



**Brighton and Hove**

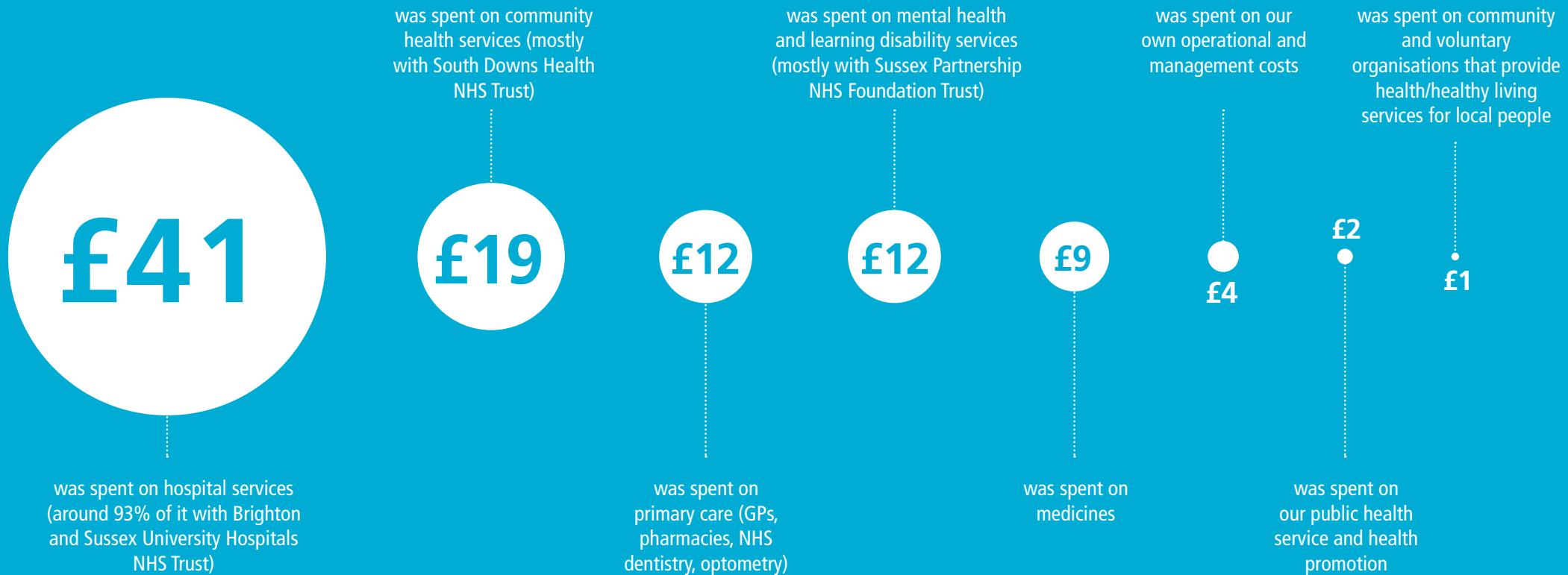
Annual Report 2009/2010



## NHS Brighton and Hove aims to:

- + be the leading advocate for health and health care in the city;
- + improve health and reduce health inequalities;
- + increase service quality and choice;
- + increase people's confidence in, and engagement with, the NHS; and
- + manage resources effectively.

Between 1 April 2009 and 31 March 2010 we spent £461 million - around £875 a minute. For every £100 we spent:



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## From the Chair

I became Chair of NHS Brighton and Hove on 1 November 2009, so this annual report deals largely with events that had either taken place or been planned before my arrival.

Its record of achievement and progress is the best tribute to my predecessor as Chair, Julian Lee, and to Chief Executive, Darren Grayson.

Their leadership has enabled me to inherit an organisation that is well placed not just to weather the challenges of the next few years, but to continue to develop local health services as well.

A tighter rein on public spending means that every public service organisation will need to 'do better for less'.

With that in mind we recently updated our strategic commissioning plan. It sets out how we will improve health and health services over the next five years despite financial constraints.

I urge you to read it and then think about how you can support it, whether on an organisational level or just by living more healthily day to day.

### **Alan McCarthy**

Chair – NHS Brighton and Hove



# From the Chief Executive

It has been my privilege to lead NHS Brighton and Hove through another year.

As you read this report you'll see examples of changes we have initiated to improve people's health, enhance patient care and deliver better value for money.

I was delighted when the independent Care Quality Commission rated us good for the quality of services that we commission and good for our use of resources, and described us as one of the most improved NHS organisations in England.

We continued to develop and strengthen our organisation so that we are in the best possible shape to steer the local health community through the next few years.

These changes also helped us respond quickly and effectively to the challenges posed by pandemic flu and to the unprecedented disruption caused by last winter's snow and ice.

In both instances managers and staff from this organisation gave practical help and support to keep services running, and provided leadership to the local health community.

These two issues also re-affirmed the value and strength of the partnerships we have forged with NHS colleagues, the city council and other local organisations. Whether we are dealing with a crisis, or tackling serious health concerns such as childhood obesity or alcohol misuse, we are all stronger together than apart.

This report marks the end of my time at NHS Brighton and Hove.

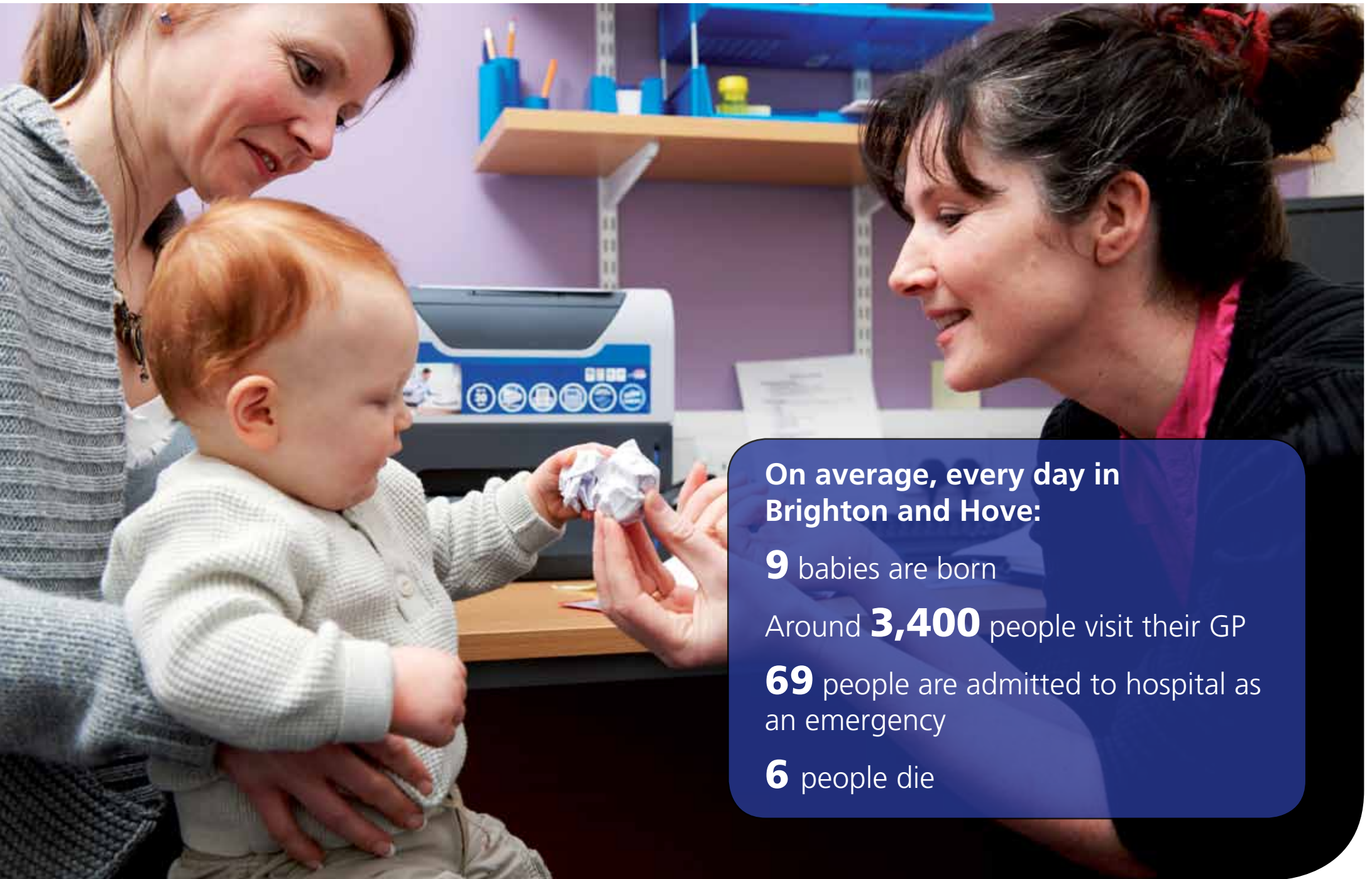
I would like to take the opportunity to thank the many colleagues within and outside the organisation who have made my time here so enjoyable and rewarding, and to wish them all continued success.

## **Darren Grayson**

Chief Executive, NHS Brighton and Hove

*\* Mr Grayson left NHS Brighton and Hove on 31 March 2010 to become Interim Chief Executive of East Sussex Hospitals NHS Trust.*





On average, every day in Brighton and Hove:

**9** babies are born

Around **3,400** people visit their GP

**69** people are admitted to hospital as an emergency

**6** people die

# Improving your health

We want to improve the health of everyone living in Brighton and Hove. In particular, we want to reduce the 'health gap' between different local communities.

A boy born today in the most deprived areas of our city can expect to live ten years less than one born in the least deprived areas. For a girl the gap is less, at just over 6 years, but equally unacceptable.

