provider Services were formally integrated and transferred to South Downs Health NHS Trust. The registration requirement transferred to the newly formed Sussex Community NHS Trust and from that date, the PCT was no longer a registered provider with

the CQC as it was purely a commissioning PCT.

5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways:-

- The Head of Internal Audit provides an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the Internal Audit work. Internal Audit have provided an independent and objective opinion to me as Accountable Officer, to the Board and the Audit and Assurance Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives. Overall, the Internal Audit opinion was that 'Significant Assurance' was given. The PCT has agreed management actions in response to recommendations arising from reports issued by Internal Audit during 2010/11 and continues to use its audit recommendation tracking system, which was regularly reviewed by the Audit and Assurance Committee at each of its meetings and reported to the Board.
- Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control, provide me with further assurance.
- The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review is also informed by:

Internal Audit

A formal review for 2010/11 examined how the Board ensured that there were proper and independent assurances given on the soundness and effectiveness of the systems and processes in place for meeting its objectives and delivering appropriate outcomes through ongoing use and development of its Assurance Framework. Internal Audit gave 'Significant Assurance' in relation to the PCT's Board Assurance Framework and Risk Management Processes.

External Audit

The Audit Commission confirmed that the PCT achieved scores of 'Good' for Financial Management, 'Adequate' for Governing the Business and 'Adequate' for the Managing Resources in the Use of Resources elements of the Annual Health Check in 2009/10. The PCT agreed management actions in response to recommendations arising from external audit reports issued by the Audit Commission during 2010/11 and has continued to use its audit

recommendation tracking system to monitor and manage their progress. The audit recommendation tracker was regularly reviewed by the Audit and Assurance Committee at each of its meetings and progress reported to the Board.

NHS Litigation Authority (NHLA) Assessment Level

Following the integration of West Sussex Health the PCT's Provider Services, with South Downs Health NHS Trust on 1st October 2010, the PCT remains at Level 1 of the NHLA standards. The NHLA announced in January 2011, that there will be no standards and therefore no assessment for trusts that only commission services. No advice has yet been made available to PCT's by the NHLA, as to what level PCTs will be given in terms of NHLA premium discount; this is awaited.

Board Assurance Framework (BAF)

The Board Assurance Framework, derived from the PCT's Strategic Commissioning Plan, 2009 – 2014, linked to the PCT's Operating Plan and the Government's White Paper 'Equity and Excellence - Liberating the NHS – NHS Outcomes Framework', identifies goals, principal objectives and the principal and associated risks that may prevent their achievement. The BAF describes in some detail, the PCT's approach to ensuring the effectiveness of its controls. Regular review of the Assurance Framework by the Board provides evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. The Board Assurance Framework is regularly updated, through discussions between the Business Assurance Team and responsible executive directors and where gaps have been identified, actions have been put in place and are detailed within the BAF to have these addressed/mitigated. Progress is regularly reviewed by the Executive Team and Commissioning Executive. This provides the basis for the Audit and Assurance Committee and the Board to regularly assess the effectiveness of, and gain assurances on, the controls in place to manage these risks.

The following paragraphs describe important roles taken in maintaining and reviewing the effectiveness of the system of internal control:

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the committees below and a plan to address weaknesses and ensure continuous improvement of the assurance system is in place within the framework. This included a review of the principal objectives in the Assurance Framework and since 2009/10, aligning them to the objectives central to the PCT's 5 year Strategic Commissioning Plan and cross referencing to the PCT's Risk Register.

Governance

The Governance structure of NHS West Sussex in 2010/11 has continued following implementation, during 2009/10, of recommendations by the independent reviews carried out by Humana and Capsticks. The Board sub-committees are:

- Audit and Assurance Committee (AAC)
- Quality, Innovation, Leadership and Learning Committee (QuILL)
- Remuneration Committee

Board: receipt of formal reports and minutes from the Audit and Assurance Committee (AAC), The Quality Assurance, Learning and Leadership Committee, (QuILL); formal review and ratification of the PCT's Assurance Framework, including identification of principal objectives, principal risks, controls and assurances in place to manage them; discussion and ratification of relevant policies or delegation of the same, where appropriate.

Audit and Assurance Committee: The Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities that supports the achievement of the organisation's objectives using a dedicated work plan. In particular, the Committee reviews the adequacy of:

- all risk (including Information Governance risk) and control-related disclosure statements (in particular the Statement on Internal Control) together with the accompanying Head of Internal Audit opinion, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board.
- The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service.
- Financial risks

Other Committees Addressing Risk:

In 2010/11,

- The Audit and Assurance Committee

oversaw the management of organisational, operational and risk.

