ANNUAL REPORT

2006/07

SOUTH EAST COAST AMBULANCE SERVICE NHS TRUST ANNUAL REPORT

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From the Chairman…

May I start this introduction by saying how proud I have been to be the very first Chairman of the new South East Coast Ambulance Service (SECAmb), following its creation on 1 July 2006.

In building and developing the new Trust, we were fortunate to have excellent foundations to build on in the form of the staff, expertise and reputation of the three former Trusts. Given this, it would be remiss of me to go any further without paying tribute to the three Chairmen who contributed to the smooth transition to the new organisation – Richard Purchase in Sussex, Brian Smith in Surrey and Brian Buchanan in Kent each provided consistency and stability during changing times and I thank each of them for their contributions, on behalf of the staff and Trust Board.

The first year of SECAmb, through its very nature, has been one of rapid development and growth. The bringing together of three different organisations, each with its own proud history, has meant all staff have had to work in a spirit of true partnership, and on occasion compromise, to ensure the populations we serve continue to receive excellent care from their ambulance service. However, I am pleased that, despite the changes to the structure of the Trust, we have continued to provide high levels of service to the residents of the South East Coast area and have, in fact, seen our performance improve during the year. This is testament to the hard work and commitment of staff in all areas, for which I thank them.

The first year of SECAmb has not just been about improvements in performance, admirable as this has been. Our inaugural year has also been about fundamentally changing and improving the role we play in pre-hospital care in a number of ways. We have seen significant advances made in developing new roles for our staff; we have seen the new role of Paramedic Practitioner becoming embedded within the organisation and the start of the first degree-based education programme for paramedics. SECAmb has also been one of the first Trusts in the country to extend the trauma skills of its paramedics with the development of the Critical Care Paramedic role.

Exciting new clinical developments are also underway. State of the art innovations like Brain Acoustic Monitoring (BAM) will significantly improve the way we treat stroke patients in the future – which we hope will eventually change the way strokes are treated in the pre-hospital setting throughout the UK.

The coming year will undoubtedly bring further challenges for us. Changes in the way healthcare is provided throughout the region, increasing demand and changing national targets, all will add to the need for us to continue to modernise and develop our services to better meet the needs of our patients.

However, I am confident that with the committed and skilled workforce we are fortunate to employ, coupled with visionary leadership from our Trust Board, we will see the new Trust going from strength to strength.

Martin Kitchen
Chairman, South East Coast Ambulance Service NHS Trust

Chief Executive Introduction

The first year of the new South East Coast Ambulance Service (SECAmb) has, undoubtedly, been one of massive change. The most fundamental of these was the birth of the new Trust on 1 July 2006 – an event which posed both opportunities and challenges to be embraced and overcome as the new Trust moved forwards.

The merger of the three legacy Trusts arose as a direct recommendation of "Taking Healthcare of the Patient" (The Bradley Report), a report published in July 2005 by the Department of Health. This set a new direction for ambulance services within England, including the creation of eleven larger Trusts.

The creation of the new Trust provided an ideal opportunity for us to really think about how best we could respond to the changing needs of our patients over coming years.

This led to the development of our vision for SECAmb, which is focussed in five key areas:

- Clinically based/responsive to patient need - the Trust should be responsive to patient and user needs which change
- High performing – the Trust will adopt high performance ambulance service methodologies in line with lean concepts to deliver maximum efficiency and levels of satisfaction to users
- Innovative - the Trust should work on the basis of continuous improvement through introducing new and modifying existing methods of working and technologies
- Team-based - the Trust should be made up of a group of people who work together towards the achievement of a common goal, understanding and using the scientific approach to team working in a safety critical industry;
- Matching (and exceeding) international excellence and best practice - the trust should learn from benchmarking with organisations that are pioneers in the field, and employing these methodologies successfully within the Trust.

This vision underpins all of the work we do in every area of the Trust. It is key to every member of staff within the organisation, regardless of area or role.

The bringing together of the heritage, experience and skills of the former Kent, Surrey and Sussex Ambulance Services provided us with a solid foundation on which to build a new Trust. I would like to pay tribute at this point to the Chief Executives from the Surrey and Kent Services. Their continued support in both the pre and post merger periods was instrumental in providing stability and leadership during uncertain times.

When building the new Trust, we have strived to take the very best aspects of the former Trusts forwards with us. As I have visited stations and worked with staff throughout the South East Coast area during the past year, I have been frequently reminded of just how good our staff are. I truly believe that patients in our area receive the very best of care on a daily basis, both in terms of clinical treatment, but also compassion and empathy.

I also recognise however that the creation of SECAmb also heralded a period of anxiety and concern for many staff. The establishment of new structures, policies and working practices was a major change in the working lives of our staff but I am proud of the way everyone responded to this challenge.

Work is still on-going to embed a consistent SECAmb approach throughout all areas of the Trust, but despite this, we have continued to deliver excellent performance to our patients.

The creation of the new Trust has been just one of the challenges we have overcome during the year. In line with our evolving vision, we have begun a radical shift in how we develop our staff for the future, moving from a “training” to an “education” approach. This has seen the start of the first foundation degree courses for training paramedics within the South East area, as well as the development of new roles, which build on the existing skills of our staff. The role of Paramedic Practitioner will see primary care skills being developed around the safe assessment and treatment of patients who have a health need but who may not require an emergency ambulance or transport to hospital. For more seriously ill and injured patients I am delighted that SECAmb has the first staff in the Country enrolled in our Critical Care Paramedic role. This will focus on providing the very best treatment for these patients and the support provided to them whilst they are transported to the most appropriate hospital for their needs.

At the centre of our vision, is the recognition that clinical excellence is at the very heart of everything we do and the entire organisation exists to support this purpose. By introducing new treatments, protocols and drugs, we have the opportunity to make the most real difference to patient experience and outcomes. I am proud that we have seen the direct consequences of some of these developments during the year, in terms of patients who have made a full recovery and who have attended our Trust Board meetings to tell their story. There can be no better testament to the difference we can make than a patient able to talk in person about their experience and recovery. This truly demonstrates the real value of embracing new approaches to patient care such as the implementation of ‘Protocol C’ resuscitation.

Despite making big strides in this area, we still have a long way to go in introducing truly innovative clinical treatments. I am keen that we focus during the coming years on improving our treatment of patients suffering some of the most common yet debilitating conditions we attend. Stroke is an excellent example of where pre-hospital emergency care can and should be making a significant difference to patient outcome. We have already started work on developing some of the tools that could help us with this, such as Brain Acoustic Monitoring (BAM). SECAmb can provide a pioneering example in this area, with potential national implications.

I am only able to touch on a few areas in which we are developing. Massive steps are also being taken into improving our how we manage emergency calls in the three Emergency Dispatch Centres, how we use our resources to best meet demand, how we clean, prepare and stock our vehicles, as well as strengthening our governance policies and investing in developing our staff. We are also taking proactive steps to address some of the big issues that will face us during coming months, including the implications of the Fit for the Future programme and the impact of Call Connect, which will radically alter how we respond to our emergency patients.

I have talked throughout this introduction of the developments undertaken during the year, as well as some of the improvements we wish to make over coming months. None of this would have been possible without the support and commitment of staff throughout South East Coast. Not only have we continued to deliver excellent all-round performance, whilst also undertaking the mammoth task of building the new Trust, we have in fact seen performance in many areas improve.

The achievement of our national performance targets, and we are one of only a small number of Trusts nationally to achieve this, is a clear indication of the commitment and patient focus displayed by our staff. Well done to everyone for their contribution in achieving this success.

I look forward to leading the Trust as we move ahead and continuing to make a real difference, every day, to the populations we serve.

Paul Sutton, Chief Executive

South East Coast Ambulance Service NHS Trust Board & Committee membership

Trust Board

Martin Kitchen	Chairman
Paul Sutton	Chief Executive
David McCallum	Non-Executive Director
Christine Barwell	Non-Executive Director
Nigel Penny	Non-Executive Director
John Power	Non-Executive Director
Julian Lee	Non-Executive Director (until 31.10.06)
Dr Jeremy Mayhew	Medical Director
Andy Newton	Clinical Director
Janet Brierley	Director of Human Resources & Organisational Development
Sue Harris	Director of Operations & Performance
Ian Arbuthnott	Director of IM&T
David Evans	Interim Director of Finance
Geraint Davies	Director of Corporate Affairs & Service Development
Colin Farmer	*Director of Finance (from 01.04.07)*

Integrated Governance Committee *

David McCallum	Committee Chairman/ Non-Executive Director
Christine Barwell	Non-Executive Director
Nigel Penny	Non-Executive Director
John Power	Non-Executive Director

Risk Management & Clinical Governance Committee

Geraint Davies	Committee Chairman/Director of Corporate Affairs & Service Development
Paul Sutton	Chief Executive
David McCallum	Non-Executive Director
Nigel Penny	Non-Executive Director
Dr Jeremy Mayhew	Medical Director
Andy Newton	Clinical Director
Janet Brierley	Director of Human Resources & Organisational Development
Sue Harris	Director of Operations & Performance
Ian Arbuthnott	Director of IM&T
David Evans	Interim Director of Finance
Martin Lewis	Head of Clinical Governance
Sarah Azhashemi	Head of Information Governance
Baz Tree	Head of Corporate Affairs
Steve Blane	Risk Manager
Brian Pullen	Infection Control Manager
Brian Russell	Patient Forum Representative
Kevin Hedges	Staff Representative (Partnership Forum)

Financial Audit Sub-Committee *

John Power	Committee Chairman/Non-Executive Director
Nigel Penny	Non-Executive Director

Appointments and Remuneration Committee

Martin Kitchen	Chairman
Christine Barwell	Non-Executive Director
Nigel Penny	Non-Executive Director

* Executive Directors and Senior Managers attend these Committees as required

OPERATING & FINANCIAL REVIEW
YEAR ENDED 31 MARCH 2007

South East Coast Ambulance Service NHS Trust (SECAmb) was formed on 1 July 2006 by bringing together the former Kent, Surrey and Sussex Ambulance Services. Individual annual reports for the three former organisations covering the period 1April to 30 June 2006 can be found in ***Appendices A-C***. The formation of the new trust has enabled the alignment of services to deliver savings which will be reinvested into the front line services to ensure the delivery of world class mobile healthcare.

SECAmb provides an accident and emergency and GP urgent service for the counties of Surrey, Kent, East Sussex and West Sussex and the City of Brighton and Hove, as well as North East Hampshire. This is a geographical area of 3,600 square miles and a resident population of 4,500,000.

The Trust serves an extremely diverse population, with a true mixture of urban and rural areas. There is a high concentration of population along the coast, as well as a range of large towns further in-land; the area also covers patients with very different needs, including areas with a high proportion of elderly residents, as well as pockets of social and economic deprivation.

The area also enjoys a number of high profile locations and events. Major sea ports at Dover, Folkestone and Newhaven, Gatwick Airport and access to the Channel Tunnel, as well as large-scale public events like political party conferences held in Brighton, the Goodwood Festival of Speed, the Tour de France and Epsom Derby, as well as the close proximity to London, all pose challenges and opportunities for the Trust.

The Trust is also commissioned to provide patient transport services (pre-booked patient journeys to and from healthcare facilities), primarily in Kent and Sussex, supported by a voluntary car service, for the primary care trusts, mental health and hospital trusts covering these areas as well as for a number of trusts in the London area. The Trust manages the above services from its Headquarters in Banstead, Surrey, three Emergency Dispatch Centres at Headquarters, Coxheath (Kent), and Lewes (Sussex) and from 63 operational ambulance stations throughout the whole of the South East Coast region. The Trust is also supported by a number of administrative, fleet, equipment and training bases.

SECAmb works closely with the primary care trusts, acute hospital trusts, mental health and community trusts throughout the region. Partnerships are also in place with local government organisations, as well as fellow emergency services, the Trusts own patient forum as well as other patient forums and charitable and voluntary organisations.

These close working relationships have been especially important during the year, as all parts of the NHS have changed, often fundamentally, how they deliver services. This has seen a move towards creating larger specialist centres, as well as a concentration on more services in the community. Financial pressures throughout the local health economies have also posed some challenges on occasion, especially around the investment required in establishing new services.

During the year, emergency services were commissioned by three lead Primary Care Trusts, on behalf of all Primary Care Trusts throughout Kent, Surrey, Sussex and North East Hampshire.

