



Annual Report and Summary Financial Statements 2013/14

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Accessibility

We can provide information in other languages when the need arises. Furthermore, to assist any patient with a visual impairment, literature can be made available in Braille or on audio tape.

For patients who are deaf or hard of hearing a loop system is available around the hospitals and a British Sign Language service can be arranged. Information on these services can be obtained via the Patient Advice and Liaison Service (PALS).

Section 1 - welcome

Welcome

Welcome to our annual report highlighting the achievements of East Sussex Healthcare NHS Trust and our plans for the year ahead.

There is no doubt that whilst 2013/14 has been an extremely challenging year, it has also been a year when we have achieved a great deal thanks to the hard work and commitment of our staff. We would like to thank them; we know their work is greatly appreciated by the patients they treat and care for every day of the year.

The NHS is facing challenging times ahead, which make it all the more important to keep safe, high quality patient care as our focus. There are increasing demands on services; a growing population with people living longer, new medicines and rapid advances in technology. We must respond to these demands by finding and implementing new and better ways of working, using the creativity of our staff to help us transform the way we deliver services, driving up efficiency whilst raising quality and continuing to improve by constantly challenging ourselves to do better. We are working with our commissioning colleagues across East Sussex to ensure we have shared plans that will achieve these aims.



During the year we have had to make some tough decisions in order to maintain and improve the quality and safety of our services whilst dealing with the financial challenge of delivering them with less income than the previous year. In 2013/14 in order to maintain the quality and safety of our services whilst managing the impact of a reduction in our income from commissioners of £20 million compared to 2012/13 we set a deficit budget of £19.4 million. Despite the Trust achieving savings of £17.5 million - equivalent to five per cent of our income the outturn deficit for the year was £23.1 million. The Trust delivered these savings whilst ensuring it was able to meet Government performance standards for the majority of the year.

During the year the Board decided that we would benefit from some external support to bring a fresh approach and ensure we were delivering effective and efficient services so that NHS funding is used in the best possible way. With the support of this external turnaround expertise the Trust has made substantial progress in delivering changes that allow us to be more productive to the benefit of patients.

The East Sussex health economy, like the NHS as a whole, must ensure it can meet the needs of the local population in the future within the financial resources available to it. This is why the Trust has welcomed the support of NHS England and the NHS Trust Development Authority through the 'Challenged Health Economy' process.

Additional support will be made available to help the local commissioners and the Trust build on the service improvements already made through the delivery of our Clinical Strategy and ensure that commissioner and provider plans will deliver high quality and sustainable health services and good outcomes for local people.

We have already made a good start, in 2013/14 we began the implementation of the service reconfigurations that enable the delivery of our Clinical Strategy: Shaping our Future. The implementation of our clinical strategy provides us with an important opportunity to ensure that we are able to deliver sustainable healthcare services for local people in the future. It ensures we are able to respond to national and local requirements to improve patient safety, patient

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outcomes and service quality as well as meeting performance standards.

In July we centralised hyper acute and acute stroke services at Eastbourne District General Hospital (DGH) and increased stroke rehabilitation beds at the Irvine Unit in Bexhill from 12 to 18. The changes were focussed on improving the quality of the service, making it safer with better outcomes for patients who suffer a stroke. These changes have resulted in a dramatic improvement in all our stroke performance indicators with over 90% of patients now directly admitted to our stroke unit.

In December emergency and high risk general surgery services moved, as planned, to the Conquest Hospital. As a result more surgeons are now available to carry out planned procedures, we are able to treat people quickly, improve recovery times and reduce the number of planned operations that we have to cancel. In 2014 we plan to centralise emergency and high risk orthopaedic services at the Conquest Hospital which will enhance the service offered to patients.

We still have more to do and submitted our plan to the Trust Development Authority for a £30 million capital investment to implement all aspects of our 'Shaping our Future' Clinical Strategy. If successful this funding will enable us to redevelop both the Trust's main acute hospital sites and is a foundation stone in improving the quality of our services.

In May we temporarily centralised our consultant led obstetric service on the Conquest Hospital site in order to improve the safety of this service. This change meant that we also had to centralise our Special Care Baby Unit and in-patient paediatric services and emergency in patient gynaecology services on the Conquest Hospital site. A midwifery led maternity unit where women who are assessed as low risk can give birth was developed at Eastbourne DGH. A Short Stay Paediatric Assessment Unit was also created at Eastbourne DGH to assess and treat children referred by their GP. In making these changes the safety of women, babies and children was our number one priority. We have seen a considerable improvement in the safety of our maternity services since these changes were made. A decision about the long term



future for these services will be made this summer by the local Clinical Commissioning Groups following a full public consultation.

We are pleased to report that the Care Quality Commission visited us six times during the year and had no major concerns about the care we are providing. We have been advised our Chief Inspector of Hospitals inspection will take place in September 2014, this will be more detailed and rigorous compared with previous inspections. We continue to ensure that we are measuring and monitoring the quality of our services and are planning and making improvements to patient care and experience.

As you will see in this report we treated 98,020 inpatients and 396,416 outpatients.

The Board pays careful attention to our performance against the national standards as we know these have a significant impact on patient outcomes. It is most pleasing that our A&E departments continue to perform strongly with 95.26% of patients seen within four hours of arrival.

We continue to focus on ensuring we meet all cancer targets and we are working with local GPs and others to address those areas where we have not been able to meet the standards we would expect. There is still more to do but we have seen some improvements in this area this year which is encouraging.

We continue to focus on reducing healthcare associated infections (HCAIs). This is challenging but we have made good progress and the

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numbers of patients with Clostridium Difficile reduced by 16% to 43 cases.

We were very disappointed to have one case of Methicillin Resistant Staphylococcus Aureus (MRSA) in November 2013 after 12 months without a case. We have ensured that we have identified the improvements and changes we can make following each of these cases and we expect to be able to make further improvements in 2014/15.

As an integrated Trust providing community as well as acute services we are able to work with our commissioners to develop local services that help people stay in their own homes and reduce unnecessary hospital admissions. For example, our Neighbourhood Support Teams are now fully established and local people are reaping the benefits of a joined up community nursing and Adult Social Care team that breaks down previous referral boundaries. The teams provide health and social care support in the community by putting patients at the centre of joint decision making on where and how their health and social care needs are met.

The Neighbourhood Support service is just one example of our commitment to ensuring our services are patient centred. Understanding our patients' experiences is crucial to us. The national Friends and Family Test is one of the ways we get feedback from patients. Patients are asked a number of questions about their experience of our services and the latest figures show that 87% of patients are either satisfied or very satisfied with the service they've received. Our patient experience team collates all this information to provide our wards and services direct feedback on patients' experience so they can congratulate staff when they do well and take action to improve the quality of our service and enhance our patient's experience.

We know that the investment we have made in information technology in 2013/14 will pay enormous dividends in coming years. We have introduced a new paperless clinical monitoring system VitalPAC to our acute wards. This system enables nurses to use handheld technology to record seven routine observations, such as temperature, pulse and blood pressure, removing the requirement for a paper chart. It was funded following a successful bid to the Safer Hospitals, Safer Wards Technology Fund

and the Nursing Technology Fund and will help to improve patient safety and outcomes by identifying the early signs of deterioration in a patient's vital signs and ensuring quicker clinical intervention.

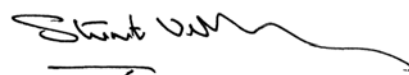
We are also rolling out a new patient record system called 'SystmOne' for Child Health and Community Services. This is a significant step on the way to delivering the NHS vision for a 'one patient, one record' model of healthcare. The system allows appropriate patient information to be shared electronically between healthcare professionals with the consent of the patient. This means that patients do not need to give the same information to a number of different health professionals and that those health professionals who have access to the system can get immediate access to clinical data. This will help them to work seamlessly together to deliver the best patient care.

Our challenge for this coming year is to continue to build on our successes and work hard to ensure our services are clinically and financially sustainable in the future. Everyone in this Trust is playing their part to deliver effective care that is safe and responds to patient need.

We would like to place on record the thanks of the Board to all our staff and our army of over 1,000 volunteers who support all our activities.

We would also like to thank everyone in our local community who donate and raise money for the Trust's charitable funds and for the Friends of our hospitals who support us in so many ways.

For more information about our organisation visit our website at www.esht.nhs.uk



Stuart Welling
Chairman



Darren Grayson
Chief Executive

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About the Trust

East Sussex Healthcare NHS Trust provides acute hospital and community health services for people living in East Sussex and some areas of the adjacent counties.

We also provide an essential emergency service to the many seasonal visitors to the county every year.

Our services are mainly provided from two district general hospitals, Conquest Hospital and Eastbourne DGH, both of which have Emergency Departments and provide care 24 hours a day. Between them they offer a comprehensive range of surgical, medical and maternity services supported by a full range of diagnostic and therapy services.

We also provide a minor injury unit service from Crowborough War Memorial Hospital, Lewes Victoria Hospital and Uckfield Community Hospital. A midwifery-led birthing service along with outpatient, rehabilitation and intermediate care services are provided at Crowborough War Memorial Hospital.

At both Bexhill Hospital and Uckfield Community Hospital we provide outpatients, day surgery, rehabilitation and intermediate care services. Outpatient services and inpatient intermediate care services are provided at Lewes Victoria Hospital and Rye, Winchelsea and District Memorial Hospital.

In addition to the above, the Trust provides intermediate care services at Firwood House in Eastbourne jointly with Adult Social Care.

Our staff also provide care in patients' homes and from a number of clinics and health centres, GP surgeries and schools.

Services based outside hospitals include the Integrated Community Access Point (ICAP) and the Integrated Night Service, Community Nutrition and Dietetics, Speech and Language Therapy Service for Adults, Occupational Therapy, Physiotherapy, Podiatry, Wheelchair and Special Seating Services, Diabetic retinopathy and Sexual Health including contraception services.

There are also services which focus on people with long term conditions including



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Neighbourhood Support Teams covering falls prevention, community nursing, joint community rehabilitation, early supported discharge and specialist nursing. Other services like the Macmillan Palliative Care Nurse Specialists, Community Continence Advisory, Community Heart Failure, Tissue Viability, Diabetes Specialist Nursing, Respiratory and MS Nurse Specialist also support patients in the community.

There are also services for children and young people including the Family Nurse Partnership, Health Visiting, School Nursing and the Safeguarding Children Team and Looked after Children Team.

The Trust provides a range of more specialist services in the community and these include the Emergency Dental Service, Medicines Management, Pharmacy Team and Special Care Dental Service.

The role of East Sussex Healthcare NHS Trust is to provide the best possible healthcare service to patients so we put our patients first in everything the organisation does.

Around 525,000 people live in East Sussex and the Trust is one of the largest organisations in the county. We employ over 7,200 dedicated staff with an annual turnover of £365 million.

There are around 820 beds and over 98,000 people are inpatients each year, whilst over 120,000 patients used the Trust's emergency departments and over 21,500 patients used the minor injuries units. In addition there are over 396,000 outpatient attendances annually.

Our promise to patients and staff

Patients come first at East Sussex Healthcare NHS Trust.

Our vision is to be the healthcare provider of first choice for the people of East Sussex and deliver better health outcomes and an excellent experience for everyone who uses our services.

This means working in partnership with commissioners, other providers, our staff and volunteers as part of a locally focused and integrated network of health and social care in the county.

Our mission is to:

- Deliver better health outcomes and an excellent experience for everyone we provide with healthcare services

Our objectives are to:

- Improve quality and clinical outcomes by ensuring that safe patient care is our highest priority.
- Play a leading role in local partnerships to meet the needs of our local population and improve and enhance patients' experiences.
- Use our resources efficiently and effectively for the benefit of our patients and their care to ensure our services are clinically, operationally and financially sustainable.

Our aims are that all services delivered by the Trust are:

- Safe
- Effective
- Caring
- Responsive and
- Well led



Playing our part in the National Health Service

The Trust was established under statutory instrument by order of the Secretary of State in April 2011 and in accordance with the National Health Act 2006. It is part of the National Health Service (NHS), which funds the vast majority of its activities.

The NHS is committed to ensuring high standards of quality and sets a range of demanding targets on quality of care and waiting times which individual Trusts are expected to deliver.

As well as deciding national policies, the NHS sets the future direction of the service. The NHS Constitution sets out rights and pledges for patients and the public.

As NHS Trusts are funded according to the patient care they carry out, providing a high quality, convenient and accessible service which patients want to choose will be the key to the future success of East Sussex Healthcare NHS Trust.

The independent National Commissioning Board, NHS England, allocates resources, provides commissioning guidance and the Trust is a full, active and positive partner in the development of local implementation plans and works closely with the three Clinical Commissioning Groups in East Sussex to ensure that the ambitions for the service and for patients are realised. The Clinical Commissioning Groups in East Sussex are:

- Eastbourne, Hailsham and Seaford
- Hastings and Rother
- High Weald Lewes Havens

East Sussex County Council also commissions services from the Trust.

This report provides details about the performance and achievements of the Trust in 2013/14

Foundation Trust

The Trust aims to become a Foundation Trust but recognises that this will require the local health economy to demonstrate how clinical, financial and operational sustainability will be achieved in line with the requirements of local commissioners.

The Trust has been identified as part of a challenged health economy in East Sussex and is currently participating in a nationally commissioned programme of work that will support the development of a locally owned 5 year plan for sustainability. This alignment of a plan for a sustainable Trust with commissioners' intentions and plans will be required to support the Trust's application for Foundation Trust status.

During 2013/14

More than 142,000 patients were treated in our Emergency Departments, Minor Injury Units and associated areas for emergency care.

Almost 3,600 babies were delivered by our midwives and obstetricians.

More than 98,000 people were provided with hospital care either as inpatients or as day cases.

More than 396,000 people attended outpatient clinics at our hospitals or outreach centres.

Over 220,000 patients had contact with our community nurses.

More than 250,000 people had contact with our health visitors.

Almost 40,000 people were seen at one of our sexual health clinics.

More than 270,000 radiological examinations and therapeutic procedures were performed.

Over 5.9 million pathology tests were performed.

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The Trust's performance for the past five years, against key indicators, can be seen below.

	2009/10 (Acute service only)	2010/11 (Acute service only)	2011/12	2012/13	2013/14
Patients making emergency attendances *	119,596	119,320	146,066	141,520	142,251
Patients spending more than four hours as emergency attendances	2,627	3,540	6,042	5,967	6,739
Percentage of patients through Emergency Departments in under four hours **	97.80%	95.86%	95.91%	95.78%	95.26%
Total number of patients experiencing a four hour trolley wait	200	383	1,236	1,560	1,077
18 week referral to treatment - admitted target 90%	86.60%	83.50%	81.50%	89.69%	74.88%
18 week referral to treatment - non-admitted target 95%	95.10%	95.20%	92.60%	96.15%	93.55%
First Outpatient attendances - all staff groups - excluding ward attenders ****	128,488	129,944	126,498	122,848	122,073
Follow-up Outpatient attendances - all staff groups - excluding ward attenders ****	260,256	275,880	277,628	283,932	274,343
Total Outpatient attendances - all staff groups - excluding ward attenders ****	388,744	405,824	404,126	408,780	396,416
Ward attenders	23,797	23,645	24,144	22,576	24,672
Elective inpatient admissions - excludes daycase admissions ***	10,763	10,676	10,472	9,971	9,636
Non-elective admissions - excluding maternity and newborn baby admissions ***	46,026	46,117	42,445	42,762	45,184
Elective operations cancelled at short notice	399	402	350	370	291
Daycase admissions ***	38,979	49,401	41,903	43,143	43,200
Percentage of elective admissions undertaken as a daycase ***	78.36%	78.68%	80.01%	81.23%	81.76%
Average length of stay of elective inpatient admissions (days) - excludes daycase admissions ***	2.79	2.72	2.67	2.58	2.58
Average length of stay of non-elective inpatient admissions (days) excluding maternity and newborn baby admissions ***	6.32	6.27	6.83	7.06	6.30
Percentage of beds occupied by delayed transfers of care	3.87%	3.48%	2.44%	2.66%	3.28%
Number of births	4,394	4,350	4,147	4,091	3,596
Percentage of patients seen within two weeks of an urgent GP referral for suspected cancer	92.60%	93.10%	96.60%	94.42%	94.03%
Percentage of patients treated within 31 days of decision to treat following a GP referral for suspected cancer	97.50%	96.00%	97.40%	97.16%	100%
Percentage of patients treated within 62 days of an urgent GP referral for suspected cancer	83.50%	90.00%	83.10%	83.33%	83.94%
Number of diagnostic examinations in our Radiology Departments	290,662	299,345	310,811	297,493	277,348
Total number of tests undertaken in our Pathology Department	5,613,343	5,534,341	5,655,519	5,751,012	5,953,778

* This number includes attendances at Minor Injury Units; 2011/12: 26,372 and 2012/13: 21,658; and 21,766 for 2013/14

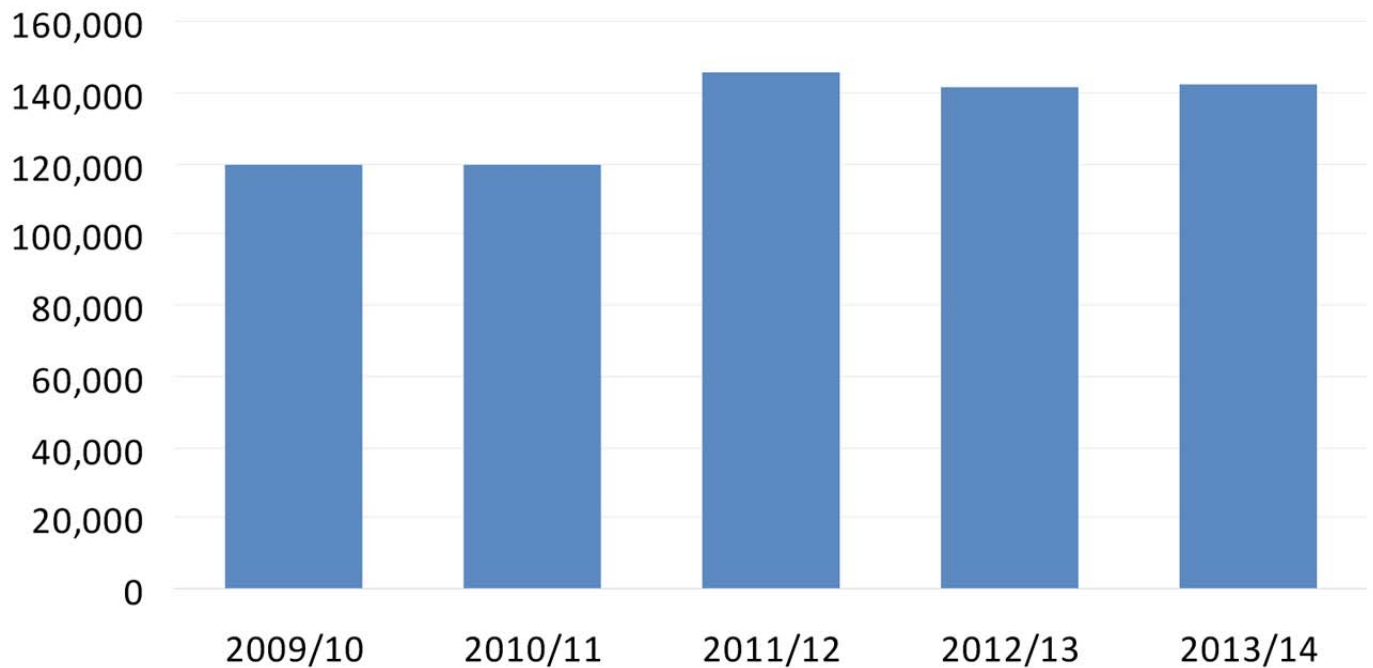
** Target performance for A&E attendances lasting less than 4 hours changed from 98.00% to 95.00% from 2011/2012