- Organisational risk was discussed at the Commissioning Executive (CommEx). At the West Sussex Health Patient Safety Committee - the latter, prior to integration, reported to the SDHT Integrated Governance Committee until 30th September 2010.
- The PCT's Executive Team discussed and agreed management procedures and reviewed risks on a regular basis.
- The West Sussex Joint Commissioning Board regularly reviewed the PCT's Risk Register and addressed risks relating to Section 75.
- Clinical risk management has been overseen by the Quality Assurance, Innovation, Learning and Leadership Committee (QuILL). The Quality Management Team undertook the management of clinical risk, Health Care Acquired Infections (HCAI), patient experience and Serious Untoward Incidents (SUI's). For the latter, the PCT has established a SUI Scrutiny Team to carry out the monitoring of SUI's across its West Sussex providers. This role was devolved to the PCT by NHS South East Coast Strategic Health Authority on 1st April 2010.

Business Assurance Team

An established Business Assurance Team to streamline the PCT's response to the assurance and compliance agenda continued to be in place. The team ensures that the wide ranges of assessments are coordinated and that evidence of compliance and improvement are accessible and effectively utilised. It is also responsible for the maintenance of the Board Assurance Framework, Audit Recommendation Tracker, Risk Registers, Statutory Duties Tracker and the Information Governance Toolkit.

Financial Position

The PCT has had a challenging financial year. A review of the actual results and potential risks at the end of the first quarter of 2010/11 identified a significant financial challenge for the remainder of the year. To address the risks identified, the PCT responded by producing a financial recovery plan that was agreed by the Board. The actions undertaken as part of this plan, together with the return of in year lodgements, have ensured that the PCT has achieved its surplus control total.

It is recognised that the PCT still has a significant financial challenge over the next two years, including the management of a number of risks that are already being addressed. The section

below, 'Value for Money – Financial Resilience', sets out a number of actions being taken to address these financial risks and to ensure financial targets are met for 2011/12 and 2012/13.

Care Quality Commission - Healthcare Associated Infection Registration Requirements

The PCT's Provider Services (West Sussex Health) were audited by the CQC in August 2009 and attained full registration for HCAI. During 2010/11, these services were managed under a management contract with South Downs Health NHS Trust, in preparation for full integration and transfer to them. From the 1st October 2010, the PCT's Provider Services were formally transferred to South Downs Health NHS Trust, under the terms of 'Transforming Community Services'.

Compliance with Statutory Duties

The Business Assurance Team has again carried out a major exercise, reviewing how the PCT complies with all its statutory duties. The results of this work have been scrutinised by the Audit and Assurance Committee and reported to the Board. There was a continuing programme of review throughout 2010/11 within the Committee's work plan and this will be rolled forward to 2011/12.

6. Significant Control Issues

Capacity and Access Times

The most significant control issue for the PCT is the management of overall available capacity, including the achievements of appropriate access times. Where joint approaches to service change and demand management need to mitigate the risks that providers will either be left with legacy fixed costs or will seek to generate additional income from un-commissioned activity. These approaches are being instigated on a system basis, working around each acute provider area, under the leadership of local GP commissioners. Meetings are held monthly with all relevant providers working to timescales appropriate to each scheme in order that capacity is not removed prior to initiatives demonstrating effectiveness, but not sustained such that additional demand is created.

Specifically, two providers within the PCT's health economy have had significant challenges in meeting the delivery of referral to treatment targets. The PCT is already working with local clinical commissioners and the relevant providers to agree specific plans to address this issue.

Value for Money – Financial Resilience

In considering the Trust's arrangements for securing financial resilience, the Audit Commission has identified the following issues that have resulted

in a qualified value for money conclusion:

- Weaknesses in financial reporting made it difficult to quantify the level of efficiencies delivered in the year ended 31st March 2011.
- Financial targets for the year ended 31st March 2011 would not have been delivered without the deferral of planned spending, which undermines the stability of the Trust's financial position now and for the foreseeable future.
- The Trust has not been able to show that it is able to influence its main providers to have a positive effect on acute demand and costs.

With the exception of the three points identified above, the Audit Commission was satisfied that in all significant respects, the PCT had put in place proper arrangements to secure value for money in terms of economy, efficiency and effectiveness, in its use of resources for the year ending 31st March 2011.

A financial due diligence exercise is being undertaken in the first part of 2011/12, involving external support. This will assist with the development of the PCT's financial management and reporting systems and assess the in-year and medium term financial and QIPP plans to ensure that they are robust and that financial targets can be achieved. In addition two specific objectives and related action plans to address the above issues, have been included in the Board Assurance Framework for 2011/12.

