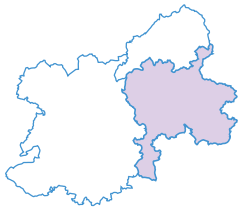
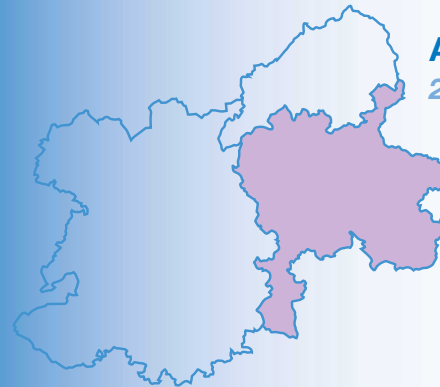


A large print version of this document is available on request. If you would like a copy of this document in another format, please let us know.



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Annual Report 2003-2004

*Strengthening the Core,
Sustaining our Development*



"We are committed to providing high standards of care to the people of South Staffordshire. We place our patients, service users and carers at the heart of everything we do. Guided by seven principles, we aim to manage today's services effectively whilst looking forward to tomorrow's requirements".

The Trust's Seven Principles were developed four years ago, and still hold true today...

- 1) To enhance patient, service user, carer and public experience of our services.
- 2) To engage and support our clinicians in their front line roles, along with the people who support them.
- 3) To improve and to develop clinical and managerial processes on a continuing basis.
- 4) To strengthen individual and team development to ensure we have the competencies required for a modern organisation.
- 5) To be outward looking, to understand national policies and to influence local changes, involving patients and the public in redesign, development and improvements to our services.
- 6) To be flexible in our approach to partnership working.
- 7) To devolve responsibility, accountability and authority to as close to the patient as possible.

We provide:

- ★ Community Mental Health Services (both day services, outpatient services and inpatient services)
- ★ Community Services for people with Learning Disabilities (including support, assessment, respite services, day services and residential homes)
- ★ Community and Development Services for children with complex needs
- ★ Services for children and adolescents with mental health problems
- ★ High Dependency Community Nursing Services for children
- ★ Community Nursing Services through partnership teams
- ★ Specialised Nursing Services
- ★ General, Personal and Specialist Dental Services
- ★ Contraception and Sexual Health Services
- ★ Specialist Addiction and Eating Disorder Services
- ★ Physiotherapy Services for children
- ★ Occupational Therapy Services
- ★ Psychology Services
- ★ Medium Secure Forensic Services (including assessment, rehabilitation and long stay facilities)
- ★ A range of Corporate Development and Support Services (often referred to as Shared Services)
- ★ Health Informatics Service
- ★ Integrated Drug and Alcohol Service
- ★ Prison In-Reach Services
- ★ Peri-Natal Mental Health Services

"Our purpose is to provide our local and wider communities with the best possible services. We deploy a wide range of integrated care for adults and children including specialised mental health and learning disabilities services, and community teams. We do this through creating partnerships, a culture of development and continuous improvement, and by keeping the patient at the centre of everything we do"

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Chairman's Introduction

Dear Reader,

"This third Annual Report for South Staffordshire Healthcare NHS Trust sees us celebrating our excellent 3-star rating, continuing to deliver leadership and team success, and building upon our excellent reputation both regionally and nationally"



I said in my foreword to this document last year that we were determined to improve upon the previous star rating.

Therefore, it was with great pleasure that we received the news of our 3 star rating for 2003/4. It is worthy recognition of all that our staff, partner organisations and service users and carers have done since the creation of the Trust over three years ago; it is they who have put us at the forefront in the provision of the healthcare and community services that we are proud to provide to all our communities.

However, on the back of those 3 stars let me address 3 themes that we will be keeping at the front of our minds.

Firstly, no matter what the plaudits and recognition that we may earn for our valued contributions both regionally and nationally, we will always consider our service users and carers to be our most important reviewers and auditors. We are here to serve all our communities.

Secondly, moments of success are exactly the times when we here will be turning our minds to stretching our capabilities to further enhance our service provision. We value all of the efforts our people have made to attain these heights and we now look for new peaks of achievement with confidence in our ability to attain even higher levels of success.

Thirdly, we recognise the help of many unsung advocates and supporters of our work in the community, the politicians, the voluntary sector, the media, and the general public for the thanks we receive. We are sustained by all of the challenges, the advice and the empathy with our mission.

As I look back on a good year for South Staffordshire Healthcare NHS Trust and look forward to the next challenges, I am confident that the reputation and service provision we have developed will be strengthened as the core, upon which we will build further.

Andrew Millward
Chairman

August 2004

Chief Executive's Report 2003/04

Dear Reader,

"Together with Andrew Millward I pay tribute to our staff, volunteers, partners and service users and carers in the forward momentum we maintain founded on real, sustained, progress"



This report is all about what's real for our Trust and what's at the heart of our activity.

The appointment of 6 service users and carers as Associate Directors, to represent those groups at board level in our Trust shows our tangible commitment to involving service users and carers at every level in our endeavours to maintain our high degree of patient focus. Users and carers continue to be the heart of all that we

do and inform our strategic agenda, major projects, patterns of service and behaviours.

We continue strengthening our clinical governance through the nationally acclaimed 'pocket guide', our clinical governance for real week and through the daily efforts of all our people in conducting all activities to the highest professional level. Sticking to these principles has brought our staff the recognition they have rightly earned.

We have continued to invest in and deploy leadership with real conviction from top to bottom in the organisation. In all our professional domains, from nursing to occupational therapy and psychology, leaders are providing the impetus for national change and local service development. Teamwork is being driven to new levels of excellence through our groundbreaking work with Mike West and his colleagues at Aston University.

The corporate progress that we have made, and will continue to drive, is real. We have conducted a major organisational diagnostic aimed at bringing all of our Directorates to a common level of developmental excellence.

We have sustained real service innovation in our national lead on Non-medical prescribing in mental health: we translate the research into a voice – our conference 'Dicing with my mental health' – and the words into action: supporting the introduction of 45 new non-medical prescribers into the NHS.

We continue to enjoy real success in recruiting against difficult national trends. Our staff enjoy the benefits of a dynamic 'Improving Working Lives' agenda and report favourably upon the opportunities and stimulating clinical environment that we have established.

Finally, we nurture real creativity; the black and white images that animate this report are drawn from the Black & White Photographic Portfolios produced by service users from the Hatherton Centre...our thanks to them and all our teams as we look forward to sustaining our development.

Mike Cooke
Chief Executive

August 2004



Your Trust – In Brief

South Staffordshire Healthcare NHS Trust provides services from over 75 premises across Southern Staffordshire – see map. We serve a local population of 600,000 people, as well as a wider population of almost 1.5 million people for some of our Specialist Services (such as Eating Disorders Service).

South Staffordshire Healthcare NHS Trust was largely established in its current format following the establishment of four Primary Care Trusts (East Staffordshire, South Western Staffordshire, Burtwood, Lichfield and Tamworth, and Cannock Chase). In April 2002 a number of services formerly operated by South Staffordshire Healthcare were transferred to these four PCTs and since then the Trust has operated a wide range of services.