*** 2011/2012, 2012/2013 and 2013/2014 now include Community Unit activity for Bexhill, Rye, Uckfield, Crowborough, Firwood House and Meadow Lodge recorded on Oasis PAS

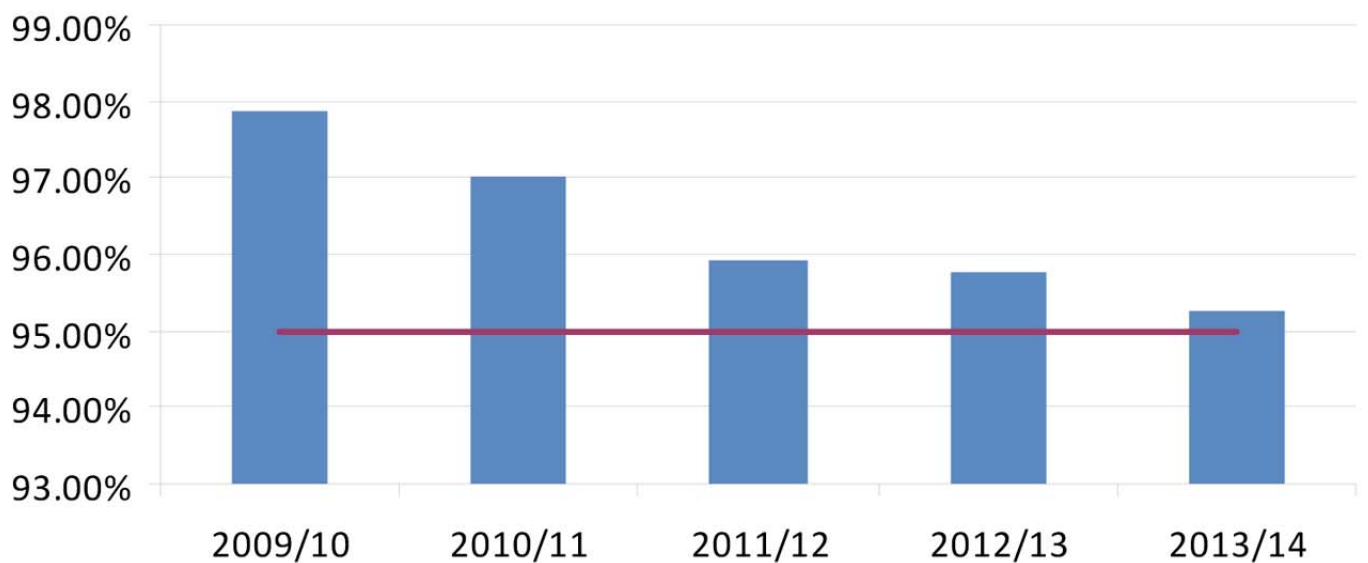
**** 2011/2012, 2012/2013 and 2013/2014 now include only ESHT Provider activity - Plastic Surgery activity by another Provider and excludes private patient activity

(Data source: SITREP summary file, Performance Pack, New Adhocs OP Database, Annual Report Database, Euroking)

A&E Attendances (Acute and MIU) *

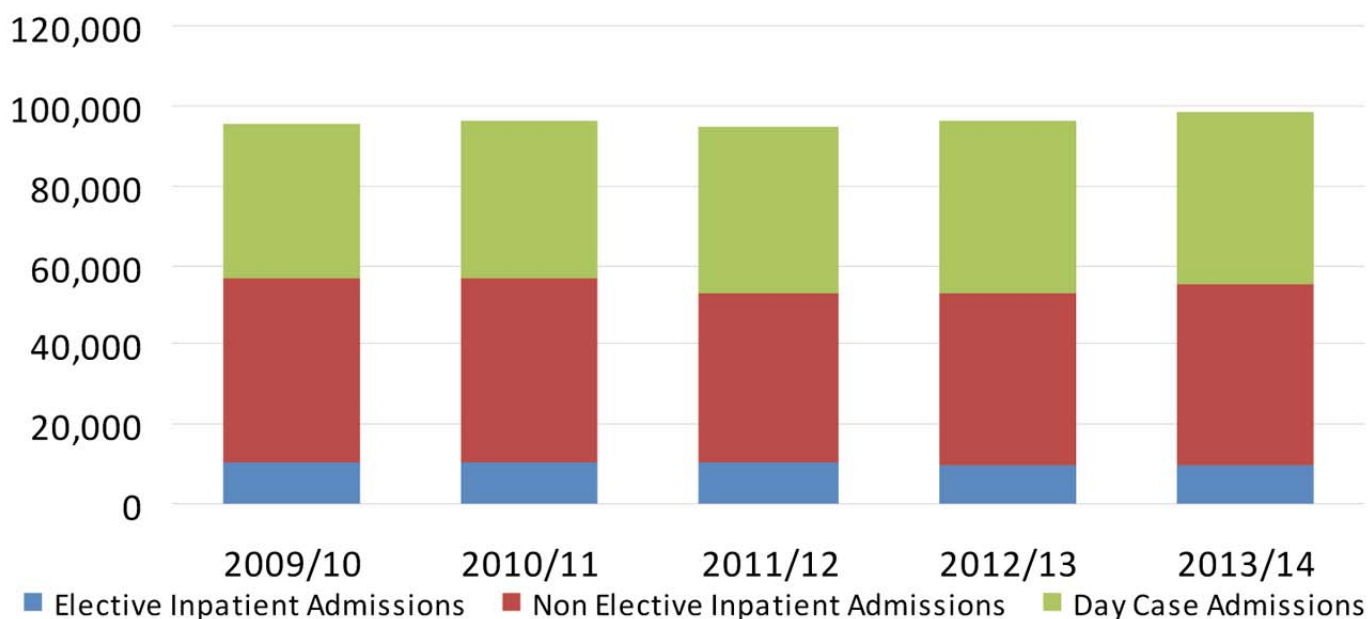


% Patients Treated within 4 Hours **

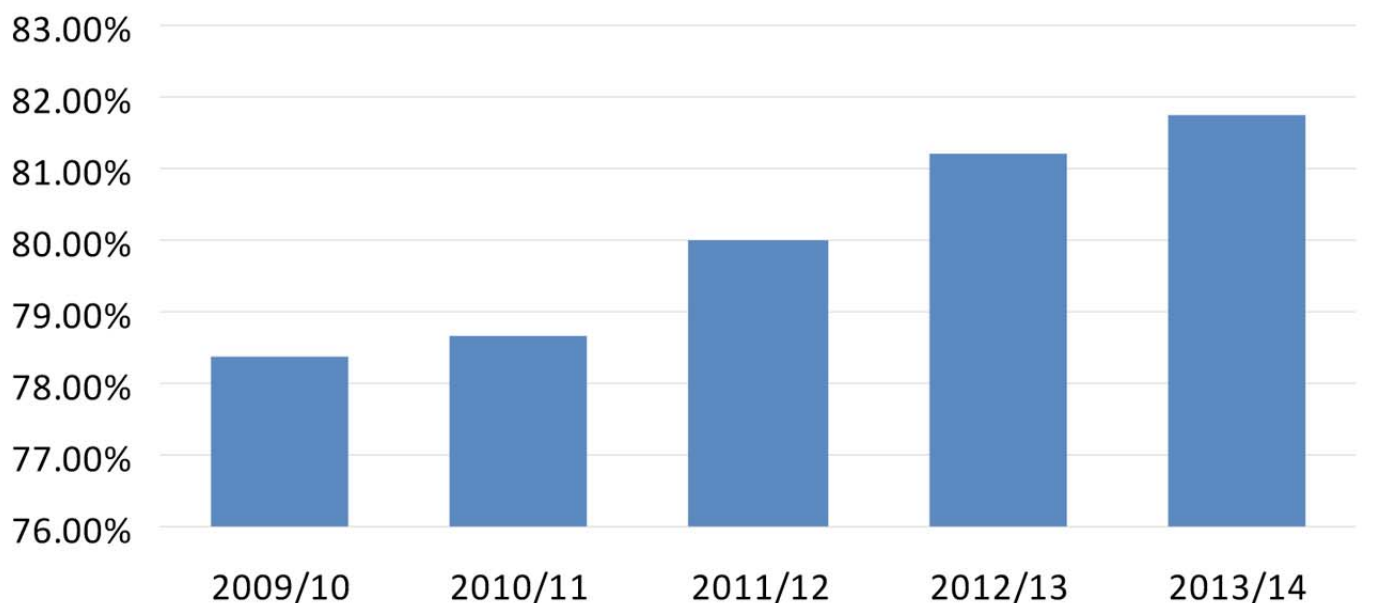


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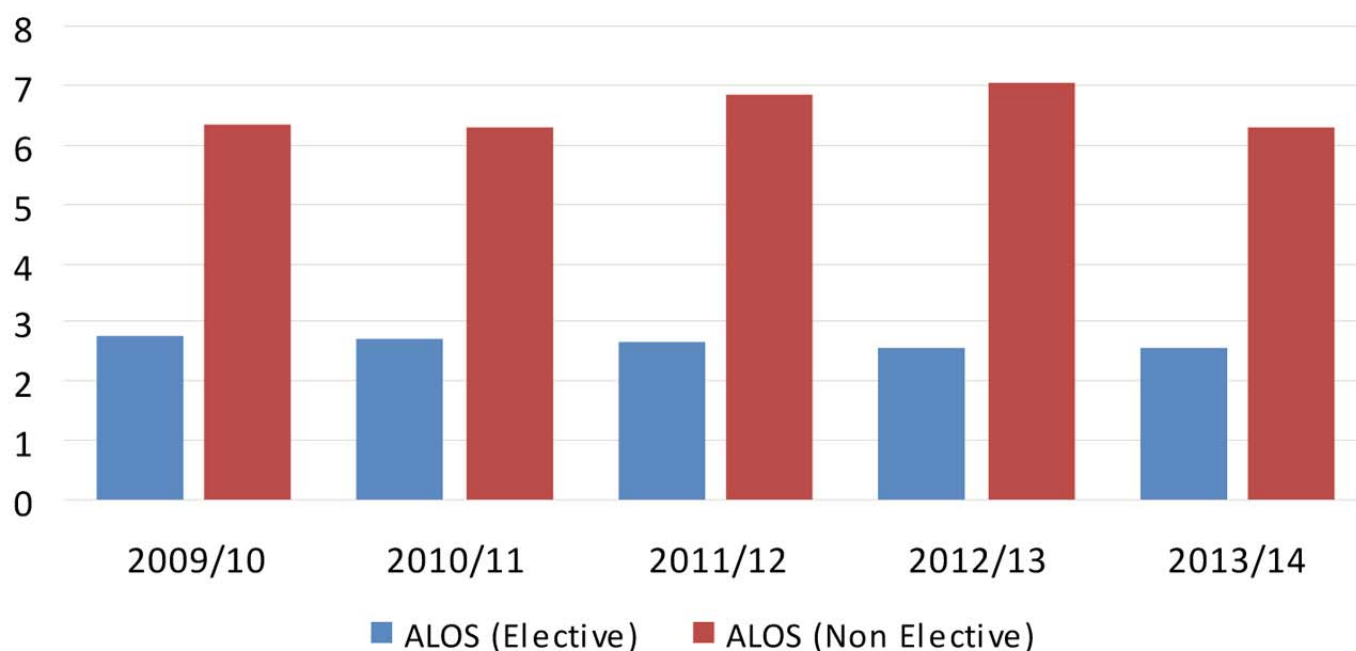
Patient Admissions ***



% Elective Operations Undertake as Day Case



Average Length of Stay



Patient safety and quality

The Trust has placed great emphasis on improving the quality of care for our patients and we are continuously striving to improve the standards and safety of the care we deliver.

We see and treat thousands of people in our hospitals and through our services in the community each year. Improving quality makes our services safer, more clinically effective and patient focussed.

Key quality indicators have been developed and these are regularly reviewed at clinical unit meetings, Clinical Management Executive, Patient Safety and Clinical Improvement Group, Quality and Standards Committee and Trust Board. This enables staff at various levels of the organisation to be appraised of the progress achieved against agreed targets and to ensure that compliance is continuously monitored.

The Trust has published its Quality Accounts for 2013/14. This is an annual document which outlines some of the many achievements made by the Trust over the past year. A full copy of

the Quality Accounts for 2013/14 can be obtained via the Trust website www.esht.nhs.uk.

We have a Clinical Governance framework in place which provides a mechanism to assist with the delivery of good practice against national standards and to facilitate continuous monitoring of performance to support ongoing improvements in patient safety and quality.



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Review of quality performance

In last year's Quality Account we identified five areas for improvement under three headings of Patient Safety, Clinical Effectiveness and Patient Experience.

During the year we have made the following progress against targets set for each of the five areas:

Patient safety

Patient Safety Thermometer (maintaining harm free care at 90% and above)

The NHS Safety Thermometer allows teams to measure the proportion of patients that are 'harm free' from four common conditions: Pressure ulcers, Falls, Urinary tract infections in patients with a catheter and Venous Thromboembolism (VTE). These conditions affect over 200,000 people each year in England alone, leading to avoidable suffering and additional treatment for patients. The Trust maintained an average of over 90% harm free care for 2013/14.

Of the four common conditions, pressure ulcers cause the most harm nationally and so they were also chosen as our local improvement target. Using a baseline taken from the implementation of the NHS Safety Thermometer in 2012/13, the Trust agreed to reduce the prevalence of all pressure ulcers across the whole health economy of East Sussex by 25-30%.

With regards to pressure ulcers, a reduction of just over 30% was made in the first six months of the year and this was sustained to the end of the year. Nationally and locally it is acknowledged that approximately 75% of pressure ulcers are acquired in community settings rather than during in patient care. A pressure ulcer prevention plan has been developed, along with information leaflets for both patients and staff and the Trust wide Tissue Viability Service has hosted a series of workshops to promote the use of these documents.

International "Stop the Pressure Ulcer" day in November 2013 was promoted across the Trust

and a Pressure Ulcer Prevention Multi-Agency Group has been formed to share ideas and processes and drive development in the wider health economy.

In addition to the success in pressure ulcer reduction, the Safety Thermometer data has revealed a reduction in falls, urinary tract infections in patients with a catheter and venous thromboembolism (VTE).

Releasing Time to Care: the Productive Community Series

The Productive Community Series is an initiative developed by the NHS Institute for Innovation and Improvement with the ultimate aim of releasing more time for frontline staff to spend on patient care. The initiative focuses on improving processes and environments to help nurses and therapists spend more time on patient care, thereby improving safety and efficiency.

This year, all community areas have implemented the foundation module 'well organised workspace' in their store areas. A proportion of stock control and ordering has been centralised to designated administrative staff for all locality teams, which has helped to reduce over-ordering and improve stock control. Administration time has been released and storage areas are being used more efficiently.

The standard operating procedure for caseload management allows District Nurses to apply a consistent methodology when triaging their patients, and allows for greater transparency and communication about how we are assessing and responding to demands. The use of a colour coded system helps teams understand the status of their patients and caseloads at a glance.

A monthly performance template has also been developed, this allows Lead Nurses to share information at monthly team meetings about complaints, incidents that have occurred and workforce issues such as sickness rates and training needs, and allows them to plan improvements.

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Clinical effectiveness

Cardiology – improve the patient experience for those diagnosed with heart failure

Over 900,000 people in the UK live with heart failure and early identification through assessment and positive intervention can improve quality of life. Heart failure accounts for 5% of all admissions into hospital. Our aim for 2013/14 was to improve the patient experience of those diagnosed with heart failure through the integration and development of specialist cardiac care.

During the year we have reduced the number of hospital admissions and increased our community based services for cardiology patients with an emphasis on heart failure. We have worked towards ensuring that, where clinically possible, patients with heart failure are cared for on a cardiology inpatient ward and we have developed the skills of the nurses who work on these wards so that they are better able to advise heart failure patients.

We have established a community heart failure service to improve the treatment and subsequent outcomes for these patients and we are redesigning cardiac rehabilitation services to offer more choice of where this takes place alongside a multidisciplinary approach to the patient's rehabilitation.

We carried out a small study of patient experience earlier this year and the feedback shows that overall patients are satisfied with their care. 84% of patients felt that they got the care that mattered to them, 100% of patients said that their medicine/tablets had been explained in a way they could understand and 100% of patients knew who to contact if they were worried about their condition or treatment after they left hospital.

Patient experience

Implementation of the Patient Experience Strategy

We wanted to improve our communication with, and listen, act upon and be responsive to the feedback we receive from our patients and their carers. Patient experience is about delivering high-quality care and is everyone's business.

We have introduced a Patient Experience Champion Programme, the aim of which is to engage with and empower staff at all levels to deliver an excellent patient experience. There are now over 100 Patient Experience Champions within the Trust who are active role models for all members of staff in continuously looking at ways in which we can improve the patient experience.

They are encouraged to be aware of feedback within their areas, which can include patient surveys, complaints and comments made on websites such as NHS Choices and Patient Opinion, and act upon it.

Templates for displaying "You said, we did" information have been delivered to every ward and department to demonstrate our commitment to listening to patient feedback.

A recent meeting with the Champions included an important session on how we address people and the language we use. The Champions were involved in setting up displays around the Trust to promote National Dignity Day in February and



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our second Patient Experience conference in May received extremely positive feedback.

Our year-on-year scores in the national inpatient survey relating to patient experience have seen a steady rise and our patient experience bedside survey results indicate a considerable improvement over the last 12 months.

Supporting children and young people with long term conditions and disability to stay at home

Supporting children and young people is integral to the development of the local children's clinical strategy "Better Beginnings". We therefore needed to ensure that the paediatric service provided high quality care that was safe, effective, met national and local quality standards and best practice guidelines and ensured that there was equity of access to all paediatric services.