Statement by the Chief Executive

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

Signed:



Date: 7 June 2011

Amanda Fadero
Chief Executive, NHS Sussex

Finance Review 2011/12

The PCT achieved the four financial targets in 2010/11:

- The revenue expenditure was within the resource limit of £1,293,401k by £733k;
- The capital expenditure was within the capital resource limit of £7,698k by £0k;
- The cash drawings were within the cash limit by £228k;
- The PCT did not host any provider functions at the end of 2010/11 and therefore did not over or under recover any of these costs.

For 2011/12 the PCT has set a balanced financial plan, as part of its agreed Operating Plan that incorporates:

- The Revenue Resource Limit of £1275.2m, including a recurrent increase of £25.56m
- Savings from tariff, pay and price inflation of £(3.2)m
- Growth / Capacity investment to reflect volume growth of £13.1m
- Service development proposals of £29.9m
- Cost improvement and demand management saving of £59m
- The PCT plans to maintain a 1% contingency reserve of £12.8m and retain a surplus of £12.8m in 2011/12.

Summary of Financial Statements 2010/11

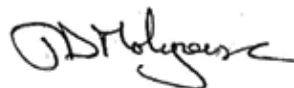
These statements have been subject to audit as part of the review of the Annual Accounts for 2010/11.

The following statements represent a summary of financial information for NHS West Sussex for the year ended 31st March 2011. The full accounts are available on request from; Director of Finance, NHS West Sussex, 1 The Causeway, Goring-by Sea, Worthing, West Sussex BN12 6BT

Signed on behalf of the Board:



Date: 7 June 2011
Amanda Fadero
 Chief Executive, Sussex PCT Cluster



Date: 7 June 2011
Jonathan Molyneux
 Director of Finance, West Sussex

Performance against Resource Limits

Revenue Resource Limit

2010/11

2009/10

£000

£000

The PCT's performance for the year ended 31st March 2010 is as follows:

Total Net Operating Cost for the Financial Year	1,292,668	1,236,474
Non-Discretionary Expenditure	0	6,435
Net Operating Cost less Non Discretionary Expenditure	1,292,668	1,230,039
Revenue Resource Limit	1,293,401	1,230,769
Under/(Over)spend Against Revenue Resource Limit (RRL)	733	720

Capital Resource Limit

2010/10

2010/11

£000

£000

The PCT is required to keep within its Capital Resource Limit.

Total Gross Capital Expenditure	7,698	8,974
Loss in Respect of Disposals of Donated Assets	0	0
less: Net Book Value of Non-Current Assets Disposed of to NHS Bodies	(1,687)	0
less: Net Book Value of Non-Current Assets Disposed of to non-NHS Bodies	(1,190)	(1,585)
less: Net Book Value of Financial Instruments (Investments) Disposed Of to NHS bodies	0	0
less: Net Book Value of Financial Instruments (Investments) Disposed Of to Non-NHS bodies	0	0
less: Capital Grants Received	0	0
less: Donations	(29)	0
Charge Against the Capital Resource Limit (CRL)	4,792	7,389
Capital Resource Limit (CRL)	4,792	7,395
(Over)/Underspend Against CRL	0	6

Provider services transferred to Sussex Community NHS Trust on the 1st October 2010. In accordance with merger accounting principles (FRS 6) and guidance from the Department of Health, all provider transactions have been removed from the account of NHS West Sussex in 2010/11.

The PCT has a statutory duty to keep its expenditure within its resource limits for revenue (revenue resource limit) and

