Annual Report

2003/04

West Suffolk Hospitals NHS

NHS Trust

Trust Vision

The Trust aims to be the hospital of first choice for local people and wider communities. Key strategic aims:

Patients

- Transform all services to become patient centred
- Empower patients to participate in their own treatment and care
- Develop access to services to balance patient convenience with clinical effectiveness
- Achieve high patient satisfaction with the environment, cleanliness and catering.

Society

- Develop partnerships with the public, patients and health and social care agencies to enhance the provision of the highest quality patient care
- Establish the Trust as a recognised research and development organisation
- Adopt government principles of sustainable development.

Performance

- Develop and adhere to a robust risk framework, which covers financial, clinical and organisational risk
- Achieve all national targets and standards for finance and services
- Develop a patient package, which ensures the Trust is first choice for the communities we serve.

Staff

- Provide an environment that is well managed and resourced to enable staff to provide high quality patient care
- Provide a high standard of education and training.

About the West Suffolk Hospitals NHS Trust

The West Suffolk Hospital was established as a NHS Trust on 1 April 1993. NHS Trusts were introduced as part of the NHS Reforms in 1991, when providers of health services could choose to become self-managing Trusts as part of the NHS. The West Suffolk Hospital was founded in 1832, before moving to its new site in Hardwick Lane in 1973.

The Trust manages hospitals on three sites: the West Suffolk Hospital in Bury St Edmunds, with a treatment centre and day surgery unit, provides a full range of acute services with all associated inpatient and outpatient facilities.

In Sudbury, the Walnuttree Hospital provides day hospital and outpatient services, and St Leonard's Hospital provides the town with outpatient and X-ray facilities. Both hospitals in Sudbury are in a poor condition and need to be replaced.

There are plans to bring all the services in Sudbury together as a single health and social care centre. This private finance initiative is being led by Suffolk West PCT with secondary care, mental health and social care partnership involvement.

Outpatient services in the community

To provide convenient local access to consultant clinics, there are outpatient services at Newmarket Community Hospital, Thetford Cottage Hospital, Haverhill Health Centre, Mildenhall Clinic and Stowmarket Health Centre as well as at the hospitals in Sudbury and Bury St Edmunds.

Message from the Chairman

The people of west Suffolk have every reason to be proud of their local hospitals and confident in the quality of treatment, care and attention that they receive.

Another year of effort and achievement has been crowned with our, once again, gaining three stars in the national star ratings awarded by the Healthcare Commission. For three years out of four we have received this top ranking and established our Trust as one of the best in the country.

What this means to the Trust, our staff and our patients cannot be overstated. For example, it helps us to attract the best quality candidates for vacant posts. Where other trusts may struggle to find new consultants in certain specialties, we are often spoilt for choice.

Our high performance in reducing how long people are in the Accident & Emergency Department at the West Suffolk Hospital has brought in £200,000 of extra capital to spend in ways that will further benefit patients.

It has enabled us to continue on the path to become a NHS Foundation Hospital Trust. It is a long road and there is still some way to go but if we are successful, as I hope and believe we will be, this will bring further benefits to patients and staff.

The support we have had in our application to become a Foundation Trust has been tremendous. We have had one of the best responses in the country, with more than 8,500 people expressing an interest in being members, and many interested in having a seat on our Council of Members. This is a real example of the great support that our hospitals receive from their communities.

The Council of Members will appoint the Chairman and Non-executive Directors of the Foundation Trust ensuring, for the first time, that local people have a direct influence on our activities and strategic direction.

This is an extremely exciting and challenging time and we hope that more people will want to become members.

With increased freedoms, of course, come greater responsibilities and a key one for us, whether we remain a NHS Trust or become a Foundation Hospital Trust, is to ensure that we balance our books. This was a major challenge in the year covered by this report and it is still with us. By working closely with our colleagues in primary care, along with other partners and stakeholders as well as Trust colleagues we are determined to control our expenditure and maximise our income while protecting the quality and development of patient services.

This will be no mean feat, but I am confident that by continuing to pull together once again we will achieve our aims. For this dedication and commitment I am extremely grateful to all members of staff in Bury St Edmunds and Sudbury who work so hard for others.

I would also like to thank the army of volunteers who give their time and energy in many different ways. Their contributions greatly enhance our hospitals, helping staff, patients and visitors.

The Trust has welcomed Chris Bown as its new Chief Executive.

Chris took up his post in September and has moved to West Suffolk from the Birmingham Children's Hospital NHS Trust where he has been Director of Operations since 2001.

Chris, who is 43 and married with two children, has worked in Birmingham since 1995. Before that he worked at Guy's and Thomas' Hospital NHS Trust in London.

During the year our Chief Executive John Parkes left us to take up another post. John deserves our thanks for successfully steering us to the position that we now find ourselves in and we wish him luck in his future career.

I am also very pleased to welcome Chris Bown as our new Chief Executive who joins us at this significant time in our history. Chris comes to us from the Birmingham Children's Hospital and I am sure that he will find his life in Suffolk stimulating and satisfying.

Our Annual Report gives you many details of the people and work that went on in the Trust during 2003/2004. I believe you will find it a real eye opener on our life of serving others. If you want to know more or have any comments I would be delighted to hear from you. You will find details of how to contact me on the back cover.

Veronica Worrall

Chairman

Patients

Top: The new £5.6 million Treatment Centre including the ultraclean theatre (below)

New Treatment Centre Opens

A new £5.6 million Treatment Centre opened its doors for patients. It includes the Trust's third ultraclean theatre and a two-storey extension to the rear of the Day Surgery Unit, which holds two new operating theatres and an ophthalmic outpatient clinic. Three additional consultants support the new development, two new orthopaedic surgeons, Mr Paul Nicolai and Mr Andrew Dunn, and a new Consultant Ophthalmologist, Mrs Carolyn Cates.

The ultraclean theatre is used for a range of orthopaedic surgery, but is specifically aimed at hip and knee joint replacement surgery. It features an ultraclean environment to minimise the risk of infection.

Operations such as cataracts, squint operations and retinal surgery are performed in the new Eye Treatment Centre, the vast majority on a day case basis. The centre will allow the Trust to treat up to 2,000 more cataract removal operations each year.

"The new Eye Treatment Centre is a fantastic facility," says Tony Vivian, Consultant Ophthalmologist. "Its clever design and state-of-the-art equipment make it the most innovative unit in the country. Our patients will get the highest quality eye care and they will not have to wait so long to get it."

The Treatment Centre is part of a national initiative to boost capacity, treat more NHS patients and drive down waiting times. The new facilities and additional staff are offering greater convenience for patients by providing safe, fast, pre-booked surgery and tests by separating planned, routine operations from unplanned or emergency operations.

New Midwifery Service for Newmarket

A new midwifery service has started in Newmarket, providing a step forward in the provision of maternity care in the town. The King Charles Midwifery Group Practice provides total care for women during pregnancy, attending the births either in the home or hospital and giving postnatal care. Their aim is to provide women with a seamless pathway of care throughout pregnancy and after birth.

The service philosophy is to encourage and support the normality of childbirth by offering continuity of midwifery care. The team aims to assess the onset of labour in the women's home, providing one to one care for women choosing to give birth at the West Suffolk Hospital and those opting to give birth at home.