By the end of 2014 we want average male life expectancy to have risen by one year and average female life expectancy by almost two years.

Improving the health of our population will be a long and ongoing job, but it is at the heart of what we do.

This section contains brief details of some of the work we carried out in this area during 2009/10.

For more information about local health promotion activities please contact Kate Lawson on [kate.lawson@bhcpct.nhs.uk](mailto:kate.lawson@bhcpct.nhs.uk) or (01273) 295490.

## Highlights of the year

We protected thousands of girls and young women against cervical cancer through HPV (Human Papilloma Virus) immunisation. Girls in school years 8, 10 and 11 were offered three doses of the vaccine (the most effective protection). GP surgeries also ran an HPV catch-up programme so that all young women up to the age of 18 were offered the vaccine by the end of March 2010.

We worked in partnership with Brighton & Hove City Council and other local organisations to tackle childhood obesity. Initiatives during the year included free swimming, diet advice, food growing, and play activities.

Thousands of local residents visited a special collection centre at Hove Town Hall to get anti-viral drugs as concern about pandemic flu swept the country in the second half of 2009. At the peak of the pandemic around 250 people a day came to the centre, which was a joint venture between NHS Brighton and Hove, South Downs Health NHS Trust and Brighton & Hove City Council.

More than 2,000 Brighton and Hove residents successfully stopped smoking in 2009/10 with support from local NHS smoking cessation experts. Nine out of ten GP practices now offer a 'stop smoking' service and we also trained staff from five more pharmacies to support would-be quitters.

We invested more than £80,000 in improved local screening for Downs Syndrome at the Royal Sussex County and Princess Royal Hospitals. The service, launched in October 2009, combines a blood test and nuchal fold measurement to give a more accurate assessment of the likelihood of a baby having Downs Syndrome. Previously local women who wanted this combined test had to travel to King's College Hospital, London.

Around seven out of ten babies are being breastfed (totally or partially) six weeks after birth, making Brighton and Hove one of England's top places for breastfeeding. We have worked closely with the Children and Young People's Trust to encourage breastfeeding and now exceed national targets thanks to the work of local health visitors and initiatives such as our peer support programme and full-time breastfeeding co-ordinator.

A funding bid to the National Awareness and Early Diagnosis Initiative, a joint venture between Cancer Research UK and the Department of Health, brought £132,000 to the city. First call on the cash was a survey of 3,000 residents to discover how much they knew about cancer risk factors, symptoms and the like. The remainder will fund a social marketing programme to raise awareness of lung cancer, particularly in the more deprived areas of the city. This part of the programme will promote earlier presentation and diagnosis, which should improve cancer survival rates.



## Improving your NHS

Much of what we do concerns the process known as commissioning which includes:

- + assessing health needs across the city;
- + agreeing the most important health outcomes to achieve;
- + deciding how best to invest our money;
- + arranging contracts with service providers; and
- + monitoring and managing the quality of the health services provided

We contract with GP practices, dental practices, pharmacists and optometrists for NHS primary care services across the city. We also contract for health care with many other organisations including:

- + Brighton and Sussex University Hospitals NHS Trust
- + South Downs Health NHS Trust
- + Sussex Partnership NHS Foundation Trust
- + Brighton & Hove Children and Young People's Trust
- + Brighton & Hove City Council
- + South East Coast Ambulance Service NHS Trust
- + South East Health Ltd
- + Care UK
- + MIND

The following pages give a brief summary of the year's activity in each of our seven commissioning areas:

- + primary care
- + urgent care and short term services
- + independence and long term conditions
- + cancer services and planned care
- + mental health and substance misuse services
- + children's and maternity services
- + specialist and Sussex-wide services

# Primary care

## Strategic commissioner

Anne Foster

## Commissioning responsibilities

Contracts with independent practitioners for General Practice services (except out of hours services – see page 8), dentistry and optometry.

## Main service providers

- + 48 GP practices
- + 55 dental practices
- + 24 optometrists providing NHS services
- + Care UK Ltd (for Brighton Station Health Centre)

## Primary care patient numbers in 2009/10

**General Practice:** Every resident can register with a General Practitioner (GP). On average, people have 5.5 consultations a year with their GP practice although rates vary significantly depending on age and gender. Elderly people have the highest consultation rates, and women have a higher consultation rate than men.

**Dentistry:** Around 6 out of 10 local people received NHS dental care in 2009/10.

**Optometry:** 50,000 NHS sight tests were carried out in 2009-10.

## Highlights of the year

Our first seven days a week primary care health centre opened on 1 July 2009 in Queens Road. Brighton Station Health Centre is open from 8am to 8pm every day for appointments and also offers some walk-in services. The centre is run by Care UK and has proved highly popular.

We also developed and opened the Wellsbourne Centre, a new health centre in Whitehawk that houses two GP practices, a pharmacy and a range of community health services including district nursing, podiatry and mental health.

Around 3,000 residents aged between 40 and 74 had a 'health MOT' from their GP as part of a new programme to reduce avoidable illnesses. In time everyone in this age range will have their health checked at least once every five years. We launched the programme this year by inviting people known to be at risk, and those who would not normally visit their GP.

We invested around £500,000 in extra dental care – enough to provide NHS dentistry for another 6,000 people through existing dental practices across the city.

We tested a 'balanced scorecard' that measures GP practice performance against 60 indicators covering areas such as immunisation, chronic disease management, patient satisfaction and prescribing. The information will help GPs to identify potential problems quickly, compare themselves against other local surgeries, and share good practice.

## Pharmacy services

Contracts for community pharmacy services and our 'take as directed' service, which helps people live independently at home, are managed by our medicines management team.

Last year the city's 59 community pharmacies dispensed approximately 4 million prescription items.

### Key achievements included:

- + doubling the number of pharmacies providing needle exchange to 16 as part of our efforts to reduce harm from drug misuse;
- + expanding services in community pharmacies for supervised consumption of methadone;
- + launching a Medicines Use Review service for patients with asthma. These reviews help patients understand their medicines, and identify any problems they are experiencing and possible solutions; and
- + launching a new anti-coagulation service through community pharmacies.

### Our pharmacy plans for 2010/11 include:

- + offering more sexual health services through community pharmacies and employing a pharmacist with specific training in this topic;
- + developing more services for people with long term conditions;
- + making people more aware of how pharmacists can help through medicines checkups; and
- + introducing the next stage of 'electronic prescriptions' which will save time and money by reducing the amount of paper being generated.



### **Priorities for 2010/11**

Open the redeveloped Lewes Road surgery and a new six doctor practice in Saltdean

Provide more 'health MOTs' for 40 to 74 year olds

Ensure that every patient can register with a GP practice which provides extended hours, with appointments in the evenings or weekends

Move the emergency dental service from Lewes to Brighton

Invest in extra dental services for areas of high need, mostly on the outskirts of the city

Review orthodontic services and our contract for special care dentistry

Refine the GP balanced scorecard for public use so that patients can use the results to help them choose which practice to join.

Develop similar performance tools for dentistry and optometry

# Urgent care and short term services

## Strategic commissioner

Wendy Young

## Commissioning responsibilities

Accident & Emergency services, Urgent Care Centre, emergency admissions, ambulance services, GP out of hours service, intermediate and transitional care, measures to avoid unnecessary hospital admission, measures to support hospital discharge and reduce delayed transfers of care, winter planning.

## Main service providers

- + Brighton and Sussex University Hospitals NHS Trust
- + South Downs Health NHS Trust
- + South East Coast Ambulance Service NHS Trust
- + South East Health Ltd
- + Harmoni
- + Age Concern

## Urgent care patient numbers in 2009/10

Ambulance incidents – 44,176

Emergency admissions – 34,261

A&E attendances – 88,256

## Highlights of the year

We improved urgent care services at the Royal Sussex County Hospital, i.e. minor injuries that cannot be dealt with at GP surgeries but do not need specialist Accident & Emergency staff. A&E staff and primary care staff based on the hospital site work together so that patients wait less time and are seen by the most appropriate clinician.

We piloted a Roving GP service and a Rapid Access Clinic for older people to prevent unnecessary emergency admissions to hospital. Both were very popular with patients and GPs, and will be developed into a single rapid response and assessment service in 2010/11.

We worked with South East Coast Ambulance Service to establish six paramedic practitioners for the city. Their extra training and skills enable them to treat patients at the scene of the incident, saving people a trip to hospital. They can also prescribe some drugs and refer people to community services.





### **Priorities for 2010/11**

Make it easier for patients to access urgent care services.

Introduce an integrated rapid response and assessment service.

Bring together the GP out of hours service and the Urgent Care Centre minor injuries service at the Royal Sussex County Hospital.

Provide rapid access outpatient clinics and other rapid response services for patients with an urgent care need to help them stay out of hospital.

Develop a communications strategy to provide clearer messages about when it is appropriate to go to hospital, and when and how to use other services.

Streamline referral and assessment processes so that services for short term needs are easier to access.

# Independence and long term conditions

## Strategic commissioner

Joanne Matthews

## Commissioning responsibilities

Community nursing services, community specialist teams (e.g. diabetes service, respiratory and heart failure service), neuro rehabilitation inpatient and community services, Older Peoples Mental Health, end of life care, community equipment service, tissue viability service, anti-coagulation service, TB service, stroke care.

## Main service providers

- + South Downs Health NHS Trust
- + Brighton and Sussex University Hospitals NHS Trust
- + Sussex Partnership NHS Foundation Trust
- + Brighton & Hove City Council
- + Martlets Hospice
- + Boots
- + The Carers Centre for Brighton and Hove
- + Alzheimer's Society
- + Crossroads

## Long term patient numbers in 2009/10

Approximately 30,000 patients with one or more long term conditions were managed by staff employed by South Downs Health NHS Trust.