We developed a questionnaire with support from our stakeholders and the Trust's Patient Experience team to obtain the views of people using our services. The questionnaire was sent to 281 patients and their carers, of which 93 were returned. From the surveys that were completed, 95% of patients and their carers felt that their views and worries were listened to, 83% of parents or carers felt that they were involved in the action plans for their child, 60% stated they would know how to make a complaint if necessary, 96% rated the service as good, very good or excellent and 56% did not consider the service could be improved.

In response to the results of the survey we have changed how we communicate with our clients and the community children's nursing service

leaflet will have information about the Trust's Patient Advice and Liaison Service (PALS) and Complaints department added.

Specialist Nurse roles are being developed across all community nursing services and we now have two Diabetes Nurse Specialists, an Epilepsy Nurse Specialist and we are developing the Cystic Fibrosis nurse specialist role. One of our community children's nurses is undertaking further training in advanced physical assessment skills and independent nurse prescribing and there are plans to further develop advanced nurse practitioner roles within the service.

Our Quality Improvements for 2014/15

Our improvement priorities for 2014/15 have been chosen following a listening exercise with our stakeholders and by reviewing current services and developments. During the year we will be looking to make improvements in the following areas:

Patient Safety

- Maximise our efforts to reduce healthcare acquired infections

Clinical Effectiveness

- Early recognition and action to support the care of the deteriorating patient

Patient Experience

- Continue to implement the Patient Experience Strategy
- Ensure that we provide optimal care for patients in our care who have mental health disorders.



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Care Quality Commission

We are required to register with the Care Quality Commission (CQC) and are currently registered for the following activities:

- Accommodation for persons who require nursing or personal care
- Treatment of disease, disorder or injury
- Surgical procedures
- Diagnostic and Screening procedures
- Management of supply of blood and blood derived products
- Maternity and midwifery services
- Termination of pregnancies
- Family Planning Services
- Assessment or medical treatment for persons detained under the Mental Health Act 1983.

Unannounced compliance inspections were undertaken by the Care Quality Commission during 2013/14:



Date	Site	Outcomes reviewed
22nd May 2013	District Nursing Teams, Eastbourne, St Leonards, Hailsham	Outcomes 14, 21 – compliant Outcome 4, 13, 16 – minor concerns
24th June and 25th June 2013	Maternity and Paediatric Services, Conquest Hospital Maternity and Paediatric Services, Eastbourne DGH	Outcomes 4, 7, 12, 13, 16 compliant Outcomes 4, 7, 12, 13, 16 compliant
16th July 2013	Arthur Blackman Clinic, St Leonards-on-Sea	Outcomes 1, 4, 6, 8, 16 – compliant
18th September 2013	Avenue House, Eastbourne	Outcomes 1, 4, 6, 7, 16 – compliant
4th February 2014	District Nursing Team, Eastbourne	Outcomes 4, 13, 16 - compliant Outcome 21 - minor concern which will be addressed by deployment of community IT system which is already underway

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Patient and public involvement

The Trust places service users at the heart of everything we do. Monitoring, responding and learning from patient experience is a priority.

We are committed to ensuring that every patient receives a high quality service that meets their expectations. We know that the best way to achieve this is to actively seek customer views and prioritise patient and public involvement, with the aim of delivering and designing services with the patient at the centre.

The patient experience team supports individual services and the Trust to engage with service users, carer groups and staff - this was evidenced at our 6C's Dignity and Care Conference held in March 2014 where 86% of delegates stated that the bringing together of staff and service users to provide feedback was an excellent experience. We continue to work closely with Healthwatch to improve both services and experience for everyone who uses or comes into contact with our services.

Our Patient Experience Champion programme continues to grow and our Champions support real-time feedback at ward/department level.

The "You said, We did" data is analysed and displayed at both ward and corporate level.

We are committed to learning and welcome all feedback from patients and staff both positive and negative as this helps us understand what we are doing well so we can build on it and when we get things wrong so we can make improvements and change the way we do things. The Friends and Family test (FFT) is now an established part of the way we gather information about people's experiences of all our in-patient and maternity services.

The information we get through this route is used directly to improve patient experience across all departments in line with the national Commissioning for Quality and Innovation target. We started using the FFT in outpatient and day units in January 2014. Overall during 2013/14 our service users completed 30,076 surveys and 87.53% were very satisfied or satisfied with the care and treatment they received.



During 2013/14 the Trust has continued to implement our 4C – complaints, concerns, comments and compliments - approach for enhancing patient experience. This includes having systems and processes in place to effectively address all of these issues.

The Parliamentary Health Service Ombudsman's 'principles for remedy' state that an attempt to resolve a complaint should be based on:

- getting it right
- being customer focused
- being open and accountable
- acting fairly and proportionately
- putting things right
- seeking continuous improvement.

The Trust makes every effort to comply with these principles. We are always ready to apologise where our service has not been what the service user expected, and to put things right for complainants as promptly and appropriately as possible. Our aim is to use the lessons learned from complaints to make sure that we do not make the same mistakes again.

The Patient Advice and Liaison Service (PALS) is an informal service offering support, information and assistance to patients, relatives and visitors. The service is easily accessible 5 days a week via drop-in, email, telephone or letter

During 2013/14 our PALS team dealt with a total of 5,660 contacts, of which 3,062 were for advice or information and 2,127 contacts related to concerns or the need for support from PALS. Due to the nature of the service offered, PALS are able to quickly identify any trends which may

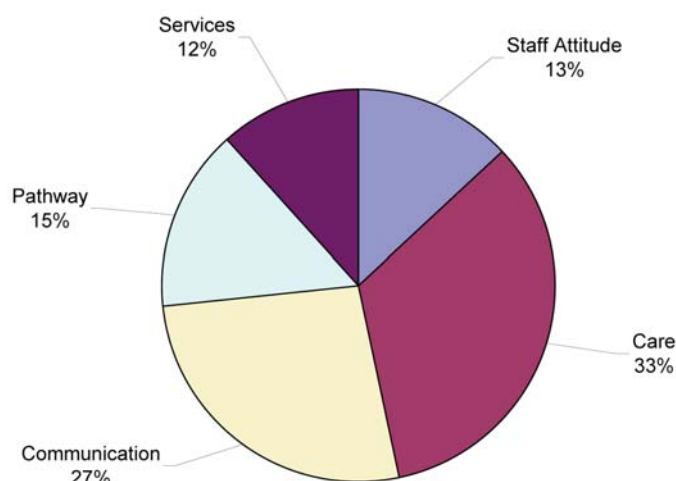
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be causing a concern and bring them to the attention of the Trust so they can be addressed.

In addition, 466 compliments were received through various routes of communication including the NHS Reviews and Rating Website.

During 2013/14 the Trust received a total of 622 complaints; meaning that less than 0.05% of patient care activity resulted in a complaint.

The top five complaint themes have been:



It is our aim to acknowledge formal complaints within three working days and we are pleased to report that for eight months of the last year we achieved a 100% acknowledgement response giving an overall average response rate of 98%.

Complaints acknowledged within three working days during 2013/14:

April	May	June	July
91%	98%	100%	100%
August	September	October	November
100%	100%	100%	100%
December	January	February	March
100%	100%	98%	92%

Healthwatch

Healthwatch East Sussex is the independent consumer champion created to gather and represent the views of the public on issues relating to health and social care.

Healthwatch plays a role at both a national and local level, ensuring that the views of the public and people who use services are taken into account. During the year Health watch has undertaken a number of visits and reports for the Trust. These have been as a result of patients feedback or national concerns and there has been involvement in the PLACE visits, and in our Dignity Workshop.

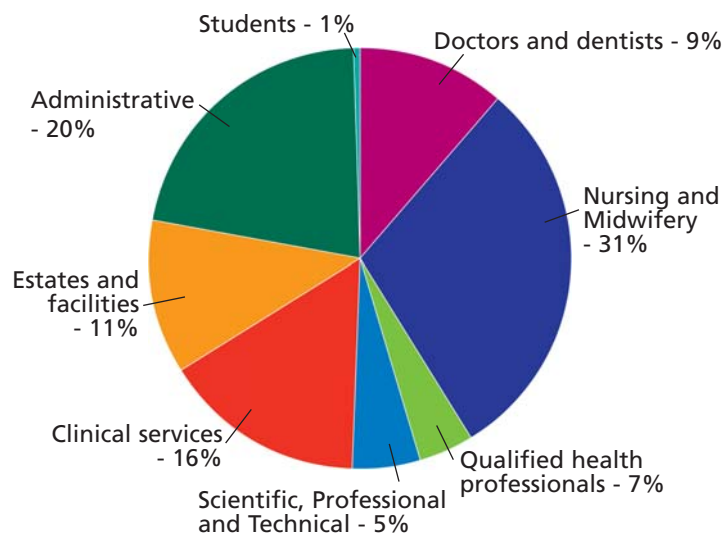
These visits by the Healthwatch members are very appreciated by the Trust and we believe this engagement has provided the organisation with some valuable learning and we are grateful to their commitment and support to make the patient experience and the patient environment better.



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Our staff

The Trust's workforce at the end of 2013/14 consisted of 6,942 members of staff (5,947 full time equivalents) from a wide range of professions, all of whom are key members of our team.

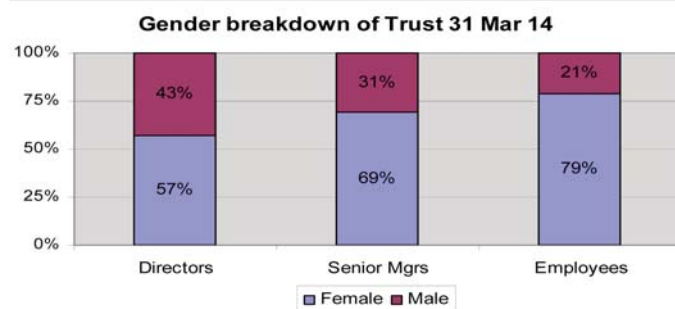


Key facts:

- 9.2% of our staff are doctors or dentists
- 31.7% are qualified nurses or midwives
- 6.6% are qualified health professionals, including physiotherapists, radiographers and orthoptists
- 5.0% are scientific, professional and technical staff - pharmacists, audiologists, cardiographers, optometrists and pathology staff
- 16.0% are nursing healthcare assistants, operating department practitioners, pharmacy, radiography and physiotherapy assistants and nursery staff
- 10.9% are estates and facilities staff providing hospital maintenance, housekeeping, catering and portering
- 1.0% are students (nurses, health visitors, midwives and physiotherapy)
- 19.5% are administrative staff including ward and clinic clerks, medical secretaries, medical records staff, administration and management staff

The Trust is also supported by around 1,200 volunteers who generously give their time and raise valuable funds for us to help provide the best possible service.

Gender distribution by directors, other senior managers and employees



(Data source: ESR, senior managers = Agenda for Change Bands 8a-d)

Staff development

During 2013/14, we continued to support staff to develop in a variety of ways.

We have increased commissions for pre-registration nursing programmes, and also for District Nursing programmes.

We have supported staff to develop key clinical skills and engaged with our regional body, Health Education Kent, Surrey, Sussex, to support regional programmes aimed at developing skills relating to Dementia care, Emergency Care, and Compassion.



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During 2013 the National Leadership Academy launched a range of Leadership development programmes aimed at all groups of staff. We currently have a number of staff across all professional groups undertaking these programmes.

We have continued with our Listening into Action (LiA) programme during 2013/14, and we have held a number of staff conversations focusing on specific staff groups, or specific health themes, including:

- The Deteriorating Patient
- Falls Prevention
- Pressure Ulcer Prevention
- Reducing Costs
- Healthcare Assistants
- Therapy Teams

In addition to the above, we have had an LiA group focusing on developing a set of Trust wide Values and Behaviours. The development of these values and behaviours was undertaken through wide ranging consultation with staff at all levels, and support from the Board. These values and behaviours will be launched and embedded during 2014/15.

We have continued holding forums for staff groups and during 2013/14 we held a series of Leadership Conversations with managers and senior leaders.

These conversations are a key part of our engagement strategy to continuously improve and develop communication with staff. We are also developing a Clinical Leaders forum which will be launched during 2014/15.



Staff survey

We welcome the publication of the staff survey and will use the feedback to maintain and improve the working environment and experiences of our staff.

Maintaining and developing a skilled and motivated workforce is a top priority for the Trust and we recognise that the majority of our staff are committed to providing the best possible care for patients.

The last year has been a particularly challenging one for both the NHS nationally and for the Trust, and the results of the survey will be used to help us concentrate our efforts to improve and we will be developing plans to achieve this.

As an organisation we continue to perform well, we have maintained the quality and safety of our services and are meeting our key performance indicators. We now need to work with staff to understand the issues they have and what we can do to resolve them. The health and well-being of our staff is extremely important to us and we will be working with our doctors, nurses and all other staff to ensure their concerns are addressed.

Staff productivity

Our electronic rostering system, Healthroster, has been implemented in the majority of clinical areas.

The Healthroster system is now being implemented in our Facilities area with the project due for completion by autumn 2014.

Electronic rostering enables us to manage our establishment and staffing more efficiently and also allows the organisation to have real time information on ward staff, sickness levels, and temporary staff usage.

During 2013/14, we reviewed our staff appraisal process in line with national changes to pay progression.

We have incorporated a number of compliance measures into the new appraisal process and also 'soft' measures that relate to our newly developed values and behaviours. The revised appraisal process is being rolled out across the organisation from April 2014 onwards.

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Looking after our staff

In order to deliver the Compassion in Care that our patients receive, it is vital that we in turn look after the health and wellbeing of our staff.

Whilst our healthcare workers focus and dedicate themselves to caring for our patients, it is all too easy to forget caring for ourselves.

One of the primary aims of the Occupational Health Department is to ensure the good health of our staff and that work is not harmful to staff which includes the emotional and psychological wellbeing of staff.

The Trust has a well developed Health and Wellbeing Strategy with the aim of promoting the good health of staff both within and outside of work. Over the last year we have delivered a number of initiatives to both directly support staff's health including "Weekly Weigh-ins" incorporating expert advice on health, lifestyles and healthy life choices as well as dietary advice and support in weight loss. Along side this we have developed "self help" materials for staff to freely access to enable early identification of when they might need support including techniques and tips they can action themselves as well as other routes of support to keep them fit and well.

During the last year the Occupational Health Department has worked hard towards successfully achieving external accreditation under the SEQOHS (Safe Effective Quality Occupational Health Services) scheme. This accreditation recognises the high standards of clinical service delivered to supporting staff working within the Trust. Over the coming year we have plans in place to deliver "Resilience Training" to staff to improve our ability to cope with the increasing pressures we all face in both personal and work life.

Other initiatives such as promotion of proper hydration whilst at work and pedometer challenges will be launched in 2014/15.

The Trust has committed to incorporate "Schwartz Centre Rounds®" as part of its health and wellbeing strategy. Benefits of providing this support mechanism to staff are to help cope with the challenging psychosocial and emotional issues that arise in caring for patients with a



primary outcome of increasing compassion in care.

The Schwartz Centre Rounds® will be embedded into the organisation through the support of "The Point of Care Foundation" and we think this will be an exciting development to watch.

The Trust also provides a broader mechanism of support for staff, recognising the increasing number of staff with carers' responsibilities which can often be demanding, stressful and complex. The Child and Family Care Support Network offers support, information and advice to help staff manage these demands upon their work and home life. Balancing the demands can be stressful for staff and have a detrimental effect on their ability to continue to perform to high standards at work. This support can significantly reduce those stresses benefiting the effective and high quality level of patient care delivered.

As part of this commitment to supporting staff's caring responsibilities the Trust runs in-house childcare facilities located on each of the two acute hospital sites. These settings provide up to 116 places for children aged between 4 months to 8 years as well as offering holiday playschemes increasing capacity by a further 27 places for children aged up to 11 years. In addition to these facilities we also manage a Childcare Voucher scheme for staff enabling discounts at many settings within East Sussex.

These provisions are vital for retaining highly skilled and valued staff, and also help us to attract a high calibre of staff to join our healthcare workforce.

Staff achievements

During the year a number of our staff were recognised for their achievements:

Proud to Care Awards:

Individual care award

Kerry Chidlow, a Macmillan Breast Care Nurse, who works tirelessly to maintain an extremely high standard of patient care. Patients always speak very highly of her, highlighting her caring and compassionate manner. She frequently reviews the service to identify how it could be improved for the benefit of the patients and often brings in new initiatives. She has established two patient support groups and currently is leading the establishment of a survivorship programme for patients and their families.

Team care award

Trauma Assisted Discharge Team for their support of patients, who have sustained fractures of the hip, helping them to return home at the earliest opportunity under the care of a multi disciplinary rehabilitation team.

The service has redefined the pathway for these patients, promoting rapid recovery in the best environment for the patient. An additional benefit is the significant reduction in the patient's length of stay in hospital.

Individual commitment award

Erwin Castro, Specialist Diabetes Nurse who has used IT as a platform to educate ward nurses about diabetes. He developed 'Diabytes' a bi-monthly information sheet on various aspects of diabetes management.

Team commitment award

MacDonald Ward, Conquest Hospital, for working together to become the champions of dementia care. They have gone the extra mile, for example coming in when off duty to help improve the environment and create a patient bus stop which helps cognitively impaired patients. Care and compassion for elderly, frail and vulnerable patients clearly drives this extraordinary team.

Team competence award

Harlands Ward, Uckfield Hospital, has set up and run a day care IV service for antibiotic treatment for lower limb cellulitis. Rather than admission to

hospital, eligible patients are able to have a five day course of antibiotics as a day case at the community hospital making it a better experience for patients whose care can be provided closer to their home.

In addition to the winners, the following staff were also shortlisted for an award:

- Rose Errington, Oncology Nurse Specialist
- Dianna Henderson, Health Visitor
- The Joint Community Rehabilitation Team
- The Patient Experience Team
- Matron Sue Page, Mirrlees Ward

Macular Society's Awards for Excellence

A team of eye specialists at Eastbourne DGH were nominated for a national award after outstanding praise from patients.

Prabhakar Potu, Consultant Ophthalmologist, and the eye clinic team were nominated for the 'Clinical service of the year' award. The nomination recognised their exceptionally good practice in the care of people with macular degeneration.

'Clinical service of the year' is an award for medical staff, teams or services which provide diagnosis or treatment for macular disease, and which demonstrate exceptionally good practice in the care of people with central vision loss.

Quality in Care Award for Outstanding Educator in Diabetes

Erwin Castro, Specialist Diabetes Nurse, is very passionate about improving the care of inpatients with diabetes through education. He has introduced various initiatives including Diabytes, a bi-monthly electronic update for trained nurses and has been instrumental in ensuring that the various medical teams receive updates on the management of diabetes.