Team in Place to Improve Palliative Care

The West Suffolk Hospital Palliative Care Team is now up and running with Trevor Farrington and Pru Parker, Clinical Nurse Specialists in Palliative Care and Consultant Dr Rosemary Wade who leads the team.

"We are here to improve care for patients who have progressive and terminal illness and to provide support for their families," said Dr Wade. "Pain, symptom control and psychological support are central components of our work. It is important to us that patients who die in the hospital, die peacefully."

"The role of the Palliative Care Team is not to take over responsibility for care, but to work alongside colleagues to improve the quality of that care," said Trevor Farrington. "We are here to help staff as well as patients and their families, and can provide psychological support for staff if needed. Over the next year we will be introducing a Care of the Dying Pathway. It is important for all of our work that if we cannot cure, we feel we have done the best for our patients."

Above: Dr Rosemary Wade and colleague Pru Parker on Ward G1 with Senior Staff Nurse Liz Eagles and Senior House Officer Maher Hadaki

Emergency Care

Over the last 13 years (1990–2003) there has been a 50% increase in A&E activity and this trend is continually putting the Trust under increasing pressure to manage high levels of emergency demand.

In response, frontline staff and patients have been involved in redesigning the service and introducing new ways of working to cope with the pressure. Key changes include:

- Three Emergency Nurse Practitioners, in post in A&E helping to speed diagnosis, treatment and discharge of patients attending with minor injuries.
- A designated 'assessment bay' in the Emergency Assessment Unit (EAU) for GP referred medical patients where a senior skilled nurse immediately starts treatment and identifies potential discharges.
- A discharge lounge in the EAU where suitable patients can wait in comfort, off the ward, for transport or drugs. This frees beds earlier in the day for other patients.
- Development of a Patient Flow Team who ensure patients are placed quickly in the most appropriate setting to enable them to receive the right care. Their goal is to ensure all health care professionals work together to deliver an effective, smoothly co-ordinated service from arrival at the hospital back to the patient's own home or an alternative care setting.

These changes significantly reduced the time patients waiting in A&E (see the Trust's performance against the four hour emergency care target on page 10) and have improved patient care.

Above: Nurse Clare Nichols in the assessment bay of the Emergency Assessment Unit (EAU)

New Nurse Specialist to Care for Crohn's and Colitis Patients

Belinda Headon is a Nurse Specialist caring for people with Crohn's and Colitis (inflammatory bowel disease). Belinda works as part of the gastroenterology department with doctors, nurses and dieticians to develop a service with the emphasis on local care, expert advice and the latest medical technology and treatments. Her role integrates with the Colitis charity NACC (National Association for Crohn's and Colitis) and she provides outreach clinics at Thetford, Newmarket and Walnuttree Hospital in Sudbury.

"Inflammatory bowel disease can be a very debilitating illness, and people with the condition often value a nurse with a specialist interest to talk to about their concerns," said Belinda.

"The good news is that this support is now provided from the West Suffolk Hospital, and I am available to discuss all aspects of their condition, such as diet or sexual issues. I aim to provide an accessible, local, convenient service to provide the best possible care for people with inflammatory bowel disease."

New Asthma Tool Championed by Nurse Consultant

Above: Linda Pearce, Respiratory Nurse Consultant

Below: Better Hospital Food menu

The Trust's Respiratory Nurse Consultant Linda Pearce has helped to develop a new medical instrument called In-Check, which is destined to benefit both inhaler users and health professionals world-wide.

"My research originally started from my own experience with asthma patients and how they used their inhalers," said Linda. "The most poignant was a 10-year old who was making all the right actions but wasn't actually sucking in from his inhaler.

"This prompted me to take the In-Check dial to a group of respiratory-interested health professionals – and the results from that were astounding. Out of the many that I tested, only a few GPs had the correct inspiratory flow for the most common type of inhaler."

The In-Check dial works like a speed gun, checking whether you are inhaling too slowly or too fast. It allows the health professional to encourage the person to speed up or slow down for best effect. For some patients it can help identify the most suitable type of inhaler.

Meal Times and Cleanliness Given New Priority

Interrupted meal times, for whatever reason, have a detrimental effect on the nutritional intake and well being of patients if they cannot complete or miss their meal. Protected Meal Times ensure that patients are given assistance and support in a conducive environment over the meal period. Rescheduling clinical activities away from meal periods will help ward-based teams provide vital support to patients at meal times.

Light snacks are now part of the Better Hospital Food menu along with a new bedside menu with nutritional information to help patients make an informed choice.

A Patient Environment Action Team (PEAT) inspection awarded amber status (satisfactory) at West Suffolk Hospital and green status (good) at Walnuttree Hospital.

"Our aim is the full implementation of Protected Meal Times, to improve cleaning standards to reduce the risk of Hospital Acquired Infections, raise the PEAT score to a green status throughout the Trust, and to provide an excellent service for our clients," says Riva Knight, Hotel Services Manager.

All Change on the Rainbow Unit

Changes have been introduced to the Rainbow Unit so that more children can be treated in the dedicated children's ward.

Previously children needing to be seen in orthopaedic clinics were seen in adult areas, whereas now they can be seen in the child-friendly paediatric clinic.

"The area is welcoming to families and helps the children to feel relaxed when they come for their appointment," said Karen Higgins, Ward Manager. "In fact, some of them love it so much they don't want to go home!"

Above: Department Sister Sheena Wakeling and Staff Nurse Ann Henocq with patient in the Paediatric Clinic

Below: Ward Clerks, Mary Wymer and Bridie McShane

Patient Information Systems

Accurate information is crucial if patients are to have choice and receive the right care at the right time. A key aim of the National Programme for Information Technology (NPfIT) is to give healthcare professionals access to patient information quickly and easily, whenever and wherever it is needed.

The Trust is making extensive preparations for the Programme, which has four main aspects:

- **NHS Care Record** – shared across hospitals, GP surgeries, the ambulance service and social care as appropriate for patient care with patient consent
- **Electronic Booking** in support of Choice whereby patients choose and book a convenient time and hospital for their diagnosis or treatment
- **Electronic Transfer of Prescriptions** direct to the community pharmacist saving time and improving legibility
- **Infrastructure** to make all this information available to staff including broadband and desktop equipment. Integration of systems will save clinical time in recording and retrieving patient information, as well as supporting clinical decision making.

Patient and Public Involvement

A database of people has been created who are willing to participate in Trust activities and some of the participants have successfully joined groups, examples of which include:

- Patient representation on the Treatment Centre planning group
- Patient stories that are being used by the Emergency Services Project Group to inform plans for emergency services modernisation
- Use of a patient focus group to provide feedback on a new Discharge Planning Policy
- Patient representation on a number of Trust committees.

A reader panel of patient volunteers has been established to ensure public involvement in the content of information leaflets.

A Patient Advisory Panel meets regularly and provides the Trust with quick and easy access to patients and the public when needing to obtain views on ongoing service developments.

National Patient Surveys were undertaken for outpatient attendees and A&E. Benchmarking data has been provided to allow the Trust to compare its results with those of other trusts. The results and action plans developed to address the main findings of these surveys are being discussed with patient and public participants to ensure their involvement in the continuing process.