During the year however, much work went into developing new and more efficient commissioning arrangements for the future.
As a result of this work with partner organisations, the end of the year saw a move to a single commissioning model, led by the specialist commissioning team, hosted by West Kent PCT, in preparation for commissioning ambulance services for the next financial year

Developing a service for the future
The merger of the three former ambulance trusts to create the new South East Coast Ambulance Service NHS Trust was a direct recommendation that arose out of the publication in July 2005 of "Taking Healthcare to the Patient" (the Bradley Report) by the Department of Health. This set out a new strategic direction for all ambulance services to follow, as well as recommending the creation of a smaller number of larger services and tied in well locally with the emerging vision for the new Trust.

The Bradley Report highlighted the need for ambulance services to move away from the traditional role of being primarily a transport organisation towards becoming a mobile healthcare provider.

In addition, as a newly formed organisation, one of the key priorities for SECAmb has been establishing effective and appropriate management structures which support and facilitate the delivery of the vision outline above.

The creation of the new Trust was undoubtedly a time of uncertainty and anxiety for staff. Much hard work was put into communicating with and involving staff and staff-side representatives as much as possible in the change process and the development of new structures. It was also felt to be imperative that the good practice in existence in the three former Trusts was brought forwards and built on in developing the policies and procedures for the new Trust.

The Trust is confident that, although there is still much hard work and many challenges ahead, a new organisational structure has been delivered that will enable the delivery of the vision outlined above. This is due to much hard work and partnership working with staff and staff side representatives throughout the organisation.

Response Times and Operational Performance

National Response Standards
During the year, South East Coast Ambulance Service attended the following number of emergency incidents (calls resulting in response arriving at the scene of the incident):

Category A calls	142,376
Category B calls	191,677
Category C calls	87,533
Total	**421,586**

- Category A calls are those life-threatening conditions where speed of response may be critical in saving life or improving the outcome for the patient e.g. heart attack, serious bleeding.
- Category B calls are those conditions which need to be attended quickly but will not deteriorate or suffer by a slightly slower response.

- Category C calls are non life threatening conditions. They are generally assistance calls in which someone needs help, perhaps following a fall where no injury has been sustained.

This represented an increase of 5.7% on the combined number of emergency incidents of the three legacy organisations for the same period the previous year:

Sussex Ambulance Service	154,500
Kent Ambulance Service	138,400
Surrey Ambulance Service	105,800
Total	**398,700**

However, this does not take into account the national changes in reporting performance with regard to the urgent category of call, introduced during the year.

For the period 1 April 2006 to 31 March 2007, SECAmb met the current National Response Standards (calculated as required for the Department of Health KA34 submission) for:

Category A 8 minute – 75.08% (target 75%);
Category A 19 minute – 97.4% (target 95%);

However, the Category B 19 minute performance was slightly below the 95% target at 93.4%.

Local Response Standard
Category C response targets are agreed at local, not national, level and therefore currently vary across the SECAmb region as they have been inherited from the former trusts.

Urgent and immediate response standards
The locally-agreed response standards for urgent and immediate calls is, in 95% of calls, an ambulance will arrive at scene within 15 minutes of the time agreed with the healthcare professional booking the call at the time.

During the period 1 April 2006 to 31 March 2007, the Trust responded to 58,590 urgent and immediate calls, and reached 55,604 of these within the agreed standards – 94.9%.

Emergency Dispatch Centre (EDC)
The first contact most patients have with the Trust is through the three Emergency Dispatch Centres (EDC) at Banstead, Lewes and Coxheath. The dedicated staff currently receive almost 500,000 emergency calls every year - one every 1.14 minutes.

To provide the safest and most efficient service, staff in the EDCs rely on the most up to date Advanced Medical Priority Despatch (AMPDS) systems to ensure a timely and appropriate response to individual patient needs.

In April 2006, the Emergency Dispatch Centre at Coxheath in Kent installed a new Computer Aided Dispatch (CAD) system. Following the creation of the new Trust, work has been underway during the year to introduce consistent procedures and polices throughout the three EDCs, to ensure as a seamless service as possible can be provided across the area.

Preparatory work has also begun into investigating the introduction of a single CAD system for the whole Trust, which will be a major piece of work during the year ahead. It is likely that a tender process will take place during 2007/08 for a single CAD system that will provide integrated systems for managing both A&E and PTS services for the new Trust.

During the year, South East Coast Ambulance Service also became the first Trust in the country to up-grade to the very latest version of AMPDS, version 11.3. This ensured that a consistent approach was being adopted across the whole of the region when answering 999 calls from the public.

Much work has also gone on during the year into preparing for a major national change in performance measurement, scheduled for introduction in April 2008 titled Call Connect. This will see the "clock start" time changing to the actual point when the 999 call is made, rather than the current point (when four key pieces of information have been provided by the caller). Call Connect will undoubtedly improve the patient experience and provide a consistent measuring point throughout the UK, but will also pose some major challenges for all ambulance services. During the year, South East Coast Ambulance Service began to implement a plan to manage the introduction of Call Connect, including a major EDC recruitment drive.

The Emergency Dispatch Centres are also supported by Unscheduled Care Desks, staffed predominantly by Paramedics, which focuses mainly on the management of Category C calls using the 'PSIAM' triage software, a clinical decision support system.

To help continue achieving and improving upon performance, deployment plans were successfully developed and implemented across Kent, Surrey and Sussex during the year, with the aim of better matching the location and availability of resources with the demand placed on the service. A review of rotas was also implemented in some areas for the same reason. PROMIS rota management software was introduced across the majority of Kent and Sussex with full implementation on track for early 2007/08.

As part of ensuring services are delivered in the most efficient and responsive way, the Trust is also looking at how emergency vehicles are managed and made available. A pilot 'make ready' site has been established in Worthing in West Sussex. This pilot aims to develop a model for providing clean and fully-stocked vehicles, ready for staff to use, as, where and when they are needed. This is a key area for future development, which will help to deliver the Trust's vision, the outcomes of which will inform the model for future roll out across the Trust.

Service Re-design

The Trust also recognises that to continue to meet key performance targets once Call Connect has commenced in April 2008, significant service redesign must be undertaken to ensure resources are fully maximised and services provided in the most efficient way. The Trust must ensure that it has the right resources and equip its staff with the appropriate skills and competencies to be as responsive to patient need as possible.

This will see a shift in the way staff are developed, moving from a training to an education approach, enabling the development of key new roles like Paramedic Practitioners and Critical Care Paramedics (see below). The year saw the introduction of the first foundation degree course for paramedics.

Work is also already underway to significantly change the way in which current resources are utilised to ensure that they are targeted according to patient need. Part of this approach will see an increase in the number of single responder vehicles. This will allow, where appropriate, single responder vehicles to be deployed to emergency calls to ensure the most rapid response is made. Patients will be assessed by the responding clinician who will determine the type of resource that is needed i.e. non-urgent transport, treatment at home, referral to an alternative community service or in some cases rapid transport to hospital.

Work has also been underway during the year, together with local healthcare partners, in preparing for the Fit for the Future (FFF) programme, which is currently exploring possible future outcomes for the delivery of hospital and community care in the region. It is anticipated that the outcome of the public consultation is likely to have major implications for the Trust if hospital services are to be reconfigured across the South East area. There may be an increase in the ambulance utilisation as greater numbers of patients may require transfer between hospital sites and there is the potential for an increased number of calls to the 999 service. Discussions have been underway during the year with local health economies to consider the impact on front line resources and this will continue during the coming year, as the programme moves on to ensure that patients continue to receive the best quality care.

A combination of highly trained staff and top of the range technology systems ensures that when a member of the public calls 999, the most suitable of the following responses is provided:

Emergency (A&E) ambulance
Frontline emergency ambulances with a crew of two, comprised of paramedics and ambulance technicians, respond to the majority of 999 emergencies and GP urgent calls.

The Trust operates about 300 front-line ambulances and is constantly up-grading the fleet, including the latest vehicles equipped with tail-lifts, providing a safer service for patients and reducing the risk of injury through manual handling.

Single Response Vehicles (SRV)
SRVs are usually single-manned by a Paramedic and can be a car, a four by four vehicle, motorbike or even a pushbike!
They carry a full range of emergency equipment, including defibrillators, oxygen, drugs and fluids. They are an extremely flexible resource, used primarily for making a rapid attendance at an incident and an initial assessment of patients and situations.

As part of improving how resources are used, the Trust is looking to significantly increase the number of SRVs available.

This investment will provide additional, more efficient resources available to respond and transport patients, enabling the use of A&E ambulances to be targeted to only those patients who are critically ill and therefore need immediate transport to hospital.

Paramedic Practitioners
Paramedic Practitioner is a new role and one that has evolved from that of the Emergency Care Paramedic (ECP). Paramedic Practitioners are paramedics who

have undertaken extra training enabling them to thoroughly investigate a patient's condition, social situation, etc and then make an informed decision about the correct way to progress their treatment.

Proven benefits of this role include reduction in anxiety and stress for patients and their family/carers by avoiding unnecessary attendance or admission to hospital and at home and reduced costs to the local health services, by supporting the patient at home.

The Trust currently has 27 Paramedic Practitioners and during the coming year is looking to develop an additional 45 existing paramedics as Paramedic Practitioners to work as part of our main front line resource.

Critical Care Paramedics (CCP)
This is another new role, aiming to provide the very best care to the most seriously ill or injured patients. Although there are currently no CCPs working within SECAmb, during 2007/08 twelve existing paramedics will undergo specialist training and will receive their academic preparation at the Hertfordshire University, supported by two local training sites.

Helicopter Air Support
The Trust enjoys air support from two helicopters which can be utilised to assist at any incident where they might be needed such as inaccessible terrain or where a very fast evacuation to hospital is preferable to an ambulance journey by road.

“Hotel 900”, based at Shoreham Airport is operated jointly with Sussex Police and has a paramedic as a permanent part of the crew. The Kent Air Ambulance, based at Marden is provided by the charitable Kent Air Ambulance Trust who are at present raising funds for another aircraft.

To enhance further the efficient use of these helicopter resources, a dedicated “Air desk” based at the Emergency Dispatch Centre at Coxheath, was launched in December 2006. The computerised console allows the paramedics staffing it to see all 999 calls that come into the EDC and make an assessment as to the suitability of using either the Kent Air Ambulance or Hotel 900.

Emergency Medical Support
On occasion, and especially during a serious or multi-casualty incident, the particular skills of a doctor are required. SECAmb is fortunate to enjoy support from two voluntary organisations in this area – Surrey & Sussex Immediate Care Scheme (SIMCAS) and British Association for Immediate Care (BASICS).
Both utilise doctors who have completed specialist training to enable them to help patients in the pre-hospital situation. They are mostly GPs with a special interest in this subject and are sent by the EDC to incidents as needed.

Community Responder Schemes
These are mainly members of the public who have been trained by the service to "hold the fort" until the ambulance arrives but may also be off-duty members of staff or colleagues from another emergency service. They are able to deliver time critical basic life support (where seconds count), including the use of an automated external defibrillator (AED) and can make a big difference to patient outcome, as they are often literally “around the corner” from the patient but are always backed up with an emergency response.

Although the Trust provides training and equipment whenever possible, many of the scheme also rely on the very generous support from local communities, the British Heart Foundation and in some areas the Big Lottery Fund. These schemes have been an enormous success, with many lives saved to the true commitment of community members.

South East Coast Ambulance Service was proud to host an awards ceremony for these community responders, whose number is well in excess of 1000 across the area, in April 2007 at the Hickstead Showground in Sussex. Ten awards were given including outstanding work, outstanding support, most pro-active scheme and most pro-active fundraising. The night also honoured and recognised other schemes and organisations that SECAmb works in partnership with including a range of suppliers, the British Heart Foundation, St John Ambulance and the Red Cross.

Patient Transport Services (PTS)
During 2006/07, the Trust carried out 588,058 PTS journeys compared to a combined volume of 708,700 for the previous organisations in the same period last year, a decrease of 17% in the number of special and planned journeys. This decrease is largely due to the loss of the contract for the provision of patient transport services in Surrey in March 2006 following a competitive tendering process, plus changes in the way acute Trusts commission their PTS.