Sussex Partnership Foundation Trust Equality, Diversity and Social Inclusion Award

Jean Duffy is a Learning Disability Liaison Nurse working for Sussex Partnership but much of Jean's work takes place within our services, and she has worked single-handedly over the last 17 months to ensure that people with learning disabilities are given the highest quality care in hospital settings.

She has developed an active network of 66 learning disability champions across most clinical areas and has trained new staff, consultants, junior doctors and nurses across all settings.

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Celebrating our staff at our Trust Awards

Our 2013/2014 Staff Awards ceremony was held on 14th May 2014. We received a large number of nominations with the award categories and winners being as follows:

- Developing Excellent Services - Stroke Therapy Services (acute, rehabilitation, community)
- Leadership - Sue Gorringer, District Nursing Team Leader
- Health and Well-being - Lorna Earl, Counsellor, Occupational Health
- Personal Development - Anna Hoffmann, Healthcare Assistant/Trainee Associate Practitioner
- Quality Improvement - Maternity and Paediatric Teams
- Team of the Year - Electronics and Medical Engineering (EME)
- Using information to improve care - Janet Jackson, Diabetes Specialist Dietician
- Working behind the scenes - David Peerless, IM&T Senior Change Analyst
- Working in partnership - Community Health Services Pharmacy Team
- Chairman's Cup - Chin Barton, ENT Nurse Practitioner

Consultants appointed during 2013/14

- Dr Justin Harris, Interventional Radiology
- Mr Faiyaz Kapasi, Urology
- Dr Athansios Nakos, Medical Assessment Unit



Staff fact file*

As at 31st March 2014:

- Just over 78.5% of our staff were female
- Over 41% work part-time
- Over 38% of staff are over 50 years old
- Over 3% of staff identified themselves as disabled and just under 1% identified themselves as either gay, lesbian or bisexual
- Just over 11% of staff are from a black or minority ethnic (BME) origin. This compares to 14.6% nationally (England, 2011 Census) and just over 8.3% in East Sussex (December 2012)
- The Trust's annual sickness rate during the year to 31st March 2014 was 4.4% meaning the number of full time equivalent days lost to sickness was 95,691.

Training tomorrow's professionals

The Trust continues to work closely with Brighton and Sussex Universities Medical School, King's College Hospital Medical School and Brighton University to train the next generation of healthcare professionals.

We have over 350 medical students, about 300 nursing and midwifery students plus around 100 students from the allied health professions.

* Source: ESR (comparative ethnic info from 2011 Census and East Sussex in Figures).

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Equality, diversity and human rights

The Trust continues to promote health and care equality for patients, carers and families and advance equality in the workplace for staff.

Highlights from the 2013/14 equality, diversity and human rights work programme include:

- New equality, diversity and human rights training rolled out for nurses, therapists, ancillary and administrative staff to support the development and spread of inclusive practices
- The Trust achieved a ranking of 23 in the Stonewall Healthcare Equality Index 2013 which scored the healthcare organisations in England on how they delivered equality for lesbian, gay and bisexual people
- Successful retention of the disability positive employer ("two ticks") status which recognises the Trust's commitment to support disabled job applicants, including through a guaranteed interview scheme
- Patient accessibility was promoted in the new Endoscopy Unit that opened in winter 2013. New assisted shower rooms have been provided in: Gardner, De Cham, Sovereign and Hailsham wards and Eastbourne Surgical Assessment Unit (SAU)
- Other improvements have seen door surrounds painted to increase contrast for people with sight loss and changing cubicles made bigger for people with mobility impairment
- We listened to members of the Hastings and Rother Rainbow Alliance Trans group (HRRAT) for their views on healthcare. Concerns included changing gender on health records, recognising Trans peoples' needs within care and single-sex accommodation. Improvements will be implemented over the next year
- Staff members were supported to meet patient, carer, colleague and individual communication needs through the introduction of a new 'Language and Communications' policy. This included

standardising procedures for booking interpreters, bilingual advocates and communication support workers as well as for producing accessible information. Nineteen translation and interpreting related queries, including six Freedom of Information (FOI) requests, were handled

- Transparent efforts to improve equality within governance included specialist analyses of the service specifications and transformation plans for Occupational Health and the Child and Family Care Service and for a wide range of healthcare and workforce policy.

The Trust produces an Annual Equality Report and for a copy of this or for further information about any of this work or other equality related queries, please email: esh.tr.equality@nhs.net or visit our website: www.esht.nhs.uk/equality



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Working together

We work closely with the local Clinical Commissioning Groups, the Surrey and Sussex Area team of NHS England, the NHS Trust Development Authority and the Health and Wellbeing Board of East Sussex County Council.

We also continue to work closely with Brighton and Sussex University Hospitals NHS Trust, Sussex Partnership NHS Foundation Trust, South East Coast Ambulance NHS Foundation Trust, East Sussex Adult Social Care, Sussex Police, East Sussex Fire and Rescue Service, NHS Direct and the local district, borough and county councils.

We are grateful for the support received from all these organisations during 2013/14.

We particularly value the scrutiny role and support for the Trust and the wider local NHS provided by the local Health Overview and Scrutiny Committee of East Sussex County Council and Healthwatch East Sussex.

Volunteering

Every month more than 1,200 people volunteer their time, energy and enthusiasm for the benefit of patients, visitors and staff at the Trust.

Our volunteers undertake a variety of roles:

- work on receptions - 'meeting and greeting'
- providing a patient library service
- ward roles
- supporting administration including patient experience
- drivers and escorts
- assisting staff around the Trust
- chaplaincy visitors
- hospital radio
- Friends of the Hospitals outlets and mobile shops
- and many other areas.

Each dedicated volunteer makes a vital contribution to daily hospital life and their efforts are very much appreciated and valued.

Anyone who is interested in becoming a volunteer to strengthen and enrich our dedicated team of people should contact

Voluntary Services staff at Eastbourne DGH on (01323) 417400 Ext: 4880 for opportunities at Eastbourne DGH, Havens and Weald area. Conquest Hospital on (01424) 755255 Ext: 8497 for opportunities at Conquest, Bexhill and Rye hospitals.



Fundraising

The Trust is extremely grateful for the efforts of a wide range of charities and individuals whose generosity supports our work.

Over the year £432,714 has been donated or bequeathed to our charitable funds.

The Friends of our hospitals have again proved extremely generous during the year and have funded equipment to improve the care and support we are able to offer to patients totalling £999,300 in the year. We are extremely grateful for their continued support.

If you would like to support or become involved with the Friends please contact:

Friends of Bexhill Hospital

Tel: (01424) 217449

Friends of the Conquest Hospital

Tel: (01424) 755820

Friends of Crowborough War Memorial Hospital - Tel: (01892) 664626

Friends of the Eastbourne Hospitals

Tel: (01323) 417400 Ext: 4696

League of Friends Lewes Victoria Hospital

Tel: (01273) 474153

Rye Health and Care Ltd

Tel: (01797) 223810

Uckfield Community Hospital League of Friends

Tel: (01825) 767053

Shaping our future: the clinical strategy

We are currently three years into a five year journey to improved clinical sustainability and financial viability.

In close collaboration with key stakeholders in East Sussex the Trust agreed the strategic framework for its Clinical Strategy: Shaping our Future in 2011 against the strategic objectives the Board has agreed for the organisation:

- Improve quality and clinical outcomes by ensuring that safe patient care is our highest priority.
- Play a leading role in local partnerships to meet the needs of our local population and improve and enhance patients' experiences.
- Use our resources efficiently and effectively for the benefit of our patients and their care and ensure our services are clinically, operationally and financially sustainable.

Based on this framework the first phase of the clinical strategy developed the business model for the Trust by defining the change required to eight key services in order that they were able to deliver the Trust's aims and objectives. These eight services that comprise about 80% of the business of the Trust are:

- Acute Medicine
- Orthopaedics
- Cardiology
- Emergency care
- Maternity
- Stroke
- Paediatrics and child health
- General Surgery

The conclusions reached about the future configuration and design of the above eight services has defined the business model for the Trust as 'one hospital on two sites'. This currently requires redesigned emergency care, acute medicine and cardiology to be provided on both acute sites with the other five services provided differentially on each site.

The model is supported by a range of community services which include those being developed to improve the management of patients with long term conditions and complex co-morbidities in community rather than acute settings.

In order to implement the strategy and business model acute and hyper acute stroke services were centralised on the Eastbourne DGH site in July 2013; emergency and high risk surgery services were centralised on the Hastings site in December 2013 and the centralisation of emergency and high risk orthopaedics at Hastings is planned for 2014.

The centralisation of the stroke services on the Eastbourne DGH site, together with an increase in stroke rehabilitation beds from 12 to 18 at the Irvine Unit in Bexhill, has enabled patients to have access to a stroke ward within four hours of attendance in line with the national indicator, a target which we had previously struggled to deliver, and we continue to meet the national standards in relation to access to diagnostics and stay within a stroke ward.

Following the centralisation of emergency and high risk surgery services onto the Conquest Hospital site, we are now providing seven day a week senior medical coverage which has resulted in a 40% increase in the number of patients being discharged within 0-2 days over the first three months.

The commissioning of the new state of the art interventional radiology suite at the Conquest Hospital has allowed surgical patients to be treated as day cases rather than being admitted - a further improvement in patient safety and quality.

Consultant led Maternity services and in-patient paediatric services were temporarily centralised on the Hastings site in May 2013 on the grounds of safety pending the outcome of a consultation on the long term future of these services which is currently being undertaken by the three local Clinical Commissioning Groups. The decision on the future configuration of maternity, paediatric and gynaecology services will be made in the summer of 2014.

The full business case in support of the capital investment required to realise the full benefits of the clinical strategy has been developed and approved by the Trust Board and is currently awaiting consideration by the Trust Development Authority. In addition to the centralisation of services for stroke; emergency and high risk surgery and trauma and orthopaedics, the business case describes the redesigned and improved care pathways being implemented in

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acute medicine, emergency care and cardiac care and the infrastructure investment necessary to support this redesign.

It details the improvements that will be made in patient flow and length of stay as well as the reductions that will be made in inappropriate admissions.

The focus is on delivering quality improvements including increased senior decision making, improved discharge planning and infrastructure and fabric upgrades that will improve infection control.



Investing in our estate 2013/14

Capital investment in the Trust's estate during 2013/14 was driven by the ongoing need to address outstanding backlog and, most significantly, to pave the way for the major changes inherent in the proposed Clinical Strategy, 'Shaping our Future'.

In June we appointed Balfour Beatty as our P21+ partnering contractors to support the completion of the Full Business Case for the Clinical Strategy. The business case was presented to the Trust Development Agency in December.

Preparatory works for the Clinical Strategy comprised:

- relocation of the Surgical Assessment Unit to the Richard Ticehurst Unit (Sleep Studies and Day Surgery being displaced to Cookson Attenborough Ward)

- reconfiguration of Egerton Ward to enable single siting of emergency and high risk orthopaedic surgery at the Conquest Hospital
- expansion of theatre storage capacity at the Conquest Hospital
- provision of new Interventional Angiography facilities at the Conquest Hospital

Other significant works at the Conquest Hospital included the reconfiguration of the Maternity Unit to enable the temporary single siting of consultant led maternity and midwifery services and improvements to Kipling Ward in preparation for the temporary single siting of paediatric services.

At Eastbourne DGH, of most significance was the completion and handover of the new Endoscopy building in November. The Endoscopy Unit is now functional and the ground floor of the building provides space for future development works associated with the Clinical Strategy.

Other projects completed comprise:

- relocation of the Admissions Lounge and Day Surgery to Littlington Ward
- refurbishment of Hailsham 4 Ward
- provision of a 2nd CT scanner in the Radiology Department

Cross site restructuring of Clinical Laboratory Diagnostics has commenced with works schemes at the Eastbourne DGH and this programme is ongoing.

The outcome of the funding request from TDA supported by our business case for the Clinical Strategy is awaited but the works funded during 2013/14 will have paved the way for the major investment required to bring the Strategy to fruition.



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Patient environment

Each year the Trust is required to assess its facilities in line with national PLACE (Patient Led Assessment of the Care Environment) guidelines issued by The Health Information and Social Care Centre.

Inspections are carried out by a multidisciplinary team including patient representatives from Healthwatch and external validation.

The full PLACE scores for the individual categories 2013 are below:

Site	Cleanliness	Food	Privacy, Dignity and wellbeing	Condition, appearance and maintenance
Bexhill	78.71%	80.22%	81.82%	87.92%
Conquest	94.02%	84.64%	84.71%	83.44%
Crowborough	89.50%	74.76%	73.18%	86.74%
Eastbourne	94.92%	80.15%	80.69%	87.88%
Lewes	97.43%	91.15%	79.48%	86.33%
Rye	95.12%	89.66%	80.00%	88.82%
Uckfield	97.79%	84.41%	85.29%	90.07%

A patient information video can be viewed by patients on their bedside television at both Conquest Hospital and Eastbourne DGH. It explains about life on the ward, the types of staff patients will meet, the various facilities available and the importance of hand washing for visitors and staff.



Hospital cleanliness

We have implemented a new bed space cleaning protocol to support the cleanliness of patient bed areas and both nursing and housekeeping teams have been trained in this process.

We have continued to improve our cleaning systems to coincide with patients discharge providing a more focused service including a checklist to ensure all cleaning has been completed.

The Trust has also continued to expand the 'Intensive and Rapid Clean Service'. Each team now consists of seven specifically skilled staff, with one team on each acute site who provide a 24 hour cleaning presence.

The team systematically visit wards and other patient areas and complete a programme of intensive cleaning and environmental improvement over a week. The team can also be speedily deployed to provide an extra clean at very short notice.

Enhanced decontamination cleans and Hydrogen Peroxide Vapour (HPV) treatments are also undertaken to support the reduction of infections within the Trust.

Specific staff on both acute sites are able to work flexibly and have multi-role skills, so they can provide consistent backfill service to cover short term absence and avoid gaps in services. We have continued to expand this service across the Trust in 2013/14.

We continue to develop the ward housekeeping roles at both acute sites to support nurses in care of patients and improve the patient experience by having fully trained lead housekeepers liaising with Ward Matrons on standards of cleanliness and nutrition.

Revised staff rosters are being put in place as wards change to provide consistent cover that meets the individual needs of wards and departments.

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Patient catering

The Trust has recently implemented a new style meal service for patients on both acute sites.

Patients are able to order from an extensive menu for both lunch and supper which has a choice of over 17 hot main meal dishes, 6 hot light bite options and a range of salads and sandwiches, along with a range of hot and cold desserts including fresh fruit options.

The new style of catering service allows patients to have more independence, choice and control with regards to their meals.



The catering services team have partnered with a company called Steamplicity who supply around 40 NHS Trusts across the country to deliver this service.

Steamplicity is a unique cooking system that steams food to perfection at ward level. This allows us to bring better tasting meals and more fresh vegetables, steam cooked to patients. Diet coded menus are available for patients to support them to make suitable meal choices in line with their dietary needs.

Pictorial large print menus are also available on each ward. In addition, a specialist finger food menu has been devised for patients with dementia or those who are unable to feed themselves using cutlery but still want some independence whilst eating.

The level of satisfaction is extraordinarily high, in excess of 98% of patients asked indicating that they are happy with the quality of food provided and all extremely satisfied with the level of choice available.

The catering team are always willing to visit patients on request to discuss any concerns or ideas they may have in order to improve our services.

Site safety

The Trust does all it can to ensure everyone's safety whilst they are in our hospitals and other buildings.

We have a proactive security culture to keep our sites and all those in them safe. There is a regular cross-site security meeting and quarterly newsletter 'Securitywise' is now in its 15th year.

We continue to work closely with our local Police Officers and for 2013/14 the Trust has again reported a further decrease in crime.

We have also seen more sanctions and redress which are positive indicators of good crime prevention, detection and investigation.

We have around 75 closed circuit television (CCTV) cameras with control rooms at the Conquest Hospital and Eastbourne DGH and a range of other alarms including for medical gases, blood banks, lifts and fire systems. All staff wear an official identity badge with a clear portrait, name and job title. The badge integrates into our swipe card access system which manages and restricts movements across certain areas of our sites.

Our car parks at the Conquest Hospital and Eastbourne DGH have retained their accreditation under the national "Park Mark" scheme, recognising high standards of security and safety.

We produce an Annual Health and Safety Report which is available by contacting the Communications Department via email: esh-tr.enquires@nhs.net

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Emergency preparedness

The Trust has continued its work in Emergency Preparedness, Response and Recovery (EPRR), the term for both Emergency Planning and Business Continuity Management.

The Emergency Planning Team has been working throughout the year to ensure our arrangements reflect the changes within the Trust and the changes in the wider NHS.

These changes have resulted in an increased reliance being placed on the provision made within provider organisations.

Changes across the services provided by the Trust mean that further work is required to ensure all Business Continuity plans are relevant and up to date. This will be a focus of further work in 2014/15.

Our procedures and plans continue to be reviewed and updated to maintain compliance with the good practice of The Core Standards in EPRR published by NHS England.



The Major Incident Plan has been reviewed during the year and changes made to reflect further developments in the organisational structure, this work will be ongoing during 2014 as further phases of the Clinical Strategy are implemented.

The Severe Weather Plan was further updated in October 2013 to reflect lessons identified during the previous severe winter.

We have continued to test and validate our plans and participate in local and regional events



and exercises. The Trust plays an active role within the Sussex Resilience Forum, and its involvement in many of the working groups has increased.

The Trust continues to work with other acute and community Trusts in Sussex to facilitate joint planning. This 'Provider Group' has almost completed work on a generic hospital evacuation plan template including patient tracking systems.

The Trust is also represented on three Safety Advisory Groups (SAGs) operated by district and borough councils looking at major events that could impact on either our acute operations or delivery of our community based services.

The Emergency Planning Team continues to work closely with the Resuscitation Team to deliver training on Major Incident Response to staff across the Trust.

During 2013 new joint training was developed in 'Decision Making including Human Factors' and this was delivered to managers and executives undertaking on call duties. A new training session dealing with bomb threats and terrorist incidents was also devised and delivered. Further training and workshops relating to the Severe Weather plan were also offered to enable staff to be updated on changes to the plan.

Work also commenced in 2013 on delivering a live exercise in 2014, with the Trust playing a major role as part of the multi-agency response to simultaneous incidents occurring across Sussex.

Section 2 - strategic report

Sustainable development report

In delivering its services the Trust consumes a significant amount of energy and water and produces a large volume of waste, which must be disposed of.

It also undertakes the transport of Trust staff and patients as well as purchasing a large range of medical and other equipment and services. All of these activities generate CO₂ (carbon dioxide) emissions, which are linked to climate change, and can be collectively summarised as the Trust's carbon footprint.