Society

Top: Karl Love, New Consultant Histopathologist
Above: A patient using the new Kidney Dialysis Unit

Cytology Partnership Improves Service

Cytology services for West Suffolk and Addenbrooke's Hospitals have been combined, and are now provided on one site in Cheveley House in Newmarket. This partnership will help to facilitate the introduction of new technology – liquid-based cytology – which improves the screening process by reducing the number of unusable samples. It will also help both Trusts to recruit trained staff, such as cytoscreeners, who are nationally in short supply.

"The cytology merger is the flagship of collaboration," said Network Liaison Manager Brian Tolliday. "2003 saw Hinchingbrooke and Papworth Hospitals join the West Suffolk and Addenbrooke's Hospitals in the West Anglia Pathology Network, which aims to build a locally responsive service with all the benefits of a network."

"We want to raise standards across the whole field by building partnerships to share knowledge and expertise," said Julian Jolly, Pathology Services Manager. "New demanding accreditation standards designed to improve the quality of pathology services will soon be implemented, and we need to pool our resources to work towards these. Working collaboratively has helped our performance in key areas and enables us to provide broader experience and training for staff."

Attracting key staff who are in demand nationally is vital to the service. The Trust has no consultant vacancies across pathology – a remarkable achievement – and has begun training courses for biomedical scientists.

Satellite Dialysis Unit Opens

In September 2003 a new Kidney Dialysis Unit at the West Suffolk Hospital began to treat patients who live in Bury St Edmunds and the surrounding area, who would otherwise travel to Addenbrooke's Hospital in Cambridge for dialysis. This is very beneficial to those patients who spend hours travelling many miles for treatment, some of whom previously had to travel to and from Cambridge two or three times a week.

This much-needed local unit is a result of partnership working. The West Suffolk Hospitals NHS Trust is leasing the new accommodation to Addenbrooke's NHS Trust, who employ the nursing staff and manage patient care. Fresenius Medical Care (UK) Ltd is providing the dialysis service. Agreements have been negotiated for the West Suffolk Hospital to provide some support services, such as pathology, radiology, pharmacy, and catering.

The satellite unit cost £449,000 to build, is open 6 days per week and 34 patients currently use the Unit three times a week for dialysis lasting three to four hours per visit.

Research & Development

The Trust is committed to providing a quality research culture with visible research leadership and expert management in order to promote excellence in the conduct and use of research.

At the heart of the research strategy is the protection of research participants. During this year, the focus has been on ensuring all research activity complies with Department of Health standards and connects effectively with wider quality assurance systems. Following a successful review of Research Governance arrangements in June 2003, the Department of Health awarded the Trust an annual R&D funding allocation to support its contribution to nationally directed non-commercial research. This work accounts for approximately two thirds of the Trust's research portfolio.

Research activity has reached a steady state of 70-80 projects, with 2-3 new projects each month replacing a similar number of completed studies.

Building on this year's success, the priorities during the next few years are to:

- Consolidate the integration of research activity with clinical governance and risk management systems
- Engender a professional workforce able to make health care decisions based on the best sources of evidence
- Equip individuals and teams with the skills necessary to conduct their own research
- Promote partnership working and develop our research portfolio to inform and enhance local service delivery.

Above: Dr Frances Elender, Research and Development Manager speaks with Dr Graham Briars, Paediatrician

Below: The new multi-disciplinary Education Centre

Opportunities for a Career in Medicine

The Cambridge Graduate Course in Medicine provides opportunities for graduates of any discipline who want to build a career in medicine. This innovative course is a partnership between the University of Cambridge and the hospital as part of the Government's drive to increase the number of doctors in the NHS.

The clinical base is at the West Suffolk Hospital, and the course is housed in the £2.6 million multi-disciplinary Education Centre, which provides a modern learning facility.

The reputation developed by the course is demonstrated in the year on year increase in the number of applicants. This is set against a backdrop of an increase in the availability of graduate medical courses since 2001.

YEAR	INTAKE
2001	18
2002	20
2003	25

Professor Peter Richards is a Non-executive Director at the West Suffolk Hospitals NHS Trust and is also the President at Hughes Hall, University of Cambridge.

Health and Wellbeing of the Local Community

The Trust continues to work with the Western Suffolk Local Strategic Partnership and contributed to the development of the Community Plan. Membership of the Partnership comprises representatives from health and social care organisations, local authorities, the police, voluntary and community organisations and local businesses.

Hip replacement patient Jean Duffin with Sarah Elleray, Superintendent Physiotherapist and Andrea Coburn, Physiotherapist

Performance

Trust Hits Performance Targets and Patients Feel the Benefit

The West Suffolk Hospitals NHS Trust met its key clinical performance targets for 2003/2004 developed to reflect the aims and objectives of the NHS Plan.

It means that more people have been seen and treated more quickly than ever before despite a significant rise in emergency admissions and operations.

"This is very good news for the people of West Suffolk," said Trust Chairman Veronica Worrall. "Our staff have been working extremely hard to bring about even better levels of health care. It means that in the last two years we have halved the maximum length of time that people have to wait for their operation."

The performance figures for the end of March 2004 mean:

TARGET: No patient was waiting more than 9 months for an operation. ACHIEVED

TARGET: No patient waiting more than 17 weeks for their first outpatient appointment. ACHIEVED

TARGET: Over 90% of people who visited the accident and emergency department to be seen, treated or discharged within 4 hours. ACHIEVED

TARGET: 100% of patients seen within 2 weeks of urgent GP referral for suspected cancer to first outpatient appointment with a specialist. ACHIEVED

TARGET: 100% of last minute operations cancelled on the day brought back to the hospital within 28 days. ACHIEVED

TARGET: Outpatients should be seen within 30 minutes of their appointment time. ACHIEVED: 75% on average were seen within 30 minutes. This time last year our achievement was less than 67%.

TARGET: Provision of single sex accommodation. ACHIEVED

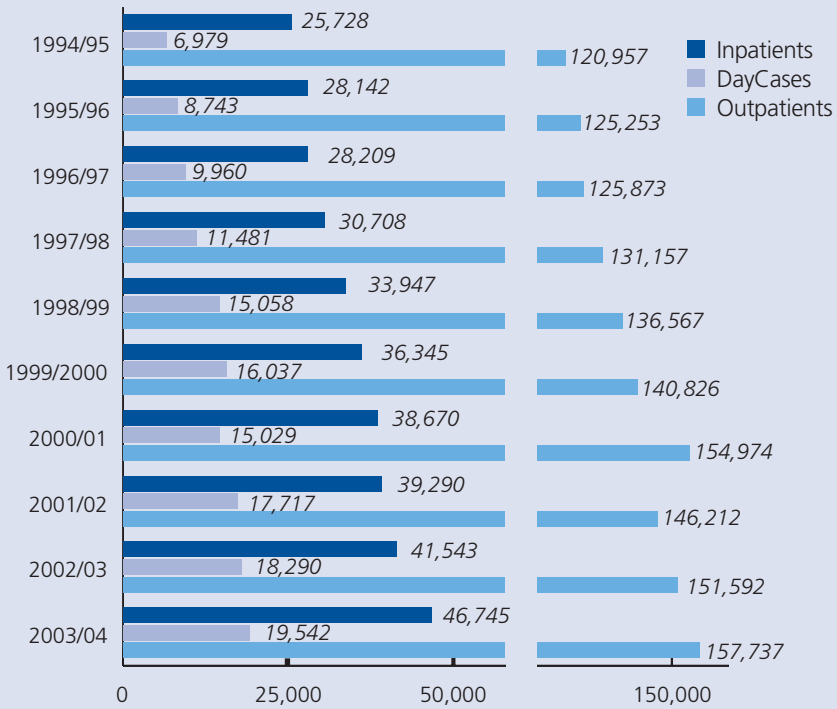
The hospital produced the best accident and emergency waiting time figures in the Norfolk, Suffolk and Cambridgeshire Strategic Health Authority area in March 2004, with 96.7% of people being seen within 4 hours.