The Trust's commitment to continue to provide and develop patient transport services has been iterated during the year, from the Trust Board downwards. Recognising the need however to make PTS a viable and sustainable service, the Trust has agreed that a key priority is to agree a strategic direction regarding the Patient Transport Service over coming years. Areas for consideration are likely to include improvements in systems and processes around information management, contract management, booking, planning, resource allocation and the use of ambulance cars and private ambulances.

Training has been delivered to some PTS staff to become emergency care assistants and they now have the enhanced ability to respond to minor emergencies deemed suitable by the Unscheduled Care Desk and control centre staff, thereby providing valuable support to A&E Crews

Patient and Public Involvement (PPI)
Recognising that the Trust as a whole needs to embrace the concept of PPI at all levels, the Trust has undertaken to ensure that PPI is identified as a responsibility in ALL staff job descriptions.

In another important step towards this objective, the Trust board has recently embraced a new initiative whereby all papers presented for approval to the Trust board must evidence patient and public involvement in order to be adopted.

At its first Trust board meeting it was decided that there should be public representation at future Trust board meetings, and the chairman of the SECAmb PPI Forum has attended all subsequent meetings, with a seat at the table and speaking rights.

The Trust has recently appointed a member of the PPI Forum to its Risk Management and Clinical Governance Sub-committee. (All members of the SECAmb PPI Forum, the Patient Reference Group (PRG) and the Patient Opinion Group (POG) were given the opportunity to 'apply' for this position, and the candidate was selected by our chairman drawing a name from the hat.) The Trust has now

moved on to seeking public representation on many more of its sub-committees and steering groups.

The Trust has a successful Public Opinion Group (POG) in Sussex, which was established in November 2004 - a legacy of Sussex Ambulance Service.
The group comprised patients, carers and members of the public who were recruited by following up those who had contacted PALS (Patient Advice and Liaison Service) and those who had made formal complaints over the preceding six-month period. It meets bimonthly to share information, moot new ideas and plans and elicit involvement in their development. Akin to this a Kent Patient Reference Group (PRG) was established in November 2006, using similar methods. The next step will be to replicate this model in Surrey during the first quarter of the next financial year.

In order to truly involve members of the public in developing the future strategic direction for PPI within the Trust, three PPI workshops (one in Kent, one in Surrey and one in Sussex) were held during early 2007, with the specific aim of involving patients and the public in the development of the strategy. Members of the Trust's POG and PRG, certain voluntary organisations, and members of all 26 PPI forums across the South East Coast area were invited to participate, and following the workshops a draft PPI strategy was developed. The Trust also held similar workshops to aid involvement in the development of the Trust's business plan and Disability Equality Scheme, both of which were hailed a success by those involved.

Patient Advice and Liaison Service (PALS)
The Patient Advise and Liaison Service (PALS) acts on behalf of service users when handling patient and family concerns. They liaise with staff, managers and, where appropriate, other relevant organisations, to negotiate speedy solutions and to help bring about changes to the way service is delivered.

In 2006/07 SECAmb received 1,359 PALS enquiries compared to a combined total of 802 for the three previous organisations for the same period last year, which is a 41% increase.

Compliments and Complaints
The Trust received 685 compliments during 2006/07 compared to a total of 345 for the three former organisations during 2005/06, an increase of 49%. 115 written formal complaints were also received during 2006/07, compared to 155 for the previous year, a reduction of 26%. On average, 94% of these complaints were answered within the nationally set standards during the year.

Emergency Planning & Preparedness (EPP)
During the year, the Trust continued to fulfil its obligations with regard to Emergency Preparedness and is a Category 1 responder under the Civil Contingencies Act (CCA), together with all other emergency services. Following the merger and creation of a smaller number of larger Trusts with specific responsibilities, South East Coast Ambulance Service has been appointed as the lead Ambulance Trust for Emergency Preparedness in England.

Building on the work undertaken previously by the three former Trusts, South East Coast Ambulance Service has developed a Major Incident Policy, pending Board approval that fully complies with all national guidance.

During the year, many other actions were also carried out in EPP including maintaining and assessing appropriate attendance at Local Resilience Forums; the development and implementation of on-call rotas for the most senior managers to

provide Gold Level response and the drafting of rotas for Senior and Clinical Operations managers to provide Silver and Bronze level; a review of Emergency Preparedness assets; all roles and responsibilities agreed with the SHA and other NHS organisations; work on the production of a SECAmb Pandemic Flu Response Plan and joint working with the Communications Department to ensure a consistent approach to the CCA "Warning and Informing" duty.

Human Resources

As of 31 March 2007, the Trust employs the following number of staff:

Funded Establishment (WTE):	2717.75
Headcount	2870

These figures compare to the average number of persons employed of 2740 WTE during 2006/07 in the annual accounts.

Following the creation of the new Trust, a great deal of work has gone into the early development of a framework of Trust-wide policies and procedures to support staff, in order to provide consistency and stability. Policies and procedures already developed include those covering Bullying and Harassment, Disciplinary and Grievance.
Work will continue during the coming year to bring together the full range of policies for the new service.

Hard work has also been put into developing robust consultation mechanisms with trade union representatives, which has seen the creation of a Partnership Forum. This has representation from the trade union organisations recognised by the Trust, and is supported by additional regular meetings between representatives and the Director of HR.

Improving Working Lives
It is widely recognised within the NHS that investment in staff is also investment in patient care. The national NHS initiative Improving Working Lives (IWL) aims to encourage good Human Resources practices, so that staff are supported and developed.

There are three valuation stages to IWL and an excellent foundation was provided for building on in the new Trust, as all three of the former Trusts had been awarded Practice Plus status by the birth of the new Trust on 1 July 2006.
This recognised achievements and improvements that each had made in a range of areas including flexible working, communications and involvement, support mechanisms and equality and diversity.

The Trust is committed to continuing to promote the values of IWL and is looking to create a dedicated committee, with Non-Executive Director input during the coming year as one of the ways of taking this forwards.

Agenda for Change (AfC)
Following the introduction of the national pay system for all NHS employees, called Agenda for Change in October 2004, a massive amount of work has gone into moving all of SECAmb's staff onto the new system. This has undoubtedly been a challenging process and despite all SECAmb staff having been assimilated onto an AfC banding, issues remain both locally in some parts of the Trust and nationally with regard to the relevant bandings for paramedics and ambulance technicians. Job evaluation for these posts is currently being carried out by an independent panel in

accordance with the nationally-agreed protocol. This has resulted in the need for the Trust to maintain a provision for the potential payment of a significant amount of back pay, pending the outcome of this process.

Equal Opportunities
The Trust is committed to becoming a model employer with the local economy and to employ staff representative of the communities it serves. It is the policy of the Trust to treat all employees, workers, job applicants, patients and any other stakeholders fairly with dignity and respect, regardless of their gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, religion, age, disability, responsibilities for dependants or Trade Union membership status.

The Trust is also committed to celebrating diversity within the workface; it recognises that a diverse workforce will be better able to respond to patients' needs and therefore improve the delivery of patient care.

In order to achieve this, the Trust is in the process of revising its Race Equality Scheme and will be developing an associated action plan.

A Positively Diverse Group has also been established, building on the group previously running in the Kent area, to promote issues of equality and diversity within the Trust. The aim is to increase the numbers of staff employed from black and minority ethnic groups, as well as individuals with disabilities.

The Trust will also regularly review its procedures and selection criteria to ensure that individuals are selected, promoted and other treated according to their relevant individual abilities and merits, and that all barriers to equal treatment and opportunity are removed.

Disability Equality Scheme
The Trust is committed to ensuring disability equality in its service provision and in its responsibility as an employer. A Disability Equality Scheme seminar was held during the year to engage members of the public and staff with a disability in developing the Trusts scheme which sets out how this commitment will be achieved and how progress will be monitored. Its aim is to work with the people of Kent, Surrey and Sussex and, with healthcare partners in healthcare, to ensure that every person using the Trust's services or working for the Trust feels that they have been treated fairly.

This is recognised as a key requirement in order to be able to best serve our staff and the diverse communities across the region and respond to their needs appropriately. The scheme and action plan can be located on the website at: www.secamb.nhs.uk.

Environmental Impact
The NHS (as the country's largest employer) is expected to take a lead in adopting an appropriate approach to environmental matters, an approach which is supported by SECAmb. Work is planned to develop appropriate transport, environmental procurement and awareness policies, in line with the Environmental Impact Regulations, which will concentrate on the following areas, whilst recognising the particular nature of emergency ambulance work:

- Conserving resources
- Reducing waste
- Minimising emissions that damage the environment

- Encouraging a “green transport” approach, whenever possible
- Encouraging suppliers to develop more environmentally preferable products
- Encouraging suppliers to improve their environmental performance
- Ensure that all natural resources utilised are from sustainable sources, whenever possible
- Comply with all relevant environmental legislation

Clinical Excellence
Continued provision of, and improvement in, the delivery of excellence in pre-hospital care has been at the heart of SECAmb in this inaugural year.

The Trust is therefore delighted that a reflection of this was the organisation being awarded the regional "Excellence in Primary Care" award for its Protocol C project at the “Best of Health Awards 2006”.

The introduction of Protocol C in the South East owes much to Brighton resident and Honorary Medical Advisor, Professor Douglas Chamberlain. A world-renowned cardiologist and expert in pre-hospital resuscitation, Professor Chamberlain has been paramount to the introduction and assessment of Protocol C in the South East. Protocol C is a radical new approach to saving lives after a patient has suffered a cardiac arrest. It calls for 200 chest compressions before delivering a shock from a defibrillator, followed by a further 100 compressions after the shock.

This is contrast to the previous method of resuscitation, which saw alternating breaths and compressions given before delivering a shock.

Although it is still early days, the results so far are extremely positive, with the new procedure improving survival to hospital by 500%. Plans are in place to roll this out across all areas of the Trust during 2007/08.
Another project that has received national recognition in a prestigious competition is a collaborative one between Andy Newton, Clinical Director and Consultant Paramedic for SECAmb, Guillaume Alinier from the University of Hertfordshire and Professor David Barker from Smiths Medical International. The award was for runner up in the category of Excellence in Learning, Teaching, Developing or Mentorship in the Allied Health Professionals & Health Scientists annual awards for a project which focuses on the training of ambulance staff to safely and effectively use automatic ventilators which support breathing in unconscious patients thereby increasing patient safety, the quality of care provided and reducing possible errors.
An initial course testing the concept and the teaching resources was run within SECAmb earlier this year and received very positive feedback and further to a little more development it will shortly be ready to start rolling out to all our staff.

A number of other significant clinical developments have been initiated during the year and will continue to be rolled out throughout the Trust during the coming year. These include:

Clinically-induced hypothermia
SECAmb has been at the forefront in the management of out-of-hospital cardiac arrests by being the first ambulance service in the UK to induce hypothermia in patients after they have been successfully resuscitated by paramedics. In this trial, the crews will apply special ice packs to the patient’s chest and arms with the aim of bringing their core temperature down to around 34 degrees centigrade.

Adult Intraosseous Device
Another clinical trial underway will allow specially-trained paramedics to deliver drugs and medications to patients who are severely/critically injured. These new protocol allows the use of a special drill which is used to gain access to the circulation within adult patients' leg or arm bones, when usual intravenous access have proved impossible. This can allow the most seriously ill patient to receive the life-saving drugs they need.

Brain Acoustic Monitoring
Work is progressing towards a trial of a portable unit that can be used to diagnose the cause of a stroke – either a bleed or a clot. This will speed up diagnosis and treatment, thereby reducing mortality and morbidity. Ambulance crews will be able to pre-alert the receiving hospital about the imminent arrival of the patient, indicating which type of stroke they have suffered, allowing early treatment to begin.

A number of new drugs have also been introduced during the year including:

- Amiodarone – used on patients who are in cardiac arrest and in whom repeated defibrillation is unsuccessful.
- Activated charcoal – used to improve the care patients receive when they have taken an accidental or intentional overdose of tablets
- Syntometrine – a life-saving drug for patients who have just given birth, used to stop uncontrolled bleeding
- Atrovent – used for patients suffering from acute and serious asthma attacks
- Midazolam – used to treat patients who are suffering from a fit or seizure

Clinical Governance underpins clinical excellence, helping ensure that high standards of clinical care and service delivery are attained on a daily basis.