Environmental Performance Summary 2013/14

	2011/12	2012/13	2013/14
Fossil fuels	10,044	11,522	11,809
Electricity	7,212	5,915	5,934
Water	183	105	92
Transport	324	347	313
Total (tonnes CO₂e)	18,163	17,890	18,147



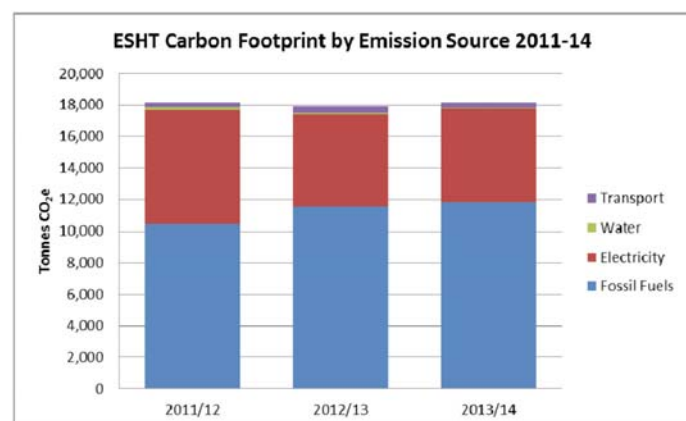
general waste and healthcare waste. We currently recycle 13.6% of our general waste, with the remainder sent for energy recovery (used to generate electricity).

This represents a better environmental option as it avoids landfill and it also reduces our waste disposal costs. In addition we bale and recycle cardboard at both acute hospitals and recycle waste metal.

Our staff travelled nearly 4 million miles during 2013/14 carrying out their work for the Trust. This represents an increase of just over 12% since 2011 and is a key area for us to take action because emissions from petrol and diesel vehicles are linked to respiratory illness and contain greenhouse gases, which contribute to climate change.

We recognise the significant impact on the environment that our carbon footprint, business travel and waste has, as well as the cost this represents to the Trust at a time when budgets are decreasing.

We are therefore firmly committed to reducing all of our direct environmental impacts in line with national NHS targets, principally a 34% reduction in CO₂ emissions by 2020. Below we have summarised some of the work we have undertaken this year to meet this goal and highlighted our plans for the coming year.



Our overall carbon footprint has grown slightly over the past 12 months, as illustrated in the figure and table. The primary cause of this has been an increase in energy consumption in our estate, driven by seasonal temperature variations and increased activity at our acute hospital sites.

In addition to our carbon footprint we produce around 1,500 tonnes of waste annually, including

Section 2 - strategic report



- Our Sustainable Development Management Plan (SDMP) has been developed throughout 2013/14 and is being finalised ready to go to Trust Board for approval in June 2014. The SDMP will consolidate all existing environmental initiatives and support the delivery of our key environmental objectives. The SDMP is aligned with our clinical strategy and its corporate mission to continuously improve outcomes for our patients. It will follow the new NHS Sustainable Development Strategy (2014) in setting a 34% CO₂ reduction target for 2020 (against a 2013/14 baseline).
- We are investigating the potential to secure an energy partner to help us deliver long-term reductions in energy consumption across our two main acute sites. We anticipate that this project should result in over £500,000 cost savings per annum from reduced utilities consumption. It will also deliver major CO₂ reductions to help us achieve our 2020 target.
- We have developed a programme of low cost, short payback energy saving schemes which we are implementing throughout 2014. Together these should reduce our energy spend by over £650,000 per annum. They include making operational changes to our Combined Heat and Power plant at Eastbourne DGH and improving and updating our Building Energy Management System control and control strategies. These projects will make a major contribution to reducing our carbon footprint during the coming year.
- We have undertaken a successful trial of a reusable sharps container system, called "Biosystems", in collaboration with our healthcare waste contractor SRCL. Following the trial we are now looking to roll this out to 31 Trust locations. The containers can be reused up to 600 times and so have a much smaller environmental footprint than single use containers, which are incinerated. They will also generate a cost saving and reduce the risk of needlestick injuries to our staff. We are also working with SRCL to start recycling single use surgical steel instruments.
- We are working closely with our general waste contractor Veolia to boost our recycling rate during the coming year by increasing the availability of mixed recycling facilities to staff. We are also investigating the possibility of composting our food waste at a nearby facility and intend to introduce a new battery recycling scheme during the year.
- We will develop a new, Trust-wide staff engagement programme during 2014/15 to raise awareness of the SDMP and implement leadership initiatives for sustainability.
- A major feature of our SDMP and work plan for 2014/15 will be to reduce our travel impacts. We have video conferencing between our sites and are already investigating options such as a low emission pool cars and salary sacrifice schemes for bikes and cars. We will create an overarching Travel Plan this year to co-ordinate this work.

Section 2 - strategic report

Highlights of the year

Positive inpatient survey

A total of 825 inpatients were asked to give their views as part of the Care Quality Commission's annual inpatient survey.

Areas that had improved from the previous survey results included an increase in patients' confidence in our nurses, the emotional support they receive whilst in hospital and the privacy they get when discussing their condition or treatment.

The Trust is committed to creating a more patient centred service so understanding the patient experience is crucial to us. It is important to listen to patients and take their views seriously. Patient experience data is gathered through a number of avenues and we use this feedback to improve the quality of our service and enhance the patient's experience.



New procedure for permanent female sterilisation

The Conquest Hospital was the first in the South East to offer a new procedure for permanent female sterilisation. The procedure lasts about ten minutes and is performed without a general anaesthetic. It is as safe as other forms of permanent contraception and is less invasive than more conventional sterilisation procedures.

The procedure involves inserting a small tube through the birth canal into the womb and placing a small device, approximately 15mm in length, into each fallopian tube. This blocks the tube and creates a permanent block to stop eggs reaching the womb.

Anniversary of first Resuscitation Council Advanced Life Support Course

The 20th anniversary of the first Resuscitation Council Advanced Life Support (ALS) course held in Eastbourne was celebrated in April.

The course is a standardised national course teaching evidence-based resuscitation guidelines and skills to healthcare professionals across the country. The techniques and training provided have saved lives and the course has also been adopted by the European Resuscitation Council and the Australian Resuscitation Council.

New blood cell saver reduces the need for donated blood in operations

A new blood cell saver costing £16,000 was donated by the Friends of Eastbourne Hospital, helping to reduce the need for donated blood in operations. The blood cell saver recovers and recycles the patient's own blood that may be lost during an operation. It 'cleans' the blood, extracting the red cells which are then transfused back into the patient.

New CT scanner officially opened by MP

A new CT scanner at the Conquest Hospital was officially opened by local MP Amber Rudd. The new scanner is the second at the Conquest Hospital and third in the Trust. The scanner uses the latest state-of-the-art technology to enable clinicians to take detailed x-ray images inside the human body. It was bought with £1.25 million funding from the Department of Health.

Trust introduces coloured lanyards to help patients

Different coloured lanyards were introduced for staff to wear around their neck to help patients and visitors better identify the member of staff's role in the care of patients. Matrons, Sisters, Staff Nurses, Consultants, Doctors, Porters, Housekeepers and Ward Clerks all have their own coloured lanyard with the role clearly visible on it.

Section 2 - strategic report

These coloured lanyards were introduced following patient feedback and have proved extremely popular with staff and patients alike.

New Endoscopy Unit opens

The new Endoscopy Unit at Eastbourne DGH opened its doors to patients, part of a new £5.7 million extension to the hospital. The new state-of-the-art unit has three dedicated treatment rooms, separate male and female recovery areas, a reception and waiting area for patients along with other storage and office areas.

The Endoscopy Unit is situated on the first floor of the new hospital extension. It allows more patients to be seen and has improved the privacy and dignity of patients requiring an endoscopy.

The new unit includes a generous £260,000 donation from The Friends of the Eastbourne Hospitals. The ground floor of the extension will be used to increase the capacity of other services.

New state-of-the-art Interventional Radiology suite opens at Conquest Hospital

The new interventional radiology (IR) suite at Conquest Hospital has been described by Consultant Interventional Radiologist Dr Mo Faris as the “most progressive in the South East” following the opening of a new state-of-the-art facility.

The new suite cost £1.2million and was supported by a £25,000 contribution from the Friends of Conquest Hospital. It contains the latest cutting edge technology that allows

surgery to be performed using imaging, avoiding the need for open surgery. Conditions that can be treated in this way include aortic aneurysms, poor blood supply to the legs, collapses of vertebrae and cancers blocking the liver and gut. As IR is minimally invasive, the majority of procedures are undertaken as day cases so the patient is able to return home within hours of receiving treatment.

Sleep Studies Unit opened

A new sleep studies unit at Conquest Hospital opened and was helped by a £39,000 donation from the Friends of the Conquest Hospital for new equipment. The Friends funded the polysomnography equipment that measures brain activity during sleep and videos the sleeping patient to allow clinicians to see if anything physical in their movement is causing sleeping problems.

Doctor injects small insertable heart monitor

Doctors at the Trust were among the first in the country to inject a small insertable heart monitor in to a patient. David Baldock from Uckfield had the heart monitor fitted in a procedure that took less than couple of minutes. The new thin heart monitor is injected just beneath the skin and continuously records heart activity. It is part of a trial that will assess how often patients experience irregular and often abnormally fast heart rate (atrial fibrillation).

The new heart monitor is significantly smaller than other traditional heart monitors and is part of a sophisticated system that allows doctors to continuously and wirelessly monitor a patient's heart for up to three years.

Newly qualified nurses take up posts

A new intake of 35 newly qualified nurses started work at the Trust in February following completion of their three year training at the University of Brighton. The nurses are based at either the Conquest Hospital or Eastbourne DGH.

New Pevensey Unit

Artist's impressions of the new £1.7 million Pevensey Unit at Eastbourne DGH were revealed showing a new unit which will be twice the size of the existing. The new unit, which treats cancer patients, will offer greater privacy and dignity in a modern environment.



Section 2 - strategic report



The plans create a new oncology suite with an expanded day unit offering new treatment facilities and a new in-patient suite which will include new side rooms with en-suite facilities, new spacious, light and airy three bedded bays, an adolescent room and more social space for patients and staff. Overall, the new unit has more bedrooms and en-suite facilities, more treatment areas, more space and more toilets. Detailed working drawings are being developed with a view to starting building works later in 2014.

The development of a new Pevensey Unit has been a priority for the Trust and although it has taken more time than originally intended, the new unit will offer a superb environment for the treatment of patients. It marks part of the Trust's continued investment into Eastbourne DGH along with the continued generosity of The Friends of Eastbourne Hospital who contributed over £500,000 towards this new unit.

Staff raise money for the Typhoon Haiyan victims

Filipino staff in various departments across the Trust held cake sales and lunches to raise money for the victims of Typhoon Haiyan in the Philippines. The events raised over £2,000, highlighting the generosity of staff.

Lewes Victoria Hospital holds open day

An Open Day at Lewes Victoria Hospital was well attended by local people. They were able to tour the hospital, visit the therapies building and have the opportunity to step inside the operating theatre and x-ray department. It was also an opportunity for them to have their pressure and Body Mass Index (BMI) checked.

Investment in Nursing

The Trust agreed to invest in an additional 22.5 whole-time equivalent nurses and four Healthcare Assistants to work in the inpatient areas of our hospitals.

These additional posts follow a review of the number of nurses on every inpatient ward by our Director of Nursing Alice Webster and her nursing team.

This review was informed by two guidance documents issued last year one by the Chief Nursing Officer and the other by the National Quality Board. Both these documents bring together current best practice for ensuring the right staff with the right skills are in the right place at the right time.

Our review considered the nursing level required for each ward taking into account nurse to patient ratios, the acuity and dependency of patients and the training and development requirements of the nursing workforce. Whilst over half of the wards reviewed were found to have sufficient nurses, others were identified as needing a small increase.

New follow up service for patients with wet age-related macular degeneration

A new follow up service for the treatment of wet age-related macular degeneration was established in a newly designed specialist unit at Bexhill Hospital.

Patients continue to have their initial examination and first three injections at either Eastbourne DGH or Conquest Hospital with their follow up treatment at Bexhill Hospital. The number of patients with wet age-related macular degeneration is increasing both nationally and in East Sussex.

This placed tremendous demand on the service at both acute sites, so to ensure we provided a safe sustainable follow up service we moved the service to Bexhill Hospital. The League of Friends of Bexhill Hospital kindly funded and equipped the new specialist unit.

Our focus in 2014/15 will be on:

As a Trust, we must meet a broad range of national standards as well as locally agreed quality improvement targets. These include for 2014/15:

- 95% of patients attending our Emergency Department (A&E) are seen and admitted or discharged within four hours
- No operations are cancelled for non clinical reasons on the day and not rebooked within 28 days
- No “avoidable” cases of MRSA bacteraemia (MRSA detected in a blood culture)
- No more than 44 cases of Clostridium Difficile
- 90% of patients requiring an operation or procedure are treated within 18 weeks of referral
- 95% of patients not requiring an operation must start their treatment within 18 weeks of referral
- 96% of patients diagnosed with cancer should be treated within 31 days of agreeing a treatment plan with their hospital doctor
- 94% of patients who need further surgery for the same cancer or a recurrence should be treated within 31 days
- 98% of patients who need further drug treatment for the same cancer or a recurrence should be treated within 31 days
- 85% of patients with a suspected cancer should be treated within 62 days of referral by their GP to a hospital specialist
- 90% of patients with a cancer diagnosed by screening should be treated within 62 days
- Achieve the 10 Sentinel Stroke National Audit Programme standards
- Meet NHS Friends and Family Test standards
- No mixed sex accommodation breaches
- 90% of patients receive a venous thrombosis embolism (VTE) risk assessment
- 99% of patients wait less than six weeks for a diagnostic test

The strategic report was approved by the board on 4th June 2014 and signed on its behalf by

Chief Executive

Section 3 - directors' report

Trust board

The Board of executive and non-executive directors manage the Trust, with the Chief Executive being responsible for the overall running of our healthcare services as the Accountable Officer.

Board members during 2013/14

Chairman
Stuart Welling †
Chief Executive
Darren Grayson
Non-Executive Directors
Professor Jon Cohen † (appointed January 2014)
Charles Ellis †
Stephenie Kennett ‡
Barry Nealon †‡ (designate until June 2013 - substantive July 2013)
James O'Sullivan †‡
Maurice Rumbold † (resigned July 2013)
Ken Smith †‡ (resigned July 2013)
Susan Bernhauser ‡ (designate) (appointed January 2014)
Anjum Memon (associate) (stepped down January 2014 as substantive NED appointed)
† member of the Remuneration Committee ‡ member of the Audit Committee
Executive Directors
Vanessa Harris* Director of Finance
Dr David Hughes* Joint Medical Director
Dr Andrew Slater* Joint Medical Director
Richard Sunley* Deputy Chief Executive/Chief Operating Officer
Alice Webster* Director of Nursing
Monica Green Director of Human Resources
Dr Amanda Harrison Director of Strategic Development and Assurance
George Melling Commercial Director
* Voting director

Board members as of April 2014

Chairman
Stuart Welling †
Chief Executive
Darren Grayson
Non-Executive Directors
Professor Jon Cohen †
Charles Ellis †
Stephenie Kennett
Barry Nealon †‡
James O'Sullivan †‡ (resigned April 2014)
Susan Bernhauser (designate) ‡
† member of the Remuneration Committee ‡ member of the Audit Committee
Executive Directors
Vanessa Harris* Director of Finance
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Alice Webster* Director of Nursing
Monica Green Director of Human Resources
Dr Amanda Harrison Director of Strategic Development and Assurance
George Melling Commercial Director
* Voting director

Section 3 - directors' report

The Trust exists to provide the best possible service to patients. It is our belief that clinicians should be at the forefront of managing and delivering day-to-day patient services.

When the merger of community and acute services took place in April 2011 the opportunity was taken to re-design the whole Trust and create three new divisions (Planned care, Urgent care and Integrated care) each accountable for a number of clinical units.

Many of those clinical units comprised acute and community services in a genuinely integrated approach to service delivery. The divisions were intended to be transitional and their purpose was firstly to ensure that the clinical units delivered safe, high quality services within the resources available and secondly, over time, to enable the clinical units to develop to become capable of functioning successfully without the divisions.

The divisional leadership teams successfully supported their clinical units to the point where they could function successfully independently within a corporate managerial structure specifically designed to support them.

As a result in November the divisional structure was removed and the Divisional Directors moved to take on leadership roles across the organisation, the Associate Directors of Nursing continued to provide leadership on quality and governance working with the Director of Nursing and the Associate Directors remained accountable to the Chief Operating Officer for delivering this year's business plan and preparing for next year.

All Directors are required to disclose details of company directorships or other significant interests held by directors where those companies are likely to do business, or are possibly seeking to do business with the NHS where this may conflict with their managerial responsibilities.

A request for any declaration is made at each Board Meeting and in addition written declarations are recorded in a Register of Interests and this can be accessed through contacting the Company Secretary at the Trust.

Attendance at board meetings 2013/14

Director	Number of Trust Board meetings attended out of 7 held in 2013/14
Stuart Welling* Chairman	7
Professor Jon Cohen* Non-Executive Director (Appointed January 2014)	1
Charles Ellis* Non-Executive Director	6
Stephanie Kennett* Non-Executive Director	6
Barry Nealon* Non-Executive Director (Designate until June 2013 - substantive July 2013)	6
James O'Sullivan* Non-Executive Director (Resigned April 2014)	7
Maurice Rumbold* Non-Executive Director (Resigned July 2013)	1
Ken Smith Non-Executive Director (Resigned July 2013)	1
Sue Bernhauser Non-Executive Director (designate) (Appointed January 2014)	2
Darren Grayson* Chief Executive	7
Vanessa Harris* Director of Finance	7
Dr David Hughes* Joint Medical Director	6
Dr Andy Slater* Joint Medical Director	7
Richard Sunley* Deputy Chief Executive /Chief Operating Officer	6
Alice Webster* Director of Nursing	6
Monica Green Director of Human Resources	7
Amanda Harrison Director Strategic Development and Assurance	6
George Melling Commercial Director	1
Lynette Wells Company Secretary	6

* Voting Directors of the Board

Section 4 - remuneration report

Remuneration report

The Remuneration and Appointments Committee is a non-executive sub committee of the Board and oversees the appointments of the Chief Executive and Executive Directors and agrees the parameters for the senior appointments process.

The Committee agrees and reviews the Trust policies on the reward, performance, retention and pension matters for the executive team and any relevant matters of policy that affect all staff for example agreement of the Mutually Agreed Resignation Scheme.

The Committee is chaired by the Chairman of the Trust and has three Non Executive Directors as members who are appointed by the Chairman. Due to changes in Non Executive Directors during the year membership of the Committee comprised two Non Executive Directors between July 2013 and February 2014. It now has a full complement of members. The Chief Executive, Human Resources Director and Company Secretary attend meetings in an advisory capacity except when issues relating to their own performance, remuneration or terms and conditions are being discussed.