## Highlights of the year

We introduced a new care pathway for patients with cellulitis. They now receive antibiotic treatment from the community IV team instead of being admitted to the Royal Sussex County Hospital. This service won an award from South Downs Health NHS Trust for innovation and service development.

A round-the-clock thrombolysis service, a service which uses drugs to dissolve blood clots, was introduced in October 2009 for people with symptoms of stroke.

We launched a new community-based service for patients with Type II diabetes in September 2009. The service – which won a Best of Health award from NHS South East Coast – includes more training for GPs, local clinics run by community diabetic nurse specialists, and patient education. The new approach helps patients to eat more healthily, take more exercise, and stop or cut down smoking.

We expanded community respiratory services so that they provide more support to patients with asthma. We also began a review of home oxygen services.

We marked Carers Rights Day with a Carers Question Time chaired by Imelda Redmond, Chief Executive of Carers UK. Carers were invited to put questions to a panel of senior NHS and social care managers. New local film "A Caring Life" was also premiered at the event.

We commissioned The Carers Centre to carry out a survey in June 2009 to establish carers' needs. The top needs identified by the survey included short breaks, information and emotional support.



### **Priorities for 2010/11**

Find out more about the needs of people with a long term condition, then tailor services to meet these needs more effectively.

Introduce new arrangements for neuro rehabilitation, including extra community services so that more patients can be discharged directly home.

Develop and extend the range of community IV pathways.

Implement a local carers strategy to reflect and address key issues from the national strategy, e.g. integrated and personalised services, income and employment, health and well-being, young carers.

# Planned care and cancer services\*

## Strategic commissioner

Matt Johnson

## Commissioning responsibilities

Planned acute care (medical and surgical services for immediate/short term problems) including some specialist services commissioned from hospitals in London.

## Main service providers

- + Brighton and Sussex University Hospitals NHS Trust
- + South Downs Health NHS Trust
- + Brighton and Hove Integrated Care Service (BICS)
- + Care UK (Sussex Orthopaedic Treatment Centre)

## Outpatient attendances 2009/10

There were nearly 80,000 new outpatient attendances with a further 127,000 follow up appointments.

Approximately 17,000 people were admitted to hospital for planned operations and procedures.

## Highlights of the year

We achieved the national target relating to a maximum 18 week wait from referral to non-urgent treatment.

We developed plans for new community clinics so that more services can be moved out of hospitals. They included a new ear, nose and throat community clinic, launched in September 2009, and a community clinic for minor eye conditions, launched in November. New models of service were approved for community gynaecology, neurology and dermatology clinics; we will commission these during 2010/11.

We improved the urology patient pathway and invested £42,000 in extra community continence staff to meet the resulting increase in demand.

We developed plans for community outpatient services for orthopaedics, pain management, back pain and some rheumatology. At the time of writing we are negotiating a £4m contract, with Brighton and Sussex University Hospitals NHS Trust, to provide these in stages from May 2010.

We improved outcomes for patients by rolling out the Map of Medicine, a web-based guide that helps GPs standardise referrals around best clinical practice.

More than eight out of ten people who expressed a preference for treatment at a particular hospital were able to attend it. The proportion of patients who recalled being offered a choice of hospital doubled to 60 per cent.

We started a specialist foot and ankle service at Brighton General Hospital, reducing waiting times for patients with a range of lower limb conditions.

## Cancer services

Every patient referred with breast symptoms, even where cancer was not suspected, was seen within two weeks in line with national targets.

Up-to-the-minute digital equipment is now in place throughout the breast screening service, including its mobile units.

We funded extra chemotherapy and radiotherapy treatments.

A bowel cancer screening programme was launched for people aged between 60 and 69.

New campaigns were launched to raise public awareness of cancer and how to prevent it. Bowel, prostate, lung and skin cancers were particular targets.

Cancer services in the area were reviewed by internal and external assessors. Our local services were commended for good clinical leadership and teamwork.



### **Priorities for 2010/11**

Commission significantly more radiotherapy

By December 2010, start treatment for nine out of ten patients within 31 days.

Provide more diagnostic services in the community.

Reduce the number of outpatient appointments cancelled or rearranged by local hospitals - a major source of frustration for patients

Raise awareness of lung cancer e.g. risk factors, early warning signs and symptoms, preventative measures etc.

# Mental health and substance misuse services

## Strategic commissioner

Claire Newman

## Commissioning responsibilities

Promoting mental health and wellbeing; inpatient and community mental health and substance misuse advice, support and treatment; primary and community services that maintain people in recovery and help them manage their ongoing needs.

This commissioning team covers services for people of working age. Services for younger people are commissioned through the children's and maternity services team (see page 16); older people's mental health services are commissioned by the independence and long term conditions team (see page 10).

## Main service providers

- + Sussex Partnership NHS Foundation Trust
- + Brighton Housing Trust
- + Southdown Housing Association
- + MIND
- + Care Co-ops
- + Rethink
- + BMECP
- + CRI
- + Brighton Oasis Project

## Mental health

Our most recent mental health needs assessment indicates that at any one time around 6,000 residents have a serious mental health problem, 11,000 have a personality disorder, and another 30,000 have mild mental health needs such as anxiety and/or depression. During 2009/10:

- + around 10,000 residents were referred by their GP to Sussex Partnership NHS Foundation Trust's access teams;
- + approximately 1,500 people completed psychological therapy for mild mental health needs, typically anxiety/depression.
- + about 1,500 patients were receiving treatment and/or support for serious mental illness at any one time.

## Substance misuse

Our substance misuse needs assessment indicates that Brighton and Hove has 2,500 problem drug users, i.e. those using heroin and/or cocaine, including some 800 people injecting drugs.

More than 1,200 problem drug users received effective treatment for more than 12 weeks, including around 420 new patients.

## Highlights of the year

A new mental health strategy was developed and agreed jointly with Brighton & Hove City Council. It will be taken forward in 2010/11 and includes proposals for faster access to high quality services, better care planning and co-ordination, more support for carers, better out of hours services, and more talking therapies.

We invested £2.1 million in psychological therapy services for people with a mild to moderate mental health need. Improving access to these services became one of our priority health targets this year.

We introduced a community-based 'brief intervention' service to reduce alcohol-related hospital admissions, and extended the existing hospital service with additional investment of £750,000.

We launched social marketing activities to reduce alcohol harm.

Our suicide prevention action plan was implemented. The focus in 2009/10 was on health promotion with at-risk groups, specifically lesbian, gay, bisexual and transgender young people, men over 40, homeless people and unemployed people.

We provided more help for drug misusers through primary care, and more support for their carers.



### **Priorities for 2010/11**

Expand community mental health services, and reduce hospital admissions and length of stay.

Provide more talking therapies.

Improve emergency mental health services.

Reduce waiting times for treatment following a routine referral.

Provide more support through GPs for people discharged from inpatient mental health care.

Improve aftercare and support services, including support to carers.

Improve the way we work with voluntary/third sector providers.

Launch an alcohol harm prevention campaign for people aged 65 and over.

Launch more suicide prevention initiatives for at-risk groups.

# Children's and maternity services

## Strategic commissioner

Anita Finlay (from 1 November 2009)

## Commissioning responsibilities

Children's services for Brighton and Hove residents including services provided through the Royal Alexandra Children's Hospital, Chailey Heritage Clinical Services, health visiting, school nursing, child development, and child and adolescent mental health, through delegated joint commissioning with the Children and Young People's Trust.

Maternity services for Brighton and Hove residents including pre and post natal education, inpatient maternity services at the Royal Sussex County Hospital and Princess Royal Hospital, community midwifery (around one in seven local births is at home), breastfeeding services, teenage pregnancy service.

## Main service providers

- + Brighton & Hove Children and Young People's Trust via South Downs Health NHS Trust.
- + Brighton and Sussex University Hospitals NHS Trust.

## Children's services

There were about 14,000 outpatient attendances and about 8,000 hospital admissions. Approximately 1,000 children a month attended the Accident & Emergency Department.

## Highlights of the year

We invested £50,000 in community therapy services to reduce waiting times, which are now all below eight weeks. We also commissioned a full review of therapy services to guide further major investment in 2010/11.

Accident & Emergency attendances by children for minor head injuries were reviewed as one of a series of national pilot projects. The results suggest that most of these children do not need to attend A&E; the project is now investigating ways to help parents and health professionals make the right decision when a child receives a minor head injury.

We funded a new 'urgent help' team for children and young people with mental health needs and invested in Chalkhill, a new Child and Adolescent Mental Health Unit at the Princess Royal Hospital. This service is for children and young people from Sussex who require specialist or intensive treatment for more complex mental health needs including severe depression, self-harming, eating disorders, schizophrenia, and developmental disorders such as autism and ADHD.

We signed up to the 'Every Disabled Child Matters' charter, making a firm public commitment to its nine development and service improvement areas.

We made it easier for 'looked after' children and those in care to access mental health services through a new

single point of access.

## Maternity services

Royal Sussex County Hospital midwives helped to deliver 3,345 babies in 2009, including more than 230 home births.

Princess Royal Hospital midwives helped to deliver 2,454 babies in 2009, including 73 home births.