The NHS Litigation Authority attributed the Trust level one of the Risk Management Standard for the Provision of Pre-Hospital Care, and the organisation is taking part in a pilot assessment against the new assessment standards during October 2007. It is anticipated that this will lead to an assessment at level 2 in for 2007/08.

Annual Health Check
During the year, the Trust undertook the annual self-assessment against the core standards for better health, engaging its Patient and Public Involvement Forum and Health Overview and Scrutiny Committees in the process.

The Trust declared itself compliant with 39 of 41 standards that apply to ambulance trusts, with an assessment of 'Insufficient Assurance' against two standards the inevitable result of the impact of a merger. The full return that was submitted to the Healthcare Commission can be found on the Trust's public website. This assessment contributes to the Trust's overall rating for Quality of Services in the Annual Health Check, the Healthcare Commissions system for measuring the performance of healthcare organisations.

For further information on the Annual Health Check, please visit: www.healthcarecommission.org.uk.

In addition to achievement against the national response standards (described above), the Trust achieved its targets with regard to the New National Targets of: Infection control; Participation in audits; Smoke Free NHS and compliance with guidelines around Self-Harm, all of which will also contribute to the Quality of Services Rating.

In this inaugural year, South East Coast Ambulance has successfully delivered pre-hospital thrombolysis to 201 patients, with 92% of those delivered the clot-busting drug within the national target of 60 minutes of calling for help. The average 'call to needle' time was an excellent 43 minutes.

With regard to how the 60 minute 'call to needle' national target for thrombolysis is used in the rating for Quality of Services, the performance of acute trusts in the region has been combined with the Trust's pre-hospital performance to provide one figure to be applied to all. In 2006-07 62.3% of the 726 patients' thrombolysed were within 60 minutes.

Business Planning Process

Following the merger of Kent, Surrey and Sussex Ambulance Services on 1 July 2006 and the consequent creation of SECAmb NHS Trust, the new Trust has reviewed and aligned the governance arrangements and a new, formalised approach to Business Planning has been adopted.

The newly-developed Business Plan outlines SECAmb's five-year corporate objectives for 2007/12, whilst prioritising and identifying the annual objectives for 2007/08 from these. It was developed through engagement with all of our stakeholders including staff, members of the public, PCTs, and fellow NHS providers.

Prior to the formal creation of the Trust on 1 July 2006, the Trust worked to a range of objectives agreed by the Trust Board; the key, overriding objective being to develop and create a fully-functioning Board, within the defined resources available, by 31 March 2007.

The Business Plan covering 2006/07 identified a number of Key Performance Indicators (KPIs) within the Business Plan. These include:

- To deliver Key Performance targets – Existing National Targets
- To deliver financial viability
- To develop a workforce plan
- To implement a fully integrated deployment plan
- To implement an engagement strategy for staff and staff side *
- To develop a strategy to achieve Call Connect
- To develop a single IT solution
- To develop a fully functioning Board with visible team leadership
- To fulfil organisational requirements in regard to the Freedom of Information Act
- To revise governance processes to ensure corporate and individual accountability for managing risk
- To deliver plans to embed Patient and Public Involvement in the organisational culture and in all aspects of service delivery and to ensure the Trust continues to comply with the Health and Social Care act 2001
- To develop an Estates strategy
- To enhance patient and staff safety by ensuring optimum cleanliness of the environment in which care is delivered.
- To implement an engagement strategy with stakeholders
- To implement a commissioning strategy to work with PCTs
- To develop a robust model for managing Emergency Preparedness across the new organisation in line with mandatory and SHA requirements

Progress against the objectives outlined above has been managed and monitored through the implementation of the Service Delivery Plan (SDP). This in turn has been monitored through regular review by the Executive team and the Trust Board. Any

items outstanding at the end of the financial year have been carried forwards where appropriate into the business planning process for 2007/08 and the development of the Business Plan.

High level risks which may have prevented delivery of these objectives have been monitored by the Trust Board through the Assurance Framework.

Financial Review

Each year the financial performance of the Trust is judged against a range of financial duties and targets. The following statements are a summary of the Trust's accounts. The full set of accounts can be found in ***Appendix D.***

The first of duties is to break even on the income and expenditure account, where the Trust recorded a surplus of £3,050,000, representing 2.39% of its turnover. The Trust met the External Financing Limit (EFL), which restricts the amount the Trust can borrow. The EFL limit for the Trust for this period was £7,457,000, of which the Trust borrowed £7,457,000.

The Capital Resource Limit (CRL), which is the maximum sum the Trust can spend in a financial year on capital assets, has also been met. The trust's net capital expenditure was £5,517,000 against the CRL of £5,717,000, and under-spend of £200,000.

The capital absorption rate of 3.1% was achieved for the period 1 April 2006 to 31 March 2007 when compared to the target of 3.5%. The Trust is required to recognise that there is a cost associated with the maintenance of the capital value of the organisation and is therefore required to absorb the capital costs in full through the public dividend payable via the Department of Health (DoH) to the Treasury.

The Trust is required to comply with the better payment practice code. The target is to pay 95% of valid trade creditor invoices within 30 days of receipt. In 2006/07 the Trust paid 76% by value, plus 81% by number.

There were no claims for interest payable under the late payment of Commercial Debts (Interest) Act 1999.

The Trust's management costs are subject to public and DoH scrutiny, as defined by the Audit Commission, and for 2006/07 have decreased to 5.6% of income received in the year.

The Trust had revenue resources of £127,647,000. The majority of this income is from one key A&E SLA with the PCTs which totals £112,045,000

The Trust also received a significant proportion of its income for this period from 33 individual PTS SLAs totalling £10,428,000. These SLA's have been agreed with PCTs, hospital and mental health trusts throughout the South East.

The Trust delivered a financial surplus of income over expenditure of £3,050,000 for the period

In total the trust spent £5,517,000 on capital schemes, this included an extensive vehicle replacement programme and investment in the Trusts IT Communication strategy, which involved a complete update of the e-mail facility and additional IT equipment.

Other key financial information for the period is as follows:

a) The Trust awarded its staff a 2.5% pay award.
b) Average number of employees for the period 1 April 2006 to 31 March 2007 was 2740
c) Employee costs were £88,541,000, a decrease of £2,118,000 over 2005/06
d) The treatment of pension costs are detailed in the notes to the accounts reference 1.11

Compensation for early termination
Due to the reconfiguration of Ambulance Services the employment of six senior managers was terminated. The total value of these settlements was £1,697,210 and related to the capitalised costs of pensions. The business cases for this spend were approved by the Trust Board and the SHA Board and reviewed by the auditors.

External Audit

The Trusts external Auditors are the Audit Commission.
The costs of their work in respect of the year ended 31st March was as follows:

	Audit Fees (£ 000s)	Other remuneration (£ 000s)
SE Coast Ambulance (inc Apr-Jun))	245	0
Surrey Apr- Jun	38	0
Kent Apr – Jun	39	0
Sussex Apr – Jun	38	0

Disclosure of Information

As far as the Board members are aware there are no relevant audit information of which the Trust's auditors are unaware. They have taken all the steps that ought to have taken as directors's in order to make themselves aware of any relevant audit information and to establish that the South East Coast Ambulance Service's auditors are aware of that information.

STATEMENT ON INTERNAL CONTROL 2006/07

1. Scope of responsibility

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

South East Coast Ambulance Service NHS Trust (SECAmb) was formed as a result of the merger of Kent, Surrey and Sussex Ambulance Services on 1 July 2006.

This statement describes the framework for internal control that has been in place for the period 1 April 2006 to 31March 2007. During this period new governance arrangements, structures and related systems and processes have been put in place to assure the Board of our continued progress against the objective to be a mobile healthcare provider that is:

- Clinically focussed – proactive and responsive to patient and user needs which change;
- Innovative – work on the basis of continuous improvement through introducing new and modifying existing methods of working and technologies;
- Team based – made up of a group of people who work together towards the achievement of a common goal, understanding and using the scientific approach to team working in a safety critical industry;
- High performing – adopt high performance ambulance service methodologies in line with lean concepts to deliver maximum efficiency and levels of satisfaction to users;
- Matching and exceeding international excellence – learn from benchmarking with organisations that are pioneers in the field, and employing these methodologies successfully within the Trust.

The Code of Conduct outlines the accountability arrangements and scope of responsibility of the Board.

The Executive Team and Board have been fully involved in agreeing the strategic priorities for the Trust, with the most critical priority being to establish a fully functioning organisation within the financial resources allocated by 31March 2007. A number of objectives were identified to deliver this priority, as follows:

- To deliver Key Performance targets – Existing National Targets
- To deliver financial viability
- To develop a strategy to achieve Call Connect
- To implement a commissioning strategy to work with PCTs
- To develop a workforce plan
- To implement a fully integrated deployment plan
- To develop a single IT solution
- To revise governance processes to ensure corporate and individual accountability for managing risk
- To develop an Estates strategy
- To enhance patient and staff safety by ensuring optimum cleanliness of the environment in which care is delivered

- To ensure comprehensive and embedded infection control practices and monitoring processes are in place
- To develop a robust model for managing Emergency Preparedness across the new organisation in line with mandatory and SHA requirements
- To develop a fully functioning Board with visible team leadership
- To ensure processes are in place for the safe and secure management of medicines and medical devices
- To implement an engagement strategy for staff and staff side *
- To implement an engagement strategy with stakeholders
- To deliver plans to embed Patient and Public Involvement in the organisational culture and in all aspects of service delivery and to ensure the Trust continues to comply with the Health and Social Care Act 2001
- To involve clinicians in audit activity across the Trust
- To fulfil organisational requirements in regard to the Freedom of Information Act
- To integrate and embed trends analysis within the organisation

During the year the Trust's Assurance Framework has been developed to reflect those high level risks which were deemed to be the most significant risks to the organisation. In particular it reflected the risks that were apparent in forming a new organisation as a result of the merger on 1 July 2006.

The Assurance Framework is reviewed by the Executive Team, alongside the red risks on the risk register and the Trusts Service Delivery Plan (SDP). As part of the implementation of the merger, there has been an internal transition project group (the Kent, Surrey and Sussex Merger Board) that met on a monthly basis, of which I was chair, which has also reviewed all risks specifically associated with transition and the Trust's merger.

During the year the Trust's SDP was developed and formed out of the merger Project Implementation Plan to lead the Trust through its first year of establishment. The SDP was regularly reviewed and updated by the Executive Team and progress was reported to the Board via the Committee structure on a number of occasions throughout the year. The areas that were at risk of failing to be delivered were highlighted through this review process and appropriately addressed. In addition the Assurance Framework has been presented to both the Integrated Governance Committee and the Board during this period of time. It has been cross referenced to the Standards for Better Health. Much work has been undertaken to improve the specificity of gaps in control and assurances for each item.

The Board delegates authority primarily to the following committees:

- Integrated Governance
- Appointments and Remuneration;
- Risk Management and Clinical Governance;
- Financial Audit.

The Board receives regular minutes and reports from each of the above committees, and in turn sub-committees, who deliver reports which maintain the flow of information to the Board.

All Directors report to me through the regular Executive Team meetings in addition to one to one meetings. The Director of Operations and Performance chairs a senior management operational performance meeting to drive improvements in operational performance.

Collaborative working with other NHS organisations within our local health economy has continued throughout the year, particularly focusing on the developments surrounding the Fit for the Future Programme. In addition, we have worked with PCTs across the Strategic Health Authority area to agree new commissioning arrangements for the ambulance service which will be led by our Lead Commissioners; the Specialist Commissioning Team, hosted by West Kent PCT.

I also attend the Strategic Health Authority Chief Executive Forum and inform the Strategic Health Authority of any relevant strategic or performance issues.

2. The purpose of the system of internal control

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

- Identify and prioritise the risks to the achievement of the organisation's 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.

Due to the establishment of SECAmb on 1 July 2006, the system of internal control has not been in place for the whole year ended 31 March 2007. This is because the first year of operation has been a transitional year to ensure SECAmb is fully functional by 31 March 2007. A restructure process was successfully implemented during the year and as a result there have been changes in the Trusts management team during this period. The new structure is now in place, with the exception of a small number of posts and, where appropriate, the Trust has put into place acting arrangements to cover for key positions. As a result, a robust system of internal control was fully in place by 31March 2007 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

During the year flexible arrangements to ensure maximum and effective use of leadership resources have been essential. To manage this transitional year, a Merger Project Director was appointed to work across the three Trusts to facilitate planning up to 1 July 2006 and for a number of months after the Trust was established. A Merger Project Implementation Plan was developed and I chaired the Merger Project Board, which included the Directors of the former three Trusts, to oversee the implementation of the plan. Progress against the Project Implementation Plan was reported to the Trust Board during this time and subsequently formed the Trusts SDP for 2006/07.