Quoracy for the meeting is three members of which one must be the Chairman. The Committee met five times between April 2013 and March 2014 and all but one meeting was quorate.

Under delegated authority from the Trust Board, the Committee determines the appropriate remuneration and terms of service for the Chief Executive and Executive Directors having proper regard to national arrangements and guidance.

The Committee also advises on, and oversees, the appropriate contractual arrangements with Chief Executive and Executive Directors, including the proper calculation and scrutiny of termination payments, taking account of national guidance as appropriate.

The remuneration rates are determined by taking into account national benchmarking and guidance in order to ensure fairness and proper regard to affordability and public scrutiny. The remuneration of the Chief Executive and

Executive Directors are set at base salary only without any performance related pay. The appointment and remuneration of the Chairman and Non Executive Directors are undertaken nationally by the Trust Development Authority.

The Remuneration and Appointments Committee monitors the performance of Chief Executive and Executive Directors based on their agreed performance objectives.

The Committee's Terms of Reference and Annual Work Programme were reviewed in February 2014. It was proposed that the requirement for the annual review of the Terms of Reference under point 8 be revised so that it is undertaken by the Committee with any amendments being submitted to the Board for consideration.

Matters considered in 2013/14 included:

- Chief Executive's report on individual directors' performance and objectives and half yearly update of Directors' performance against annual objectives.
- Chairman's report on the Executive Directors appraisals and objectives
- Annual performance review for Chief Executive and Chairman's half yearly update of Chief Executive's performance against annual objectives.
- HM Treasury Review of Senior Public Sector Tax Arrangements
- Review of Senior NHS Salaries and Redundancy Arrangements
- Approval of relevant appointments and terminations
- Clinical Excellence Awards
- Approval of Mutually Agreed Resignation Scheme

In February 2014 the Committee undertook an annual self assessment of its effectiveness. Members agreed that the number of Committee meetings held had been sufficient and agendas appropriately structured to support the effective discharge of responsibilities. It was noted that succession planning and an understanding of medical responsibility payments were timetabled.

Matters considered and decisions made by the Committee were taken on an informed basis and

Section 4 - remuneration report

members agreed these decisions were understood, owned and properly recorded and would bear scrutiny; subsequent implementation of decisions and progress had been reported back to the Committee as required. Concerns raised following previous self assessments had been addressed.

Due to nature of the business conducted Committee minutes are considered confidential and are therefore not in the public domain.

The Chair of the Committee draws to the Board's attention any issues that require disclosure to the full Board or require Executive action.

For statements on salary and pension benefits for all senior management who served during 2013/14, please see tables on pages 40 to 43.

Voting directors of the Trust Board and their notice period

Name	Start date	Notice period	Leaving date
Darren Grayson Chief Executive	01/04/10	6 months	
Vanessa Harris Director of Finance	22/10/12	6 months	
Dr David Hughes Joint Medical Director	01/04/09	3 months	
Dr Andrew Slater Joint Medical Director	16/04/12	3 months	
Richard Sunley Chief Operating Officer/Deputy Chief Executive	01/04/12	6 months	
Alice Webster Director of Nursing	01/05/12	3 month	



Section 4 - remuneration report

The following tables for salaries and allowances and pension benefits are subject to audit.

Salaries and allowances

	2013/14					
	Salary (bands of £5,000) £'000	Expense payments (taxable) total to nearest £100 £'00	Performance pay and bonuses (bands of £5,000) £'000	Long term performance pay and bonuses (bands of £5,000) £'000	All pension- related benefits## (bands of £2,500) £'000	Total (bands of £5,000) £'000
Stuart Welling Chairman	20-25	5***	0	0	0	20-25
Professor Jon Cohen (Appointed 13/01/14) Non-Executive Director	0-5	0	0	0	0	0-5
Charles Ellis Non-Executive Director	5-10	0	0	0	0	5-10
Stephanie Kennett Non-Executive Director	5-10	0	0	0	0	5-10
Barry Nealon (Appointed 15/07/13) Non-Executive Director	5-10	0	0	0	0	5-10
Susan Bernhauser (Appointed 13/01/14) Non-Executive Director - Designate	0-5	0	0	0	0	0-5
James O'Sullivan (Left 16/04/14) Non-Executive Director	5-10	5***	0	0	0	5-10
Maurice Rumbold (left 15/07/13) Non-Executive Director	0-5	0	0	0	0	0-5
Ken Smith (left 31/07/13) Non-Executive Director	0-5	0	0	0	0	0-5
Darren Grayson Chief Executive	175-180	20****	0	0	10-12.5	190-195
Vanessa Harris (appointed 22/10/12) Director of Finance	130-135	2***	0	0	35-37.5	165-170
David Hughes Joint Medical Director	220-225*	4***	0	0	32.5-35	255-260
Andrew Slater Joint Medical Director	185-190**	0	0	0	30-32.5	215-220
Richard Sunley Chief Operating Officer/Deputy Chief Executive	150-155	1***	0	0	7.5-10	155-160
Alice Webster (appointed 29/08/12) Director of Nursing	100-105	1***	0	0	37.5-40	140-145
Monica Green Director of Human Resources	100-105	3***	0	0	7.5-10	105-110
Amanda Harrison Director of Strategic Development and Assurance	110-115	19****	0	0	10-12.5	125-130
George Melling Commercial Director	95-100	0	0	0	17.5-20	110-115
Lynette Wells Company Secretary	70-75	0	0	0	20-22.5	90-95

* includes Salary for Consultant Radiologist work

** includes Salary for Consultant Anaesthetist work

*** represents reimbursement of travel costs incurred, subject to UK income tax and disclosed to the nearest £100

**** represents reimbursement of travel costs incurred and lease car benefits, subject to UK income tax and disclosed to the nearest £100

The amount included in the column headed "all pension related benefits" represents the annual increase (expressed in £2,500 bands) in pension entitlement. It is calculated using the method set out in the Finance Act 2004 (1) which compares the sum of the year end annual pension rate (multiplied by 20) plus lump sum to the opening equivalent amount adjusted for inflation, employee contributions are excluded from this figure. This amount represents pension benefits accruing to executive directors and is a new disclosure requirement for 2013/14.

Section 4 - remuneration report

Salaries and allowances

	2012/13					
	Salary (bands of £5,000) £'000	Expense payments (taxable) total to nearest £100 £'00	Performance pay and bonuses (bands of £5,000) £'000	Long term performance pay and bonuses (bands of £5,000) £'000	All pension- related benefits## (bands of £2,500) £'000	Total (bands of £5,000) £'000
Stuart Welling Chairman	20-25	3***	0	0	0	20-25
Charles Ellis Non-Executive Director	5-10	0	0	0	0	5-10
Stephanie Kennett Non-Executive Director	5-10	0	0	0	0	5-10
James O'Sullivan (Left 16/04/14) Non-Executive Director	5-10	3***	0	0	0	5-10
Maurice Rumbold (left 15/07/13) Non-Executive Director	5-10	1***	0	0	0	5-10
Ken Smith (left 31/07/13) Non-Executive Director	5-10	1***	0	0	0	5-10
Darren Grayson Chief Executive	170-175	19****	0	0	110-112.5	285-290
Vanessa Harris (appointed 22/10/12) Director of Finance	65-70	2***	0	0	792.5-795#	860-865
David Hughes Joint Medical Director	220-225*	3***	0	0	57.5-60	280-285
Andrew Slater Joint Medical Director	185-190**	0	0	0	75-77.5	260-265
Richard Sunley Chief Operating Officer/Deputy Chief Executive	150-155	0	0	0	32.5-35	180-185
Alice Webster (appointed 29/08/12) Director of Nursing	55-60	2***	0	0	192.5-195	250-255
Monica Green Director of Human Resources	100-105	1***	0	0	-17.5- -20	80-85
Amanda Harrison Director of Strategic Development and Assurance	110-115	17****	0	0	-2.5- -5	105-110
George Melling Commercial Director	95-100	0	0	0	10-12.5	105-110
Lynette Wells Company Secretary	65-70	0	0	0	-5- -7.5	60-65

* includes Salary for Consultant Radiologist work

** includes Salary for Consultant Anaesthetist work

*** represents reimbursement of travel costs incurred, subject to UK income tax and disclosed to the nearest £100

**** represents reimbursement of travel costs incurred and lease car benefits, subject to UK income tax and disclosed to the nearest £100

Director appointment made in year for which there is no comparable information available at 31 March 2012. The value of the increase in all pension related benefits is therefore attributed as a 2012-13 increase although a significant part of this relates to entitlement earned in previous years.

The amount included in the column headed "all pension related benefits" represents the annual increase (expressed in £2,500 bands) in pension entitlement. It is calculated using the method set out in the Finance Act 2004 (1) which compares the sum of the year end annual pension rate (multiplied by 20) plus lump sum to the opening equivalent amount adjusted for inflation, employee contributions are excluded from this figure. This amount represents pension benefits accruing to executive directors and is a new disclosure requirement for 2013/14.

Section 4 - remuneration report

Pension benefits

	Real increase in pension and related lump sum at age 60 (bands of £2,500) £'000	Real increase in accrued lump sum at age 60 (bands of £2,500) £'000	Total accrued pension at age 60 at 31 March 2014 (bands of £5,000) £'000	Lump sum at age 60 related to accrued pension at 31 March 2014 (bands of £5,000) £'000	Cash equivalent transfer value at 31 March 2014 £'000	Cash equivalent transfer value at 31 March 2013 £'000	Real increase in Cash Equivalent Transfer value £'000	Employer's contribution to stakeholder pension £'000
Darren Grayson Chief Executive	0-2.5	2.5-5	55-60	165-170	939	869	51	0
Vanessa Harris Director of Finance (appointed 22/10/12)	2.5-5	7.5-10	35-40	115-120	877	771	89	0
David Hughes Joint Medical Director	2.5-5	10-12.5	50-55	150-155	1020	879	122	0
Andrew Slater Joint Medical Director	2.5-5	7.5-10	45-50	140-145	824	711	97	0
Richard Sunley Chief Operating Officer /Deputy Chief Executive	0-2.5	2.5-5	55-60	175-180	1115	1039#	53	0
Monica Green Director of Finance	0-2.5	2.5-5	30-35	100-105	651	603	34	0
Amanda Harrison Director of Strategic Development and Assurance	0-2.5	2.5-5	20-25	70-75	458	415	33	0
George Melling Commercial Director	0-2.5	0	10-15	0	192	160	28	0
Alice Webster Director of Nursing (appointed 29/08/12)	0-2.5	5-7.5	30-35	90-95	494	437	47	0
Lynette Wells Company Secretary	0-2.5	0	5-10	0	75	56	17	0

The value disclosed as at 31st March 2013 was understated due to incomplete information received. The amount has been restated to reflect the correct value.

Note: Information supplied by NHS Pensions agency

Section 4 - remuneration report

	2013/14	2012/13
Band of highest paid director	£220-225k	£170-175K
Median total remuneration	£25.2k	£24.1k
Ratio	9 : 1	7 : 1

The 2012/13 calculation was based only on payments made in respect of responsibilities as a Director.

The 2013/14 calculation is based on payments made in respect of responsibilities as a Director as well as clinical work done.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

This is set out in the table above. The ratio has increased in 2013/14 because, in accordance with guidance, the remuneration of the highest paid director also includes responsibilities for clinical work done. In 2013/14 2 (2012/13, 10) employees received remuneration in excess of the highest paid director. Remuneration ranged from £225k to £247k (2012/13 £180k to £224k).

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

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 the period.

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 member's 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 benefits 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 figures and 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.

Section 5 - annual governance statement

Annual Governance Statement

The governance statement records the stewardship of the organisation to supplement the accounts.

It will give a sense of how successfully it has coped with the challenges it faces and of how vulnerable the organisation's performance is or might be. This statement will draw together position statements and evidence on governance, risk management and control, to provide a more coherent and consistent reporting mechanism.

The governance statement should refer to the board's committee structure; the board's performance, including its assessment of its own effectiveness; and to ensuring that required standards are achieved. This should make reference to performance against the national priorities set out in the NHS Outcomes Framework 2013/14.

All elements of the governance statement are important, however, the risk assessment is critical. This is where the Accountable Officer supported by the Board should discuss how the organisation's risk management and internal control mechanism work. Where there are weaknesses, the emphasis should be on how these are being addressed. Where there have been reports published on the organisation during the year, the Accountable Officer should reflect on the assurance these provide in helping to achieve effective operation of controls.

Governance statement

Scope of responsibility

Public service values must be at the heart of the National Health Service. High standards of corporate and personal conduct based on a recognition that patients come first, have been a requirement throughout the NHS since its inception.

Moreover, since the NHS is publicly funded, it must be accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money.

There are three crucial public service values which must underpin the work of the health service.

Accountability – everything done by those who work in the NHS must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.

Probity – there should be an absolute standard of honesty in dealing with the assets of the NHS: integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.

Openness – there should be sufficient transparency about NHS activities to promote confidence between the NHS organisation and its staff, patients and the public.

The Chief Executive is the Accountable Officer for East Sussex Healthcare NHS Trust (ESHT). The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health and encompass the responsibility for the propriety and regularity of public finances in the NHS; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in the Officer's charge. The Accountable Officer must ensure that:

- there is a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding public funds and assets
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the net operating cost, recognised gains and losses and cash flows for the year.

Section 5 - annual governance statement

The Chief Executive also has responsibility for the governance and assurance process across the Trust. This includes a responsibility for ensuring that processes are in place to enable identification and management of current risk and anticipation of future risk.

Governance framework

East Sussex Healthcare was formed on 1st April 2011 following the integration of East Sussex Hospitals NHS Trust with East Sussex Community Services.

The NHS Foundation Trust Code of Governance has stated that the Board should be of sufficient size that the balance of skills, capability and experience is appropriate for the requirements of the business.

The Board has a balance of skills and experience appropriate to fulfilling its responsibilities and is well balanced with a Chairman, five non-executive directors and five executive directors.

In line with best practice there is a clear division of responsibilities between the roles of Chairman and Chief Executive.

The Board complies with the HM Treasury/Cabinet Office Corporate governance Code where applicable.

In January 2014, following the end of term of two of the Trust's non executive directors, the Trust appointed a new non-executive director and a non-executive director designate.

The Trust has nominated a non-executive director as Vice Chairman and another as the Senior Independent Non-executive Director (SID).

The role of the SID is to be available for confidential discussions with other directors who may have concerns which they believe have not been properly considered by the Board, or not addressed by the Chairman or Chief Executive, and also to lead the appraisal process of the Chairman.

The SID is also available to staff in case they have concerns which cannot, or should not, be addressed by the Chairman or Executive Directors as outlined in the Trust's Whistleblowing Policy.

Board effectiveness

A self-assessment against the Board Governance Assurance Framework to support identification of developmental needs and progression towards Foundation Trust status has been undertaken.

The Board is committed to becoming a cohesive, balanced and high performing leadership group and this was supported in 2013 by a tailored Board development programme delivered by Hay Group which was completed in October 2013. This has been supplemented by ongoing Board Seminars throughout the year to develop Board knowledge and allow in depth discussion and exploration of key issues.

Committee structure

The Trust Board meets bi-monthly in public. Committees of the Board include Audit, Remuneration, Finance and Investment, Quality and Standards.

All Committees are chaired by a non-executive director of the Trust and membership of the Audit and Remuneration Committees comprise only non-executive directors.

Terms of reference outline both quoracy and expected attendance at meetings and the Board receives a report from the Committee Chair at each Board meeting. Functions of these Committees are outlined below.

Audit Committee

The Audit Committee supports the Board by critically reviewing the governance and assurance processes on which the Board places reliance.

This encompasses: the effectiveness of Trust governance, risk management and internal control systems; the integrity of the financial statements of the Trust, in particular the Trust's Annual Report; the work of internal and external audit and any actions arising from their work; compliance by the Trust with relevant legal and regulatory requirements. The Committee meets bi-monthly.

The Committee has aimed to perform its duties during the year as delegated by the Trust Board

Section 5 - annual governance statement

and mandated through governance requirements, ensuring compliance with and further developing good practice through continuous self assessment and review of its effectiveness; and assessing itself against the checklist in the Audit Committee Handbook.

The Committee has been chaired since June 2012 by a non-executive with a financial background and membership consists of himself and two non-executive directors. Executive directors are invited to attend.

The Committee met on 6 occasions throughout the financial year, was well attended and always quorate.

The Committee has reviewed the Board Assurance Framework (BAF). It is evident that there has been increased focus to ensure that the BAF is fit for purpose and the Committee has reviewed evidence to support this.

The BAF is in line with Department of Health expectations and has been reviewed by internal audit to provide an objective assessment over the Risk Management and Assurance Framework process.

The Committee has oversight of the completeness of the risk management system. Divisional and Corporate representatives have attended the Committee on a rotational basis to present their risk registers, mitigating actions and clinical audit plans.

As one of the key means of providing the Trust Board with assurance that effective internal control arrangements are in place the Audit Committee requests assurances and information from a variety of sources to inform its assessments. It has received assurance reports from Trust management and various other sources both internally and externally throughout the year.

This process has also included calling managers to account when considered necessary to obtain relevant assurance and updates on outcomes.

The Committee also works closely with the executive directors to ensure that the assurance mechanism within the Trust is fully effective and that a robust process is in place to ensure that actions falling out of external reviews are implemented and monitored by the Committee.

The Audit Committee chairman updates the

Trust Board at each meeting with both minutes and a verbal update and an annual report is also presented.

Remuneration committee

The purpose of the Remuneration Committee is to ensure that the process of appointing, and if necessary dismissing, the executive directors are robust, fit for purpose and have been followed.

It oversees the system for all executive director appointments and agrees the parameters for the senior appointments process. It also agrees and reviews the Trust's policies on the reward, performance, retention and pension matters for the executive directors and other senior managers of the Trust.

Membership comprises four non executive directors, one of whom is the Trust Chairman who leads the meetings. The Committee met five times during 2013/14 and with the exception of one meeting all were quorate.

Finance and investment committee

The Finance and Investment Committee provides support to the Trust Board in regard to understanding:

- the future financial challenges and opportunities for the Trust
- the future financial risks of the organisation
- the integrity of the Trust's financial structure
- the effectiveness and robustness of financial planning
- the effectiveness and robustness of investment management
- the robustness of the Trust's cash investment approach
- the investment and market environment the Trust is operating in,
- the financial and strategic risk appetite that is appropriate for the organisation
- the process for business case assessments and scrutiny and the process for agreeing or dismissing investment decisions depending on the above.

The Committee is scheduled to meet quarterly but has met monthly during 2013/14 in order to provide sufficient time to review and monitor the Trust's financial recovery plan.