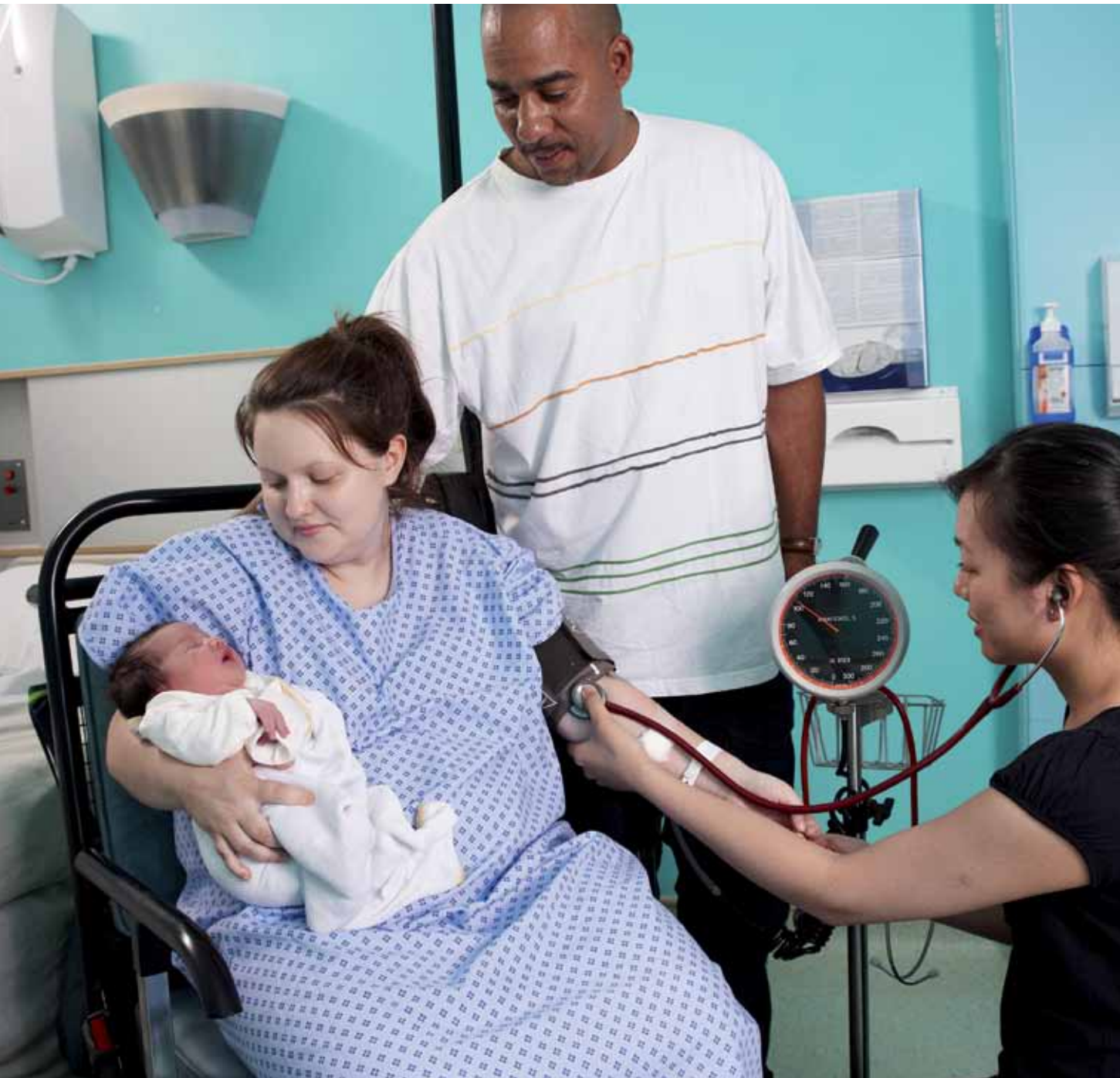
## Highlights of the year

We set up a 'Talking with Parents' project to help us develop a vision of how maternity services should be organised in the city. These discussions led to a new maternity strategy which includes plans for a midwife-led birthing centre.

We helped the National Social Marketing Centre develop an innovative guide to breastfeeding aimed at new dads after research in the city showed they want to be more involved and play a vital role in supporting their partners to breastfeed. The first version of the guide was launched in late March 2010.

We have a vibrant Maternity Services Liaison Committee of service users, health professionals and commissioners that advises on the provision of high quality maternity services to meet the needs of the local community.

Funding for maternity services increased significantly through the introduction of a new national tariff. This will enable us to take forward further service developments in future years.



### **Children's services priorities for 2010/11**

Improve community support for children with long term conditions such as diabetes, epilepsy or respiratory problems.

Invest up to £250,000 in therapy services as part of our commitment to the Aiming High for Disabled Children programme.

Provide more psychological support for children with long term conditions, and more palliative care psychological support for children and families.

Launch community weight management clinics and train health visitors, school nurses and youth workers in weight management techniques.

Introduce new commissioning and working arrangements with the Children and Young People's Trust and South Downs Health NHS Trust.

### **Maternity services priorities for 2010/11**

Ensure that preconception and prenatal education is available to maximise healthy foetal development and normal childbirth

Support women to have a normal delivery and reduce the number of planned caesarean sections.

Develop detailed plans for a midwife-led birthing centre at the Royal Sussex County Hospital.

# Specialist and Sussex-wide services

## Strategic commissioner

Geoff Burgess

## Commissioning responsibilities

Sussex-wide children's and maternity services including neonatal intensive care, paediatric intensive care, services for children and young adults with complex physical disabilities. NHS funded continuing healthcare for children, and out-of-area maternity services for Sussex residents (e.g. services purchased from King's College Hospital, London). Specialist renal, cardiac, neurosciences, cancer and trauma services. Some are commissioned directly by NHS Brighton and Hove; others are commissioned through the South East Coast Specialist Commissioning Group (SECSCG).

## Main service providers

- + Brighton and Sussex University Hospitals NHS Trust
- + South Downs Health NHS Trust (Chailey Heritage Clinical Services for children and young adults with complex physical disabilities)
- + Guy's & St Thomas' Hospital NHS Trust
- + St George's Healthcare Trust
- + King's College Hospital NHS Foundation Trust
- + Royal Brompton and Harefield NHS Foundation Trust
- + Epsom & St Helier University Hospitals NHS Trust

This commissioning team started on 1 January 2010. Until then specialist services were dealt with by the planned care and cancer team (see page 10), and Sussex-wide children's and maternity services were commissioned through Brighton and Hove children's and maternity services (see page 14).

## Highlights of the year

We supported the introduction of Transcatheter Aortic Valve Implantation (TAVI) at the Royal Sussex County Hospital (RSCH). The RSCH is one of only 25 centres in England performing this procedure, which allows heart valves to be replaced without major chest surgery.

We worked with Brighton and Sussex University Hospitals NHS Trust to open three more cots in the neonatal intensive care unit at the Royal Sussex County Hospital. This will reduce the number of occasions when babies have to be transferred to other units outside Brighton.

We successfully revised the agreement governing joint working between the NHS and local authorities (known as a Section 75 agreement). The new arrangements improve links between health and social care, and release some money for re-investment in front line services.





### **Priorities for 2010/11**

Develop a kidney dialysis unit in East Sussex to improve access and free up capacity in the main unit at the Royal Sussex County Hospital.

Invest in additional cardiology and cardiac surgery to support the Royal Sussex County Hospital introduce new technologies that will help meet the growing demand for cardiac surgery.

Update the patient pathways for head injuries and neurosurgical trauma, and support the move of neurosciences from Hurstwood Park to the Royal Sussex County Hospital. This will place neurosciences alongside our other key emergency services so that the most seriously ill and injured patients receive co-ordinated treatment on a single site.

Improve the co-ordination of care for people with muscular dystrophy.

Develop a five year strategy for cystic fibrosis services to reflect increasing and changing needs as patients live longer.

Ensure specialist mental health services can cope with rising demand.

Review the clinical quality of domiciliary and residential care services that we commission.

Support Brighton and Sussex University Hospitals NHS Trust's plans to modernise the Royal Sussex County Hospital site when it goes to full planning permission in December 2010.

# Our performance

In addition to the formal performance management relationship which NHS Brighton and Hove has with NHS South East Coast, our progress in terms of specific indicators and standards is tracked by outside organisations including the Care Quality Commission and Audit Commission. Their and other judgements about our 2009/10 performance are shown here.

Information about our current performance is considered at each meeting of our Board. Papers for each meeting, including a full performance report, are published on our website ([www.brightonandhove.nhs.uk](http://www.brightonandhove.nhs.uk)).

## Care Quality Commission

The Commission's most recent Annual Health Check performance ratings (published in October 2009) rated us as **good** for the quality of services that we commission and **good** for our use of resources.

For 2009/10 we received:

- + an **almost met** rating for existing commitments: we achieved 12 of the 14 indicators and underachieved on the other two
- + a **good** rating for national priorities: achieving 11 indicators, failing on two and underachieving on six. Four others were unknown due to lack of data or definition
- + a **good** rating for the quality of our financial management

We were also informed that NHS Brighton and Hove was one of thirteen most improved organisations across the NHS in England in 2008/09.

## Audit Commission

The Audit Commission issued a conclusion stating that NHS Brighton and Hove had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources, with the exception of its use of natural resources.

The individual scores were as follows:

- Managing finances** 3: performing well
- Governing the business** 2: performing adequately
- Managing resources** 2: performing adequately

## Priority health outcomes

We are measuring our performance over a longer period against ten priority health outcomes chosen by our Board.

**The outcomes we have identified to be delivered by the end of 2014 are:**

- + reduce the ten-year gap in male life expectancy between the most and least deprived populations by one year;
- + increase male life expectancy at birth from 76.6 years to 77.6 years, and female life expectancy from 82.5 years to 84.3 years;
- + raise the percentage of 53 to 64 year old women screened for breast cancer within the previous three years from 69 to 78 per cent;
- + reduce the under 18 conception rate from 30.6 to 26.4 per 1000 teenage girls;
- + reduce obesity in Year 6 children from 17.7 to 17.5 per cent;
- + reduce delayed transfers of care from 27 to 13 per 100,000 adults;
- + increase the proportion of people who have chosen to die at home from 21 to 24 per cent;
- + slow the growth in alcohol-related admissions to hospital
- + increase the proportion of people moving into recovery following psychological therapy from 21 to 50 per cent; and
- + reduce the MRSA infection rate from 0.67 to 0.23 cases per 10,000 bed days.