Reporting lines are also well established through the aforementioned committee structures and close working has been maintained through the regular Executive Team meetings.

Risk Management is a corporate responsibility and, accordingly, the Trust Board has ultimate responsibility to lead on this, ensuring that effective processes are in place. However, elements of responsibility also lie with employees of the Trust and the new

structure of the organisation ensures there is adequate capacity to fulfil these responsibilities. The Trust is committed to supporting its staff in exercising their roles and responsibilities with regard to health and safety risks and all other forms of risk. This implementation requires varying levels of training across the Trust.

4. The risk and control framework.

The Integrated Governance Strategy, including Risk Management Policies, sets out the framework and systems for implementation of risk and governance processes. These processes are evidenced within the Standards for Better Health Declaration and the NHS Litigation Authority Level 1 accreditation.

Further to this the Trust followed DH guidance to ensure the appropriate systems of control were in place for handling the significant severance payments due as a result of reconfiguration.

The management arrangements regarding organisational change were consistent with the guidance issued under the Human Resources Framework for Ambulance Trusts (December 2005, I and Standards for implementing good human resource practice and value for money when staff are affected by organisational change (2006).

On 1 May 2007 the Trust was required to submit a final declaration as to its compliance with the core standards self assessment for the year ended 31 March 2007. The Trust involved all Trust directors and a cross section of senior managers to undertake the final assessment. The Trust Board reached agreement on these recommendations and the final declaration identifying compliance with all standards, with the exception of C1a and C21, where currently there is insufficient assurance, was signed off at the Public Board Meeting on 26 March 2007. However, plans are in place to ensure the Trust has the systems and processes in place to provide itself with assurance of compliance by March 2008 and further details are outlined below:

CS Reason for Non Compliance Action Plan

CS	Reason for Non Compliance	Action Plan	
1a	There is currently not one single formal process for investigating incidents, and although there are the individual legacy systems still in place and operating, there is a lack of consistency in this area.	Audit of three current systems to obtain assurance of effectiveness	Apr-07
		Standardisation of all incident reporting policies across SECAmb	May-07
		Standardisation of all reporting systems across SECAmb	Mar-08
		Establishment of formal Investigations Review group to carry out root cause analysis	Apr-07
		Establish library of completed investigations	May-07
		Deliver RCA for appropriate staff	Sep-07

21	Although SECAmb is confident that vehicle cleaning does take place, it is unable to currently validate these mechanisms due to the lack of formal cleaning schedules.	Establish Vehicle Cleaning Working Group	Apr-07
		Vehicle cleaning schedules at each SECAmb station	Jun-07
		Undertake vehicle infection control audit, leading to quarterly inspection	Jun-07
		Vehicle infection control risk assessment	May-07
		Ensure availability and standardisation of cleaning products & materials on vehicles and stations.	Jun-07

The Risk Management and Clinical Governance Sub Committee (RMCGSC) is a formal sub-committee of the Trust Board and is responsible for the management of risk. Its agenda reflects the organisation's core business. The Trust seeks to learn from issues raised and implement good practice at all levels. The Board receives regular reports from the Risk Management and Clinical Governance Committee, including trends analysis and benchmarking (e.g. Healthcare Commission Standards). Serious Untoward Incidents are reviewed, investigated, analysed and reported back throughout the organisation.

Since the adoption of the Integrated Governance Strategy and the Assurance Framework, the Executive Team has worked towards embedding risk management in the activities of the organisation. Directors and managers have been required to identify risks within their areas of responsibility and to establish, in conjunction with the relevant managers, effective control measures and/or systems. The Risk Register has been developed during the year and has involved Board members and staff in its development to ensure it represents an accurate assessment of the risks facing the organisation.

The following actions have been taken to address gaps in Control/Assurance identified in the Assurance Framework

Gap	Action
Lack of demand vs. capacity analysis to support improvements in operational performance against key targets.	Performance Improvement Group established and lead by Director of Operations. Operational performance has been achieved by the year end.
Risk to delivery of fully functioning Board due to delays in appointment processes	All but one Director post substantively appointed to. Interim appointments were made until vacancies were filled
Financial plans for 2007/08 depend on agreement of SLAs with PCTs and other commissioners	Commissioning arrangements agreed and implemented. Commissioning team identified, lead by Director. SLAs agreed in line with SHA timescales.
Changes planned for the modernisation of education and training of staff.	Workforce planning event held across key departments and workforce plan developed.

New working arrangements required for working with staff and staff side.	Recognition agreement in place, Consultation and Negotiation Agreement implemented and monthly staff side meetings have been held.
Differing levels of PPI across the SECAmb region	Board approved PPI Strategy and new PPI Manager appointed.
Lack of common approach to risk management across SECAmb	Risk management policy drafted and to be approved in May 2007
Lack of capacity and capability in organisation to deliver Risk Management	During the year the new structure has provided for a robust risk management structure including two Risk, Health & Safety Managers (appointed to) and a Risk Trainer
Need for training and understanding of Infection Control practices to be embedded throughout the management structure	Appointment of Infection Control Manager, key policies and procedures developed, inaugural meeting of Infection Control Working group scheduled for May 07
Lack of standardised Freedom of Information policy	SECAmb policy now approved

The Assurance Framework linked the main elements and aims of the Trust's internal control and governance policies. The Framework comprised the following key elements:

- Principal Risks: the risk management policies sought to identify the main risks which might impede the Trust in achieving its objectives and to keep these under review by the Trust Board.

- Key Controls / Treatments: these were the mechanisms for controlling the risks that have been identified.

- Board Assurance: the Board gained assurance that the Trust's objectives were being achieved and the risks controlled through a variety of assurance processes, including performance reports with high level KPIs, audit (internal and external), assessments by regulatory and monitoring agencies (e.g. Healthcare Commission, RPST, CNST, Health and Safety) and reports from its assurance sub committees.

The Trust has developed an effective working relationship with the newly formed independent SECAmb Patient and Public Involvement Forum which was also established on 1 July 2006, in particular through the development of a liaison group to ensure communication is effective. In addition, the Trust engages with the public and service users through various other local patient and public involvement groups, workshops and events.

The Chief Executive and the Executive Team also have close relationships with other stakeholders in the local community so that there could be participation in measures

of mutual interest designed to improve the delivery of health care in the area. Some of the main fora for the transaction of these relationships were:

- Regular South East Coast NHS Chief Executive's Forum;
- Regular South East Coast Directors of Finance Forum;
- Regular South East Coast Human Resources Director's Forum;
- Regular commissioning meetings with our Lead Commissioners and other Primary Care Trusts;
- Regular Fit for the Future Programme Boards in Kent and Medway and Surrey and Sussex health economies.

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

5. Review of Effectiveness

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

My review is also informed by a number of bodies and processes that during the period 1 July 2006 to 31 March 2007 have included:

- Monthly Board performance and financial performance reports
- Internal and External audit reports including 2006/7 Head of Internal Audit Opinion
- Standards for Better Health Declaration
- SHA Performance Reviews
- Minutes of committees including those of the Integrated Governance Committee, Risk Management and Clinical Governance Committee
- Ongoing update and approval of the Assurance Framework.
- Corporate Risk Register
- Service Delivery Plan

Internal Audit carried out the following reviews at SECAmb in 2006/07:

- Standards for Better Health
- Financial Probity
- Reconfiguration and merger
- Agenda for Change
- Electronic staff records
- Vehicle Procurement Arrangements
- Transfer of Business to Shared Business Services
- Budgetary control

- Main ledgers – Nominal, creditors, debtors and the payroll
- Treasury Management
- Asset Management

Head of Internal Audit Opinion:

"Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk."

Significant Control Issues

Standards for Better Health – as described above in section 4, the Trust declared insufficient assurance for two of the core standards and therefore is required to declare this as a significant control issue. These gaps are clearly understood by the organisation and there are plans in place to ensure that the Trust will be compliant by March 2008.

Critical financial assurance - Concerns around Payroll controls systems in the former Sussex Ambulance Service were highlighted. Since this time the Trust has commissioned a further investigation/audit to ensure it is able to successfully mitigate the risks through the implementation of appropriate control systems.

Signed Date

Paul Sutton
Chief Executive Officer (On behalf of the Board)

STATEMENT OF RESPONSIBILITIES

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.

Paul Sutton, Chief Executive Date

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 judgements and estimate which are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the requirements outlined in the above-mentioned direction 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.

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

Paul Sutton, Chief Executive Date

Colin Farmer, Director of Finance Date

Independent auditor's report to the Directors of the Board of South East Coast Ambulance Service NHS Trust

Opinion on the financial statements

I have audited the financial statements of South East Coast Ambulance Service NHS Trust for the year ended 31 March 2007 under the Audit Commission Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies relevant to the National Health Service set out within them.

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission

Respective responsibilities of Directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

I review whether the directors' statement on internal control reflects compliance with the Department of Health's requirements in 'The Statement on Internal Control 2003/04' issued on 15 September 2003 and further guidance on 7 April 2006 and 2 April 2007. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the directors' statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report, the Chairman's Statement and the Operating and Financial Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 31 March 2007 and of its income and expenditure for the year then ended; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

Lindsey Mallors

Engagement Lead

Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Directors' Responsibilities

The directors are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Trust for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to the criteria for NHS bodies specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Trust has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Qualified Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for NHS bodies specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, South East Coast Ambulance Service NHS Trust made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the nine months ending 31 March 2007 except that it did not put in place:

- a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities;
- arrangements to manage its significant business risks; and
- arrangements for setting, reviewing and implementing its strategic and operational objectives.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Lindsey Mallors

Engagement Lead

Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

Independent auditor's statement to the Directors of the Board of South East Coast Ambulance Service NHS Trust

I have examined the summary financial statement which comprises the Income and Expenditure Account, Balance Sheet, Statement of Recognised Gains and Losses and Cash Flow Statement set out on pages 36 to 42

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 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 statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statement describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the year ended 31 March 2007.

Lindsey Mallors
Engagement Lead, Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

June 2007

SUMMARY FINANCIAL STATEMENTS 2006/07

Income And Expenditure Account For The Year Ended 31 March 2007			
	2006/07		2005/06
	£000		£000
Income from activities	**126,073**		125,470
Other operating income	**1,574**		2,532
Operating expenses	**(122,570)**		(124,900)
Operating surplus (deficit)	**5,077**		3,102
Cost of fundamental reorganisation/restructuring	**0**		0
Profit (loss) on disposal of fixed assets	**(465)**		0
Surplus (deficit) before interest	**4,612**		3,102
Interest receivable	**507**		356
Interest payable	**0**		0
Other finance costs - unwinding of discount	**(66)**		(58)
Other finance costs - change in discount rate on provisions	**0**		(491)
Surplus (deficit) for the financial year	**5,053**		2,909
Public Dividend Capital dividends payable	**(2,003)**		(2,077)
Retained surplus (deficit) for the year	**3,050**		832
All income and expenditure is derived from continuing operations			

Note To The Income And Expenditure Account For The Year Ended 31 March 2007			
	31 March 2007		31 March 2006
	£000		£000
Retained surplus/(deficit) for the year	**3,050**		832
Financial support included in retained surplus/(deficit) for the year - NHS Bank	**0**		0
Financial support included in retained surplus/(deficit) for the year - internally generated	**0**		0
Retained surplus/(deficit) for the year excluding financial support	**3,050**		832
The Trust did not receive any financial support for the year ended 31 March 2007			