"This has been due to the enormous effort and commitment of staff involved in emergency care across the hospital," said Nichole Day, Director of Nursing and Governance.

It means that the Trust qualified for a £100,000 reward from the Department of Health to invest in equipment to further improve patient care and performance.

Activity still increasing

Since the Trust was formed in April 1993 there has been a year-on-year increase in activity. During 2003/04 there was an 11.1% increase in the number of inpatients, a 3.8% increase in the number of outpatients and a 6.4% increase in day cases compared to the previous year.



Staff

Training for Midwifery Theatre Care Assistants

Midwifery Theatre Care Assistants (MTCAs) are being trained to assist Obstetricians in conducting caesarean sections during night-time. Once trained they will then be able to take over from Senior House Officers after 11pm.

Both the Royal College of Nursing and the Royal College of Midwives support the initiative. It is an excellent example of multidisciplinary collaboration between theatre, maternity, anaesthetic and obstetric staff.

"We are the first Trust in the eastern region to introduce this programme," said Patricia Davis, Head of Midwifery. "There are not many maternity units around the country which allow MTCAs to improve their clinical skills in this way, so it is quite a coup for the Trust."

Above: Sue Smith and Jo Lucas

Nurse Development

The numbers of recruits to the three-year nurse education programme, delivered in partnership with Suffolk College, has increased. In 2003/2004 there were 114 students undertaking training at the Trust, compared to 74 in 2002/2003.

A good experience within clinical placement areas is essential to the Trust to secure students on qualification, and our success to date has largely been due to partnership working between clinical staff and clinical practice facilitators.

There has been a significant reduction in the usage of agency nursing staff, through the improved management of temporary staffing.

An audit of pressure sores showed that the number of patients with pressure sores has decreased by 7% since the last audit two years ago. The appointment of Leonora Descombes as Tissue Viability Nurse has undoubtedly played a part in this, as has improved staff education and the purchase of special mattresses designed to reduce the incidence of pressure sores.

Essence of Care is a national initiative aimed at encouraging staff to share good practice between wards and other Trusts. As part of this process, a nutritional risk assessment tool has been introduced to identify patients who may have nutritional problems (research shows that around 40% of patients are malnourished upon admission to hospital). Patients at risk are provided with an enriched menu designed to give them the nutrients they need to aid their recovery.

Above: Leonora Descombes, Tissue Viability Nurse with a patient

Employing People with Disabilities

The Trust has strengthened its links with specialist companies who support the disabled in returning to employment and have been successful in providing a number of placements, which have developed into permanent employment. The Trust has met the criteria to use the Employment Services Disability Symbol.

Above: Geraldine Debenham, Voluntary Services Manager with Shirley McCarthy and Tricia Leishman

Below: Official dedication of the Multi-Faith room which is attached to the chapel

Volunteers

The work of volunteers is extremely valuable and varied. Over 330 volunteers provided 30,241 hours of service, an increase of 11% over the previous year.

Additional roles for volunteers have been incorporated within the new Eye Treatment Centre.

- **Patient Friend Scheme in Eye Surgery (hand holders)** - Activity increased by 26% over the previous year as more volunteers were recruited to accompany and reassure patients having cataract operations.
- **Meet & Greet Service** - these volunteers welcome people into the Centre and escort patients to their destinations, as required.

The efforts and commitment of young volunteers between the ages of 16 and 30 working at the Trust were recognised when the Dr Damian Kershaw Award was presented for the first time.

Improving Working Lives – Staff Involvement

The benefits of involving staff in decision-making can be considerable and include better change management and improvements in morale. This means it is important that effective ways exist for all Trust staff to contribute their expertise, ideas and opinions to decisions about issues that affect their working lives and the wider organisation.

Work is being carried out to make sure Trust staff involvement processes are effective and a wide range of people, including formal staff representatives, are currently exploring opportunities for improvements and identifying existing good practice that can be shared more widely. An action plan setting out practical steps to improve involvement will be agreed later this year and implemented during 2004.

Equality

The Trust's Equality and Diversity Group is chaired by a Non-executive Director with wide representation of staff from across the organisation and a patient representative. The Group works to promote equality for the Trust's workforce and patients and in delivery of all its functions and aims to challenge all forms of discrimination.

Its work programme includes the development of a new information pack for international staff working in the UK for the first time. The pack aims to help staff settle into life in the UK and make them feel at home more quickly. It was developed by the Equality and Diversity group as a result of feedback received from a workshop with black and minority ethnic staff held in 2003.

In 2003/2004 the Trust established a Multi-Faith Room and an exit interview system to identify reasons staff leave the Trust, including any relating to race. It plans to update its Race Equality Scheme and develop in-house diversity training resources in 2004/2005.

Leadership Award for Dermot

The Health Foundation Leadership Fellows scheme aims to develop a cadre of individuals who will become leaders of tomorrow and collectively will make a disproportionate impact on the quality of health care.

Consultant General Surgeon and Clinical Director of General Surgery Dermot O'Riordan, has been selected for the scheme following a rigorous selection process. He is one of 16 people who met NHS Chief Executive Nigel Crisp in London in December 2003 for the launch of the scheme.

Childcare Activities

The Trust's childcare co-ordinator is having a positive impact on the recruitment and retention of health care staff by helping them to balance the pressures of work and life outside of work.

Maria Betts-Davies, has organised holiday activity schemes for older children and during school closures due to inclement weather, she ran a successful emergency Onsite Childcare Facility. Availability of care for under fives has improved as a result of protected nursery places for Trust staff, good links with childminding networks and discounts negotiated with local providers. Maria offers a childcare support scheme for maternity leavers and returners to work.

Learning Activity Through NVQ and NHS Learning Accounts

A cross section of Trust staff – including medical secretaries, nursing assistants, catering and sterile services staff – have signed up to undertake a total of 122 NVQ courses and 154 programmes of learning using NHS Learning Accounts in the last year.

The types of courses financed are NVQs in Business & Administration, Care, Pharmacy and Pathology. Learning Accounts have been used for a 3-day in-house Medical Terminology Course, an Access to Health & Social Care Course via West Suffolk College, and Learndirect programmes. This activity supports the Trust's continued commitment to lifelong learning through a skills escalator approach to career development.

The Trust has also been successful in developing a Learndirect centre, based in the new Education Centre. Russell Simpson, the Learndirect Administrator, is available to enrol staff onto Learndirect programmes and provide support.

Keeping Staff Informed

Team briefing has been established across the Trust to ensure that everyone receives the same messages, in the same format and within the same time frame.

The Trust Council meets bi-monthly to discuss what is happening in the Trust. The weekly 'Green Sheet' and quarterly 'Up and About' staff newsletters keep staff informed.

Two committees negotiate terms and conditions of service for medical and non-medical staff.