# Operating and Financial Review 2009/10

## Introduction

This operating and financial review provides information about how we operated in 2009/10 as well as our plans for 2010/11. It includes information on how our organisation is governed, how we measure and evaluate performance, and our financial plans for the coming year. It also includes a number of statutory disclosures.

You can find more information about our future plans in our strategic commissioning plan and annual operating plan. Both are available through our website ([www.brightonandhove.nhs.uk](http://www.brightonandhove.nhs.uk)).

## NHS Brighton and Hove

NHS Brighton and Hove is the working name of Brighton and Hove City Teaching Primary Care Trust (PCT).

We commission health services for the residents of Brighton and Hove including public health and health promotion, primary care, secondary, acute and specialist care, continuing and palliative care, and mental health services. We do not provide any services directly.

We are funded by the Department of Health via NHS South East Coast strategic health authority (SHA). The

SHA sets out the broad framework within which we operate; other priorities and targets are agreed through consultation with local residents, both directly and through partnerships with Brighton and Hove City Council and other statutory and voluntary groups.

## Governance

### The Board

The Primary Care Trust is a statutory body in its own right with a Board comprising a chair, six non-executive directors and six executive directors. Details of Board members appear in the remuneration report (see pages 29 – 31).

The Board Business Manager holds the details of directorships or other significant interests held by Board directors in companies likely to, or seeking to, do business with the NHS. The declarations of interests for 2009/10 are available on request.

The Board sets the strategic and operational direction for the organisation, and oversees corporate and clinical governance (its arrangements for taking decisions and ensuring those decisions are open to challenge and scrutiny). It is answerable to the Secretary of State for Health via

NHS South East Coast strategic health authority. It meets six times a year. Board meetings are open to the public, who are invited to raise questions, and are advertised in advance. Board papers are available in advance via our website and from our Board business manager.

### The Professional Executive Committee

The Professional Executive Committee (PEC) brings together local primary care practitioners and senior managers to give clinical direction to the organisation and make recommendations to the Board about the future of health and healthcare in Brighton and Hove. PEC meets monthly and all members have voting rights. Outside formal PEC meetings, its clinical members ensure there is appropriate clinical input into, and scrutiny of, our plans.

### Key Governance Committees

The Board is supported by a number of committees to ensure appropriate scrutiny of key issues. Their membership is drawn mainly from non-executive directors who have a key role in scrutinising and challenging the executive team. The two committees which support our governance structure are the Integrated Governance Committee and the Audit Committee.

The Integrated Governance Committee has delegated authority to ensure the organisation has proper processes across the broad spectrum of clinical and corporate governance (e.g. it considers how the organisation gains assurance about the quality of services it has commissioned, or how serious untoward incidents are addressed).

The Audit Committee examines the system of internal controls across the organisation and can hold executive directors and officers to account. Our internal and external auditors, and the local counter-fraud specialists, report to it.

## Our performance

The Board assesses performance against more than 50 targets and standards including those set by the Department of Health, those agreed locally with stakeholders and partners, and those which the Board sets for itself in relation to securing the best health outcomes for local people.

The Board receives detailed performance information against key targets at each of its formal meetings and considers what further action, if any, is required.

## Our financial performance

### The past year

Net operating expenditure increased from £434 million to £461million in 2009/10. The organisation met its statutory financial targets, ending the year with a £1.07m surplus which is in line with the control total set by the strategic health authority. Capital and revenue spending were within the limits set by the Department of Health.

### Challenges ahead

The economic downturn will present a significant financial challenge to all NHS organisations; the NHS as a whole has been charged with delivering £15-£20 billion savings per annum from 2011/12. While we have received a 5.2% growth in funding for 2010/11, delivering long term sustainable financial balance within the local health economy will require stringent financial stewardship and an increased focus on prioritising investment decisions to maximise health benefit. Given the size of the challenge, a co-ordinated whole economy approach will be required to identify and secure the required level of savings and efficiencies.

### Our partners

We commission services from a range of healthcare providers including South Downs Health NHS Trust, Brighton and Sussex University Hospitals NHS Trust, Brighton & Hove Children and Young

People's Trust, Sussex Partnership NHS Foundation Trust as well as local GPs, pharmacists, dentists, optometrists, community and voluntary organisations and the city council.

We fund a range of community organisations which provide front line services in areas such as mental health, specialist learning disability services and substance misuse. We also fund services which support the voluntary sector or communities of interest – e.g. Brighton and Hove Volunteer Bureau, and the lesbian, gay, bi-sexual and transgender community - in order to better meet their particular health needs.

### Protecting our environment

We aim to be environmentally responsible and meet legal requirements by:

- + striving to prevent pollution, reduce waste and conserve resources
- + communicating our environmental policy to all staff, contractors, tenants and suppliers, and asking for their commitment to making the policy effective
- + ensuring that staff, contractors, tenants and suppliers understand the environmental consequences of their actions
- + identifying the environmental impact of our business practices and working to lessen it

- + taking responsibility for minimising our impact on our neighbours
- + building environmental considerations into our decision making processes
- + measuring progress against environment-related objectives and targets, and demonstrating continual improvement

### Additional statutory disclosures

#### Emergency preparedness

We have a Major Incident Plan that complies with the NHS Emergency Planning Guidance 2005, and all associated guidance and revisions.

#### Better payment practice code

All NHS bodies are expected to pay 95% of bills within contract terms (or 30 days where no terms have been agreed). Full details of compliance with the code are given in section 6 of the Summary Financial Statements.

#### Audit

Our external auditor is the Audit Commission. We paid audit fees of £246,000 in the year, all of it for statutory audit work. Any non-statutory audit work would be considered by the Audit Committee before it was commissioned.

#### Pension liabilities

Note 1.15 to the annual accounts provides full disclosure of the treatment of pension liabilities.

#### Equality schemes

We are committed to promoting equality, diversity and human rights. We have a Single Equality and Human Rights Scheme which is available on our website at [www.brightonandhove.nhs.uk](http://www.brightonandhove.nhs.uk).

#### Principles for remedy

The Parliamentary and Health Service Ombudsman has published two documents (Principles of Good Administration and Principles for Remedy) about how public bodies should remedy injustice or hardship resulting from poor administration or poor service (see [www.ombudsman.org.uk](http://www.ombudsman.org.uk)). The Treasury has also issued guidance on this topic (see the Managing Public Money section at [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk) for more details.)

#### Sickness Absence

We monitor sickness absence and benchmark ourselves against comparable bodies. In 2009/10, 8.24% of working days were lost through sickness absence.

# Chief Executive's and directors' statements

## Statement of the Chief Executive's responsibilities as the accountable officer of the primary care trust

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

- + there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- + value for money is achieved from the resources available to the primary care trust;
- + the expenditure and income of the primary care trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

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

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



**Amanda Fadero**  
Interim Chief Executive

## Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the primary care trust and the net operating cost, recognised gains and losses and cash flows for the year. In preparing these accounts, directors are required to:

- + apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- + make judgements and estimates which are reasonable and prudent;
- + state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.



**Amanda Fadero**  
Interim Chief Executive

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the primary care trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the primary care trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the board.



**Michael Schofield**  
Director of Finance

# Statement on internal control 2009/10

## Scope of responsibility

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

I am held accountable by the Chair of the PCT, as well as the full PCT Board on my responsibilities in respect of the system of internal control. I and my fellow board members have completed a statement of compliance with the Trust's code of accountability to ensure that we meet the standards of probity, openness and accountability required by the public and our partner organisations. All board members are aware of the scope of their responsibilities and how these align to my responsibilities as Accountable Officer.

The PCT works closely with the South East Coast Strategic Health Authority, which has a key role in supporting

improvements in the performance of the PCT. The Strategic Health Authority has also supported the PCT Board in developing structures and the capacity to meet the key internal control requirements described in this statement. The PCT and the Strategic Health Authority have regular formal performance management meetings, attended by senior members of both organisations. I and my Board colleagues work closely with our counterparts at the Strategic Health Authority and regularly attend key SHA-led forums, such as the Chief Executive and Finance Directors' meetings. These are also important opportunities to liaise with partner NHS organisations. The Chair of the PCT meets the Chair of the Strategic Health Authority regularly to discuss performance issues.

The PCT works in partnership with many organisations, including NHS bodies, local authorities and voluntary and statutory agencies. The PCT aims to secure joint working through a number of joint appointments with Brighton and Hove City Council (including the Director of Public Health) and through membership of key committees such as the Joint Commissioning Board and

the Health and Social Care Programme Board. The PCT has also set up a local Delivery Board through which the PCT and local providers take joint responsibility for the delivering key objectives and to work together to improve healthcare, reduce health inequalities and secure value for money.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, not to eliminate all risk of failure to achieve policies, aims and objectives; and therefore provides a reasonable but not absolute assurance of effectiveness. It is based on processes designed to:

- + identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives; and
- + evaluate the likelihood of those risks being realised, assess the impact they would have, and manage them efficiently, effectively and economically.

The system of internal control has been in place in NHS Brighton and Hove for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

### Leadership in the Risk Management Process

I have worked closely with the PCT Board to ensure a clear steer that risk management is a key element of the operations of the PCT and needs to be embedded in day-to-day working practices. In particular, I have nominated the Director of Assurance and Development to have direct responsibility for risk management. The Audit Committee scrutinises the Assurance Framework under its remit to review the structures, processes and responsibilities for identifying and managing risk and the Board meeting also considers the latest version of the Assurance Framework and the Risk Register.

The Integrated Governance Committee (IGC) is chaired by the Chair of the PCT, includes Executive and Non-Executive members and reports directly to the Board. It develops the risk management policy and Assurance Framework, identifies gaps in controls and assurances, approves action plans to address the key risks, and monitors progress against the plans.