Balance Sheet As At 31 March 2007			
	31 March 2007		31 March 2006
	£000		£000
FIXED ASSETS			
Intangible assets	**409**		482
Tangible assets	**68,950**		65,139
Investments	**0**		0
	69,359		65,621
CURRENT ASSETS			
Stocks and work in progress	**884**		1,051
Debtors	**19,591**		12,024
Investments	**0**		0
Cash at bank and in hand	**1,243**		348
	21,718		13,423
CREDITORS: Amounts falling due within one year	**(5,246)**		(6,219)
NET CURRENT ASSETS (LIABILITIES)	**16,472**		7,204
TOTAL ASSETS LESS CURRENT LIABILITIES	**85,831**		72,825
CREDITORS: Amounts falling due after more than one year	**0**		0
PROVISIONS FOR LIABILITIES AND CHARGES	**(11,688)**		(12,643)
TOTAL ASSETS EMPLOYED	**74,143**		60,182
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	**69,774**		28,480
Revaluation reserve	**33**		28,819
Donated asset reserve	**1,328**		1,445
Government grant reserve	**0**		0
Other reserves	**0**		0
Income and expenditure reserve	**3,008**		1,438
TOTAL TAXPAYERS EQUITY	**74,143**		60,182

Signed: …… Chief Executive Date: ……

Statement Of Total Recognised Gains And Losses For The Year Ended 31 March 2007			
	2006/07		2005/06
	£000		£000
Surplus (deficit) for the financial year before dividend payments	**5,053**		2,909
Fixed asset impairment losses	**(5)**		(48)
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	**3,666**		1,784
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**0**		66
Defined benefit scheme actuarial gains/(losses)	**0**		0
Additions/(reductions) in "other reserves"	**0**		0
Total recognised gains and losses for the financial year	**8,714**		4,711
Prior period adjustment	**0**		0
Total gains and losses recognised in the financial year	**8,714**		**4,711**

Cash Flow Statement For The Year Ended 31 March 2007			
	2006/07		2005/06
	£000		£000
OPERATING ACTIVITIES			
Net cash inflow/(outflow) from operating activities	**491**		7,646
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received	**510**		347
Interest paid	**0**		0
Interest element of finance leases	**0**		0
Net cash inflow/(outflow) from returns on investments and servicing of finance	**510**		347
CAPITAL EXPENDITURE			
(Payments) to acquire tangible fixed assets	**(6,665)**		(8,306)
Receipts from sale of tangible fixed assets	**323**		31
(Payments) to acquire intangible assets	**(113)**		(294)
Receipts from sale of intangible assets	**0**		0
(Payments to acquire)/receipts from sale of fixed asset investments	**0**		0
Net cash inflow/(outflow) from capital expenditure	**(6,455)**		(8,569)
DIVIDENDS PAID	**(2,003)**		(2,077)
Net cash inflow/(outflow) before management of liquid resources and financing	**(7,457)**		(2,653)
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	**(7,457)**		(2,653)
FINANCING			
Public dividend capital received	**7,457**		2,721
Public dividend capital repaid (not previously accrued)	**0**		0
Public dividend capital repaid (accrued in prior period)	**0**		0
Loans received	**0**		0
Loans repaid	**0**		0
Other capital receipts	**0**		0
Capital element of finance lease rental payments	**0**		0
Cash transferred (to)/from other NHS bodies	**0**		0
Net cash inflow/(outflow) from financing	**7,457**		2,721
Increase/(decrease) in cash	**0**		68

Management costs					
			2006/07		2005/06
			£000		£000
		Management costs	**7,097**		7,299
		Income	**127,647**		127,967
Management costs are defined as those on the management costs website at: www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts					

Better Payment Practice Code - measure of compliance			
	2006/07		**2006/07**
	Number		**£000**
Total Non-NHS trade invoices paid in the year	**34,782**		**36,499**
Total Non NHS trade invoices paid within target	**28,160**		**27,738**
Percentage of Non-NHS trade invoices paid within target	**81%**		**76%**
Total NHS trade invoices paid in the year	**538**		**1,922**
Total NHS trade invoices paid within target	**404**		**1,497**
Percentage of NHS trade invoices paid within target	**75%**		**78%**
The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.			

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 £2,003k, bears to the average relevant net assets of £65,019k, this is 3.1%.

The variance from 3.5% is within the Department of Health's materiality range of 3.0% to 4.0%

External financing						
The Trust is given an external financing limit which it is permitted to undershoot.						
			2006/07			2005/06
	£000		**£000**			£000
External financing limit			**7,457**			2,848
Cash flow financing	7,457					2,653
Finance leases taken out in the year	0					0
Other capital receipts	0					0
External financing requirement			**7,457**			2,653
Undershoot (overshoot)			**0**			195
Capital Resource Limit						
The Trust is given a Capital Resource Limit (CRL) which it should not overspend						
			2006/07			2005/06
			£000			£000
Gross capital expenditure			**6,395**			8,830
Less: book value of assets disposed of			**(878)**			(105)
Plus: loss on disposal of donated assets			**0**			0
Less: capital grants			**0**			0
Less: donations towards the acquisition of fixed assets			**0**			(66)
Charge against the CRL			**5,517**			8,659
Capital resource limit			**5,717**			8,696
(Over)/Underspend against the CRL			**200**			37

Related Party Transactions

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

REMUNERATION REPORT

The Trust's Appointments and Remuneration Committee consists of the Chairman and two Non Executive Directors of the Trust. The Chief Executive and Director of Human Resources and Organisational Development may be asked to attend in an advisory capacity. The Committee oversees the remuneration and conditions of service for Directors (including the Chief Executive Officer). All other managers are now covered by the national Agenda for Change arrangements.

Trust policy in general terms is to apply the national annual uplift to Directors salaries, reflecting guidance from the Department of Health. Director posts may be reviewed individually in the light of the changes in their responsibilities, in market factors, pay relativities or other relevant circumstances. The remuneration policy changed in 2006/07 with the introduction of the Very Senior Managers Pay for the NHS, however to date the managers affected by this pay arrangement have not received their entitled back pay. This will be paid in 2007/08 and reflected appropriately in next year's accounts.

Objectives for the Directors are determined annually by the Chief Executive reflecting the corporate objectives agreed by the Board and approved by the Appointments and Remuneration Committee. Performance is reviewed at year end by the Committee and with the advice of the Chief Executive.

Contracts of employment are in accordance with standard NHS Very Senior Managers Contracts and include specified restrictions on, for example, exclusivity of service. All contracts are permanent and are proportionate to the needs of the Trust ensuring business continuity where voluntary resignation occurs six months from the Chief Executive, and 3 months for other Directors.

Signed Date:

Paul Sutton, Chief Executive

Salary And Pension Entitlements Of Senior Managers

A) Remuneration

Name and Title		2006-07			2005-06		
		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind (Rounded to the nearest £00)	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind (Rounded to the nearest £00)
M Kitchen	Chairman (1/7/06)*	10-15	0	n/a	0	0	n/a
C Barwell	Non Executive Director (1/7/06)*	0-5	0	n/a	0	0	n/a
J Lee	Non Executive Director (1/7/06)*-(30/10/06)**	0-5	0	n/a	0	0	n/a
D McCallum	Non Executive Director (1/7/06)*	0-5	0	n/a	0	0	n/a
N Penny	Non Executive Director (1/7/06)*	0-5	0	n/a	0	0	n/a
J Power	Non Executive Director (1/7/06)*-(31/3/07)**	0-5	0	n/a	0	0	n/a
P Sutton	Chief Executive Officer	85-90	10-15	20	85-90	10-15	20
D L Evans	Director of Finance (31/3/07)**	90-95	0	0	75-80	0	0
A Newton	Clinical Director/Consultant Paramedic	70-75	0	0	35-40	0	0
S Harris	Director of Operations and Performance (1/9/06)*	30-35	0	0	0	0	0
Dr J Mayhew	Medical Director	55-60	0	0	35-40	0	0
G Davis	Director of Corporate Affairs (1/10/06)*	30-35	0	0	0	0	0
I Arbuthnot	Director of Information Management and Technology	25-30	0	0	0	0	0
J Brierley	Director of H R	55-60	0	0	55-60	0	0

Salary And Pension Entitlements Of Senior Managers who left on the 30 June 2006 when the Ambulance Trusts merged

A) Remuneration

Name and Title		2006-07			2005-06		
		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind (Rounded to the nearest £00)	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind (Rounded to the nearest £00)
B Smith	Chairman Surrey	0-5	0	N/A	15-20	0	N/A
R Purchase	Chairman Sussex	0-5	0	0	15-20	0	0
B Buchanan	Chairman Kent	0-5	0	0			
M Fisher	Non Executive Director Surrey	0-5	0	N/A	5-10	0	N/A
C Hazell	Non Executive Director Surrey	0-5	0	N/A	5-10	0	N/A
J Holah	Non Executive Director Surrey	0-5	0	N/A	5-10	0	N/A
D Buckrell	Non Executive Director Surrey	0-5	0	N/A	5-10	0	N/A
N Harrison	Non Executive Director Surrey	0-5	0	N/A	5-10	0	N/A
J Beck	Non Executive Director Sussex	*	*	*	*	*	*
A Dickens	Non Executive Director Sussex	*	*	*	*	*	*
P Newett	Non Executive Director Sussex	5-10	0	0	5-10	0	0
R Herbert	Non Executive Director Sussex	*	*	*	*	*	*
J Nerney	Non Executive Director Sussex	0-5	0	0	0-5	0	0
B Scruton	Non Executive Director Kent	0-5	0	0			
P Downing	Non Executive Director Kent	0-5	0	0			
J Evatt	Non Executive Director Kent	0-5	0	0			
M Davison	Non Executive Director Kent	0-5	0	0			

P Grant	Chief Executive Officer Surrey	30-35	0	15	90-95	0	58
R Owen	Executive Director Surrey	*	*	*	60-65	0	35
G Butson	Executive Director Surrey	15-20	0	10	70-75	0	39
R Bentley	Executive Director Surrey	15-20	0	5	60-65	0	21
A Carr	Executive Director Sussex	15-20	0-5	0	75-80	0-5	0
R Penney	Executive Director Sussex	15-20	0-5	0	60-65	0-5	0
C Searle	Executive Director Sussex	15-20	0-5	0	60-65	5-10	0
T Howdon	Executive Director Kent	15-20	0	3	15-20	0	12
A Tapp	Executive Director Kent	10-15	0	0	45-50	0	0
C Burgess	Executive Director Kent	15-20	0	5	60-65	0	21

* Date Appointed

** Date Left

This statement is consistent with the accounting requirements of the remuneration report for non-executive, executive directors and senior managers. The term 'senior managers' refers to those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust.

Benefits in kind are the assessed value of provision of a lease car as per the Inland Revenue P11d calculations. Benefits in kind are stated in hundreds.

B) Pension Benefits

Name and title		Real increase in pension at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2007 (bands of £2500) £000	Lump sum at age 60 related to accrued pension at 31 March 2007 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2007 £000	Cash Equivalent Transfer Value at 31 March 2006 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension £00
P Sutton	Chief Executive	2.5-5	7.5-10	15-20	50-55	196	158	24	0
D Evans***	Director of Finance	12.5-15	40-42.5	50-55	150-155	***	416	***	0
A Newton**	Clinical Director/Consultant Paramedic	22.5-25	70-72.5	20-25	70-75	379	7	93	0
S Harris	Director of Operations and Performance	0-2.5	0-2.5	0-5	0-5	16	12	2	0
Dr J Mayhew	Medical Director	5-7.5	0-2.5	15-20	45-50	185	117	65	0
G Davis	Director of Corporate Affairs	0-2.5	0-2.5	15-20	45-50	187	176	4	0
I Arbuthnot	Director of Information Management and Technology	5-7.5	5-7.5	5-10	20-25	77	55	7	0
J Brierley	Director of H R	0-2.5	0-2.5	10-15	30-35	168	148	16	0

* consent to disclose withheld
** includes effect of transfer from previous (non NHS) pension scheme
*** Left on 31 March 2007
As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a

particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Appendix A
KENT AMBULANCE NHS TRUST ANNUAL REPORT
1 April to 30 June 2006

From the Chairman…
The beginning of 2006/07 marked a time of both closure and preparation, as Kent Ambulance Service prepared for merger with colleagues from Sussex and Surrey Ambulance Services, and the birth of the new SECAmb on 1 July 2006.

The final three months of the former Kent Trust saw a great deal of hard work in many areas, to prepare for the statutory winding down of the Trust, whilst continuing to deliver a high standard of care to our patients. I must pay tribute at this point to outgoing Chairman, Brian Buchanan and his Board for their consistency and leadership during what was an uncertain time for many.

I know that there was a concentrated effort in many areas to bring to a conclusion many of the projects underway, in order to provide a firm platform on which to build the new Trust. Much work was also put in to keeping the staff as informed and involved as possible in the move towards the new Trust – vital for maintaining morale and commitment during a time which many staff found unsettling.