Above: One of the attractive, well tended courtyard gardens

Below: Russell Simpson, Learndirect Administrator

Patient Mary Jupp with Leonie Salmon, Occupational Therapist

Learning from Experience

Clinical Governance

Clinical governance puts the experience of patients at the centre of the planning and organisation of our services. It impacts on all aspects of the care we deliver.

It is this framework through which NHS organisations are accountable for continually improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.

During 2003/2004, the Trust continued the implementation of its development plan for clinical governance. This built on the previous work, including the review by the Commission for Health Improvement (CHI) in 2002 (now known as the Healthcare Commission). The Trust was subject to continued external scrutiny during the year to provide assurance that progress continued, this included successful evaluation of our risk management systems.

Examples of objectives that have been achieved include:

Patient experience

- Improved discharge arrangements by supporting better planning and better working within the Trust and with partner organisations
- Modernised senior clinical management involved in emergency care
- Increased patient/carers involvement in service planning and review
- Permanent Patient Advice and Liaison Service (PALS) established where patients can find out more about their own or a relative's treatment and can feel at ease to express any worries and concerns that they may have.

Resources and processes

- Guidance developed to support the identification and management of hazards within the Trust
- Robust arrangements established for reporting and reviewing clinical governance activities within directorates
- Better communication with staff through team briefing
- Production of a comprehensive training portfolio which summarises training available across the organisation
- Incident reporting system reviewed and recommendations made for development during 2004/2005.

Achievement of the development plan is monitored by the Clinical Governance Committee, which is chaired by a Non-executive Director and reports directly to the Trust Board. The committee also receives regular reports from directorates and committees on clinical governance, including progress with local and national audit programmes, implementation of clinical effectiveness through the implementation of evidence based practice and the implementation of the National Service Frameworks (NSFs).

The Trust has an Information Management & Technology strategy to support patient care, staff, clinical governance and to act as an enabler for the NHS plan. Strategic aims include support for the monitoring of NSFs and information to support modernisation targets, and other health improvement and performance processes.

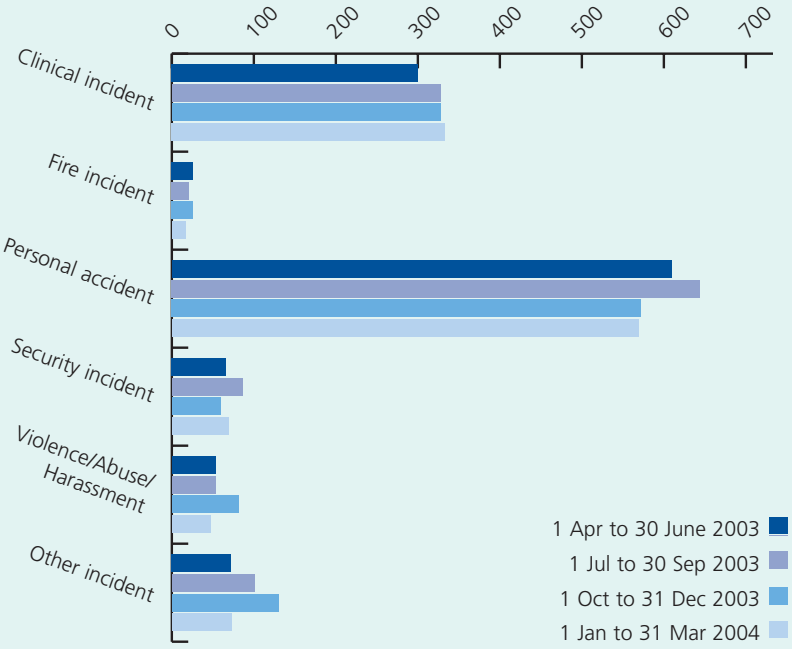
The Trust supports continuing professional development and lifelong learning with in-house and external development programmes for all staff. A comprehensive training portfolio that summarises training available across the organisation supports this work.

Directorate clinical governance steering groups are supported by the governance team. Information received by these groups includes a summary of incidents, complaints and claims. This ensures that appropriate action is taken or problems escalated to the Clinical Governance Committee.

The Trust's clinical governance priorities for the coming year include:

- Develop the use of care pathways to support high quality and effective care across the health economy
- Continue to improve access to high quality patient information
- Strengthen the processes for managing the introduction and ongoing use of medical equipment
- Increase the coverage of personal development plans (PDPs) for all staff to support targeted and effective training programmes.

Health & Safety Performance



All incidents occurring in the Trust are categorised by use of an incident coding set that has been based on guidance received from the National Patient Safety Agency (NPSA). The information enables the Trust to produce meaningful reports and trend analysis on all types of incidents occurring in the Trust. The incidents are investigated and actions taken to prevent reoccurrence.

Responding to Patients

Staff try to resolve people's concerns as soon as they arise. Patients and visitors can make a formal complaint in writing to the Chief Executive.

Number of written complaints received 311
Number resolved through local resolution 308

Greater emphasis is being placed upon meeting with patients and complainants at any stage of the local resolution process in an effort to resolve a complaint satisfactorily. Such meetings also provide the best opportunity for the Trust to access the learning that can be taken from complaints.

The Trust has also sought independent clinical advice when it has been considered helpful in resolving a complaint.

ICAS (Independent Complaints Advocacy Services) and the Trust continue to work together in order to provide the complainant with the appropriate support and advice independent of the hospital.

The Complaints Manager and the PALS (Patient Advice and Liaison Service) team are continuing to work closely together to offer patients a seamless service, and one which is tailored to their needs.

Complaints responded to within 20 day target 59%

The Trust's response time was disappointing for the year but can be attributed to a number of organisational changes experienced within the Trust.

A new Complaints Manager came into post in February 2004 and has already made changes to the internal management and administration of the complaints process. A positive indication is that 81% of complaints received in the first quarter of 2004 were responded to within the designated timeframe.

The Complaints Manager is working very closely with his colleagues in Governance and Risk Management in order to ensure that there is the maximum potential for learning from complaints.

Independent Review 3 requests

Of the three requests for Independent Review none were referred back to the Complaints Manager for further action as part of the local resolution process, two went to a Panel (one of which has yet to be arranged). The third request was declined after comprehensive independent reports were received and these supported the care and treatment that the patient received from the Trust.

The Panel, which has been agreed but yet to be convened, and thus will be completed outside of the nationally set performance target, has been delayed due to difficulties in acquiring suitable independent clinical advice. In summary, 50% of independent review panel work was completed within the national target.

Service improvements made in response to feedback

- New protocol for the management of burns patients who present in A&E
- Education programme developed to ensure appropriate pressure area care is provided in Orthopaedics
- New tracking system in Radiology for films from outside hospitals
- Call bell established in Plaster Room to allow for urgent nursing assistance if required
- Improved sign language and interpretation services available to all patients
- Plastic Surgery Department to provide education as part of A&E junior doctor induction.

Finance Director's Report

The Government has set three key financial targets for the NHS Trust:

Achieve financial balance

A key duty is to achieve financial balance, which means keeping your expenditure within your income levels.

The Trust struggled to achieve this during 2003/2004 for a number of reasons, including the impact of the new Consultants contract, the Treatment Centre and additional non-elective activity.

Target: £0
Achieved: £2,501,000 deficit

External financial limit

This target relates to the control of cash and capital expenditure within the organisation.