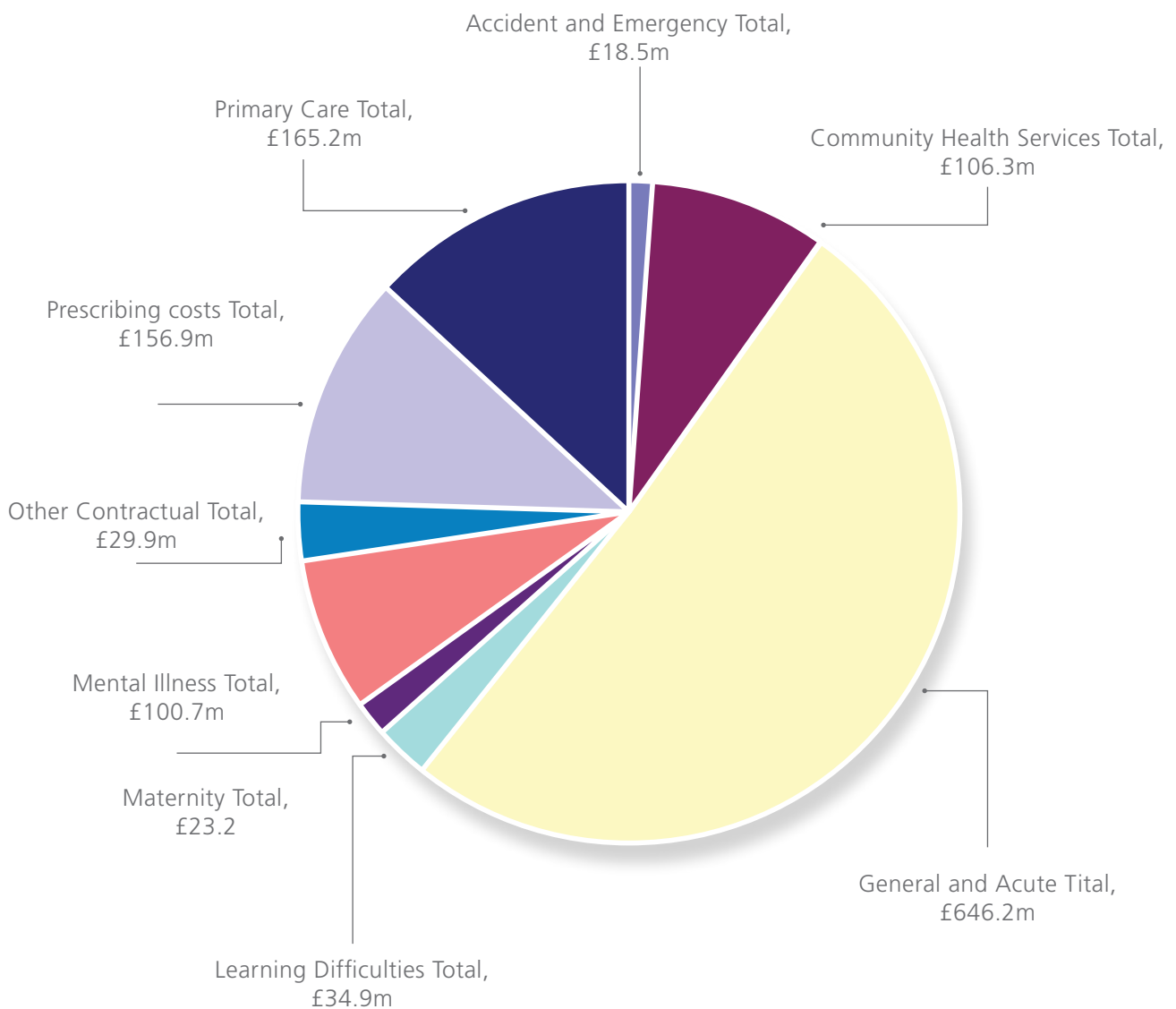
capital (capital resource limit). These resource limits are set by the Department of Health.

The PCT must also demonstrate that it has achieved full cost recovery in relation to its provider functions i.e. that its expenditure on the services it provides are covered by the income it receives for these services. The performance against these targets is analysed above.

Where resources were spent

The Analysis of Operating Expenditure 2010/11, analyses healthcare spend by service area as per note 5.2 of the Annual Accounts. This comes to a subtotal

of £1,281.9m. This does not include non-healthcare spend reported in Note 5.1 of the Annual Accounts.



NHS West Sussex Annual Accounts 2010/11 – Summary Analysis

The Statement of Comprehensive Net Expenditure (SOCNE) records the costs incurred by the PCT during the year, net of the miscellaneous income (which is the income other than the PCT's main resource allocation from the Department of Health). It includes cash expenditure on staff and supplies as well as non-cash expenses such as depreciation (a charge that reflects the consumption of the assets used in delivering Healthcare). The PCT's resource allocation (Parliamentary funding) is not treated as income, but is credited to the general fund on the Balance Sheet.

The SOCNE is split between the commissioning and provider function. The commissioning function pays for primary and secondary healthcare from GPs, other NHS bodies, and the private sector, while the provider function provides healthcare for patients of the PCT and other PCTs. The miscellaneous income for the provider function is the income that it earns from other PCTs.

Under Government accounting rules, the SOCNE shows the net resources used by the PCT in commissioning and providing healthcare rather than the surplus or deficit for the year as shown in the income and expenditure account by NHS trusts (or profit and loss account in the private sector). The net operating costs are debited to the general fund.