You will see from reading this brief report that, even with the arrival of the new Trust pending, it was very much "business as usual" during April to July 2006. The Trust continued to deliver high standards of performance, both in terms of meeting and exceeding national standards, as well as maintaining excellent clinical services. I can think of no better legacy than this to mark the commitment and dedication of staff, both former and present, who have served Kent Ambulance Service so well.

Martin Kitchen
Chairman, South East Coast Ambulance Service NHS Trust

Chief Executive's Introduction

The period April to June 2006 was an unusual time for ambulance services nationally, as everyone prepared for a forthcoming merger with their neighbouring Trusts following the publication of "Taking Healthcare to the Patient" (The Bradley Report) in June 2005. The final three months in the life of Kent Ambulance Service were a time of looking backwards as well as looking forwards.

In building the new Trust, we were anxious not to lose the excellent skills, knowledge and experience built and developed over many years in many different areas. It was also vital that, despite the change going on all around us, we continued to provide an excellent service to the thousands of patients across Kent and Medway who relied on us for both emergency and patient transport services.

I must pay tribute at this point to Hayden Newton, Chief Executive of Kent Ambulance Service and his Board, who provided stability and consistency during this important period.

I am proud that all of the staff throughout Kent Ambulance Service responded so well to this challenge, despite whatever personal anxieties or uncertainties they may have been experiencing. As much work went into drawing projects to a close, the continued delivery of high quality patient care was at the forefront of everyone's minds.

The ability to look forwards was also key during this period. Ahead of the official start date of 1 July 2006 for the new Trust, much work went into preparing solid foundations for building the new policies, working practices and structures needed. As the new Trust has grown and developed during the year, we have seen the benefits of this in many key areas.

The new Board of SECAmb is committed to continuing the patient focus and emphasis that was evident in each of the three former Trusts. This excellent legacy is evident every day in the work of the new Trust and this is something that all staff associated with Kent Ambulance Service can be duly proud of.

Paul Sutton
Chief Executive, South East Coast Ambulance Service

Board & Committee Membership

Trust Board

Brian Buchanan	Chairman
Paul Sutton	Chief Executive Officer
Pat Downing	Non-Executive Director
Bob Scruton	Non-Executive Director
Jane Evatt	Non-Executive Director
Mike Davison	Non-Executive Director
Dr Jeremy Mayhew	Medical Director
Colin Burgess	Director of Strategic Development & Partnerships
Janet Brierley	Director of Human Resources & Organisational Development
Pam Fairclough	Acting Director of Finance
Chris Howdon	Acting Director of Patient Services
Annie Tapp	Associate Director of Strategic Development & Partnerships

Audit Committee

Bob Scruton	Committee Chairman/Non-Executive Director
Pat Downing	Non-Executive Director
Mike Davison	Non-Executive Director

Remuneration Committee

Brian Buchanan	Chairman
Bob Scruton	Non-Executive Director
Pat Dowing	Non-Executive Director
Jane Evatt	Non-Executive Director
Mike Davison	Non-Executive Director

Risk Management & Clinical Governance Committee *

Jane Evatt	Committee Chairman/Non-Executive Director
Bob Scruton	Non-Executive Director

Charitable Funds Committee *

Pat Downing	Committee Chairman/Non-Executive Director
Brian Buchanan	Chairman
Bob Scruton	Non-Executive Director

Improving Working Lives Group *

Pat Downing	Committee Chairman/Non-Executive Director

Patient & Public Involvement Committee *

Mike Davison	Committee Chairman/Non-Executive Director

* Executive Directors, Senior Managers and staff attend these Committees as required

Operating & Financial Review
1 April to 30 June 2006
Kent Ambulance NHS Trust was one of the largest non-metropolitan ambulance services in the country. It provided an accident and emergency and GP urgent service for the Kent and Medway areas, which cover a geographical area of 1,550 miles and a population of 1.6 million people. The Trust was also commissioned to provide patient transport services, supported by a voluntary car service, for the primary care trusts, mental health and hospital trusts covering this area. The Trust managed the above services from its Headquarters in Coxheath (near Maidstone) and from the 17 operational ambulance stations throughout Kent.

For the period 1 April to 30 June 2006, the Trust's average number of employees was 900.

This Annual Report covers the period 1April to 30 June 2006. On 1 July 2007 Kent Ambulance Service ceased to exist and became part of the newly formed South East Coast Ambulance Service NHS Trust.

The Trust's strategic priorities for the period 1 April to 30 June 2006 included the preparation and facilitation of a smooth transition in the merger with Sussex and Surrey Ambulance Services, the maintenance of financial stability and the continued deliver of high quality patient care through the achievement of the national performance targets.

Merger
The merger of the three former ambulance trusts to create the new South East Coast Ambulance Service NHS Trust was a direct recommendation that arose out of the publication in July 2005 of "Taking Healthcare to the Patient" (the Bradley Report) by the Department of Health. This set out a new strategic direction for all ambulance services to follow, as well as recommending the creation of a smaller number of larger services.

Due to the merger of Kent, Surrey and Sussex Ambulance Services on 1 July 2007, work in the period that this report covers has been concentrated heavily on continued delivery of excellence in pre-hospital care at a time when many staff felt uncertain of the future. To support staff during this time the trust worked hard to be as transparent and open as possible. This was achieved through the Merger Consultation Reference Group meetings, the development of 'Merger Matters', a weekly bulletin that was produced throughout this period and an e-forum that was established to allow all staff the opportunity to pose their questions directly to senior management within the Trust. The Chief Executive Officer also hosted regular management briefing sessions for all levels of Trust management. Much of this approach was shared between Kent and the Surrey and Sussex Ambulance Services to aid our integration in preparation for the merger itself.

Response Times and Operational Performance

National Response Standards
During the period in question (1 April 2006 to 30 June 2006), Kent Ambulance Trust attended the following number of emergency incidents (calls resulting in response arriving at the scene of the incident):

Category A calls	11,859
Category B calls	17,716
Category C calls	9,768
Total	**39,343**

For this period, Kent Ambulance Trust met the current National Response Standards (calculated as required for the Department of Health KA34 submission) for:

Category A 19 minute – 96.82%% (target 95%);

However, the Category A 8 minute target was below the 75% target at 68.85% and the category B 19 minute performance was slightly below the 95% target at 91.34%.

Local Response Standards
Category C response targets are agreed at a local level; the agreement within the Kent and Medway local health economy is that Category C calls should receive a response within one hour.

The use of the Unscheduled Care Desk in the Emergency Control Centre to appropriately triage calls has continued to prove successful with a particular focus on avoiding unnecessary A&E attendance often through the re-direction to an alternative care pathway. During this period the Kent Ambulance Patient Forum undertook a survey of over 800 users of the Unscheduled Care Desk and in general the responses were positive with support for this kind of service when dialling 999.

Urgent and Immediate Response Standards
The locally-agreed response standards for urgent and immediate calls is, in 95% of calls, an ambulance will arrive at scene within 15 minutes of the time agreed with the healthcare professional booking the call at the time.

During the period 1 April 2006 to 30 June 2006, the Trust responded to 4,561 urgent and immediate calls, and reached 4,027 of these within the agreed standards which equates to 88.29%.

Emergency Control Centre (ECC)
The first contact most patients have with the Trust is through the Emergency Control Centre in Coxheath, Kent where their call is processed through the Advanced Medical Priority Dispatch System (AMPDS) by our dedicated team.

Supporting the Emergency Control Centre are trained paramedics and other healthcare professionals who operate the Unscheduled Care Desk and provide clinical advice to callers over the phone.

In April 2006, the Emergency Control Centre at Coxheath in Kent installed a new Computer Aided Dispatch (CAD) system, the MIS ALERT C3 system.

This combination of highly trained staff and top of the range technology systems ensures that when a member of the public calls 999, the most suitable of the following responses is provided:

Emergency (A&E) ambulance
Frontline emergency ambulances with a crew of two, comprised of paramedics and ambulance technicians, respond to the majority of 999 emergencies and GP urgent calls.

Single Response Vehicles (SRV)
SRVs are usually single-manned by a Paramedic and can be a car, a four by four vehicle, motorbike or even a pushbike! They carry a full range of emergency equipment, including defibrillators, oxygen, drugs and fluids. They are an extremely flexible resource, used primarily for making a rapid attendance at an incident and an initial assessment of patients and situations.

Emergency Care Practitioner (ECP
ECPs are paramedics who have undertaken additional training enabling them to thoroughly investigate a patient's condition, social situation and then make an informed decision about the correct way to progress their treatment. Proven benefits of this role include reduction in anxiety and stress for patients and their family/carers by avoiding unnecessary attendance or admission to hospital and at home and reduced costs to the local health services, by supporting the patient at home. The trust currently has three qualified ECPs operating in the south of west Kent area. The ECP service is commissioned by Maidstone Weald PCT and in recent months the ECPs have undertaken additional training to enable them to treat certain patients with Cellulitis in their own home.

Helicopter Emergency Medical Service – Kent Air Ambulance
The Trust enjoys air support from the Kent Air Ambulance, based at Marden and funded by the Kent Air Ambulance Trust charity, who are currently fundraising for another aircraft. The Kent Air Ambulance can be utilised to assist at any incident where they might be needed such as inaccessible terrain or where a very fast evacuation to hospital is preferable to an ambulance journey by road.

Emergency Medical Support
On occasion, and especially during a serious or multi-casualty incident, the particular skills of a doctor are required. Kent Ambulance Trust is fortunate to enjoy support from the British Association for Immediate Care (BASICS). This utilises doctors who have completed specialist training to enable them to help patients in the pre-hospital situation. They are mostly GPs with a special interest in this subject and they are dispatched by the Emergency Control Centre to incidents as needed.

Community Responder Schemes
These are mainly members of the public who have been trained by the service to "hold the fort" until the ambulance arrives but may also be off-duty members of staff or colleagues from another emergency service. They are able to deliver time critical basic life support (where seconds count), including the use of an automated external defibrillator (AED) and can make a big difference to patient outcome, as they are often literally "around the corner" from the patient but are always backed up with an emergency response.

Although the Trust provides training and equipment whenever possible, many of the scheme also rely on the very generous support from local communities, the British Heart Foundation and in some areas the Big Lottery Fund. These schemes have been an enormous success, with many lives saved to the true commitment of community members. The Trust has 23 schemes in place including co-responder schemes with Kent Fire and Rescue Service, with 140 trained responders involved.

Patient Transport Services (PTS)
Between 1 April and 30 June 2006, the Trust carried out 18,735 PTS journeys. This represents nearly a 50% reduction compared to the same period the previous year, and this is due to the fact that the Trust is no longer responsible for the Maidstone and Tunbridge Wells Trust patient transport service contract.

Patient and Public Involvement (PPI)
The Trust has continued to focus significant energy on engaging with the patient forum and the wider public. A patient reference group has been established with members of the public and representatives from the voluntary sector. In addition, the PPI Forum Liaison Group that was established in December 2005 specifically to deal with issues around the merger also continued to meet during the build up to the merger on 1 July 2006 which has continued to provide an excellent platform for sharing information and for listening to the issues and concerns that may be felt by service users and the public.

Patient Advice and Liaison Service (PALS)
The Patient Advise and Liaison Service (PALS) acts on behalf of service users when handling patient and family concerns. They liaise with staff, managers and, where appropriate, other relevant organisations, to negotiate speedy solutions and to help bring about changes to the way service is delivered.

During this period an independent assessment of the service was undertaken. The accessing team included two managers from other Ambulance Trust's PALS services and a member of the Kent Ambulance Patient Forum. Initial results appear very positive and once the full report is received we intend to work with the patient forum to consider how the learning can be taken forward.

Between 1 April 2006 and 30 June 2006 the Trust received 155 PALS enquiries, an increase of 91% on the same period in the previous year. Encouragingly, 30% of these PALS contacts were compliments.

Complaints
The Trust received four written formal complaints between 1 April and 30 June 2006, 100% of which were answered within the nationally set standards. This represents a significant reduction compared to the same period last year when 13 complaints were received.

Emergency Planning & Preparedness (EPP)
The trust continues to fill its obligations with regard to Emergency Preparedness and meet its duties under the Civil Contingencies Act 2004, as well as maintaining active engagement with and contribution to the Local Resilience Forum.