Target: £2,897,000
Achieved: £2,897,000

Capital cost absorption rate

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital, totalling £1,673,000 bears to the average relevant net assets of £58,472,000 that is 2.9%.

Target: 3.5%
Achieved: 2.9%

The variance from 3.5% arises due to an increased value of capital transactions in the year, which was in excess of the original estimated capital spend for 2003/2004.

The Trust's income increased from £86,546,000 in 2002/2003 to £95,812,000 in 2003/2004. This represents an increase of 10.7%. The additional income included funding for cost of inflation and the Local Delivery Plan initiatives.

The Trust's underlying financial position for 2003/2004 was a deficit of £2,956,000, reflecting in-year cost pressures principally in respect of the start up costs arising from the establishment of an NHS Treatment Centre at the Trust, the unfunded cost of implementing the new Consultant contract and other pay, and non-pay costs to support the increased activity level delivered during 2003/2004.

The deficit has been offset on a non-recurrent basis, by a credit to the Trust's Income and Expenditure Account of £455,000, reflecting recognition of previously uncounted stock balances.

The Trust continues to face a significant challenge in achieving financial balance and meeting service delivery targets for the year ending 31 March 2005.

To date, the Trust has identified a £3,900,000 cost improvement programme for 2004/2005 however, there remains a significant financial shortfall. The Trust is continuing work to identify areas for cost improvement or income generation that will help to close this gap. The Trust is also working with its main commissioner, West Suffolk Primary Care Trust and Norfolk, Suffolk and Cambridgeshire Strategic Health Authority in order to develop a formal recovery plan. Board approval will be sought for this plan. The Trust's view is that financial balance will be restored by 2006.

The Summary Financial Statements of the Trust are set out on pages 17 to 20. A copy of the full accounts of the Trust and its Charitable Funds, including the Trust's accounting policies, together with the unqualified auditors' report, is available on request from the Finance Department at the West Suffolk Hospital.

Full details of salary and pension entitlements of senior managers are given on page 19. Details of compliance with the prompt payment code and details of management and administrative costs are given on page 20.

The Trust's external auditors are PricewaterhouseCoopers LLP.
Audit fees for 2003/2004: £98,000
Other auditors remuneration: £25,000.

Linda Potter
Director of Finance and Information

Summary Financial Statements

Income and expenditure account

for the year ended 31 March 2004

	2003/2004 £'000	2002/2003 £'000
Income from activities:		
Continuing operations	**85,881**	78,261
Other operating income	**9,931**	8,285
Operating expenses:		
Continuing operations	**(96,818)**	(83,118)
Operating (Deficit)/Surplus		
Continuing operations	**(1,006)**	3,428
Profit/(Loss) on disposal of fixed assets	**51**	(101)
(Deficit)/Surplus before Interest	**(955)**	3,327
Interest receivable	**141**	87
Other finance costs	**(14)**	(9)
(Deficit)/Surplus for the financial year	**(828)**	3,405
Public Dividend Capital dividends payable	**(1,673)**	(2,458)
Retained (Deficit)/Surplus for the Year	**(2,501)**	947

Statement of total recognised gains and losses

for the year ended 31 March 2004

	2003/2004 £'000	2002/2003 £'000
(Deficit)/Surplus for the financial year before dividend payments	**(828)**	3,405
Fixed asset impairment losses	**(3,039)**	0
Unrealised surplus on fixed asset revaluations/ indexation	**5,168**	6,078
Increase in the donation reserve due to receipt of donated assets	**148**	749
Reduction in the donated asset reserve due to the depreciation/disposal of donated assets	**(229)**	(168)
Total recognised gains for the financial year	**1,220**	10,064
Prior period adjustments – pre 95 early retirement	**0**	(96)
Total recognised gains for the financial year	**1,220**	9,968

Summary Financial Statements . . . continued

Balance sheet

as at 31 March 2004

	31.3.04 £'000	31.3.03 £'000
Fixed Assets		
Tangible Assets	**65,483**	60,513
Current Assets		
Stocks and work in progress	**1,697**	1,280
Debtors	**4,899**	5,568
Cash at bank and in hand	**225**	225
Total Current Assets	**6,821**	7,073
Creditors: Amounts falling due within one year	**(7,692)**	(6,736)
Net Current (Liabilities)/Assets	**(871)**	337
Total Assets Less Current Liabilities	**64,612**	60,850
Provision for Liabilities and Charges	**(1,733)**	(415)
Total Assets Employed	**62,879**	60,435
Financed By:		
Capital and Reserves		
Public dividend capital	**43,306**	40,409
Revaluation reserve	**12,520**	13,184
Donation reserve	**2,804**	2,712
Income and expenditure reserve	**4,249**	4,130
TOTAL CAPITAL AND RESERVES	**62,879**	60,435

Cash flow statement

for the year ended 31 March 2004

	31.3.04 £'000	31.3.03 £'000
Operating Activities		
Net cash inflow from operating activities	**4,771**	4,047
Returns on Investments and Servicing of Finance		
Interest received	**141**	89
Net cash inflow from returns on investments and servicing of finance	**141**	89
Investing Activities		
Payments to acquire fixed assets	**(8,619)**	(13,913)
Receipts from sale of tangible fixed assets	**2,483**	0
Dividends paid	**(1,673)**	(2,458)
Net cash (outflow) before financing	**(2,897)**	(12,235)
Financing		
Public Dividend Capital Received	**2,897**	12,235
Net cash inflow from financing	**2,897**	12,235
Increase in cash	**0**	0

Signed on behalf of the Board on the 21 July 2004

Richard Venning
Acting Chief Executive

Linda Potter
Director of Finance and Information

Summary Financial Statements . . . continued

Salary and Pension entitlements of senior managers

Name and Title	Age	Salary (bands of £5000)	Other Remuneration (bands of £5000)	Benefits in kind	Real increase in pension at age 60 (bands of £2500)	Total accrued pension at age 60 at 31 2002 (bands of £5000)
		£000	£000	£000	£000	£000
C Hilder Non Executive Director	60	5 - 10	0	0	0	0
J Lancaster Non Executive Director	48	5 - 10	0	0	0	0
J Cullum Non Executive Director	56	5 - 10	0	0	0	0
M Jones Non Executive Director	66	5 - 10	0	0	0	0
P Richards Non Executive Director	67	5 - 10	0	0	0	0
V Worrall Chairman	54	20 - 25	0	0	0	0
J Harper-Smith Director of Modernisation	38	65 - 70	0	0	0 - 2.5	10 - 15
N Day, Director of Nursing and Governance	38	50 - 55	0	0	0 - 2.5	10 - 15
J Bloomfield Director of Personnel and Communications	41	60 - 65	0	0	0 - 2.5	15 - 20
L Potter (from 1/7/03) Director of Finance and Information	43	50 - 55	0	0	0 - 2.5	15 - 20
K Mansfield (to 13/5/03) Director of Finance and Information	50	5 - 10	0	0	0 - 2.5	20 - 25
J Parkes Chief Executive	45	100 - 105	0	0	n/d	n/d
K Matheson (to 11/10/03) Medical Director and Director of Education	59	20 - 25	25 - 30	0	n/d	n/d
R Bannon (from 6/10/03) Medical Director and Director of Education	57	5 - 10	85 - 90	0	0 - 2.5	15 - 20

n/d - consent withheld for this disclosure

The remuneration of the Trust's Executive Directors is determined by the remuneration committee

Summary Financial Statements . . . continued

Management Costs

	2003/2004		2002/2003	Restated
	£'000	% of Income	£'000	% of Income
Management and Administration Costs	4,548	4.75	4,100	4.74

The prior year management costs have been restated on a basis consistent with the current year's calculations.