The Statement of Changes in Taxpayers Equity provides a summary of the PCT's gains and losses for the year other than those shown in the SOCNE. The SOCNE provides details of operating costs and reports on some gains and losses such as impairment losses or profits from the sale of fixed assets. These are gains and losses that have been realised.

The Statement of Gains and Losses provides a summary of gains and losses that are taken straight to reserves and are not shown in the SOCNE. For example, it includes unrealised gains and losses (i.e. gains and losses which have not yet had any cash consequences) arising from the revaluation of property.

The Statement of Financial Position provides a snapshot of the PCT's financial condition at a specific moment in time – the end of the financial year. It lists assets (everything the PCT owns that has monetary value), liabilities (money owed to external parties) and taxpayers' equity (public funds invested in the PCT). At any given time, assets minus liabilities must equal taxpayers' equity.

The Statement of Cash Flows summarises the cash flows of the PCT during the accounting period. These cash flows include those resulting from operating and investment activities, capital transactions and financing. The transactions shown in the SOCNE do not necessarily involve cash flows nor include all cash transactions so it is not possible to understand the PCT's cash position from the SOCNE. For example, while depreciation is included as a charge on the SOCNE, it does not involve an outlay of cash. Similarly, any capital purchase will involve an upfront outlay of the full purchase price, while the SOCNE will only record the depreciation of the asset – spreading the full cost over the lifetime of the asset. The impact of an organisation's operating performance on its cash position can only be determined from the Cash Flow Statement and Balance Sheet.

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

For the year ended 31 March 2011

	2010/11 £000	2009/10 £000
Commissioning		
Employee benefits	32,934	33,123
Other costs	1,998,911	1,762,050
Income	(739,094)	(558,681)
Provider		
Employee benefits	0	0
Other costs	0	0
Income	0	0
PCT net operating costs before interest	1,292,751	1,236,492
Investment income	0	(2)
Other (Gains)/Losses	(195)	(132)
Finance costs	112	117
Net operating costs for the financial year	1,292,668	1,236,475
Net (gain) on revaluation of property, plant & equipment	0	(4,030)
Net (gain) on revaluation of intangibles	0	0
Net (gain) on revaluation of available for sale financial assets	(29)	0
Receipt of donated or government granted assets	0	0
(Gain)/loss on other reserves	0	5,824
Impairments and reversals	60	60
Transfers from donated and government grant reserves	0	(1,480)
Adjustment for nominal cost of capital charge	0	0
Transfers (to)/from other bodies within the Resource Account Boundary		
Net actuarial (gain)/loss on pension	0	0
Total comprehensive net expenditure for the year	1,291,699	1,236,849

STATEMENT OF CHANGES IN TAXPAYERS EQUITY

For the year ended 31 March 2011

	General Fund	Revaluation Reserve	Donated Asset Reserve	Govt. Grant Reserve	Other Reserves	Total Reserves
	£000's	£000's	£000's	£000's	£000's	£000's
Changes in taxpayers equity for 2010/11						
Balance at 1 April 2010*	24,876	17,508	1,388	0	0	43,772
Net operating cost for the year	(1,292,668)					(1,292,668)
Net gain on revaluation of property, plant, equipment	0	0	0	0	0	0
Net gain on revaluation of intangible assets	0	0	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0	0	0
Receipt of donated or government granted assets	0	0	29	0	0	29
Movements in other reserves	0	0	0	0	0	0
Impairments and reversals	0	0	0	0	0	0
Release of reserves to SOCNE	0	0	(60)	0	0	(60)
Non-cash charges – cost of capital	0	0	0	0	0	0
Transfers between reserves	145	(145)	0	0	0	0
Transfers to/(from) other bodies within the Resource Account Boundary	0	0	0	0	0	0
Total recognised income and expense for 2010/11	(1,292,523)	(145)	(31)	0	0	(1,291,699)
Net Parliamentary funding	1,278,432	0	0	0	0	1,278,432
Balance at 31 March 2011	10,785	17,363	1,357	0	0	29,505

* The 2010/11 opening General Fund has been corrected for the balance held by the Provider now removed in line with merger accounting (£5k)