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Quality and standards committee

The Committee's prime function is to ensure that the Trust is providing safe and high quality services to patients supported and informed by effective arrangements for monitoring and continually improving the safety and quality of care.

It meets bi-monthly to provide an objective review of all aspects of quality, safety and standards in support of getting the best clinical outcomes and experience for patients.

The Committee assists the Board to be assured that the Trust is meeting statutory quality and safety requirements and to gain insight into issues and risks that may jeopardise the Trust's ability to provide excellent quality care services. It held 6 meetings during the financial year.

It has agreed its work plan and reviewed and endorsed the Trust's quality improvement priorities for subsequent publication in the Quality Account. During the year the Quality and Standards Committee has reviewed a number of areas in depth such as patient experience and management of serious incidents and undertakes "deep dive" reviews of any areas highlighted through the risk management process.

The Patient Safety and Clinical Improvement Group reports into the Quality and Standards Committee and Clinical Management Executive and is chaired by the Director of Nursing.

Its purpose is to ensure that patient safety issues and outcomes are discussed and appropriate actions are taken as a result and receives and reviews data from key safety indicators including Morbidity and Mortality, Serious Incidents, Patient Safety Incidents, the Safety Thermometer, Complaints and Claims.

The Clinical Units provide quality / governance reports to the group on a bi-monthly basis.

Risk assessment

Risk management processes and structures are defined in the Trust's Risk Management Strategy and supporting policies.

A risk assessment process is in place that encompasses:

- Context
- Risk identification
- Risk assessment
- Evaluation and Ranking
- Risk Treatment
- Monitoring and review
- Communication and Consultation

The Trust uses the Datix system to record risks and generate risk registers. The registers are real-time documents which are populated through the organisation's risk assessment and evaluation processes. This enables risks to be quantified and ranked. A corporate risk register populated from the various risk registers is produced and establishes the organisational risk profile.

Risks are routinely reviewed at Clinical Unit Quality Meetings and Team Meetings. The Clinical Management Executive has a rolling programme to review all Clinical Unit/Department risk registers. This process is being reviewed and aligned to Clinical Units following the dissolution of Divisions. Every quarter, the Trust Risk Register is taken to the CME, presented by the Director of Strategic Development and Assurance. The Trust Risk Register is made up of all extreme risks. The Trust Risk Register is also presented to the Audit Committee at each meeting.

The Trust Assurance Framework clearly links risks with corporate objectives and the wider strategic business plan. It sets out the key objectives and the principal risks against achieving them. It details the key controls, sources of assurance and any gaps therein. Additionally, the Assurance Framework is cross-referenced with the Corporate Risk Register to ensure that all risks faced by the Trust are managed consistently and seamlessly.

The Board approved a revised Risk Management Strategy in January 2012 and the Risk Management Policy and Procedures were

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reviewed and strengthened in January 2013. As part of the Trust's ongoing governance review it held a "Risk Summit" Board Seminar in October 2013 to consider the key risks, risk appetite and how this feeds into the Board Assurance Framework.

Risk identified in 2013/14

Principle risks are captured on the Assurance Framework with a clear process of reviewing and monitoring mitigation and outcomes of these risks through the Trust's Committee structure to the Board. The principle risks recorded on the Assurance Framework during the year are outlined below:

- We are unable to demonstrate continuous and sustained improvement in patient safety and the quality of care we provide which could impact on our registration and compliance with regulatory bodies
 - We are unable to demonstrate that the Trust's performance meets expectations against national and local requirements resulting in poor patient experience, adverse reputational impact, loss of market share and financial penalties.
 - There is a lack of leadership capability and capacity to lead ongoing performance improvement and build a high performing organisation.
 - We are unable to develop and maintain collaborative relationships based on shared aims and objectives with partner organisations resulting in an impact on our ability to operate efficiently and effectively within the local health economy.
 - We are unable to define our strategic intentions, service plans and configuration in an Integrated Business Plan that ensures sustainable services and future viability.
 - We are unable to demonstrate that we are improving outcomes and experience for our patients and as a result we are not the provider of choice for our local population or commissioners.
 - We are unable to adapt our capacity in response to commissioning intentions, local needs and demand management plans
- resulting in our services becoming unsustainable, with an adverse impact on finance and liquidity. In setting a deficit budget for 2013/14 there is a risk that the Trust will not generate the required surplus of cash to pay staff and suppliers.
- We are unable to effectively recruit and manage our workforce in line with our strategic, quality, operational and financial requirements.
 - We are unable to develop and implement effective cultural change programmes that lead to improvements in organisational capability and staff morale.
 - We are unable to effectively align our estate and Information Management and Technology infrastructure to effectively support our strategic, quality, operational and financial requirements.
 - We are unable to respond effectively to external factors and this affects our ability to meet our organisational goals and deliver sustainable strategic change.

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Lapses of data security

During 2013/14 ESHT did not have any IG incidents scored at 2 or more.

The table below shows 47 information governance incidents that have been reported and scored at level 1 or lower on the scale.

Summary of personal data related incidents		
Category	Nature of incident	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in error	24
C	Lost in transit	1
D	Lost or stolen hardware	1
E	Lost or stolen paperwork	1
F	Non-secure disposal of hardware	0
G	Non-secure disposal of paperwork	2
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	1
J	Unauthorised access/disclosure	3
K	Other	14
Total		47

All incidents are investigated and actions implemented to prevent reoccurrence.

None of the incidents fell within the requirements to be reported to the Information Commissioner's Office.

Freedom of information requests

The Trust received 565 Freedom of Information requests in 2013/14, of these 505 (89%) were responded to in time.

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Performance against the national priorities set out in the NHS Operating Framework 2013/14

Performance Indicator	Thresholds		MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
	Performing	Under-performing	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total time in A&E - 95% of patients should be seen within four hours	95%	94%	87.53%	97.78%	97.34%	96.74%	96.01%	94.22%	95.19%	95.98%	95.01%	96.73%	95.41%	94.78%
MRSA (Cumulative)	0	>1SD	0	0	0	0	0	0	0	0	1	1	1	1.0
C Diff (Cumulative)	0	>1SD	4	10	11	14	18	23	27	31	35.0	36.0	39.0	43.0
RTT - admitted - 90% in 18 weeks	90%	85%	84.62%	82.97%	76.78%	92.81%	92.43%	91.79%	91.41%	90.03%	80.50%	73.66%	74.61%	74.85%
RTT - non-admitted - 95% in 18 weeks	95%	90%	96.57%	96.85%	96.60%	96.91%	96.79%	95.42%	95.77%	95.06%	94.65%	94.42%	93.99%	93.55%
RTT - incomplete 92% in 18 weeks	92%	87%	94.81%	94.99%	95.50%	94.86%	94.24%	93.86%	92.42%	92.40%	92.13%	92.71%	92.98%	92.77%
RTT delivery in all specialties	0	>20	11	9	11	4	5	6	9	9	16	15	16	19
Diagnostic Test Waiting Times	<1%	5%	0.77%	0.13%	0.47%	0.35%	2.11%	0.71%	0.75%	1.62%	4.70%	5.78%	5.09%	5.56%
Cancer 2 Week Wait	93%	88%	93.91%	96.49%	94.69%	93.05%	94.95%	94.22%	95.95%	94.74%	93.41%	91.08%	94.23%	93.95%
Cancer 2 week wait - Breast	93%	88%	96.30%	93.00%	96.74%	91.61%	91.23%	94.38%	93.14%	92.19%	94.95%	87.40%	94.78%	89.19%
Cancer 31 day - Subsequent Surgery	94%	89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	94.29%	100.00%	95.24%
Cancer 31 day - Subsequent Chemo	98%	93%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cancer 31 day - Diagnosis to Treatment	96%	91%	96.11%	97.95%	98.58%	97.50%	98.13%	99.38%	98.52%	97.69%	97.62%	97.89%	98.79%	100.00%
Cancer 62 Day Screening Service	90%	85%	77.78%	100.00%	66.67%	91.67%	100.00%	77.78%	73.68%	83.33%	89.47%	100.00%	88.89%	81.82%
Cancer 62 Day Urgent Referral	85%	80%	85.71%	85.23%	82.21%	89.91%	77.68%	79.90%	81.19%	79.67%	88.71%	89.57%	82.59%	84.69%
Delayed transfers of care	3.5%	5.0%	0.60%	0.68%	0.68%	0.63%	0.47%	0.61%	0.69%	0.57%	0.46%	0.64%	0.70%	0.38%
Mixed Sex Accommodation Breaches	0.0%	0.5%	0.00%	0.00%	0.11%	0.15%	0.91%	0.48%	0.31%	0.16%	0.17%	0.04%	0.00%	0.00%
VTE Risk Assessment	95.0%	80.0%	95.26%	96.75%	96.28%	97.16%	96.44%	97.04%	96.91%	97.13%	96.99%	97.90%	98.36%	98.25%

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Risk and control framework

The Trust has a statutory and regulatory obligation to ensure that systems of control are in place to minimise the impact of risk, which could affect the functioning of the Trust.

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 Trust has in place an ongoing process to:

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

This process is supported by an integrated governance and assurance framework, incorporating risk management, which is designed to assimilate the three separate strands of risk; financial, organisational and clinical with an approach to manage them in a seamless and holistic way.

The Risk Management Strategy sets out the key roles and responsibilities of the Trust Board, its sub-committees, Executive Directors, managers and all employees within the organisation in respect of risk management.

The Director of Finance has delegated authority to manage financial risk and the Medical Director and the Director of Nursing have delegated authority to manage patient safety and clinical risk. The Director of Strategy and Assurance oversees risk management, compliance and information governance within the Trust.

Communication of risk management matters, including sharing good practice takes place in a wide variety of ways, both at corporate and clinical unit level. The Assurance Team provide essential risk management support and training to staff. All Trust staff are encouraged to attend relevant Risk Management training including Risk Assessment, Risk Management, Incident

Reporting Workshops and Root Cause Analysis training. The Trust Mandatory Training Policy details the risk management training for staff. Individuals responsible for completing risk assessments must have undertaken risk assessment training, those completing Root Cause Analysis investigations and reports must have attended RCA training. Risk management is also covered at induction with new members of staff required to complete an online training module.

All risks are identified, analysed, evaluated and controlled through the Trust incident reporting and information system. Risks are identified through incident reporting, risk assessment reviews, clinical audits and other clinical and non-clinical reviews with a clearly defined process of escalation to risk registers. Incident reporting information is shared widely through local clinical governance forums to support organisational learning. All risks are allocated a risk score of between 1 and 25. The scores are divided into one of four categories:

Risk score	Category
1-3	Low risk
4-6	Moderate risk
8-12	High risk
15-25	Extreme risk

All business cases and proposed service reconfigurations are routinely risk assessed and papers provide narrative on risk and equality impact. Post implementation reviews are undertaken to monitor outcomes and unintended consequences.

The Medical Director and Director of Nursing consider all proposed cost improvement and efficiency plans to ensure that implementation is not detrimental to patient safety and quality of care.

All significant risks are escalated from the clinical unit risk registers to the High Level Risk Register, which informs the business planning and care management process.

Clinical unit risk registers and the High Level Risk Register, which contains all risks rated 16 and

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above are reviewed at the Clinical Management Executive and further monitored at the Audit Committee and Quality and Standards Committee.

The Board Assurance Framework is a strategic risk management tool used by the Trust to identify key risks to the achievement of its aims and objectives.

It helps the Trust Board to ensure that all identified risks are focused upon and that effective controls are in place thus providing assurance that a robust risk management system underpins the delivery of the organisation's principal aims and objectives. It highlights gaps in the effectiveness of controls or of assurance and informs the Board of the areas where it should be scrutinising the controls the organisation has in place to manage the principle risks.

The Board Assurance Framework is managed by the Company Secretary. It has been regularly reviewed and revised by the Board and the Audit and Quality and Standards Committees.

Internal Audit gave significant assurance over the Board Assurance Framework (BAF) and Risk Management processes operating within the Trust stating that these "continue to be fully established, developed and embedded within the organisation and linked to the Board Assurance Framework. They found clear evidence that the Board has appropriately and effectively engaged in the continuous development and maintenance of the BAF, with Board agendas and minutes providing clear links to the BAF."

The Trust manages its financial risks using a wide range of management tools. Performance against budgetary targets is recorded, analysed and reported monthly. This information is monitored and challenged both internally and externally. In addition to performance assessment, financial control and management is continually assessed by internal and external audit, and counter fraud teams. Reports from these parties are presented to the Audit Committee. Operational management, Finance, Purchasing and Payroll teams are segregated to reduce conflicts of interest and the risk of fraud. Segregation is enhanced and reinforced by IT control systems which limit authority and access.

Patient and public involvement

Section 11 of the Health and Social Care Act 2012 places a duty on the NHS to consult and involve patients and the public in the planning and development of health services and in making decisions affecting the way those services operate.

The Trust has continued to strengthen closer working relationships with stakeholders particularly in respect of the implementation of its Clinical Strategy: Shaping our Future. This has been undertaken through an environment of openness, transparency and accessibility in order to allow stakeholders to engage with the Trust to plan future service improvements. Public engagement events have also taken place to support the development of the Trust's Quality Account improvement priorities and Patient Experience Strategy.

The Board is committed to learning from patient experience. Board members report outcomes of their ward and department visits at the beginning of each Board meeting; to share experiences and to maintain a focus on continually improving patient safety and experience.

The Trust is implementing a Patient Experience Strategy which aims to put patients at the heart of their care; it sets out a clear and ambitious programme that will enhance the experience of patients and service users. The Trust has implemented the Friends and Family Test which provides an opportunity for patients to feedback on the care and treatment they receive and to influence service improvement. Patients are asked whether they would recommend hospital wards, Maternity services and A&E departments to their friends and family if they needed similar care or treatment.

This means every patient in these departments are able to give feedback on the quality of the care. Calculation of feedback is carried out by using the Net Promoter score, this is the calculated by taking the proportion of responses known as detractors (extremely unlikely, unlikely, neither unlikely nor likely) away from the promoters (highly likely). The response "likely" is a passive and not counted.

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This score is used to benchmark the organisation against other Trusts in the country including all specialist hospitals. The scores are published on NHS Choices and NHS England and monitored by the Quality and Standards Committee.

The Trust has maintained positive Net Promoter scores in all areas throughout 2013/14. The top 2 positive indicators identified by service users were 'We will give you clear high quality information about your condition, treatment and our services' and 'We will treat you as an individual, listen to your views and respect your privacy and dignity'. The negative indicator identified related to the in-patient meal service, 'We will provide you with nutritious and appetising food, with as much support as you need, whilst in our care'. In March 2014 the Trust introduced a new meal service which has received positive feedback.

Quality walks

Board members undertake 'quality walks' to develop their understanding of the organisation and the organisation's understanding of the Board by providing a 'Board to ward' and 'ward to Board' perspective.

These visits add to and compliment the assurance provided to the Board through regular reporting on compliance with local, national and regulatory quality standards. They are not a one off event but part of a continuing cycle of improvement where outcomes are fed back to staff, patients and others and if required actions are taken.

Quality Walks are monitored to ensure the full range of the Trust's service provision is covered and that a wide range of services and locations are visited across all operating hours including out of hours. 136 quality walks took place in 2013/14.

Equality and diversity

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

The Trust has published its Equality Strategy 2011-15 which details how the Trust will eliminate discrimination, advance equality and foster good relations between people who share certain characteristics and those who do not. The Board also consider an Annual Equality Information Report. The Trust employs an Equality and Diversity Manager and has an Equality and Diversity Steering Group which is chaired by the Chief Executive.

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.

Climate change

The Trust has undertaken a climate change risk assessment.

It has 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.

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Duty of candour

Following a full public consultation, new rules to 'toughen transparency in NHS organisations and increase patient confidence' were announced in December 2012.

Government regulations now require the NHS Commissioning Board to include a contractual duty of openness in all commissioning contracts.

This means that NHS organisations are required to tell patients if their safety has been compromised, apologise, and ensure that lessons are learned to prevent them from being repeated. The Trust has a Being Open Policy (2012) and ensures that as part of any investigation into Serious Incidents or complaint there is clear, open and honest communication with patients and their families/carers.

Whistleblowing

The Trust has a Whistleblowing Policy which outlines how staff should raise concerns

It has a nominated Senior Independent Non-executive Director who is available to review concerns which cannot, or should not, be addressed by the Chairman or Executive Directors.

Counter fraud and anti-bribery arrangements

Under the new NHS Standard Contract introduced in 2012/13, all organisations providing NHS services are required to have appropriate anti-fraud arrangements in place.

In 2012, NHS Protect published 'Standards for Providers: Fraud, Bribery and Corruption' ("the Standards") to assist organisations with this process. It incorporates a requirement that the Trust employs or contracts a qualified person or persons to undertake the full range of anti-fraud work, and that it produces a risk based workplan that details how it will approach anti-fraud and corruption work.

The Trust is committed to ensuring fraud, bribery and corruption does not proliferate within the organisation. We are fully compliant with the directions issued by the Secretary of State in 1999, the NHS Standard Contract (2012) and the NHS Counter Fraud and Corruption Manual.

The Trust's Counter Fraud Service is provided by Mazars Public Sector Internal Audit Limited. The accredited Local Counter Fraud Specialist (LCFS) reports to the Director of Finance and attends our Audit Committee meetings to report on the work achieved. Our LCFS works to ensure that counter fraud is integrated into all Trust activity in a positive way.

Throughout the past financial year we have continued to embed the counter fraud and anti-bribery culture, and work is undertaken against the Standards, comprising the area of Strategic Governance and the three key principles of Inform and Involve, Prevent and Deter, and Hold to Account.

Reactive investigations comply with legislative requirements and with the NHS Counter Fraud and Corruption Manual. Our LCFS liaises with other LCFS personnel and relevant external bodies for investigations, as appropriate.

The LCFS is available to receive referrals and reports on the results to the Director of Finance and the Audit Committee. All sanctions available to the Trust are considered following a reactive investigation, together with efforts to recover losses incurred.

Review of the effectiveness of risk management and internal control

Over the past year there is clear evidence of improved risk management including incident reporting and investigation, complaints handling and the strengthening of the Board Assurance Framework.

The backlog of closure for serious incidents has been significantly reduced and focus is being given to timely reporting of incidents. There is a programme of training for root cause analysis, risk and incident reporting. In 2012 the Audit Committee identified a gap in control in respect of recording the completion of audit

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recommendations and this has been addressed and is being monitored by the Committee. Following the revised change in structure with accountability devolved to Clinical Units, systems and processes will be reviewed during 2014 to ensure that there is assurance that internal control and risk management remains robust.