The Trust is organised into Clinical Directorates:

- ★ Mental Health (including services for adults and older people)
- ★ Learning Disabilities
- ★ Forensic Mental Health
- ★ Children's Services
- ★ Specialist Services

These Clinical Directorates are supported by three Support Directorates:

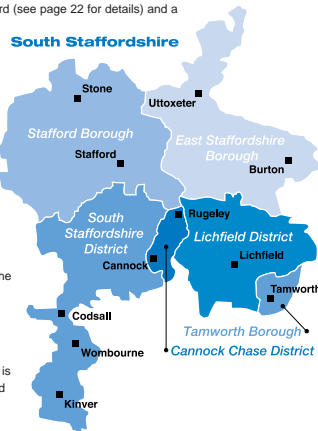
- ★ Human Resources and Organisational Development
- ★ Nursing and Operational Management
- ★ Finance and Performance

Each Directorate has an annual business plan – showing its priorities and focus for the year – and it is performance managed on that plan. The Trust also produces an Annual Business Plan (available separately).

The Trust is managed via its Trust Board (see page 22 for details) and a Trust Management Board (which consists of the Trust Board and all the Clinical Directorate Directors).

The Chief Executive and Executive Directors (except the Medical Director) were appointed to substantive contracts as a result of national adverts. The Medical Director has a substantive contract as a Medical Consultant and was appointed internally to a three year Medical Director post. All Directors' employment may be terminated as a result of a disciplinary process, in the event of dissolution of the Trust as a statutory body, or if the Director resigns.

The Board has a number of sub committees (detailed on page 22) – all with special remits, to ensure the Trust is managed in a professional, efficient and forward looking way.



Celebrating Success

During 2003/4 South Staffordshire Healthcare NHS Trust has been proud of its achievements. These have included appointing some excellent new staff in an adverse recruitment environment - including 7 Consultants, 6 Associate Directors, 6 Modern Matrons, 2 National Leadership Programme participants, and an array of specialised, dedicated and experienced nursing and administration staff. We are also delighted to report that we have now agreed the very first Consultant Therapy post.

We have seen over 380,000 people and re-organised our community mental health service teams to ensure closer working with our colleagues from social care. We now have 10 Integrated community mental health teams.

We have also been able to introduce 6 new services – which enable our teams to reach people in new ways, earlier and with specialist skills. An example of this would be our Eating Disorder service, which has 9 inpatient beds and a number of specialist staff.

We have been selected as one of four Mental Health Trusts to pilot the Mental Health Improvement Partnership programme, which will help us develop further to meet the needs of our service users and carers.

Helping to shape the future of mental health, learning disabilities and children's services is our aim, and we have had the first National Integrated Children's Centre approved and it is well on its way to completion. We have also supported 45 non-medical prescribers and led on the Child Protection Audit for the Commission for Health Improvement.

In terms of national accreditation, we won 1 of 4 Jon Havelock awards for our Finance team and have achieved level 2 accreditation in the Clinical Negligence Schemes for Trusts (CNST II) – as well as accreditation for the Risk Pooling Scheme for Trusts (RPST).

Our relations with our local press have been excellent, with a recent series of articles aimed at improving awareness of mental health issues – as well as 338 media interactions across the year.

Internally, we have used hand held technology (QUASAR) to deliver a number of audits, including "Control of Infection". We have also had 5,500 requests through our library services, and 87% of these request resulted in better service for our users and carers.

We have completed our 7th round of performance management sessions and achieved 97% of the objectives we set – whilst sticking to our seven principles and maintaining our "service users at the heart of our Trust" philosophy.

In preparing this Annual Report, each of the Directorate Directors were asked to write a one page letter to you as the reader, to highlight their progress over the year 2003/4. These letters are reproduced for you to read, and followed by the "formal" part of the Annual Report.

Finally, we take our responsibilities seriously on both Clinical Governance and Health and Safety, which is why we have a suite of documents to support this Annual Report - a Clinical Governance Annual Report and a Risk Management Annual Report, which are available on request.



Children's Services

Dear Reader,

The Children's Services Directorate has enjoyed an active and stimulating year. We have continued to provide an innovative service to the communities we serve and would like to share with you our eleven highlights for the year 2003/04:

- ✦ Introducing the 'Copying Letters to Parents Policy' which strengthens our commitment to transparent communication, meeting the target date of April 2004. A policy was developed and ratified and has quickly become accepted as best practice.
- ✦ Appointing an Associate Director and Programme Director within the Directorate to provide even greater focus for our children and families; this will also provide a higher level of leadership for our teams.
- ✦ Developing a new Children's Centre in Burton, in partnership with the Local Authority, a national first for the Trust; this exciting and innovative collaboration will see the centre opening in the Autumn of 2004.
- ✦ Contributing significantly to both the '3-Strand Review' (commissioned by the Shropshire and Staffordshire Strategic Health Authority) and the 'Staffordshire Strategic Child and Adolescent Mental Health Services (CAMHS) Forum', as part of the 'Staffordshire Young People's Forum', and influencing the direction of future travel for these vital services.
- ✦ Creating a 'Families Forum', to include informal lunch meetings, with the aim of real communication to allow families to inform our service developments and improve delivery.
- ✦ Planning an 'Away Day' for our Administrative and Clerical Teams, in recognition of the fact that it has been a particularly challenging year for these teams; our purpose will be to listen, to support and offer mentoring.
- ✦ Delivering major facilities changes at the Tamworth CAMHS clinic, Argyle Street, to provide a suitable, relaxing, reception and waiting area, and a better working environment for the administration team.
- ✦ Development of the CAMHS service achieved, showing an increase of 10% in service activity and a 10% increase in investment.
- ✦ Conducting 'Child Protection Awareness' training for all Trust clinical staff, in all Directorates. We also completed a National Commission for Health Improvement Child Protection Audit with 100% success.
- ✦ Appointing a 'Clinical Governance Lead' with a protected session devoted to this key activity. We also established a specific 'Clinical Governance Group'.
- ✦ Achieving our targets for the 'Access, Booking and Choice' programme, meaning our children and families are offered choice in their appointment.

We now look forward to the publication, in Autumn 2004, of the Department of Health 'Children's National Service Framework' which we expect will further strengthen our direction to put children and families at the heart of everything we do.

Gurjan Patel

Clinical Director, Children's Services

Learning Disabilities Services

Dear Reader,

The Learning Disabilities Service has achieved unprecedented levels of collaboration through the commitment to partnership working with other agencies, including:

- ✦ Further integration of community teams with the appointment of more specialist social workers.
- ✦ Regular meetings of senior management teams of learning disabilities services across North and South Staffordshire and Shropshire, to share good practice in, for example, Essence of Care and Person Centred Planning.
- ✦ Restructuring of medical services based on a developmental neuropsychiatry model.
- ✦ Involvement with the development of an Acquired Brain Injury service, using the knowledge and skills of practitioners in Learning Disabilities.
- ✦ Working with other social care providers in the transfer of social care services to ensure a seamless transition and, thereby, no disruption to the quality of the service experienced by the clients.

Our focus on being an **outward looking** service has been maintained using the expertise from the Trust leadership and management matrix. This has helped to develop services in a more meaningful way for service users and carers through a review of the referral process, to the entire service working towards a 'one stop shop'. Exciting work has taken place in collaboration with local Primary Care Trusts with the development of Primary Health Care Facilitators who will be working jointly with community teams and GP practices to reduce inequalities.