STATEMENT OF CASH FLOWS as at 31 March 2011

	2010/11 £000's	2009/10 £000's
Cash flow from operating activities		
Net operating cost before interest	(1,292,751)	(1,236,492)
Other cash flow adjustments	6,403	13,627
Movements in Working Capital	13,381	(3,483)
Provisions utilised	(797)	(963)
Interest paid	(1)	0
Net cash outflow from operating activities	(1,273,765)	(1,227,311)
Cash flows from investing activities		
Payments to purchase property, plant and equipment	(8,352)	(7,728)
Payments to purchase intangible assets	(13)	(305)
Proceeds of disposal PPE & intangible assets	3,072	1,730
Purchase of financial investments (LIFT)	0	0
Sale of financial investments (LIFT)	0	0
Loans made in respect of LIFT	0	0
Loans repaid in respect of LIFT	0	0
Payments for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Interest received	0	0
Rental Income	0	0
Net cash inflow/(outflow) from investing activities	(5,293)	(6,303)
Net cash inflow/(outflow) before financing	(1,279,058)	(1,233,614)
Cash flows from financing activities		
Net Parliamentary Funding	1,278,432	1,234,257
Other capital receipts surrendered	0	0
Capital grants received	145	0
Capital element of payments in respect of finance leases, on-SoFP PFI and LIFT	0	0
Cash transfers (to)/from other NHS bodies	0	0
Net cash inflow/(outflow) from financing	1,278,577	1,234,257
Net increase/(decrease) in cash and cash equivalents	(481)	643
Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year*	709	66
Effect of exchange rate changes on the balance of cash held in foreign currencies	0	0
Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year	228	709

* Merger accounting adjustment to 2009-10 Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year" £(147)k

* The 2010/11 opening General Fund has been corrected for the balance held by the Provider now removed in line with merger accounting (£5k)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2011

	31-Mar-11	31-Mar-10
	£000's	£000's
Non-current assets:		
Property, plant and equipment	106,435	105,432
Intangible assets	93	12
Other financial assets	0	0
Trade and other receivables	107	0
Total non-current assets	106,635	105,444
Current assets		
Inventories	93	89
Trade and other receivables	20,334	18,026
Other financial assets	0	0
Other current assets	0	0
Cash and cash equivalents	228	709
	<u>20,655</u>	<u>18,824</u>
Non-current assets classified "Held for Sale"		884
Total current assets	20,655	19,708
Total assets	127,290	125,152
Current liabilities		
Trade and other payables	(90,936)	(75,892)
Other liabilities	0	0
Provisions	(2,387)	(728)
Borrowings	0	0
Other financial liabilities	0	0
Total current liabilities	(93,323)	(76,620)
Non-current assets plus/less net current assets/liabilities	33,967	48,532
Non-current liabilities		
Trade and other payables	0	0
Provisions	(4,462)	(4,760)
Borrowings	0	0
Other financial liabilities	0	0
Other liabilities	0	0
Total non-current liabilities	(4,462)	(4,760)
Total Assets Employed	29,505	43,772
FINANCED BY TAXPAYERS EQUITY		
General fund	10,785	24,876
Revaluation reserve	17,363	17,508
Donated asset reserve	1,357	1,388
Government grant reserve	0	0
Other reserves	0	0
Total Taxpayers Equity:	29,505	43,772

Remuneration Report

The Policy of the PCT covering remuneration of senior managers for current and future financial years, including notice periods required, is covered by the national policy issued by the Department of Health '*Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts*', updated 22nd October 2008 which mandates levels of annual increase, as well as levels of other compensation. The PCT has been compliant with the guidance in this Pay Framework.

There is a national contract as part of this Framework. Executive Directors are appointed on permanent contracts with a six month notice period. However, in light of the changes as a result of the Government's White Paper, a number of interim appointments have been agreed during 2010/11. The provision for compensation for early termination of contracts of senior managers is as laid out in the national policy detailed in the 'Agenda for Change handbook', covering NHS redundancy and early retirement pension arrangements.

The PCT sets reward packages for directors and senior managers based on national guidance and taking into account local market circumstances as appropriate. The PCT is mindful of the use of public funds in the remuneration of senior managers and has clear processes of performance management in place, led by the Chair and the Chief Executive, to ensure value for money. HM Treasury has issued clear guidance on severance packages for the public sector and the PCT can confirm that one severance package for a director was agreed in the past year but has not yet been paid.

The national requirement for PCTs to make management costs savings led to a re-organisation of core functions and a number of job losses. In 2010/11, the Department of Health also introduced the voluntary NHS Mutually Agreed Resignation Scheme (MARS) given the requirement to significantly reduce management costs. There were 61 compulsory redundancies with further redundancies due in April and May 2011. In addition, the Remuneration Committee approved 8 applications for MARS as part of the PCT management cost reduction. These figures include redundancies and MARS agreements in the Sussex Health Informatics Service, as well as in the core functions of the PCT.