The IGC meets quarterly to review the Corporate Risk Register and evaluate new and existing risks developed from it. The IGC also challenges individual Directors on their Directorate Risk Registers to ensure that risk management is embedded across the organisation. Internal Audit and the Audit Committee also scrutinise the risk management processes, and risk management audit days are included in the annual internal audit plan to ensure compliance with best practice.

#### Support for PCT Staff

PCT staff and Board members received appropriate risk management training in 2009/10. Internal and external risk management seminars were held to ensure that key individuals (up to and including Board level) are up to date about risk management processes. We continue to hold staff seminars and mandatory training on developing the risk register (including risk diagnosis and evaluation) to ensure staff have the required knowledge and share best practice.

Key risk management documents are available to all staff through the PCT intranet and the Assistant Director of

Assurance and Development attends Directorate meetings to review risk management and provide support to staff.

### The risk and control framework

#### Risk Management Strategy

The PCT has a strategy in place to minimise harmful effects or risks to the organisation including loss of service quality, loss of a safe environment for staff, financial loss or loss of reputation. This strategy was reviewed in 2010, and is reviewed on an annual basis.

This strategy classifies potential risks into three broad categories (clinical risk, non-clinical risk and financial risk) and is intended to ensure that the organisation:

- + identifies actual and potential risks;
- + assesses and prioritises risks;
- + avoids and prevents risks where feasible; and
- + reduces other risks to an acceptable level.

Risk assessment is a fundamental component of risk management and control. The PCT has adopted the

following risk assessment system:

- + Identify what, why, and how things can arise as the basis for further analysis.
- + Determine existing controls and analyse risks in terms of impact and likelihood.
- + Assess and evaluate risks – using a risk rating system.
- + Develop and implement a management plan (includes consideration of funding requirements) for all risks other than those considered acceptable or tolerable.
- + Monitor and review the risk management system through the Risk Management Sub Group, Integrated Governance Committee, Audit Committee and Board.
- + Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process.

Principal risks which threaten achievement of the PCT's principle objectives, and the mitigating actions being taken, are included on the Corporate Risk Register. Risks currently

identified at a corporate level are:

- + Bed stock capacity within the acute sector – Mitigating actions include the implementation of an urgent care programme which aims to reduce avoidable admissions to hospital and reduce delays in hospital discharges. Governance and monitoring structures are in place to oversee this programme.
- + Orthopaedic and neurosciences capacity across the health economy – Detailed sub specialty demand plans are being developed for orthopaedics and activity flows will be managed along the whole pathway to manage risk across all providers. Neurosciences are being reviewed at a health economy level and action plans being developed.
- + The financial challenge facing the PCT due to the economic climate – The challenge is reflected in medium term financial plans and the PCT is developing its procurement and market management function which will be supported by a value for money policy to support future investment / disinvestment plans identified in its Annual Operating Plan.

### Strengthened Committee Structure

The Board is responsible for the PCT's system of internal control, including risk management and has established the Integrated Governance and Audit Committees to discharge this responsibility. The Board requires appropriate policies on risk management and internal controls to be in place, and to receive regular assurances on whether the system is functioning properly.

The Integrated Governance Committee is a sub committee of the Board and monitors the management of risks by reviewing and monitoring the action plans developed for risks identified in the risk register.

The Audit Committee is a sub committee of the Board. It provides an objective view on internal control to the Board that is independent of executive and line management; provides verification to the Board on internal financial controls based on reports from internal and external auditors and routinely monitor the actions assurance map.

As there are strong links between the work of the Integrated Governance Committee and the Audit Committee, the Director of Finance and the relevant Non Executive Directors are members of both and the minutes of the

Integrated Governance Committee are made routinely available to the Audit Committee.

During 2009/10, the PCT established the following sub committees of the Integrated Governance Committee:

- ✦ The Compliance Committee which monitors the PCT's compliance with expected standards and performance measures and reviews all performance information submitted to external bodies and regulators;
- ✦ The Risk Management Sub Group which is responsible for reviewing, monitoring and challenging the organisations Directorate and Corporate level risk registers.

### Executive Responsibilities

The [Chief Executive](#) has overall responsibility for ensuring that an effective risk management system is in place within the PCT and for meeting all statutory requirements and adhering to guidance issued by the Department of Health in respect of governance. They are also responsible for ensuring there is an adequate control system in place and for providing an annual statement on internal control to be signed off and included in the PCT's annual report.

The [Director of Finance](#) is a member of the Integrated Governance Committee

and routinely attends the Audit Committee. They are responsible for ensuring that there are effective systems for financial risk management.

The [Director of Assurance and Development](#) has delegated lead executive responsibility for managing the strategic development and implementation of risk management and governance systems and is a member of the Integrated Governance Committee. They are responsible for ensuring that there are effective systems for risk management and lead on health and safety of staff, patients and visitors whilst using PCT facilities. They are also the nominated [Senior Information Risk Owner \(SIRO\)](#) for the organisation with responsibility for information risks across the PCT.

Several other posts in the PCT are key to risk management:

During 2009/10, the PCT appointed an [Assistant Director of Assurance](#) to oversee the PCT's risk management processes with support from the Risk and Incident Reporting Co-ordinator .

The [Director of Strategy](#) has delegated lead executive responsibility for managing the strategic development and implementation of clinical quality. They are a member of the Integrated

Governance Committee.

The [Caldicott Guardian](#) is a Consultant in Public Health Medicine who reports to the Director of Public Health (who, in turn, is a member of the Integrated Governance Committee).

### Ensuring Risk Management is embedded throughout the PCT

Directorates and teams within the PCT structure are charged with developing the register in their work areas linking risks to their own priorities and objectives. The Risk Management Sub Group reviews each Directorate risk register in rotation and has representation from all Directorates to ensure there is a wide understanding of risks across the organisation. These individual risk registers feed up to the overall corporate risk register that is managed by the Integrated Governance Committee.

The management and organisational structure - in conjunction with systems of risk management, objective setting and performance monitoring allows the PCT to meet its objectives in managing risk and improving the quality of the services it delivers. Risk management also takes place through the recording and assessment of all adverse incidences via the incident log.

The Integrated Governance Committee meets at bi-monthly intervals to review progress on action plans from the risk register, considers any concerns that may affect the PCT's ability to achieve its and ensure these are appropriately fed into the risk reporting mechanism.

### **Elements of the Assurance Framework and how this provides the evidence to support the Statement on Internal Control**

The Corporate Governance framework including standing financial instructions, standing orders, the scheme of delegation, the counter fraud policy, the register of interests, Non Executive Directors, the Audit Committee, Internal and External Audit scrutiny, the Integrated Governance Committee and the Remuneration Committee are all elements of the assurance framework which taken together provide layers of assurance and scrutiny in the organisation that work is being completed competently and reviewed effectively to ensure we meet our organisational objectives.

Information on any issues of control failure are fed through these various levels of the assurance framework to the Board and each element has a specific responsibility to identify and assist in the

management of risk.

Common membership of different groups and committees allows governance overlap so that issues that come to light are fed around the assurance framework.

### **Key elements of the way in which public stakeholders are involved in managing risks which impact on them**

The PCT is committed to the involvement of the community in shaping services and ensuring the PCT's priorities reflect the identified needs of the local population. This includes close contact at managerial level with patient forums, voluntary groups, community organisations, public and private health care providers and local government. The PCT has set up a new Directorate in 2007, specifically focused on Quality and Engagement, to support stakeholder involvement in all the work of the organisation.

### **Compliance with NHS Pension Scheme Regulations**

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 into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales in the Regulations.

### **World Class Commissioning Assurance**

An Internal Audit report during 2009/10 gave "significant assurance" to the WCC year 2 assessment processes and confirmed that there is sufficient evidence to support the self assessment of the eleven WCC competencies. Nine of the eleven competencies have been assessed at level 3 with the remaining two assessed at level 2. Each of the three governance components, that is Strategy, Finance and Board have been assessed as green in year 2; an improvement on year 1 where the assessment was green, amber, green. The internal audit review supported the rationale for this improved rating.

### **Information Governance**

BHC PCT has implemented the required controls as documented in the Information Governance policies and Risk Management plans to ensure robust management and accountability arrangements for all aspects of

organisational Information Governance and management of risks. The PCT also has in place a documented risk management plan that appropriately and effectively controls and mitigates identified information security risks and has implemented information incident reporting and management procedures with escalation procedures for Serious Untoward Incidents.

### **Compliance with relevant legislation**

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

### **Climate Change Adaptation (Climate Change Act 2008)**

BHC PCT has an Executive Lead for carbon reduction and has convened a Sustainability Steering Group which will produce a sustainable development management strategy in 2010/11. The PCT has undertaken risk assessments in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

## 5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed through the World Class Commissioning assurance process, and through review of external and internal audit reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Integrated Governance Committee and the Audit Committee. I am satisfied that where necessary, plans to address weaknesses and ensure continuous improvement in the system of internal control.

Organisational Work to Maintain the System of Internal Control

The Board considers reports from the Audit, Remuneration, and Integrated Governance committees. It must give special consideration to any activity that would otherwise constitute a breach of the standing orders of the Trust.

The Audit Committee, receives and considers all internal and external audit reports, and reports from the Local Counter Fraud Specialist and the Local Security Management Specialist. It reviews governance issues such as waivers to standing orders authorised by the chief executive and it approves the annual accounts (including the statement of internal control) before they are signed by the chief executive.

Directors and senior managers are responsible for delivering the PCT's objectives and managing risks and controlling the risks which would prevent their achievement. Internal Audit reviews the PCT management and performance to ensure it discharges its responsibilities in an efficient, safe and effective way.