Commitment to **client and carer** involvement within the service has been valued and enhanced by representation on the Learning Disabilities Partnership Board 'Good Health' sub group, Clinical Governance group, and the appointment of Jan Playford as an Associate Director with a special interest in learning disabilities services. The innovative work of the 'Life Options' service in gaining supported employment for people with learning disabilities was also recognised as one of the top three nominations for this years 'Health and Social Care Awards'.

A social skills group with clients from Stonefield House has demonstrated the benefits of drama therapy and how powerful personal messages based on client experiences can be communicated in an innovative way. The group have presented their production entitled 'Do you know what we want?' in various forums.

The **leadership and management** arrangements of the service were enhanced through the use of team 'health checks'. Investment in developing the leaders of the future has continued with staff undertaking leadership development opportunities through the NHS Leadership Centre, and the 'Valuing People' teams.

This year has demonstrated the commitment of the service to working with clients, carers, and partner agencies in upholding the principles of rights, independence, choice, and inclusion in the delivery of health and social care services for people with learning disabilities.

Judy Morris

Clinical Director, Learning Disabilities Services



Mental Health Services

Dear Reader,

'Making Health Improvement and Devolution become reality; together we can make it happen'.

Older Adult Mental Health services have continued to raise their profile within and outside of the Trust. The drive to deliver a truly patient-centred service was evidenced by the formation of separate inpatient facilities. This initiative is seen as national best practice, in caring for people with a functional or organic illness in specific areas.

The skill mix has been improved from rebalancing mental health services within acute care, which has ensured greater consistency of staff and improving the overall quality of care. We have successfully recruited an occupational therapist to support the ongoing development of day activities within our inpatient services. Central to future development of inpatient care is the Acute Care Forum, reporting monthly to the Trust Management Board.

A challenging task for all concerned was the formulation of Integrated Community Mental Health Teams. In October of 2003, our Trust, in collaboration with Staffordshire Social Services and North Staffordshire Combined Healthcare, established a project board to focus on the delivery of Integrated Community Mental Health Teams across the county of Staffordshire. By January 2004 an operational Model and Management structure was agreed and this was delivered by the end of March. The project board is now a multi-agency operational board, taking overall responsibility for the continuing development, operational management and delivery of Integrated Community Mental Health and Social Care.

The Early Intervention Service became operational during the year and an active caseload is rapidly developing. The team has been busy developing links with education that are critical; recognising the need to see people early to enable improved longer-term outcomes for service users and their families.

Crisis Resolution has strengthened across South Staffordshire, the service is now accessible 24 hours a day, 7 days a week. Our aim is to support individuals to live in their usual residence as much as possible; this leads to less disruption and more realistic resolutions to a person's current need.

The Assertive Outreach teams are continuing to respond to local need, working with the community teams to support people to remain in the community, which is a huge bonus for all concerned. We are looking to strengthen the day opportunities and packages of care that are available. Our services are local, responsive, and accessible to as many people as possible.

In collaboration with colleagues in the local Primary Care Trusts we have appointed 10 primary care mental health workers to improve and develop new ways of working.

I look forward to building on our strengths and further developing our services next year through strengthening partnership working, offering more choice and enhancing our inpatient services through the Acute Care Forum.

Abid Khan

Clinical Director, Mental Health Services

Specialist Services

Dear Reader,

The Directorate has been fortunate to attract several leading Clinicians in their field to lead our services; these appointments have proven invaluable with planning, developing, marketing and recruiting to our services. The development of services through the year has seen the Directorate personnel increase by over one hundred per cent.

Counselling, assessment, referral, advice and throughcare services (CARATs): The Service has demonstrated excellence in service delivery, whilst developing partnerships with community agencies and increasing the workforce and tendering capacity.

Dental Services: The Service has met all of its contractual obligations, remained within budget, and expanded access to include weekends and bank holidays. The year also saw the opening of the Stonydelph Dental Access Centre.

Eating Disorders: The new Inpatient Unit for Eating Disorders met the challenge of recruiting the highly specialist staff necessary to begin admitting patients. The opening of the Kinver Centre has been the catalyst for the Service to successfully develop relationships with existing and new partners including: Shropshire Eating Disorders Team; North Staffordshire mental health professionals; and the Nottingham and Derby health economy. News of the superlative care and treatment offered is spreading with out of area referrals increasing at a pace.

Integrated Drug and Alcohol Service (IDAS): 2003/2004 has been a year of consolidation as IDAS has strived to meet the expectations of commissioners and partners. Efforts have been rewarded with confirmation that the contract will be extended for a further year at least. In addition the service has also been successful in gaining additional funding to assist with drugs expenditure, which, with the opening of the four new team bases, has seen a dramatic increase in line with the increasing numbers of referrals.

Peri-Natal Mental Health Service: the new Peri-Natal Mental Health Service has made great strides in developing links with professionals and mothers. The Business Case has received much support from commissioners, hopefully leading to full funding in 2004/05. The League of Friends has recognised the good work being done, donating a substantial sum towards the development of a garden area for the planned new unit. Moreover, the team hosted the second Motherhood and Mental Health Day in February, which attracted attendees from across the health economy.

Mental Health Prison In-Reach Services: With the appointment of the Project Lead, the service has gone from strength to strength. The Trust has been successful in gaining the contract, the Team is now all nearly in post and partnerships continue to be developed.

Sexual Health Services: The Sexual Health Service has successfully improved accessibility for clients by changing all clinics from appointment systems to open access. Several members of staff from within the service are also enjoying part-time secondment to Primary Care Trusts. The service has also been successful in gaining additional funding for such items as Chlamydia screening and Genito-Urinary Medicine access.

Neil Carr

Director of Specialist Services



Dear Reader,

Partnerships

The Directorate has concentrated on developing partnerships across the region this year. Wroxeter Ward, based at Shelton Hospital, Shropshire provides low secure services to patients within the West Midlands. Early initiatives to encourage joint working commenced with a conference on 30 April 2003 focussing on the gaps in service provision and areas for development of mentally disordered offenders, which informed the review of mental health services across Shropshire and Staffordshire.

As a member of the Department of Health Nursing Advisory Development Group, Gill Chalder, Forensic Nurse Consultant, is involved in a project with the Geneva Initiative on Psychiatry (GIP) - a non-governmental organisation. Members of the Forensic Psychology speciality are contributing to the curriculum planning meetings for the new Clinical Psychology training course based at Keele University, which will take its first intake of trainees in 2004.

Clinical Governance

The Directorate have progressed well with clinical governance issues through the year, on 4 November the Directorate hosted a regional Clinical Governance Network Review. The aim of the day was to create a forum for the discussion of shared difficulties and the ways in which the units could attempt to resolve them.

Visit by Sir Nigel Crisp

The Hatherton Centre was fortunate to host a visit from Sir Nigel Crisp, Permanent Secretary of the Department of Health and Chief Executive of the NHS on Wednesday 8 October. During the visit, Dr Nick Griffin delivered a short presentation giving an overview of Forensic Services.