Remuneration for all Executive Directors followed the pattern of national NHS pay awards and is expected to continue to do so for the lifetime of the PCT.

To meet statutory requirements, the PCT lists in the following tables the salary and pension entitlements of senior managers. This report has been subject to audit as part of the review of the Annual Accounts for 2010/11.

Membership of the Remuneration Committee:

Michael Harris, PCT Chairman (until September 2010)
 Norman Robson, Non-Executive Director and then Chairman (from October 2010)
 Jean Barclay, Non-Executive Director
 David King, Non-Executive Director
 Barbara Wilkins, Non-Executive Director
 Stephen Turner, Non-Executive Director
 George Tainsh, Non-Executive Director
 Christopher Moore, Non-Executive Director

Salaries and Allowances

Name and title	2010/11			2009/10		
	Salary (bands of £5,000)	Other Remunera- tion (bands of £5,000)	Benefits in kind (rounded to the nearest £00)	Salary (bands of £5,000)	Other Remunera- tion (bands of £5,000)	Benefits in kind (rounded to the nearest £00)
	£000's	£000's	£000's	£000's	£000's	£000's
John Wilderspin - Chief Executive	145-150	-	4	155-160	-	-
Steven Pollock – Director of Communications, Public Engagement and Human Resources (secondment)	115-120	-	-	80-85	-	-
Neil Ferrelly - Director of Finance and Performance (until 15th June 2010)	25-30	-	-	130-135	-	-
Sara Weech - Director of Operations (Joint Commissioning Unit Joint funded post with WSCC)	90-95	-	-	-	-	-
Andrew Foulkes – Acting Medical Director (from May 2010)/QuILL Chair	70-75	-	-	-	-	-
Jonathan Molyneux - Interim Director of Finance (from 21st June 2010, contractor)*	185-190	-	-	-	-	-
Debbie Turner - Interim Director of Contracting (from 15th June 2010, contractor)*	160-165	-	-	-	-	-
James Friend - Project Director (from 2nd November 2010, contractor)*	70-75	-	-	-	-	-
Philippa Spicer - Director of HR and Organisational Development	-	-	-	90-95	-	-
Dr Farhang Tahzib - Director of Public Health and Well-Being	-	-	-	105-110	-	-
Dr Peter Hayward - Acting Director of Public Health and Well-Being	-	-	-	45-50	-	-
Judith Wright - Director of Public Health and Well-Being	110-115	-	-	60-65	-	-
Sara Creamer – Director of Strategy (until 1st January 2011)	70-75	-	-	90-95	-	-
Carol Gareze - Managing Director of Provider Services (until 30th June 2009)	-	-	-	65-70	-	-
Louise Watson - Director of Clinical Commissioning	90-95	-	-	90-95	-	-
Sue Braysher - Director of Contracting and Performance (until 26th April 2010 - on secondment)	05-10	-	-	110-115	-	-
Brian Hughes - Assistant Chief Executive (retired from post 7th April 2010)	0-5	-	-	75-80	-	-
Mona Walker - Acting Director of Quality	-	-	-	125-130	-	-
Julia Dutchman Bailey - Acting Director of Quality and Chief Nurse	70-75	-	-	10-15	-	-
Eileen Clark (Managing Director of Provider Services)	-	-	-	65-70	-	-
Sue Giddings - Director of Nursing and Patient Safety	-	-	-	75-80	-	-
Brian Angers – Non Executive Director	-	-	-	5-10	-	-