The Head of Internal Audit Opinion on Effectiveness of Internal Control at the PCT for the Year ending 31 March 2010 highlighted two areas where

'limited' assurance had been given, but concluded that 'significant' assurance was appropriate overall. In 2008/09, the PCT received 'significant' assurance. Internal Audit reported that in 2009/10, the PCT has sustained and continued to strengthen its control environment.

The Assurance Framework identified, on an ongoing basis, gaps in the Assurance Framework, and provides a framework for putting in place action plans to address these. I have reviewed the Assurance Framework and do not consider that the identified gaps in the Framework are of such significance as require disclosure in this Statement.

## 6. Significant Control Issues

My review confirms that Brighton and Hove City PCT has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. There were no significant control issues in 2009/10.



**Amanda Fadero**  
Interim Chief Executive  
NHS Brighton and Hove

# Remuneration report 2009/2010

## Rewarding directors and senior managers

The PCT sets reward packages for directors and senior managers based on national guidance, and taking into account local market circumstances as appropriate. The PCT is mindful of the use of public funds in the remuneration of senior managers and has clear processes of performance management, led by the Chair and the Chief Executive, in place to ensure value for money. HM Treasury has issued clear guidance on severance packages for the public sector and the PCT can confirm that no severance packages for Executive or Non-Executive Directors were agreed or required in the past year.

## Executive Directors' salary and benefits

The salaries and terms and conditions of the Executive Directors of the PCT are determined by the PCT Remuneration Committee, which is chaired by PCT Chair Alan McCarthy. The Remuneration

Committee has as voting members the following Non-Executive Directors:

- + John Dearlove
- + Janice Robinson
- + George Mack (Chair, Audit Committee)
- + Denise Stokoe
- + Louise Hulton
- + Jim May

The Department of Health has in place a 'Pay Framework for Very Senior Managers in Strategic Health Authorities, Special Health Authorities, Primary Care Trusts, and Ambulance Trusts,' and

mandates levels of annual increase, as well as levels of other compensation. The PCT has been compliant with the guidance in this pay framework. Remuneration for all Executive Directors followed the pattern of national NHS pay awards and is expected to continue to do so in future years.

During the year, Executive Directors received a bonus of 2 - 5% of base salary, based on a review by the Chief Executive of their performance against their objectives and relating to performance in 2008/2009. Performance was satisfactory in all cases. Details of

salaries and pension increases for each of the serving Executive Directors are set out in the table overleaf. Executive Directors are appointed on permanent contracts with a six month notice period and termination payments clauses following national guidance.

On the 1 April 2009, the Chief Executive and Chair, with the approval of the remuneration committee, agreed to appoint Amanda Fadero to the role of Deputy Chief Executive. Her payment for additional responsibilities therefore increased as a result of this change.

Table 1 Salaries – Executive Directors

Name	Title	2009-10 Salary (bands of £5,000)	2008-9 Salary (bands of £5,000)
Darren Grayson	Chief Executive	130 - 135	130 - 135
Thomas Scanlon	Director of Public Health	115 - 120	115 - 120
Michael Schofield	Director of Finance	100 - 105	95 - 100
Teresa Needle	Director of Assurance and Development	85 - 90	85 - 90
Amanda Fadero	Director of Strategy / Deputy Chief Executive	100 - 105	85 - 90
Claire Quigley	Director of Delivery	90 - 95	95 - 100

Table 2 Pension Benefits – Executive Directors

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2010 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2010 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2010	Cash Equivalent Transfer Value at 31 March 2009	Real Increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
Darren Grayson (Chief Executive)	0 - 2.5	0-2.5	30 - 35	100 - 105	540	484	32
Thomas Scanlon ( Director of Public Health)	0 - 2.5	0-2.5	30 - 35	100 - 105	653	587	36
Michael Schofield ( Director of Finance)	0 - 2.5	0-2.5	30 - 35	95 - 100	803	719	48
Teresa Needle ( Director of Assurance and Development)	0 - 2.5	0-2.5	20 - 25	60 - 65	429	381	29
Amanda Fadero (Director of Strategy/ Deputy Chief Executive)	5 - 7.5	17.5 - 20	35 - 40	110 - 115	685	510	150
Claire Quigley (Director of Delivery)	0 - 2.5	2.5 - 5	20 - 25	65 - 70	375	322	37

With the exception of Darren Grayson, no Executive Directors received benefits in kind or other remuneration. Darren Grayson received additional benefits in kind of £1.4k in relation to a lease car made available to him during the year, after paying private contributions. No Executive Directors waived remuneration in the financial year.

### Non-Executive Directors' salary and benefits

The PCT has Non-Executive Directors, in accordance with the principles of corporate governance, to provide scrutiny and advice to the PCT Board. These Non-Executive Directors are appointed by the Appointments Commission on nationally defined fixed term contracts.

Julian Lee resigned as PCT Chair on 31 July 2009 and Alan McCarthy was appointed as PCT Chair on 2 November 2009 on a fixed 4 year contract. Ann (Denise) Stokoe covered the post of PCT Chair in the intervening period. The contracts of Janice Robinson, Louise Hulton and Jim May run until September 2012; those of John Dearlove, George Mack and Denise Stokoe run until September 2013. George Mack is Chair of the Audit Committee, and Jim May is Chair of the Procurement Governance Committee.

Table 3 Salary and Pension Benefits – Non-Executive Directors (Figures have been subject to audit review)

Name	Title	2009-10 Salary (bands of £5,000)	2008-9 Salary (bands of £5,000)
Julian Lee	PCT Chair to 31st July 2009	10 - 15	30 – 35
Alan McCarthy	PCT Chair from 1st Nov 2009	10 - 15	0
John Dearlove	Non Executive Director	5 - 10	5 – 10
Janice Robinson	Non Executive Director	5 - 10	5 – 10
George Mack	Non Executive Director	10 - 15	10 – 15
Louise Hulton	Non Executive Director	5 - 10	5 – 10
James May	Non Executive Director	5 - 10	5 – 10
Ann (Denise) Stokoe	Non Executive Director	5 - 10	5 – 10

As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive directors.

### Salary and Benefits – Members of the Clinical Executive

The PCT has a Professional Executive Committee, which consists of members of the PCT Board and members of the PCT Clinical Executive. These are local and specialist practitioners who bring a clinical perspective to the work of the PCT.

Self-employed GPs who are members of the Professional Executive Committee (PEC) have pension entitlements. However, the proportion of those entitlements that relates to their membership of the PEC is not significant compared to the proportion that relates to their work as practitioners independent of the PCT. It is not, therefore appropriate to disclose their pension entitlements.

### Pension Benefits – Understanding the Figures

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.

The real increase in CETV 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

### External Audit Review

Only the information included in the Salaries & Allowances and Pension Tables has been subject to external audit.

Table 4 Salary and Pension Benefits – Professional Executive Committee (Figures have been subject to audit review)

Name	Title	2009-10 Salary (bands of £5,000)	2008-9 Salary (bands of £5,000)
Lisa Argent	PEC Chair	85 - 90	80 – 85
Vicki Macken	PEC Vice Chair	25 - 30	25 – 30
Dominic Osman-Allu	PEC Member	25 - 30	25 – 30
Eileen Streeter	PEC Member	25 - 30	25 – 30
Christa Beesley	PEC Member (from 23/02/10)	5 - 10	0



**Amanda Fadero**  
Interim Chief Executive

Date: 2 June 2010

# Summary Financial Statements 2009/10

## Format of the Accounts

During 2009/10 the NHS implemented International Financial Reporting Standards (IFRS). These Summary Financial Statements have been prepared under IFRS as they apply to the NHS. 2008/09 comparators have been restated to IFRS unless otherwise indicated.

The purpose of these statements is to provide an overview of the key financial performance measures of the PCT in 2009/10. A full set of accounts can be obtained free of charge by request to the Director of Finance, Level 4, Lanchester House, Trafalgar Place, Brighton BN1 4FU (Tel: 01273 295490). These provide additional detailed information for users to gain a full understanding of the PCT's financial position and performance.

## Financial Performance

Tables 1 and 2 show the PCT's Operating Cost Statement and Revenue Resource Limit. The PCT made a surplus for the year of £1,071k which was in line with the control total set by NHS South East Coast strategic health authority. Table 3 details the Capital Resource Limit for the year. Actual capital expenditure was £209k which was within the limit set at £250k.

Table 1 Operating Cost Statement For The Period Ended 31 March 2010

	2009-10 (£000)	2008-9 (£000)
<b>Commissioning</b>		
Employee benefits	9,212	8,116
Other costs	461,548	437,757
Income	(10,755)	(13,324)
<b>PCT net operating costs before interest</b>		
Investment income	0	0
Other (Gains)/Losses	0	0
Finance costs	694	1,571
<b>Net operating costs for the financial year</b>	<b>460,699</b>	<b>434,120</b>

Table 2 Revenue Resource Limit

	2009-10 (£000)	2008-9 (£000)
Total Net Operating Cost for the Financial Year	460,999	434,120
Non-Discretionary Expenditure	1,845	1,810
Net Operating Cost less Non Discretionary Expenditure	458,854	432,310
Revenue Resource Limit	459,925	432,434
Under/(Over)spend Against Revenue Resource Limit	1,071	124

Table 3 Capital Resource Limit

	2009-10 (£000)	2008-9 (£000)
<b>Total Gross Capital Expenditure</b>	<b>209</b>	<b>150</b>
less: Capital Grants Received	0	0
less: Donations	0	0
<b>Charge Against the Capital Resource Limit (CRL)</b>	<b>209</b>	<b>150</b>
Capital Resource Limit (CRL)	250	150
<b>(Over)/Underspend Against CRL</b>	<b>41</b>	<b>0</b>

Table 4 is the Statement of Financial Position as at 31 March 2010. It details the PCT's assets (what it owns or is owed) and its liabilities (what it owes).