User Involvement

User involvement has further developed in 2003/04 which is an indication of the importance the Directorate places on this essential part of the functioning of the Directorate:

- ★ Over 50 delegates attended a Stakeholder Day in User Involvement in Recruitment and Selection on 16 April. The aim of the day was for staff and service users from the regional forensic service providers to learn from previous experiences and to discuss the issues in taking the process forward.
- ★ Radford House and Norton House both appointed two patients as their Activities Co-ordinators to lead on planning and organising activities to be held on the wards. Such appointments arose as direct feedback from a User-led Quality Monitoring Visit last year which identified that patients would enjoy more on-the-ward events.
- ★ A new role for an in-reach worker has been developed. A service user has been appointed who liaises with patients on each of the inpatient houses to consult/encourage/promote user participation and views.
- ★ A number of patients entered work into the national 'Koestler Awards', receiving certificates and awards for creative work such as woodwork.

Dr Nick Griffin

Director of Forensic Mental Health Services

Dear Reader,

Occupational Therapists and Psychologists provide local people and children with the best possible specialist community, mental health, forensic, learning disabilities and children's services by working within clinical directorates and putting the patient at the centre of all interventions. We complement, whilst providing an alternative to, traditional medical care.

The main purpose of **Occupational Therapy** is to ensure people achieve health, well-being and satisfaction through participation in occupation in order to carry out the roles and responsibilities required in their lifestyle. This is done following thorough assessment of people's skills in three areas: self care, leisure and productivity – in sum, occupation of time. Therapeutic interventions are undertaken on an individual or group basis, in a variety of settings, led by the needs of service users, their carers and families. We also provide specialist wheelchair and equipment loan provision to support rehabilitation.

The main purpose of **clinical and counselling psychologists** is to reduce psychological distress and to enhance and provide psychological well-being by the systematic application of knowledge derived from psychological theory and data, through assessment and therapy. They do this by working individually with clients, carers and parents, and by promoting psychological approaches via assessment, supervision and training. Both groups are integral to good multi-disciplinary care.

Occupational Therapy and Psychology are a scarce resource nationally but have a high profile within South Staffordshire Healthcare NHS Trust, with excellent achievements in recruitment and retention, development and multi-disciplinary working. Service provision is now largely through multi-disciplinary teams, and is embedded within Clinical Directorates. There are many examples of excellent practice led by these groups. Occupational Therapists are leading multi-disciplinary day service teams and play leading roles in local, regional and national specialist groups, for example the Sainsbury Centre for Mental Health.

Within the Children's Directorate, Paediatric Psychology has vastly increased the number of children with physical health problems treated as outpatients rather than admitting them to inpatient wards. Psychological approaches can reduce the need for medical intervention in many common conditions such as constipation or diabetes. In Child and Adolescent Mental Health Services in Cannock the brief intervention psychological therapy service has reduced the waiting list from two years to immediate access. Psychologists working with adults with anxiety and depression in Cannock are piloting the use of bibliotherapy as an alternative intervention. Moreover, there are new posts developed for psychologists and occupational therapists in Prisons; Assertive Outreach; Learning Disabilities and a Young Offenders Team.

This shows that patients are being offered more choice in service provision. However there are still many areas that could benefit from greater Psychological and Occupational Therapy input, notably autistic spectrum disorders, including Aspergers syndrome, drug and alcohol users and chronic fatigue syndrome. It is our goal to have a whole time Psychologist and Occupational Therapist in each team.

Robina Barry

Professional Lead, Psychology



Dear Reader,

This Directorate provides a wide range of support services, many of which directly affect the experience of patients and carers or do so indirectly via clinical staff training, development and audit.

During 2003-4 there were 3,806 recorded staff attendances at training directly provided by Directorate staff – a massive 53% increase on the previous year and similar to all bookings arranged through the Clinical Training Department.

Some of the other key initiatives led by the Directorate over the past year have included:

- ✦ Minimising risk by leading on clinical supervision and risk and resuscitation training, integrated health records, control of infection, Essence of Care standards, complaints and Patient Advice and Liaison Services and sharing lessons learnt to shape practice, culminating in Clinical Negligence Scheme for Trusts Level 2 accreditation.
- ✦ Managing 14 Controls Assurance Standards and supporting the process resulting in Risk Pooling Scheme for Trusts accreditation.
- ✦ Advice on non-medical prescribing to the Department of Health, the Scottish Office and several Workforce Development Directorates and completion of related training. Trust staff represent about a third of the 110 mental health nurses nationally who are trained in Supplementary Nurse Prescribing.
- ✦ 51 Capital Projects were completed or on target, the maintenance backlog was reduced by nearly 60% and 94% of incoming telephone calls were answered within 30 seconds and yet the Directorate delivered over £800,000 in financial savings for reinvestment into clinical services.
- ✦ We have reviewed capacity and planning models for nursing and are strengthening nurse education and training. The Directorate manages the Clinical Nurse Placement Facilitators service that has contributed to services receiving Nursing and Midwifery Council recognition for student nurse placements. The Directorate also provides a Specialist Nursing Team providing 24-hour home-based care for highly dependent patients including children and adults needing ventilator support.
- ✦ The Directorate leads on Clinical Policy development and the work of Modern Matrons, Nurse Consultants, the Professorial Unit and Research and Development throughout the Trust. This year the Directorate has seen very positive Mental Health Commission reports and has significantly supported further deployment of Care Co-ordination.
- ✦ Of 94 initiated audits/development projects Quasar (electronic collection of data) was used in 62 projects and 34 completed projects led to improvements in services.

Above all the Directorate is heavily involved in promoting an evidence-based multi-disciplinary, multi-agency, patient-centred approach to providing safe sound services across all domains of Clinical Governance.

Neil Carr

Director of Nursing and Operations

Dear Reader,

Within our Directorate we aim to support the organisation in living up to the seven principles and to ensure that we deliver the requirements of **HR in the NHS Plan – more staff working differently** which sets out the national strategy for how effective people management can improve patient care and the patient experience. **For example ..**

...more staff

We have seen notable success in recruiting to some traditionally hard to fill vacancies. In particular we have been able to fill posts in psychology and occupational therapy, and we have recruited seven Consultant Psychiatrists in the financial year 2003/2004.

...doing things differently

We are already seeing the value of having six new Associate Directors who have direct and recent experience of our services, either personally, or as carers. These people sit at Board level in the organisation and are already bringing their unique perspective to both day to day issues and strategic thinking.

...gaining new skills

We are able to offer people the opportunity to develop their skills at every level of the organisation. The Landmark Project offers training and development alongside practical help to people who have struggled to get into employment, particularly those with mental health problems or learning difficulties; Gateway Trainees are part of a national scheme to bring new talent into the NHS and the Trust has supported two of them over the past year, we are also part of the national HR Training Scheme. The Trust's learning strategy details opportunities for all staff and offers basic skills training alongside masters degrees.

...working together

The Joint Staff Partnership provides a lively forum for discussing all staff related issues across the Trust and will play an essential role in delivering Agenda for Change which will revolutionise the way in which staff are rewarded for the jobs that they do. We have worked with Primary Care Trust colleagues to develop robust policies and procedures and will continue to support them in their delivery of good human resource management. Uniquely this year we have worked in partnership with one local paper to produce a series of feature articles on mental health issues which have helped to inform local people and reduce the stigma attached to suffering from a mental illness.