Related Party Transactions

West Suffolk Hospitals NHS Trust is a body corporate established by order of the Secretary of State for Health.

Directors

During the year, the Trust purchased services in the amount of £1,058,726 from Anglia Health Personnel Limited ("the Company") which supplies locum doctors to a number of NHS Hospital Trusts. There was no indebtedness between the Trust and the Company as at 31st March 2004. Mr K Mansfield and Mrs J Bloomfield, who were directors of the Trust during the year, are also directors of the Company. Neither the Trust nor any of its directors has any interest in the share capital of the Company.

None of the board members or key management or other related parties has undertaken any material transactions with the Trust.

Public Sector Payment Policy – Measure of Compliance

The NHS Executive requires that Trusts pay their non-NHS trade creditors in accordance with the CBI prompt payment code and Government Accounting Rules. The Trust's payment policy is consistent with the CBI prompt payment code and Government Accounting Rules and its measurement of compliance is:

	2003/2004 Number	£'000	2002/2003 Number	£'000
Total bills paid	**40,936**	**38,602**	40,166	40,916
Total bills paid within target*	**37,840**	**36,903**	36,295	38,495
Percentage of bills within target*	**92.44%**	**95.60%**	90.36%	94.08%

**The target is to pay non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier.*

Other Related Parties

The Department of Health is regarded as a related party. During the year West Suffolk Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the DoH is regarded as the parent Department.

These entities are listed below:

	£
Suffolk West PCT	70,408,195 Income
South Norfolk PCT	7,669,195 Income
Central Suffolk PCT	7,027,174 Income
East Cambs & Fenland PCT	1,666,410 Income
Ipswich PCT	1,407,143 Income
Waveney PCT	1,165,934 Income
Suffolk Coastal PCT	882,014 Income
NHS Supplies Authority	2,348,192 Expenditure
NHS Litigation Authority	983,192 Expenditure

West Suffolk Hospitals NHS Trust has received the benefit of revenue and capital payments amounting to £325,701 from the West Suffolk Hospitals Charitable Funds. The NHS Trust provides administration and management services to the charitable funds for which a charge of £19,505 (reflecting actual costs) has been made for the 2003/2004 financial year. All members of the NHS Trust Board act on behalf of the Trust in its capacity as the Trustee of the Charitable Funds.

Statement of Directors' responsibility in respect of internal control

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.

There are three Board subcommittees, an executive team and remuneration committee that report into the Trust Board as follows:

Accountabilities and cross-working of committees

- The chief executive is a member of all four committees and chairs the TMT and has overall responsibility for risk management
- Non-executive Directors chair the Clinical Governance Committee, Organisational Risk Committee and Audit Committee
- The Chair of the Clinical Governance Committee is also a member of the Organisational Risk Committee
- The Chair of the Organisational Risk Committee is also a member of the Clinical Governance and Audit Committees
- Other non-executive directors cover more than one committee
- Medical, Nursing and Clinical Directors are members of the Clinical Governance Committee
- Directors of Nursing, Finance, Facilities, Human Resources and IM&T are members of the Organisational Risk Committee.

The Strategic Health Authority has a monitoring and assurance role for governance and the assurance framework. This is achieved through performance monitoring arrangements, attendance at relevant committee meetings as well as regular reporting and review. Regular contact and information sharing also support these arrangements.

Suffolk West Primary Care Trust generates more than 80% of the Trust's income. As a key partner there is cross-representation on relevant committees, including the clinical governance committee of each organisation.

Joint Modernisation Steering Board includes Chairs, Chief Executive, Medical Directors and Financial Directors for partner organisations in the local health economy. This includes Suffolk West PCT, Social Services, Local Health Partnership and the West Suffolk Hospitals NHS Trust. The Board has a strategic role in ensuring delivery of the local delivery plan and other key objectives.

The purpose of the system of internal control

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

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

The system of internal control has not been in place in West Suffolk Hospitals NHS Trust for the whole year ended 31 March 2004, but was in place by 31 March 2004 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Chief Executive has overall responsibility for risk management. Executive leadership to support operational delivery is summarised below and supported by the Governance Manager and Governance Department.

Accountability for clinical risk management, patient safety and staff concerns regarding service delivery	Joint responsibility between Medical Director and Director of Nursing and Governance
Accountability for non-clinical (organisational) risk management. Communicating and consulting internally and externally in relation to the management of risk in the organisation.	Director of Nursing and Governance
Accountability for management of financial (business) risk including the correct application of Standing Financial Instructions and Orders. Accountable for overall management of Controls Assurance standards.	Director of Finance

Within the operational directorates leadership is provided by the Clinical Directors and managed through the Directorate Clinical Governance Steering Groups, which are accountable to the Clinical Governance Board Subcommittee.

Guidance and training is provided to staff through induction, annual refresher, specific risk management training, wider management training, policies and procedures, information on the Trust's Intranet, feedback from audits and inspections as well as incidents, complaints and claims. Included within all of these activities and the committee/reporting structures is an emphasis on sharing of good practice and learning.

The risk and control framework

The Trust's strategy to manage risk recognises that risks can be identified from different sources and that effective risk management allows these various sources to drive a single co-ordinated approach to the identification, assessment and reduction of risk.

Sources that inform the risk identification process include:

- External assessments, including External and Internal audit, Clinical Negligence Scheme for Trusts (CNST), Risk Pooling Scheme for Trusts (RPST), Commission for Healthcare Audit and Inspection (CHAI) (now known as Healthcare Commission), Royal Colleges and the Health and Safety Executive (HSE)
- Controls assurance self assessment
- Patient and staff surveys
- Adverse events, including clinical and non-clinical incidents (including near misses), complaints, claims, inquests and whistle blowing
- Risk assessments, including Board level assessment of the Trust's principal objectives as well as operational assessment of new and existing activities
- Information from disciplinary procedures, grievances and harassment cases
- Clinical audit
- Performance and clinical indicators.

The reporting of these assessments and processes are integral to the governance committee structure.

The methodology for evaluating risk is based on matrix assessment of the likelihood and consequence of the hazard. This approach is applied to all risks whether clinical, organisational or financial.

The management of risk is part of normal line management responsibilities. Where additional funding is required to control the risk, funds may be identified from existing resources or as part of the business planning process.

Significant risks identified from risk assessment are captured on the Trust's risk register, which is used to ensure that any decision to accept or mitigate risk is taken at the appropriate level.

Within each Directorate a Steering Group has responsibility for risk management and governance. These are accountable to the Clinical Governance Board Subcommittee and provide regular reports their activities

The role of these groups is to ensure that:

- Risks within the Directorate are identified and controlled
- Identified risk and action taken is communicated to ensure organisational learning
- The Clinical Governance Board Subcommittee is made aware of any unacceptable risks that cannot be managed
- Incidents, complaints, claims and "thanks" are reviewed to ensure appropriate action has been taken and lessons shared.