The Trust is developing a revised outcome focussed Quality Improvement Plan to pull together a number of strands of the quality agenda including:

- Identified gaps / actions from the recommendations of the reviews by Sir Bruce Keogh and Professor Don Berwick,
- Quality Improvement Priorities as defined in the Quality Account,
- Commissioning for Quality and Innovation (CQUIN) targets
- Priorities identified through Listening into Action and areas of concern identified through governance processes including Serious Incident and Incident analysis, patient feedback and audit.

NHSLA

The NHSLA is the Trust's insurer and historically offered a discount on premiums if organizations could evidence their compliance with risk management standards.

There were three levels for both acute and maternity services, with three achieving the highest discount.

The Trust currently holds NHSLA level one for acute service and CNST level two for maternity. The NHSLA have replaced the policy inspection regime and discount system an emphasis on learning from outcomes. The Trust is reviewing the requirements as they are published.

Internal audit

TIAA Limited provide the Trust with internal audit services.

In accordance with NHS Internal Audit Standards, the Head of Internal Audit (HoIA) is required to give an annual opinion, based upon and limited

to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (that is, the organisation's system of internal control).

For 2013/14 the Head of Internal Audit's overall opinion was that that except for the Trust's ability to control its financial position within its planned budget, "significant assurance" can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently'.

The Internal auditors completed 20 audits during the year; 11 gave 'significant' assurance and 4 'limited' assurance, with 5 being provided with a split opinion between 'significant' and 'limited.'

All internal audit reports and associated actions are reviewed and implementation monitored by the Audit Committee.

Care Quality Commission (CQC)

The Trust is registered with the Care Quality Commission to carry out eight legally regulated activities from 20 registered locations:

- Maternity and midwifery services
- Termination of pregnancies
- Nursing care
- Family planning services
- Treatment of disease, disorder or injury
- Assessment or medical treatment for persons detained under the Mental Health Act 1983
- Surgical procedures
- Diagnostic and screening procedures

The CQC has carried out a total of 5 visits and these encompassed paediatric and maternity services, district nursing, sexual health and mental health act compliance.

The CQC has revised its approach to the inspection of hospital services. A Chief Inspector of Hospitals has been appointed and is leading a team who are undertaking more intensive

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inspections. It is not yet clear when ESHT will be subject to a CQC inspection under the revised process or whether this will be as an integrated organisation, although the timelines for the conclusion of the first round of the hospital inspection process and the development of the community health care inspection regime are clear. The Trust is preparing for its inspection, ensuring that its programme of clinical improvement is geared towards maintaining regulatory requirements as well as improving safety, clinical effectiveness and patient experience.

Obstetric and neonatal services

On 8th March 2013 the Board agreed to take action to ensure the safety of obstetric and neonatal services through the temporary consolidation of a consultant led obstetric service, neonatal (including the Special Care Baby Unit), in-patient paediatric and emergency gynaecology services at Conquest Hospital only along with the establishment of a stand alone midwifery led maternity unit and a Short Stay Paediatric Assessment Unit at Eastbourne DGH.

These changes were introduced from 7th May 2013 and the Board has closely monitored the services throughout the year. The evidence that has been collected on service safety and quality has indicated that improvements have been delivered following this change.

This is a temporary change and the local Clinical Commissioning Groups are currently undertaking a consultation on the proposed options for permanent changes to maternity and paediatric services. The consultation closed on 8th April and it is anticipated a decision will be made by the end of June 2014.

Significant issues

Financial performance

At the start of 2013/14 the Trust set a financial plan for a deficit of £19.4m. At the end of July financial performance was adverse to plan and the Trust put in place a financial recovery plan and went into a Turnaround programme from 1 October 2013. Following a review of the likely year-end financial outturn the expected deficit was reforecast to £23.1m which was the final year end position.

The organisation has been identified as being part of a challenged health economy and is working with commissioners, the TDA, NHS England and external advisers to develop a cohesive and aligned health economy wide plan that adequately addresses future financial and quality challenges.

Referral to treatment

In the latter part of the financial year the Trust had issues in respect of the achievement of referral to treatment timescales, particularly the admitted pathway. Actions taken by the Trust to maintain aggregate performance resulted in an increasing backlog. An action plan has been developed with support from the National Intensive Support team and the TDA to ensure that the organisation returns to achievement against the target in 2014/15 and this will be monitored by the Trust Board.

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Operating and financial review

As predicted 2013/14 was another tough year for the Trust financially.

As a result of unavoidable reductions in income from the Trust's NHS commissioners and in order to balance the priorities of quality, safety and finance the Board made the difficult decision to set a financial plan with a deficit of £19.4 million.

This assumed planned savings of £20 million, which was 5.6% of total income. In the early part of the year the Trust faced a number of unplanned cost pressures that jeopardised the delivery of the plan.

To address this growing risk a Turnaround Director was appointed around the mid-year point and financial disciplines were tightened, including restrictions on premium cost service delivery such as the deployment of agency staff and the use of the independent sector to undertake elective surgery.

As a result of the actions that were taken in response to financial pressures, there were significant improvements in both income and expenditure in the second half of the year compared to the first half.

This enabled the Trust to limit the deficit for the year to £23.1 million. While this was £3.7 million worse than plan, it was a much better result than had been anticipated at the mid-year point. Most of the actions taken will have a recurrent benefit, reducing the Trust's cost base for future years.

Part of the planned shortfall has resulted from a change in the methodology for calculating the Public Dividend Capital (PDC) dividend payable to the Department of Health as the cost of capital. £0.9 million represents the cost of a Mutually Agreed Resignation Scheme (MARS), which will have a beneficial effect on future years' pay costs.

Much of the remainder of the gap can be attributed to a shortfall against the cost improvement target, even though the Trust was able to deliver savings amounting to 4.8% of income.

The deficit position inevitably put further pressure on the Trust's liquidity and an application for cash financing was made to the Independent Trust Financing Facility (ITFF). This is an independent committee set up by the Department of Health to consider applications from NHS bodies for loan or PDC financing.

The Trust made an application for £34.4 million of revenue funding and £5.0 million for urgent additional capital spend. This was applied for as PDC because loan repayments would be unaffordable. Funding for the full £39.4 million was approved.

This enabled the Trust to significantly reduce amounts owed to its suppliers and to ease pressure on its capital programme.

The Better Payments Practice Code (BPPC) was established to measure an NHS body's performance against a target to pay suppliers within a 30 day period.

The additional PDC approved by the ITFF enabled the Trust to significantly improve its performance against the code towards the end of the year. However, as a result of cash pressures through most of the year, the Trust paid just 47% of non NHS and 36% of NHS suppliers within the 30 day target.

The Trust was formed from a merger of acute and community services in 2011/12. However, under the Department of Health's 'Transforming Community Services' (TCS) guidance the assets the Trust employs to provide community services (previously held by Primary Care Trusts) were not transferred to the Trust until 1 April 2013.

These assets were valued at £49.3 million and were accompanied by an accumulated revaluation reserve of £14.3 million.

A revaluation of the estate undertaken with effect from 1 April 2013 resulted in an impairment of assets taken through the Statement of Comprehensive Income of £10.0 million and an increase to the revaluation reserve of £9.9 million. Of the impairment, £6.8 million related to community assets transferred under TCS.

The Trust spent £17 million of capital in 2013/14, including £1 million from donated funds.

During the year the Board of Directors approved a business case for the Trust's clinical strategy,

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which requires a capital investment of £30 million. This was submitted for the further approval of the Trust Development Authority (TDA) as the value is above the Trust's current delegated capital investment limit. A decision from the TDA is awaited.

The Trust continues to strengthen its working relationships with customers, suppliers, other NHS organisations and key supporters such as the League of Friends.

There have been no major accounting policy changes in the year.

The Trust continues to develop Service Line Reporting and Patient Level Costing and these tools will be used increasingly to engage clinicians in improving understanding of cost drivers and profitability and for providing management with better information with which to make business decisions.

The Board continues to gain additional assurance on financial matters through the Finance and Investment Committee, which ensures that all material financial risks and developments are closely scrutinised and that senior management is properly held to account for financial performance. Clinical representation at this committee helps to ensure that clinical quality and patient safety issues are considered alongside financial performance and risk.

In addition to the scrutiny provided by the Finance and Investment Committee, key financial risks form part of the Trust-wide high-level corporate risk register, which is regularly updated and assessed by the Audit Committee and referred onwards to the Trust Board where significant risks are considered and acted upon.

Looking ahead the Trust has agreed and submitted to the TDA a two-year plan with a deficit of £18.5 million for 2014/15 and £14.0 million for 2015/16. This is after planned cost improvements of £20.4 million and £20.0 million respectively.

The turnaround process, with external support, has continued into the new financial year and this will continue to assist in driving the improvements required.

The Trust's main contract with Clinical Commissioning Groups (CCGs) for 2014/15 has been signed within a risk-sharing arrangement which is designed to remove some of the

financial uncertainty from within the local health economy.

While still in deficit the Trust will require further cash support from the Department of Health and a fresh application to the ITFF will be made in due course.

The Trust has yet to achieve its statutory breakeven duty and has been identified as being part of a challenged health economy and is working with commissioners, the TDA, NHS England and external advisers to develop a cohesive and aligned health economy wide plan that adequately addresses future financial and quality challenges.

Each director has confirmed that as far as he/she is aware there is no relevant audit information of which the NHS body's auditors are unaware and he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the NHS body's auditors are aware of that information.

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Independent auditor's statement to the board of directors of East Sussex Healthcare NHS Trust

We have examined the summary financial statement for the year ended 31 March 2014 set out on pages 60 to 64 of the annual report.

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

Respective responsibilities of directors and auditor

The directors are responsible for preparing the annual report.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the annual report with the statutory financial statements.

We also read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008103 issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of East Sussex Healthcare NHS Trust for the year ended 31 March 2014. We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements (9th June 2014) and the date of this statement.

BDO LLP, London, UK

4th September 2014

Directors' statement

The auditor has issued unqualified reports on the full annual financial statements and on the consistency of the operating and financial review with these financial statements.

Full set of accounts

The financial statements in this report show the financial position at the end of the operational year and its performance during the year. These are a summary of the information shown in the annual accounts, a full set of which is available from Vanessa Harris, Director of Finance, East Sussex Healthcare NHS Trust, St. Anne's House, 729 The Ridge, St. Leonards-on-Sea, East Sussex, TN37 7PT.

External auditor

The external auditor is BDO LLP. The costs of their services for 2013/14 comprise exclusively statutory audit fees and no other non-audit services have been provided.

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Statement of comprehensive income for the year ended 31st March 2014

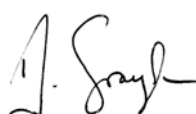
	2013/14 £000s	2012/13 £000s
Gross employee benefits	(255,250)	(255,800)
Other operating costs	(135,873)	(124,583)
Revenue from patient care activities	337,098	357,885
Other operating revenue	27,142	29,515
Operating surplus/(deficit)	(26,883)	7,017
Investment revenue	18	25
Other gains	9	22
Finance costs	(305)	(368)
Surplus/(deficit) for the financial year	(27,161)	6,696
Public dividend capital dividends payable	(6,251)	(6,224)
Retained surplus/(deficit) for the year	(33,412)	472
Other comprehensive income		
Impairments and reversals taken to the Revaluation Reserve	0	(3,747)
Net gain on revaluation of property, plant and equipment	9,915	0
Total comprehensive income for the year	(23,497)	(3,275)
Financial performance for the year		
Retained surplus/(deficit) for the year	(33,412)	472
Impairments (excluding IFRIC 12 impairments)	10,018	0
Adjustments in respect of donated government grant asset reserve elimination	300	50
Adjusted retained surplus/(deficit)	(23,094)	522

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Statement of financial position as at 31st March 2014

	31/03/14 £000s	31/03/13 £000s
Non-current assets:		
Property, plant and equipment	257,258	202,953
Intangible assets	826	285
Trade and other receivables	708	898
Total non-current assets	258,792	204,136
Current assets:		
Inventories	6,238	6,869
Trade and other receivables	25,426	14,051
Other current assets	0	107
Cash and cash equivalents	2,257	2,250
Total current assets	33,921	23,277
Total assets	292,713	227,413
Current liabilities:		
Trade and other payables	(32,062)	(33,044)
Provisions	(463)	(476)
Borrowings	(320)	(308)
Working capital loan from Department	(1,331)	(1,334)
Capital loan from Department	(343)	(340)
Total current liabilities	(34,519)	(35,502)
Net current liabilities	(598)	(12,225)
Non-current assets less net current liabilities	258,194	191,911
Non-current liabilities:		
Provisions	(2,631)	(2,671)
Borrowings	(598)	(916)
Working capital loan from Department	0	(1,331)
Capital loan from Department	(3,535)	(3,878)
Total non-current liabilities	(6,764)	(8,796)
Total assets employed	251,430	183,115
Financed by taxpayers' equity:		
Public dividend capital	153,130	111,969
Retained earnings	(8,096)	(11,029)
Revaluation reserve	106,396	82,175
Total taxpayers' equity	251,430	183,115

The financial statements on pages 60 to 64 were approved by the board on 4th June 2014 and signed on its behalf by:



Chief Executive

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Statement of changes in taxpayers' equity for the year ended 31st March 2014

	Public dividend capital £000s	Retained earnings £000s	Revaluation reserve £000s	Total reserves £000s
Balance at 1st April 2013	111,969	(11,029)	82,175	183,115
Transfers under modified absorption accounting - PCTs and SHAs		50,651		50,651
Transfers between reserves in respect of modified absorption - PCTs and SHAs		(14,318)	14,318	0
Revised balance at 1st April 2013	111,969	25,304	96,493	233,766
Changes in taxpayers' equity for the year ended 31st March 2013/14				
Retained deficit for the year		(33,412)		(33,412)
Net gain on revaluation of property, plant, equipment			9,915	9,915
Transfers between reserves		12	(12)	0
Reclassification adjustments				
New PDC received - Cash	69,408			69,408
New PDC received - PCTs and SHAs legacy items paid for by Department of Health	753			753
PDC repaid in year	(29,000)			(29,000)
Net recognised revenue for the year	41,161	(33,400)	9,903	17,664
Balance at 31st March 2014	153,130	(8,096)	106,396	251,430
Balance at 1st April 2012	111,891	(11,555)	85,976	186,312
Changes in taxpayers' equity for the year ended 31st March 2013				
Retained surplus for the year		472		472
Impairments and reversals			(3,747)	(3,747)
Transfers between reserves		54	(54)	0
New PDC received	78			78
Net recognised revenue/(expense) for the year	78	526	(3,801)	(3,197)
Balance at 31st March 2013	111,969	(11,029)	82,175	183,115

Section 6 - financial report and summary financial statements

Statement of cash flows for the year ended 31st March 2014

	2013/14 £000s	2012/13 £000s
Cash flows from operating activities		
Operating surplus/(deficit)	(26,883)	7,017
Depreciation and amortisation	11,385	10,040
Impairments and reversals	10,018	0
Donated assets received credited to revenue but non-cash	0	(70)
Interest paid	(305)	(294)
Dividends paid	(6,454)	(6,318)
Decrease in inventories	631	106
(Increase)/decrease in trade and other receivables	(10,028)	6,443
(increase)/decrease in other current assets	107	(38)
Decrease in trade and other payables	(3,070)	(1,122)
Provisions utilised	(458)	(463)
Increase in provisions	405	508
Net cash inflow/(outflow) from operating activities	(24,652)	15,809
Cash flows from investing activities		
Interest received	18	25
Payments for property, plant and equipment	(13,955)	(13,060)
Payments for intangible assets	(595)	(161)
Proceeds of disposal of assets held for sale (PPE)	9	22
Net cash outflow from investing activities	(14,523)	(13,174)
Net cash inflow/(outflow) before financing	(39,175)	2,635
Cash flows from financing activities		
Public dividend capital received	70,161	78
Public dividend capital repaid	(29,000)	0
Loans repaid to Department of Health - capital investment loans repayment of principal	(340)	(340)
Loans repaid to Department of Health - revenue support loans	(1,334)	(1,334)
Repayment of finance leases	(305)	(289)
Net cash inflow/(outflow) from financing activities	39,182	(1,885)
Net increase in cash and cash equivalents	7	750
Cash and cash equivalents at the beginning of the year	2,250	1,500
Cash and cash equivalents at year end	2,257	2,250

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Better payment practice code - measure of compliance

	2013/14		2012/13	
	Number	£000s	Number	£000s
Non-NHS payables				
Total non-NHS trade invoices paid in the year	111,060	124,189	106,662	120,135
Total non-NHS trade invoices paid within target	52,185	50,705	54,870	53,734
Percentage of non-NHS trade invoices paid within target	46.99%	40.83%	51.44%	44.73%
NHS payables				
Total NHS trade invoices paid in the year	4,193	28,125	3,319	31,792
Total NHS trade invoices paid within target	1,512	14,551	909	13,282
Percentage of NHS trade invoices paid within target	36.06%	51.74%	27.39%	41.78%

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

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Tell us what you think

Each year the Trust publishes this annual report and it is presented at the annual public meeting when the Trust's accounts are also presented.

We want this report to be as useful as possible for readers.

- Do you have any views you would like to share?
- Was there information not included which you would like to see?
- Is there anything you would like to see improved for next year?

Please let us know -

email: esh-tr.enquiries@nhs.net or write to:

The Communications Department
East Sussex Healthcare NHS Trust
Eastbourne DGH
Kings Drive
Eastbourne. BN22 2UD

Conquest Hospital
The Ridge
St. Leonards-on-Sea
East Sussex, TN37 7RD
Tel: (01424) 755255

Bexhill Hospital
Holliers Hill
Bexhill-on-Sea
East Sussex, TN40 2DZ
Tel: (01424) 755255

Crowborough War Memorial Hospital
Southview Road
Crowborough
East Sussex, TN6 1HB.
Tel: (01892) 652284

Lewes Victoria Hospital
Nevill Road
Lewes
East Sussex, BN7 1PE
Tel: (01273) 474153

Eastbourne District General Hospital
Kings Drive
Eastbourne
East Sussex, BN21 2UD
Tel: (01323) 417400

Rye, Winchelsea and District Memorial Hospital
Peasmarsh Road
Rye Foreign
Rye
East Sussex, TN31 7UD
Tel: (01797) 223810

Uckfield Community Hospital
Framfield Road
Uckfield
East Sussex, TN22 5AW
Tel: (01825) 769999

Trust Website: www.esht.nhs.uk

Trust Email: esh-tr.enquiries@nhs.net

Freedom of Information

The Trust is required under the Freedom of Information Act 2000 to make certain information public. The information available can be found in the Trust's Publication Scheme available on our website at www.esht.nhs.uk/foi

Alternatively write to Trish Richardson, Corporate Governance Manager, Eastbourne District General Hospital, Kings Drive, Eastbourne, East Sussex, BN21 2UD.