...listening and sharing

Our staff have taken the opportunity to tell us what they think in various ways including regular Chief Executive and Chairman "roadshows" and in the staff opinion survey which showed staff continue to believe that this is a good organisation to work for. Nationally we have shared good work from the Trust; we were invited to the National HR Conference to talk about our work with Aston University on team based working.

In summary, we have, over the past year, worked in partnership to create an environment for staff to feel valued and supported, to develop, to work within teams and to enhance services that are responsive to the needs of the people who use them.

Lesley Francis

Director of Human Resources and Organisational Development



Finance & Performance

Dear Reader,

Did you know that the NHS is the third largest employer in the world after the Red Army and Indian State Railways? Did you know that the NHS spends £1,400 a year on every man, woman, and child in England? Did you know that if South Staffordshire Healthcare were a Premier League football club, it would be the sixth biggest in terms of its finances? You will have realised by now that the NHS is big business. Not surprisingly it needs high quality finance professionals to help keep the business – of providing healthcare to our residents – ‘on the road’.

Finance

To encourage good practice within the NHS each year three awards - the ‘Jon Havelock Awards’ - are made for the best entries from NHS organisations for approaches to finance staff development. We are pleased to say that South Staffordshire Healthcare won one of the 2004 Jon Havelock awards for its entry describing how the Trust’s Finance Team run regular ‘Continuous Professional Development’ seminars for its staff. These seminars are to ensure that finance staff – whatever their responsibilities – have a broad overview of how the NHS is developing. These seminars are held six times a year and have two key aims.

Firstly, they cover technical financial issues. NHS finance has a language all to its self; ‘capital charges’, ‘external financing limits’, ‘resource accounting’, ‘payments by results’..... The list is endless and we use the seminars to keep finance staff in the Trust up to date with new additions to the list!

Secondly, they cover wider NHS issues. Let’s give you some examples. Recently we have had an update from our Health Informatics colleagues on the ‘National Programme for IT’ (NPfIT) which is the government’s strategy for investing in Information Technology in the NHS. And, for our next seminar, we are hoping to have a speaker from the National Institute for Mental Health in England (NIMHE) who will update us on current thinking on the delivery of local mental health services within England.

Performance and Development Team

During the year, we responded to the challenge of “strengthening our core” by bringing together a selection of support teams to form the Performance Development Team. Merging the Service Improvement, Information and Library Services teams now means that the Clinical Directorates can be better supported.

We are now well placed to strengthen our role as lead organisation for the four library services across South Staffordshire – and to work in collaboration with our local Primary Care Trusts - to develop an even more effective library service.

We used the recently launched business planning process to further support the Performance Management process and support the strategic direction of the Trust – and we continue to scan the environment for appropriate information.

Integrating the use of accurate, timely and relevant information with our service improvement focus has already meant better decision making for our teams. After all, if you can’t measure it, you can’t manage it!

And we were delighted to be chosen to host the pilot of the Mental Health Improvement Partnership programme, which supports our commitment to partnership working.

Finally, our focus on patient choice was demonstrated when we were the first Trust in the region to achieve our targets on booked appointments - which means more service users are seen at a time to suit them.

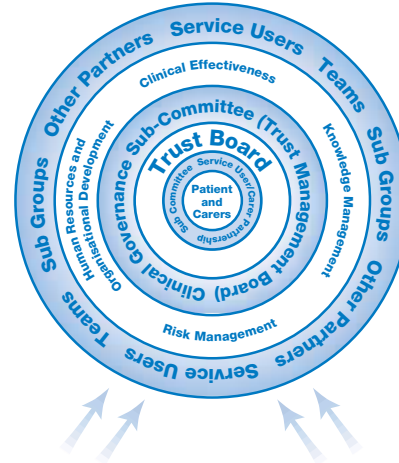
Jayne Deaville

Director of Finance and Performance

Clinical Governance

Dear Reader,

The ethos in South Staffordshire Healthcare NHS Trust is that Clinical Governance is everybody’s business and therefore a lot of time and energy has been spent in trying to demystify Clinical Governance to enable all staff to understand they have a role. Our model of Clinical Governance reflects a whole systems approach linking the elements, which make up the Clinical Governance framework used by the Healthcare Commission when evaluating organisations. Five sub groups to the Board represent the focus of the seven pillars, and a Board member chairs each sub group demonstrating Board level support, accountability, commitment and involvement. This model is reflected in the diagram below:



The Clinical Governance Support Group and the Development Network will facilitate projects, sharing and learning around Clinical Governance issues across the Directorates

The Clinical Governance support group is open to any staff member and facilitates learning and sharing across all Directorates, as part of enhanced devolution within the Trust.





The Network also ensures that the Trust effectively engages other organisations (including other networks) to bring maximum benefit. A key focus of our Clinical Governance Annual Report this year is that we are reaching out, listening and responding more than ever, placing partnerships with patients, staff and others at the heart of everything we do. We are particularly proud of the improvements perceived by patients, carers and staff expressed through surveys and personal accounts.

We remain committed to this approach, to remain open, to learning, to how we can improve further. To that end we are reviewing our response to the wider needs of society, how we address those with partner organisations to maximise the welfare of the people we serve and the related Governance arrangements needed to support this work.

Joe Wall

Associate Director, Clinical Effectiveness



The Patient Environment

Dear Reader,

'To enhance the quality of patient care by providing professional advice and managing/operating a wide range of services that achieve agreed standards, meet customer requirements and deliver Best Value.'

(Facilities and Estates Mission Statement)

Throughout the year we have continued to manage the many and diverse premises within the Trust. We have been actively engaged in the refurbishment and improvement of premises in many locations. For example, at the Friary Centre in Lichfield as well as providing enhanced facilities for the buildings continued use as a Day Centre, we are properly discharging our duties towards the restoration and refurbishment of a Grade 2 listed building. As evidence of our partnership and co-operation with Primary Care Trusts, we are undertaking these works together with Burntwood, Lichfield and Tamworth Primary Care Trust. The ongoing works will contribute to the eventual realisation of the replacement of St Michael's Hospital.

We continue to develop the rationalisation of our estate, and thus reduce our revenue expenditure. We are then able to relocate savings to the better delivery of patient care. We have worked closely with staff to transfer Cannock Wood Ward from Cannock Chase Hospital to the St George's site in Stafford. We have undertaken consultation with both nurses and consultants during the course of the alteration works necessary to accommodate this specialised patient group. The resultant new ward has provided an improved environment for the delivery of health care, and effectively contributed to the enhancement of the 'patient journey'.

We continue the ongoing programme of compliance with legislative issues and have, during the course of the year, completed an Asbestos Survey of all the Trust's premises. Again in the spirit of co-operation and partnership we have managed a similar survey on behalf of our PCT colleagues. We have again during the year committed further monies to improvements necessary for the Trust to comply with the Disability Discrimination Act. We are confident that we are ahead of the 'game', but are equally aware that further works are necessary as we continue to strive towards improving the access to our premises for patients, visitors and staff.

We continue to recognise our responsibilities to drive down the costs of running our buildings and have invested in more efficient energy management systems - the improvements should be apparent during the forthcoming year.

We are aware of the considerable therapeutic benefit to patients of Art and Landscape, and are grateful to the Health Facilities Management Association for recognising our commitment in this area with the presentation to the Trust of their Good Practice Award for the Estates Management Category.

John Meigh

Director of Facilities and Estates



Are you Satisfied?