Salaries and Allowances

Name and title	2010/11			2009/10		
	Salary (bands of £5,000)	Other Re- muneration (bands of £5,000)	Benefits in kind (rounded to the nearest £00)	Salary (bands of £5,000)	Other Remunera- tion (bands of £5,000)	Benefits in kind (rounded to the nearest £00)
	£000's	£000's	£000's	£000's	£000's	£000's
Michael Harris – Chair (until 30th September 2010)	20-25	-	-	35-40	-	-
Norman W Robson - Interim Chair (from 1st October 2010)	20-25	-	-	5-10	-	-
Reverend Malcolm Liles – Non-Executive Director	-	-	-	0-5	-	-
Stephen Turner – Non-Executive Director	10-15	-	-	0-5	-	-
Margaret Bamford – Non-Executive Director	-	-	-	0-5	-	-
Jean Barclay – Non-Executive Director	5-10	-	-	5-10	-	-
Christopher Moore – Non-Executive Director	5-10	-	-	0-5	-	-
George Tainsh – Non-Executive Director	5-10	-	-	0-5	-	-
David King - Non Executive Director	10-15	-	-	10-15	-	-
Barbara Wilkins - Non-Executive Director / QuILL Vice Chair	5-10	-	-	5-10	-	-
Andrew Foulkes – PEC Chair	-	-	-	70-75	-	-
Sue Barrett - Nurse Member (until 30th September 2009)	-	-	-	5-10	20 - 25	-
Sue Dewar - Nurse Member	-	-	-	5-10	35 - 40	-
Judy Durrant - Nurse Member	-	-	-	0-5	-	-
Dr Tim Fooks - Clinical Representative	15-20	-	-	15-20	-	-
Dr Sara Kelly - GP Member	-	-	-	0-5	-	-
Chris McKrill - Nurse Member	-	-	-	5-10	-	-
Paul Mellings - Dentist Member	-	-	-	0-5	-	-
Dr David Skipp - GP Member	-	-	-	-	-	-
Nicky Sullivan - Allied Health Professional Member	-	-	-	-	25-30	-
Geoff Lowry - Social Services Representative Member	-	-	-	-	-	-
Sue Carter – Social Services Representative Member	-	-	-	-	-	-
David Clark – Pharmacy Representative	-	-	-	0-5	-	-
Stuart Henderson – Lay Member	-	-	-	-	-	-
Margaret Morris – Lay Member	-	-	-	-	-	-
Michael Morris – Lay Member	-	-	-	-	-	-

** The PCT is not liable for the cost of NHS Pension scheme accrued rights in relation to secondments into the organisation. As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

Information on the accounting treatment of how pension liabilities are treated is covered in Note 7.5 on page 25 of the Annual Accounts 2010/11.

Pensions Entitlements

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2011 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2011 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2011	Cash Equivalent Transfer Value at 31 March 2010	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension (rounded to nearest £000)
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
John Wilderspin - Chief Executive	0-2.5	2.5-5	50-55	150-155	868	940	-	-
Neil Ferrelly - Director of Finance and Performance	0-2.5	2.5-5	45-50	145-150	784	863	(70)	-
Sara Weech - Director of Operations (Joint Commissioning Unit)	0-2.5	2.5-5	25-30	85-90	534	523	(1)	-
Sue Braysheer - Director of Contracting and Performance	0-2.5	2.5-5	30-35	90-95	474	517	(39)	-
Sara Creamer - Director of Strategy	2.5-5	5-7.5	20-25	65-70	274	287	(14)	-
Louise Watson - Director of Primary and Community Care	0-2.5	2.5-5	15-20	50-55	219	246	(23)	-
Judith Wright - Director of Public Health and Well-Being	0-2.5	5-7.5	30-35	95-100	639	654	(22)	-
Steven Pollock - Director of Communications, Public Engagement & Human Resources - Secondment**	-	-	-	-	-	-	-	-
Julia Dutchman-Bailey - Acting Director of Quality and Chief Nurse	-	-	25-30	75-50	431	-	-	-

** The PCT is not liable for the cost of NHS Pension scheme accrued rights in relation to secondments into the organisation

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

Information on the accounting treatment of how pension liabilities are treated is covered in Note 7.5 on page 25 of the Annual Accounts 2010/11.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figure, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Self-employed GPs who are members of the Professional Executive Committee (PEC) have

pension entitlements. However, the proportion of those entitlements that relates to their membership of the PEC is not significant compared to the proportion that relates to their work as practitioners independent of the PCT. It is not, therefore, appropriate to disclose their pension entitlements.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of period.

Auditors of the PCT

The PCT's External Audit fee in 2010/11 was £328k. The External Auditors were:

Audit Commission, Bicentennial House, Southern Gate, Chichester, West Sussex, PO19 8SQ

The PCT's internal auditors were:

South Coast Audit, Regent House, Station Approach, Battle, East Sussex, TN33 0BQ



health & wellbeing, for life

It is the job of NHS West Sussex to help people to live healthily and stay well, and to ensure that everyone living and working in the area has access to high quality health services which meet their needs.

To do this we commission (plan, buy, and check) health services from a range of providers including hospitals, GPs, community services, voluntary organisations and the independent sector, ensuring that the best value for money is obtained.

We also commission services such as flu immunisations, cancer screening and health visiting for the people of West Sussex.

We listen to and learn from everyone who has a view on how NHS services should be provided. You can find out more about what we do, and how you can get involved at www.westsussex.nhs.uk

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Web: www.westsussex.nhs.uk

NHS West Sussex is the working name of West Sussex Primary Care Trust

This document is also available on the NHS West Sussex website: www.westsussex.nhs.uk