The value of property, plant and equipment increased by £721k in the year. This represents additions of £133k for IT equipment, £76k for furniture and fittings, and indexation of £186k. Sussex Orthopaedic Treatment Centre (SOTC) was re-valued upwards during 2009/10 which required the reversal of an impairment accounted for in 2008/9. This increased the carrying value of the SOTC by £686k. Depreciation charged during the year was £360k.

Current liabilities increased by £879k to £34,806k. Trade and other receivables reduced by £912k to £2,520k. Overall the total assets employed by the PCT increased by £376K in the year.

Table 4 Statement of Financial Position

	31 March 2010 (£000)	31 March 2009 (£000)
<b>Non-current assets:</b>		
Property, plant and equipment	12,088	11,367
Trade and other receivables	0	0
<b>Total non-current assets</b>	<b>12,088</b>	<b>11,367</b>
<b>Current assets:</b>		
Inventories	8	8
Trade and other receivables	2,520	3,432
Cash and cash equivalents	34	102
<b>Total current assets</b>	<b>2,562</b>	<b>3,542</b>
<b>Total assets</b>	<b>14,650</b>	<b>14,909</b>
<b>Current liabilities:</b>		
Trade and other payables	(32,821)	(32,597)
Provisions	(458)	(493)
Borrowings	(1,527)	(882)
<b>Total current liabilities</b>	<b>(34,806)</b>	<b>(33,927)</b>
<b>Non-current assets less net current liabilities</b>	<b>(20,156)</b>	<b>(19,063)</b>
<b>Non-current liabilities:</b>		
Provisions	(2,008)	(2,054)
Borrowings	(11,998)	(13,421)
<b>Total non-current liabilities</b>	<b>(14,006)</b>	<b>(15,475)</b>
<b>Total Assets Employed:</b>	<b>(34,162)</b>	<b>(34,538)</b>
<b>FINANCED BY:</b>		
<b>TAXPAYERS' EQUITY</b>		
General fund	(34,348)	(34,538)
Revaluation reserve	186	0
<b>Total Taxpayers' Equity:</b>	<b>(34,162)</b>	<b>(34,538)</b>

Table 5 shows the movement on reserves in 2009/10. It represents the taxpayers investment in the PCT

**Table 5 Statement of Changes in Taxpayers Equity 2009/10**

	<b>General Fund (£000)</b>	<b>Revaluation Reserve (£000)</b>	<b>Total Reserves (£000)</b>
Balance at 1 April 2009	(34,538)	0	(34,538)
Net operating cost for the year	(460,699)	0	(460,699)
Net gain on revaluation of property, plant, equipment	0	186	186
Non-cash charges – cost of capital	(1,200)	0	(1,200)
<b>Transfers between reserves</b>			
Transfers to/(from) other bodies within the Resource Account Boundary	(1,161)	0	(1,161)
<b>Total recognised income and expense for 2009/10</b>	<b>(463,060)</b>	<b>186</b>	<b>(462,874)</b>
Net Parliamentary funding	463,250	0	463,250
<b>Balance at 31 March 2010</b>	<b>(34,348)</b>	<b>186</b>	<b>(34,162)</b>

Table 6 summarises the cash flows of the PCT during 2009/10. It shows a net cash outflow for the year of £462,077k being financed by Parliamentary Funding. The Statement shows a cash decrease as at 31 March 2010 of £68k.

**Table 6 Statement of Cash Flows For The Year Ended 31 March 2010**

	2009-10 (£000)	2008-9 (£000)
<b>Cashflow from operating activities</b>		
Net operating cost before interest	(460,005)	(432,549)
Other cash flow adjustments	(1,463)	1,992
Movements in Working Capital	1,118	1,695
Provisions utilised	(228)	(249)
Interest paid	(694)	(1,571)
Net cash outflow from operating activities	(461,272)	(430,682)
<b>Cash flows from investing activities</b>		
Payments to purchase property, plant and equipment	(191)	(150)
Interest received	0	0
Rental Income	0	0
Net cash inflow/(outflow) from investing activities	(191)	(150)
Net cash inflow/(outflow) before financing	(462,077)	(430,832)
<b>Cash flows from financing activities</b>		
Net Parliamentary Funding	462,173	431,270
Other capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases, on-SoFP PFI and LIFT	(778)	(343)
Cash transfers (to)/from other NHS bodies	0	0
Net cash inflow/(outflow) from financing	461,395	430,927
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(68)</b>	<b>95</b>
<b>Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year</b>	<b>102</b>	<b>7</b>
Effect of exchange rate changes on the balance of cash held in foreign currencies	0	0
<b>Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year</b>	<b>34</b>	<b>102</b>

Some staff and Board members fall within the NHS definition of 'management costs'. The PCT's management costs for 2009/10 are detailed in table 7.

**Table 7 Management Costs 2009/10**

Management Costs	9,096
Weighted Population	265,413
Management cost per head of weighted population	34

The comparative cost for 2008/09 was £32.27

In line with Government accounting rules, the PCT aims to pay NHS and non-NHS creditors within 30 days of receipt of goods or a valid invoice (whichever is later) – unless other terms have been agreed. The PCT's performance is shown in table 8.

**Table 8 Better Payment Practice Code**

	2009/10 (number)	2009/10 (£000)	2008/09 (number)	2008/09 (£000)
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	9,115	57,428	10,751	44,775
Total Non-NHS Trade Invoices Paid Within Target	8,498	47,228	9,273	35,335
% of Non-NHS Trade Invoices Paid Within Target	93.23	82.24	86.25	78.92
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	1,817	316,954	1,709	285,246
Total NHS Trade Invoices Paid Within Target	1,463	304,778	1,014	246,286
% of NHS Trade Invoices Paid Within Target	80.52	96.16	59.33	86.34

# Independent auditor's report to the Board of Directors of Brighton and Hove City PCT

I have examined the summary financial statement for the year ended 31 March 2010 which comprises: Table 1 Operating Cost Statement for the period ended 31 March 2010; Table 2 Revenue Resource Limit; Table 3 Capital Resource Limit; Table 4 Statement of Financial Position; Table 5 Statement of Changes in Taxpayers Equity 2009/10; Table 6 Statement of Cash Flows for the year ended 31 March 2010; Table 7 Management Costs 2009/10; and Table 8 Better Payment Practice code set out on pages 32 to 36 of the Annual report.

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

## Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

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

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement. The other information comprises that set out on pages 1 to 20; the Operating and Financial Review 2009/10 (pages 21 to 22); the Chief Executive's and directors' statements (page 23); the Statement of Internal Control (pages 24 to 28), and the unaudited part of the remuneration report (pages 29 to 31).

I conducted my work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of my opinion on those financial statements.

## Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of Brighton and Hove City PCT for the year ended 31 March 2010. I have not considered the effects of any events between the date on which I signed my report on the statutory financial statements 10 June 2010 and the date of this statement.

**Paul Grady**  
District Auditor

Audit Commission, 1st Floor, CEC  
Business Centre, Crossweys, 28-30 High  
Street, Guildford GU1 3HY

# Glossary of financial terms

## Accruals

An accounting concept. In addition to payments and receipts of cash, adjustment is made for outstanding payments, debts to be collected and stock. This means that the accounts show all of the income and expenditure that related to the financial year.

## Assets

An item that has a value in the future. For example, a debtor (someone who owes money) is an asset, as they will pay in the future. A building is an asset because it houses activity that will provide a future income stream.

## Audit

The process of validating the accuracy and completeness of disclosure of financial records.

## Capital

Land, buildings, equipment and other long-term assets owned by the Trust, the cost of which exceeds £5,000 and which has an expected life of more than one year.

## Cash Limit

A limit set by the Department of Health which restricts the amount of cash drawings that the Trust can make in the financial year. There is a combined cash limit for both revenue and capital.

## Commissioning

Purchase of healthcare from external service providers (NHS, other public sector, private and voluntary) to meet the needs of the population.

## Current Assets

Receivables (amounts owed) , inventories (stock), cash or similar, whose value is, or can be converted into, cash within the next twelve months.

## Current Liabilities

Obligations which the PCT has incurred in the course of business which fall due within one year. This includes outstanding payments to suppliers (NHS and non-NHS).

## Governance

Governance is the system by which organisations are directed and controlled. It is concerned with how the organisation is run, how it is structured and how it is led. Corporate governance should underpin all that an organisation does. In the NHS, this means it must encompass clinical, financial and organisational aspects.

## Gross Operating Costs

This is the total revenue expenditure, including accruals and Provisions, incurred in the course of performing all aspects of the Trust's functions during the year.

## Miscellaneous Income

Income that relates directly to the operating activities of the Trust. This excludes cash voted by Parliament and drawn down by the Trust from the Department of Health, which is credited to the general fund.

## Non-current Assets

Property, plant, equipment and other long term assets that are expected to have a life of more than one year.

## Non-current liabilities

Obligations which the PCT has incurred in the course of business which fall due after one year.

## Payment by Results

A financial framework in which providers are paid according to the level of activity undertaken. Payment is based on a national tariff.

## Practice Based Commissioning

A framework which engages GP practices and other primary care professionals in the redesign of services for the benefit of patients, through the provision of resources, information and support.

**Primary Care Trust**

Primary care organisations that provide and manage services delivered within the primary and community care sector, as well as commission acute and other services for its population.

**Provider**

Organisations that provide health care services through contracts with NHS Brighton and Hove.

**Provisions**

PCTs make provisions for expected future expenditure where the action giving rise to the expense has already occurred but the amount and timing of the eventual payment is uncertain.

**Resource limit**

Expenditure limits are determined for each NHS organisation by the Department of Health for both revenue and capital, which limit the amount that may be expended on revenue purchases, as assessed on an accruals basis (that is, after adjusting for debtors and creditors).

**Revenue**

Ongoing or recurring running costs or funding for the general provision of services.







# Information about translation/ other formats

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