Dear Reader,

Listening and responding to your comments, suggestions for improvements and complaints

During the year, 223 formal complaints were received by the Trust, 82% were dealt with within the statutory timeframe of 20 working days, an increase of 10% from the previous year.

The Service Relations Department continues to work closely with the Patient Advice and Liaison Service, in order that the most appropriate route of resolving individual complaints is agreed, taking into account the sensitivity, urgency and severity of the concern.

Actions Taken to Improve Service Delivery

The following are some of the actions taken to improve the quality of service delivery, as a result of some of the complaints received this year:

- ☆ The Care Co-ordination Practitioner's Handbook was reviewed in order that the needs of young carers/vulnerable groups were taken into account on admission and discharge.
- ☆ A formal audit tool and process have been developed which will maintain and also improve standards of record keeping using the Essence of Care Framework.
- ☆ A review of inpatient accommodation within Old Age Psychiatry was undertaken and wards have now been specifically refocused on organic and generic mental health.

Independent Review

The Trust Convenor received thirteen requests for consideration of an Independent Review Hearing, relating to complaints handled by the Trust during the financial year 2003-04. All the cases were considered by the Convenor and Independent Lay Chairmen and twelve requests were turned down, and one was upheld.

During late summer 2003, the Trust held its first Independent Review Panel Hearing. Following receipt of the Panel's report, an action plan to consider the recommendations made was developed with the aim of improving service delivery. This action plan continues to be subject to monthly review meetings, with a six monthly update being received by the Trust Board.

Paula Johnson

Service Relations Manager

What do our Patients and Staff Think about us?

Dear Reader,

Each year, opinions and views of service users and staff are gained from two rounds of surveys. The surveys give the Trust the opportunity to engage with its staff and patients and enables us to continually improve our services. Below is a summary of both patient and staff surveys:

Patient Survey

The annual Patient Survey was conducted during 2004. The survey provides us with important information about patient attitudes and their experience within our services.

Selected Results	% Agreeing with Statement
Did the CPN treat you with dignity and respect?	93%
Did the CPN listen to you carefully?	92%
Did the psychiatrist listen carefully to you?	83%
Were you given a chance to express your views at the last Care Review meeting?	84%
Can you contact your care co-ordinator if you have a problem?	87%
Have any appointments been changed or cancelled by Mental Health Services?	79%

The survey gave us a good indication of how our services are perceived by our users and each year we value any feedback gained from our service users.

The Trust is developing an action plan to tackle the areas that received a low score, and it aims to improve on every area.

Staff Survey

This year saw a change in the timing of the Staff Opinion Survey with a National Survey being undertaken in October 2003 with results published in March 2004, with a sample of NHS staff across the country being asked the same questions. The return rate for the Trust was up around 20% on the previous year.

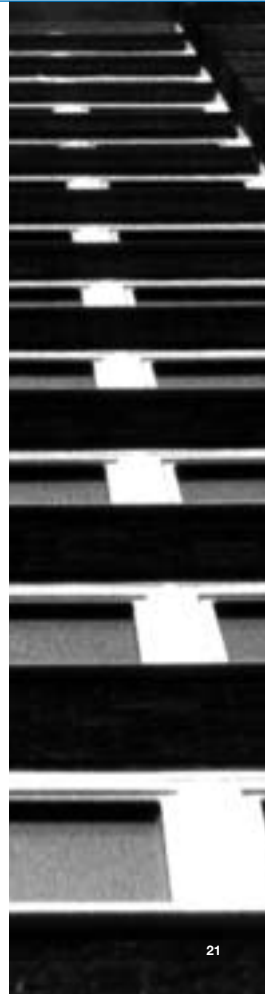
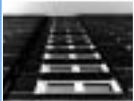
There were some very pleasing results within the survey. Nearly three-quarters of staff receive an annual appraisal which continues the improvement on previous surveys and benchmarks well against other NHS organisations. Evidence from Aston Business School has shown a direct correlation between number of staff receiving appraisals and the quality and effectiveness of the service provided.

Another area where results are linked to service developments and improvements is in the area of team working. Again there are more staff identifying working as part of a team and a link between team working and quality services has been demonstrated. Other areas of progress include a reduction in the percentage staff witnessing potentially harmful errors and near misses. Again we benchmarked favourably against other Trusts and in staff receiving training within the past twelve months.

There are areas of improvement and for development too and Action Plans have been compiled and implementation is underway at Team, Directorate and Trust level as a result of the survey. These will be reported on in the next annual report.

Paul Draycott

Deputy Director of Organisational Development





Trust Board, Back Row: Tony Brisby, Mike Cooke, Eleanor Chumley-Roberts, Stephen Jones, Neil Carr, and Professor Roger Evans

Front Row: Lesley Francis, Andrew Millward, Jayne Deaville, Stewart Vaggers, Annette Christie (Secretary), and Gwilym Roberts

The Trust Management Board is comprised of the Executive Directors, Clinical Directors, a representative from the Joint Staff Partnership as well as one of the newly-appointed Associate Directors on a rotational basis.

Executive Directors

The numbers alongside Director's names indicate membership of the committees and sub committees listed below:

- Mr Mike Cooke, Chief Executive 2, 3, 4 (Chair), 5, 6, 7
- Mr Neil Carr, Director of Nursing and Operations 3, 4, 8
- Mrs Jayne Deaville, Director of Finance and Performance 1, 3, 4, 6, 7, 10
- Mrs Lesley Francis, Director of Human Resources and Organisational Development 2, 3, 4, 5
- Dr Stewart Vaggers, Medical Director 3, 4, 6

Chairman and Non-Executive Directors

- Mr Andrew Millward, Chairman 2 (Chair), 3 (Chair), 4, 6, 10
- Mr Gwilym Roberts, Non-Executive Director 1 (Chair), 2, 3, 7, 9
- Mrs Toni Brisby, Non-Executive Director 1, 2, 3, 4, 6 (Chair), 9
- Professor Roger Evans, Non-Executive Director 2, 3, 6, 7 (Chair), 8, 9
- Mrs Eleanor Chumley-Roberts, Non-Executive Director 2, 3, 5, 8 (Chair), 9 (Chair)
- Mr Stephen Jones, Non-Executive Director 1, 2, 3, 5 (Chair), 9, 10 (Chair)

Committees

- 1 Audit Committee
- 2 Remuneration and Terms of Employment Committee
- 3 Charitable Funds Committee
- 4 Clinical Governance Sub Committee
- 5 Human Resources Sub Committee
- 6 Strategic Direction Sub Committee
- 7 Risk Management Sub Committee
- 8 Service User / Carer Partnership Sub Committee
- 9 Mental Health Act Managers Panel
- 10 Finance and Performance Sub Committee

The Trust's Approach to Ensuring Quality, Equality and Diversity

The Trust firmly believes that equality of opportunity and diversity is vital to its success and an essential pre-requisite to delivering the best possible care to patients. The Trust is working towards three strategic aims set out in the "Equalities Framework for the NHS - The Vital Connection" and "General Whitley Council Equal Opportunities" agreements to:

- ★ recruit, develop and retain a workforce that is able to deliver high quality services that are accessible, responsive and appropriate to meet the needs of different groups and individuals
- ★ ensure that the Trust is a fair employer achieving equality of opportunity and outcomes in the workplace
- ★ ensure that the Trust uses its influence and resources as an employer to make a difference to the life opportunities and the health of the local community

The Trust has achieved the "Improving Working Lives" practice status. The Trust is accredited to the "Positive about Disability - two ticks" standard which commits to interview all applicants with a disability who meet the essential criteria for a job vacancy and consider them on their abilities. The Trust also ensures there is a mechanism in place to discuss (at any time - but at least once a year) with disabled employees, what can be done to make sure they can use their abilities.