All managers are responsible for effective risk management within their environments of responsibility. Including identifying and assessing hazards as well as recommending and implementing controls to minimise risk. All staff, in addition to their responsibility for health and safety, have a general responsibility for wider risk management issues and should follow Trust procedures in their work including risk assessment and incident reporting.

The processes driving the assurance framework include:

- The identification and management of risks, in particular those that affect the achievement of the Trust's principle objectives, or following assessment and implementation of all practical control measures remain as significant risks
- The active use of the risk register to prioritise and manage risk so that appropriate investment decisions can be made
- Commissioning of specific Internal and External Audit reports and opinions
- Compliance with Controls Assurance standards
- Compliance with recommendations of inspection visits e.g. CHAI
- Compliance with standards for accreditation with the Clinical Negligence Scheme for Trusts and the Risk Pooling Scheme for Trusts
- Compliance with the requirements of the HSE and other external regulatory bodies
- Progress towards and achievement of risk related targets e.g. requirements of Medicine Healthcare Regulatory Agency and National Patient Safety Agency.

Public representatives have been identified on committees at a strategic and operational level within the organisation; this includes the Clinical Governance Board Subcommittee. The Trust has reviewed its communication strategy and significant developments include appropriate consultation arrangements. Examples of this include public involvement on the development of a new Emergency Assessment Unit and redevelopment of the Sudbury site.

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 by

- Internal and External Audit reports
- Controls assurance assessment and verification
- Progress with Healthcare Commission action plan
- Clinical Governance annual report
- CNST and RPST accreditation
- National Health Service Information Authority (NHSIA) Information Governance baseline assessment
- Clinical accreditation, including reviews by Royal Colleges and professional associations.

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, Audit Committee, Clinical Governance Committee and Organisational Risk Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control has been supported by the following:

Trust Board
To ensure that risk management processes are in place, as well as obtaining assurances from management, internal audit, external audit and others that the processes are adequate and effective.

Audit committee
To ensure that the Trust meets its obligation to manage financial risk and has appropriate control systems to address integrated governance assurance and risk management issues to the standards specified.

Organisational Risk Committee
Overall co-ordination of risk management by ensuring that the Trust meets its obligation to manage organisational risk to the standards specified. To oversee the development, review and implementation of policies and procedures for the identification and management of risk.

Clinical Governance Committee
Ensure the effectiveness of clinical governance, including clinical risk management. To receive reports which summarise identified risks and proposed treatment solutions.

Remuneration Committee
Sets the remuneration for executive directors and considers pay and other relevant issues for all staff groups.

Executive Managers
All Executive Managers have operational responsibility for the management of risk. The Medical, Nursing and Finance Directors have specific risk management responsibilities as described on page 22.

Internal audit
In accordance with the Internal Audit Standards for the National Health Service (April 2002), internal audit provides the Trust with an independent and objective opinion to the Accountable Officer, the Board and the Audit Committee on the degree to which risk management, control and governance support the achievement of the Trust's agreed objectives.

External audit
To review financial aspects of the Trust's corporate governance arrangements, to review the Trust's arrangements in relation to performance and to provide an opinion on the true and fair status of the Annual Accounts.

Significant Internal control issue
The Trust has identified two significant internal control issues within the above process.

Financial balance – the Trust's financial position during 2003/04 was supported by a number of non-recurring financial adjustments. The Trust has put into place a number of measures to tackle this underlying financial problem for 2004/05, including high level controls on expenditure and is reviewing its structure to ensure tight performance management of budgets. However, there remain a number of significant risks in the achievement of financial break-even, on a recurring basis, in forthcoming years.

NHS Treatment centre – the Trust received funding in 2003/04 to support the development of an NHS Treatment centre. Assumptions were made at the beginning of 2003/04 financial year about the levels of income this would achieve. This did not come to fruition and together with the start up cost required to implement the centre this added to the financial burden during 2003/04 for the Trust. The Trust is working closely with the Norfolk, Suffolk, Cambridgeshire Strategic Health Authority (NSCStha) and non local Primary Care Trusts to identify and agree Service Level agreements for activity to cover the cost of the NHS Treatment Centre. To date the Trust has secured activity that will generate income to cover costs.

Richard Venning
Acting Chief Executive
West Suffolk Hospitals NHS Trust
21 July 2004

Independent Auditors' Report to West Suffolk Hospitals NHS Trust on the Summary Financial Statements

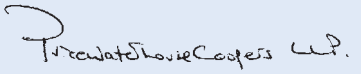
We have examined the summary financial statements on pages 17 to 23.

This report is made solely to the Board of West Suffolk Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 54 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion
We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion
In our opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2004 on which we have issued an unqualified opinion.



PricewaterhouseCoopers LLP, Norwich
8 September 2004

Trust Board

The Trust holds its Board meetings in public and responds promptly to requests for information under the Code of Openness.

Chairman

Veronica Worrall

Non-executive Directors

John Cullum
Colin Hilder
Mary Jones
Judith Lancaster
Professor Peter Richards

Directors

John Parkes
Chief Executive
resigned

Roy Bannon
Medical Director and
Director of Education

Keith Mansfield
Director of Finance and Information
resigned 13/05/03

Linda Potter
Director of Finance and Information
start date 01/07/03

Nichole Day
Director of Nursing and Governance

Jan Bloomfield
Director of Personnel and
Communications

Jessica Watts
Director of Strategy
start date 01/04/03

Jane Harper-Smith
Director of Modernisation
resigned 30/04/04

In addition, the following Clinical Directors attend Board meetings:
Pamela Chrispin, Surgical Services
Dermot O'Riordan, Surgical Services
Anne Nicolson, Medicine
Michelle Judd, Women & Children
Dr Elizabeth Wright, Support Services

The Chief Executive was appointed in February 2002 following a process of open competition for the post.

The Chief Executive and other Executive Directors are permanent employees of the Trust.

Only the Chairman will have the power to dismiss Executive Directors, who have a right to appeal to the Board.

Remuneration Committee

Membership of the committee comprises the Chairman and the Non-executive Directors.

Audit Committee

Membership of the committee comprises:
Colin Hilder, Chairman
John Cullum
Mary Jones

Register of Directors' Interests

Judith Lancaster
Chairman, Macmillan Cancer Relief, Suffolk

Mary Jones
Regional Trainer CRUSE Bereavement Care UK
Director National Association of Complaints Personnel

Colin Hilder
Director of Bearwell Systems Limited
Director of Brautek Limited
Director of Sensortek Limited
Governor, Culford School (charitable trust)

John Cullum
Suffolk Board Member,
National Probation Service
Director, Bury St Edmunds
Golf Club Limited

Professor Peter Richards
President Hughes Hall, University of Cambridge
Sometime Chairman, Professional Conduct Committee, GMC

Jan Bloomfield
Director, Anglia Health Personnel Limited
Board Governor, West Suffolk College

Linda Potter
Chairman of HFMA Eastern Branch

West Suffolk Hospital
Hardwick Lane
Bury St Edmunds
Suffolk
IP33 2QZ
Tel: 01284 713000

Walnuttree Hospital
Sudbury
Suffolk
CO10 6BE
Tel: 01787 371404

St Leonard's Hospital
Sudbury
Suffolk
CO10 6RQ
Tel: 01787 371341

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