The Trust also makes every effort when employees become disabled to make sure they stay in employment and takes action to ensure that all employees develop the appropriate level of disability awareness needed to make our commitments work.

The Trust is also delivering a supported employment project to encourage and enable people with disabilities to gain employment within the Trust and wider NHS.

Each year, our commitments are reviewed, improvements planned, the Employment Service is informed about progress and future plans.

The Trust is also facilitating the development of a Black Minority Ethnic Staff Network to feedback to the Trust issues that affect staff and people who use our services. This is recognised by the Department of Health as best practice.

The Trust has reviewed the Harassment and Bullying Policy and launched a Dignity and Respect at Work Policy incorporating the principles of the Harassment and Bullying Policy but also outlining expectations of staff and the Trust. The Trust has also launched a staff support network to support this policy and help staff handle problems at work.

Activity

The Trust has a target that no outpatients should wait more than 13 weeks from referral from their GP to see a Consultant. At the start of the year, in April 2003, there were no people waiting longer than 13 weeks. This figure was monitored monthly and we are pleased to report that, by the end of the year, no one was waiting longer than thirteen weeks.

Across all services there were 99,308 bed days spent on wards compared to planned inpatient activity of 83,566 bed days.

The Emergency Psychiatric Readmission Rate, which we use to help us monitor performance and improve service practice was 12% this year - against 11.8% last year - which compared favourably with the West Midlands tolerance level of 12.3%. We aim to improve this rate next year.

We have no mixed-sex ward accommodation.

Register of Directors' Interests

Gwilym Roberts was an Executive Director for Aids to Management Services; Member of the Senate at the University of Birmingham; Chair of Staffordshire County Council Policy and Audit Committee; Vice Chair of Trent Challenge and Gateway SRB Boards; and is a member of Staffordshire County Council.

Toni Brisby was chair of the Family Mediators Association; Lay member of the Local Research Ethics Committee; Director of Toni Brisby Associates; Consultant at Alcohol Concern; Chair of Child and Adolescent Mental Health Strategy Group; Director and Company Secretary of Home Support, Staffordshire Limited and Member of the Advisory Board for the Mediation Centre, Nowell Mellor Solicitors.

Dr Stewart Vaggers was a Member of the Advisory Board for the Mediation Centre, Nowell Mellor Solicitors.

Neil Carr was a Fellow of Staffordshire University; Council Member for the Royal College of Nursing; Board member of Stafford and District League of Friends and Associate (Informal) of After Today Management Consultancy Group.

Mike Cooke was Chair of Shropshire and Staffordshire Workforce Development Directorate; Reviewer for the Commission for Health Improvement; and Member of the Advisory Board for the Mediation Centre, Nowell Mellor Solicitors. He is also a Trustee of the charity 'Rural Emotional Support Team (Staffordshire).

Register of Directors' Interests Continued...

Stephen Jones was a Director of 1 Zero 1 Consulting; Managing Director of Bacchus Racing Ltd; Director at Good Shepherd Trust and Director at YMCA Wolverhampton.

Eleanor Chumley-Roberts was a Partner and Consultant at Chumley-Roberts Partnership, Chair of Age Concern, South Staffordshire; and Charities Advisor for Community Council of Staffordshire.

Director of Finance Report

Financial Performance for the Year Ended 31 March 2004

The summary financial statements for the year ended 31 March 2004 for South Staffordshire Healthcare NHS Trust are set out at the back of this report. These statements summarise the information contained in the Trust's full accounts, copies of which can be obtained by request from Jayne Deaville, Director of Finance and Performance at South Staffordshire Healthcare NHS Trust based at Corporation Street, Stafford, ST16 3AG.

Achievement of the Four Financial Duties

Break Even Performance

Each NHS Trust is required to achieve at least a break-even position on its income and expenditure account. No Trust was to incur a deficit for the year. South Staffordshire Healthcare achieved this requirement with an exact break-even position after the payment of dividends of £1,634,000.

Capital Cost Absorption Rate

Each NHS 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 £1,634,000 bears to the average relevant net assets of the Trust of £47,357,000, that is 3.5%.

External Financing Limit

The Trust is given an External Financing Limit, which it is permitted to undershoot but must not overshoot. This is a form of cash control that limits the extent to which a Trust may borrow to supplement its own internally generated funds. The target set was (£19,484,000) and this was hit exactly.

The target for 2003-04 was negative due to the requirement to pay the Department of Health sums received from East Staffordshire and Burntwood, Lichfield and Tamworth Primary Care Trusts for assets transferred to them.

Capital Resource Limit

Each NHS trust is provided with a Capital Resource Limit (CRL), which caps the spending on capital investment within the year. Trusts are allowed to underspend, but not overspend. South Staffordshire Healthcare was set a CRL of (£14,294,000). This target was achieved.

Summary

The Trust is pleased to once again be reporting a very satisfactory financial position.

During the year the Trust reviewed the management costs of the organisation and reduced them from 4.5% to 3.9% by role change and natural wastage. Further details of overall management costs are included in the summary financial statements.

The Trust is also required to measure its compliance with the Better Payment Practice Code that 95% of all invoices are to be paid within 30 days of receipt. The Trust's performance was 87% by value.

The Trust's accounts have been audited in line with the requirements of the Department of Health and standard auditing practice. An unqualified opinion on the Trust's accounts was issued by the external auditor.

In total the Trust spent £70,000 in 2003/04 on meeting its statutory audit requirements. Additionally it spent £37,000 in relation to Value for Money studies undertaken by the Trust's external auditor.

Directors' Statements

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

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health.

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.

Date **25 August 2004**

Chief Executive *Melvyn Jones*

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required under the National Health Services Act 1977 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing those accounts, the 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 judgments and estimates which are reasonable and prudent
- ★ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors confirm they have complied with the above requirements in preparing the accounts.

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

By order of the Board

Date **25 August 2004**

Chief Executive *Melvyn Jones*

Date **25 August 2004**

Finance Director *[Signature]*

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL

The Board is accountable for internal control. As Accountable Officer and Chief Executive Officer 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. 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 achievement of the organisation's policies, aims and objectives.
 - ★ Evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically.
- The system of internal control has not been in place in South Staffordshire Healthcare 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.

As Accountable Officer, I also 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. I have also taken account of comments made by external auditors and other review bodies in their reports.

Statement

As Accountable Officer I can confirm that South Staffordshire Healthcare NHS Trust has a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives and the Statement of Internal Control is a balanced reflection of the actual control position.

This statement summarises the information contained in the Trust's full Statement on Internal Control, copies of which can be obtained by request from Jayne Deaville, Director of Finance and Performance of South Staffordshire Healthcare NHS Trust based at Corporation Street, Stafford, ST16 3AG.

Date **25 August 2004**

Chief Executive Officer

(on behalf of the board)

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SOUTH STAFFORDSHIRE HEALTHCARE NHS TRUST ON THE SUMMARY FINANCIAL STATEMENTS

I have examined the summary financial statements set out below/on pages 27 to 30.

This report is made solely to the Board of South Staffordshire Healthcare 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. My responsibility is to report to you my opinion on the consistency of the summary financial statements 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 statements.

Basis of opinion

I conducted my 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 my opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2004 on which I have issued an unqualified opinion.

Date 25 August 2004

Signature DP Morris

DP Morris
Audit Commission
2nd Floor
1 Friarsgate
1011 Stratford Road
Solihull
West Midlands
B90 4EB

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	2003/4	2002/3
	£000	£000
Income from activities	60,323	59,463
Other operating income	17,017	18,601
Operating expenses	(75,897)	(74,016)
OPERATING SURPLUS/(DEFICIT)	1,443	4,048
Cost of fundamental re-organisation/restructuring	0	0
Exceptional gains - on write out of clinical negligence provisions	0	0
Exceptional losses - on write out of clinical negligence debtors	0	0
Profit/(loss) on disposal of fixed assets	(44)	0
SURPLUS/(DEFICIT) BEFORE INTEREST	1,399	4,048
Interest receivable	235	301
Interest payable	0	(1)
Other finance costs	0	0
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	1,634	4,348
PDC Dividends payable	(1,634)	(4,348)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR	0	0

BALANCE SHEET AS AT 31 MARCH 2004

	31 March 2004	31 March 2003
	£000	£000
FIXED ASSETS:		
Intangible assets	221	264
Tangible assets	43,978	57,367
		44,199
CURRENT ASSETS:		
Stocks and work in progress	1,001	1,047
Debtors	7,024	11,600
Investments	0	0
Cash at bank and in hand	248	219
TOTAL CURRENT ASSETS	8,273	12,866
CREDITORS:		
Amounts falling due within one year	(9,898)	(12,513)
NET CURRENT ASSETS/(LIABILITIES)	(1,625)	353
TOTAL ASSETS LESS CURRENT LIABILITIES	42,574	57,984
CREDITORS:		
Amounts falling due after more than one year	(80)	(100)
PROVISION FOR LIABILITIES AND CHARGES	(430)	(552)
TOTAL ASSETS EMPLOYED	42,064	57,332
FINANCED BY		
TAXPAYERS EQUITY:		
Public dividend capital	29,752	48,025
Revaluation reserve	8,326	7,974
Donated asset reserve	36	77
Government Grant Reserve	0	0
Other reserves	0	0
Income and expenditure reserve	3,950	1,256
TOTAL CAPITAL AND RESERVES	42,064	57,332



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	2003/4	2002/3
	£000	£000
OPERATING ACTIVITIES		
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	6,724	5,627
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	235	301
Interest paid	0	(1)
Interest element of finance lease rental payments	0	0
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	235	300
CAPITAL EXPENDITURE:		
Payments to acquire tangible fixed assets	(1,374)	(3,590)
Receipts from sale of tangible fixed assets	15,533	22,840
(Payments)/receipts for intangible assets	0	0
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE	14,159	19,250
DIVIDENDS PAID	(1,634)	(4,348)
NET CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	19,484	20,829
MANAGEMENT OF LIQUID RESOURCES:		
Purchase of current asset investments	0	0
Sale of current asset investments	0	0
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES	0	0
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	19,484	20,829
FINANCING:		
New public dividend capital received	0	0
Public dividend capital repaid (not previously accrued)	(18,272)	(20,885)
Public dividend capital repaid (accrued in prior period)	(1,183)	0
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(19,455)	(20,885)
INCREASE/(DECREASE) IN CASH	29	(56)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2004

	2003/04	2002/03
	£000	£000
Surplus (deficit) for the financial year before dividend payments	1,634	4,348
Fixed asset impairment losses	(389)	(1,887)
Unrealised surplus (deficit) on fixed asset revaluations/indexation	3,438	7,993
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	0	0
Reductions in the donated asset and government grant reserve due to the depreciation, impairment and disposal of donated and government grant financed assets	(44)	(3)
Additions/(reductions) in "other reserves"	0	0
Total recognised gains and losses for the financial year	4,639	10,451
Prior period adjustment		
- Pre-95 early retirement	0	0
- Other	0	0
Total gains and losses recognised in the financial year	4,639	10,451

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

Name and Title	£000	£000	£000	£000	£000	£000	Total annual pension at age 60 of 31 March 2004 (bands of £2000)
S Jones - Non-Executive	05-10	0	0	0	-	-	
R Evans - Non-Executive	05-10	0	0	0	-	-	
E Chumley-Roberts - Non-Executive	05-10	0	0	0	-	-	
G Roberts - Non-Executive	05-10	0	0	0	-	-	
T Brisby - Non-Executive	05-10	0	0	0	-	-	
A Millward - Chairman	20-25	0	0	0	-	-	
P Singhal – Medical Director to 30 April 2003	05-10	15-20	0	0.6	-	-	
S Vaggers - Medical Director from 1 June 2003	20-25	90-95	0	0.5	-	-	
L Francis - Director of HR & OD	70-75	0	0	2.8	-	-	
N Carr - Director of Nursing & Operations	70-75	10-15	0	6.4	-	-	
J Deaville - Director of Finance & Performance	80-85	0	0	3.0	-	-	
M Cooke - Chief Executive	100-105	0-5	0	4.6	-	-	

Notes:

The Board has agreed that it is not appropriate to disclose details of ages and pensions. The above covers basic salary, employee's national insurance contributions, and superannuation. Dr Vaggers was paid £22,500 in relation to managerial duties; the balance related to clinical duties on behalf of the Trust.

MANAGEMENT COSTS

The Trust management and administration costs, as a percentage of its income, for the reported year ended 31 March 2004 were

	2003/4	2002/3
	£000	£000
Management costs	3,011	3,522
Income	77,340	78,064
Percentage of total income	3.9%	4.5%

PUBLIC SECTOR PAYMENT POLICY

Better Payment Practice Code - measure of compliance

	Number of invoices	Value of invoices £000
Total bills paid in the year	30,037	26,527
Total bills paid within target	25,559	22,988
Percentage of bills paid within target	85.09%	86.66%

If, after reading this report, or at any other time, you would like more information about our Services and Directorates please contact:

Mental Health

Dr Abid Khan 01785 257 888 x 5428
Email abid.khan@ssh-tr.nhs.uk

Forensic Mental Health

Dr Nick Griffin 01785 221 592
Email nicholas.griffin@ssh-tr.nhs.uk

Children's Services

Dr Gunjan Patel 01283 566 333 x 5841
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Learning Disabilities

Mrs Judy Morris 01785 257 888 x 5403
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Nursing and Operations and Specialist Services

Mr Neil Carr 01785 257 888 x 5515
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Human Resources & Organisational Development

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Finance and Performance

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Medical Director

Dr Stewart Vaggers 01785 257 888 x 5342
Email stewart.vaggers@ssh-tr.nhs.uk

Chief Executive

Mr Mike Cooke 01785 257 888 x 5500
Email mike.cooke@ssh-tr.nhs.uk

PALS

The Patient Advice and Liaison Service – 01543 420 423
Email carole.mathews@ssh-tr.nhs.uk