Human Resources
For the period 1 April to 30 June 2006, the Trust's average number of employees was 900.

Improving Working Lives
It is widely recognised within the NHS that investment in staff is also investment in patient care. The national NHS initiative Improving Working Lives (IWL) aims to encourage good Human Resources practices, so that staff are supported and developed.

There were three major Improving Working Lives accomplishments within this period in addition to the normal every day aspects.

Planning commenced for the Trust to be smoke free by 31 December 2006. In order to support the staff in adhering to the Smoke Free Policy, the Trust agreed to reimburse smokers who wished to cease smoking for the costs of a course of Nicotine Replacement Therapy. In addition, smoking cessation advisors from amongst the staff were identified and trained to support staff on station.

Following the identification that there were a substantial number of staff over the age of 60 years a Retirement Seminar took place. Many topics were covered including lifestyle change, financial planning, and pensions, with speakers from the NHS Retirement Association and Kent Ambulance Retirement Association (KARA). This was well received by the staff who attended and their partners.

Feedback was received from the 2005 national staff survey. The results were excellent, with Kent Ambulance Trust securing the place as top performing ambulance trust in England. However, there are still areas where improvements need to be made and an action plan for 2006 has been produced accordingly.

Agenda for Change (AfC)
Following the introduction of the national pay system for all NHS employees, called Agenda for Change in October 2004, a massive amount of work has gone into moving all staff onto the new system. This has undoubtedly been a challenging and lengthy process. Ambulance technicians were the last substantial group of staff to be assimilated to Agenda for Change, which took place in May 2006.

Equal Opportunities
The Trust remains committed to becoming a model employer with the local economy and to employ staff representative of the communities it serves. It is the policy of the Trust to treat all employees, workers, job applicants, patients and any other stakeholders fairly with dignity and respect, regardless of their gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, religion, age, disability, responsibilities for dependants or Trade Union membership status.

The Trust is also committed to celebrating diversity within the workface; it recognises that a diverse workforce will be better able to respond to patients' needs and therefore improve the delivery of patient care.

The Positively Diverse Group has continued to attract support and have been responsible for delivering a session on staff awareness of equal opportunities as part of the annual update training.

Clinical Excellence
Clinical audit is all about quality of care and reviewing actual practice against specific guidelines and standards. Through this monitoring process the Trust is able to highlight good practice as well as improve in other areas to ensure that effective clinical care is given patients.

The Trust continues to participate fully in the National audits on Coronary Heart Disease and submits data to the national MINAP (Myocardial Infarction Audit Project) database.

During this period the Trust has made great progress in improving the quality of life for patients suffering from a heart attack through the pre-hospital thrombolysis audit project. This is when a clot busting drug is given to the patient to dispel the clot and prevent the patient suffering further heart muscle damage.
Kent Ambulance NHS Trust has successfully delivered pre-hospital thrombolysis to eighteen patients during this period, with 90% of those receiving the clot-busting drug within the national target of 60 minutes of calling for help.

In line with the national 60 minute 'call to needle' target for thrombolysis, the performance of acute trusts in the region has been combined with the Trust's pre-hospital performance to provide one figure to be applied to all. The performance from 1^{t} April to 30 June 2006 is 68%.

Kent Ambulance Trust had been awarded level two of the NHS Litigation Authority Risk Management Standard for the Provision of Pre-Hospital Care and this remains valid from 1 April to 30 June 2006.

Annual Health Check
Given the Trust's final declaration against the core standards for better health in 2005/06 of full compliance by year end, the Trust was able to commence the year at 1 April with compliance in all areas.

In preparation for the imminent merger, a group was formed to undertake a review of the Annual Health Check process for each of the three predecessor Trusts and to propose a way for managing this in the future.

Financial Review
Each year the financial performance of the Trust is judged against a range of financial duties and targets, and although the Kent Ambulance Service ceased to exist on 1 July 2006, there are still some duties and targets for the period 1 April 2006 to 30 June 2006.

Requirements with regard to the capital absorption rate, Capital Resource Limit and External Financing Limit were not imposed upon Surrey Ambulance Service this reporting period and performance in these areas is instead absorbed into the full year accounts for the merged organisation of South East Coast Ambulance Service NHS Trust. The following statements are a summary of the Trust's accounts, the full accounts set out the accounting policies of the Trust including treatment of pension liabilities under the NHS Pension Scheme. Any member of the public who would like a full set of the Trust accounts should contact Colin Farmer, Director of Finance, at the new South East Coast Ambulance Service NHS Trust.

The first of duties is to break even on the income and expenditure account, where the Trust recorded a surplus for the 3-month period of 1 April 2006 to 30 June 2006 of £1,000, representing 0.01% of its turnover.

The Trust is required to comply with the better payment practice code. The target is to pay 95% of valid trade creditor invoices within 30 days of receipt. The Trust for period 1 April 2006 to 30 June 2006 paid 85% by value.

There were no claims for interest payable under the late payment of Commercial Debts (Interest) Act 1999.

The trust's management costs are subject to public and Department of Health (DoH) scrutiny, as defined by the Audit Commission, and for period 1 April 2006 to 30 June 2006 they were 6.9% of income received in the year.

The trust had revenue resources of £9,652,000 for the period 1 April 2006 to 30 June 2006. The majority of this income is from one key A&E SLA with the PCTs for Kent, which totals £9,080,000 for the financial year.

The trust also received a proportion of its income for this period from seven individual PTS SLAs totalling £463,000.

The trust delivered a financial surplus of income over expenditure of £1,000 for the period 1 April 2006 to 30 June 2006.

In the period there was no spending on any capital schemes.

Other key financial information for the period 1 April 2006 to 30 June 2006 is as follows:

a) Pay awards 2.5%
b) Employee costs – for the period 1 April 2006 to 30 June 2006 were £6,880,000.
c) The treatment of pension costs are detailed in the notes to the accounts reference 1.11

External Audit

The Trusts external Auditors are The Audit Commission.
The costs of their work in respect of the period ended 30th June 2006 was as follows:

	Audit Fees (£ 000s)	Other remuneration (£ 000s)
Kent	39	0

KENT AMBULANCE SERVICE NHS TRUST
STATEMENT ON INTERNAL CONTROL 2006/07 (April – June)

1. Scope of responsibility

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

The Trust merged with two other ambulance trusts in the South East (Surrey Ambulance Service NHS Trust and Sussex Ambulance Service NHS Trust) on 1 July 2006. The new organisation will be called South East Coast Ambulance Service NHS Trust and will take on the roles and responsibilities previously undertaken by the three Trusts.

This statement describes the framework for internal control that has been in place from 1 April 2006 until 30 June 2006. During this period a continued focus has been maintained on systems and processes that assure the Board of our continued progress against the objectives to deliver high quality and safe patient care through the effective management of resources.

The Code of Conduct outlines the accountability arrangements and scope of responsibility of the Board.

The Executive Management Team and Board have been fully involved in agreeing the strategic priorities for the Trust, which include:

- Preparation for the merger of the Trust on 1July 2006;
- Maintenance of robust corporate governance arrangements;
- Effective financial management;
- Delivery of the National key performance targets;
- Ensuring critical systems (i.e. CAD) are robust
- Estates strategy
- Appropriate workforce is in place
- HCC Core Standards Compliance

During this period the Assurance Framework has been re-worked to reflect those high level risks which were deemed to be the most significant risks to the organisation. In particular it reflected the risks that were apparent in taking the organisation forward into the merger of Kent, Surrey and Sussex Ambulance Trusts to establish South East Coast Ambulance Service NHS Trust from 1July 2006.

The Assurance Framework is reviewed by the Executive team regularly, alongside the red risks on the risk register. There has been an internal transition project group (the Kent, Surrey and Sussex Merger Board) that has met on a monthly basis, of which I am chair, which has also reviewed all risks specifically associated with transition and the Trusts merger.

The Assurance Framework has been presented to both the Audit Committee and the Board during this period of time.

It has been cross referenced to the Standards for Better Health. Much work has been undertaken to improve the specificity of gaps in control and assurances for each item.

The Board delegates authority primarily to the following committees:

- Audit;
- Appointments and Remuneration;
- Risk Management and Clinical Governance;
- Patient and Public Involvement.

The Board receives regular minutes and reports from each of the above committees, and in turn sub-committees, who deliver reports which maintain the flow of information to the Board.

All Directors report to me through the regular Executive Team meetings in addition to regular one to one meetings. The Acting Director of Operations chairs a senior management operational performance meeting to drive improvements in operational performance since the installation of the new Computer Aided Dispatch System (CAD) in April.

Collaborative working with other local NHS organisations within our local health economy have continued throughout the year, lead by our Lead Commissioners, Shepway PCT.

Monthly performance reviews take place with the Strategic Health Authority which I attend. I also attend the Strategic Health Authority Chief Executive Forum and inform the Strategic Health Authority of any relevant strategic issues.

2. The purpose of the system of internal control

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

- Identify and prioritise the risks to the achievement of the organisation's 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 been in place in Kent Ambulance for the period 1 April 2006 to 30 June, 2006.

The proposal that the Trust should merge with Surrey and Sussex Ambulance Trusts was announced in July 2005 and will take effect on 1 July 2006. This had a significant impact on the Trust and resulted in some key members of the Trusts management team securing alternative employment in the latter part of 2005/06. The Chief Executive left the Trust on 31 March 2006. The Trust however has put into place acting arrangements to cover for Executives who left the Trust and as a result a robust system of internal control was fully in place during the period 1 April 2006 to 30 June 2006.

3. Capacity to handle risk

During the transition period flexible arrangements to ensure maximum and effective use of leadership resources have been essential. To manage this transitional period a Merger Project Director was appointed to work across the three Trusts to facilitate planning up to 1 July 2006 and beyond, as the new Trust is developed during the transitional year. A Merger Project Implementation Plan was developed and I chaired the Merger Project Board which included the Directors of the three Trusts to oversee the implementation of the plan. Progress against the Project Implementation Plan was reported to the Trust Board during this time.

Reporting lines are also well established through the aforementioned committee structures and close working has been maintained through the regular Executive Team meetings.

4. The risk and control framework.

The Risk Management Strategy, including the Risk Management Policy, sets out the framework and systems for implementation of Risk and Governance processes. These processes are evidenced within the Standards for Better Health Declaration and the NHS Litigation Authority Level 2 accreditation.

In May 2006 the Trust was required to submit a final declaration as to its compliance with the core standards self assessment for the year ended 31 March 2006. The Trust set up workshops involving a cross section of Trust directors, senior managers and a non-executive Director to undertake the final assessment. The Trust Board reached agreement on these recommendations and the final declaration identifying compliance with all standards, with the exception of C13a and C17, was signed off at a Special Public Board Meeting on 27 April. Since this time, the nominated managers have continued to ensure the Trust remains compliant with the standards.

Identified risks are recorded and monitored through a comprehensive Risk Register, and all high-risk adverse events are monitored at the Risk Management and Clinical Governance Committee. Where specific incidents of risk have occurred a Root Cause Analysis has been carried out, with a detailed action plan and recommendations provided to the Risk Management and Clinical Governance Committee.

The Risk Management and Clinical Governance Committee (RMCGC) is a formal sub-committee of the Trust Board and is responsible for the management of risk. Its agenda reflects the organisation's core business. The Trust seeks to learn from issues raised and implement good practice at all levels. The Board receives regular reports from the Risk Management and Clinical Governance Committee, including trends analysis and benchmarking (e.g. NHSLA, Healthcare Commission Standards). Serious Untoward Incidents are reviewed, investigated, analysed and reported back throughout the organisation via the committee and directorate management structures.

Risk Management is a corporate responsibility and, accordingly, the Trust Board has ultimate responsibility to lead on this, ensuring that effective processes are in place. However, elements of responsibility also lie with employees of the Trust. To ensure that employees understand their role and can perform effectively in this regard, a training programme for all staff commenced in 2003/04 and has been in place since then.

The Trust is committed to supporting its staff in exercising their roles and responsibilities with regard to health and safety risks and all other forms of risk. This implementation requires varying levels of training across the Trust. The backbone of the process is the middle-tier managers who are being trained to carry out risk assessments.

Since the adoption of the Risk Management and Assurance Framework, the Executive Team has embedded risk management in the activities of the organisation. The processes have been applied to all Trust activities, both existing and proposed. Directors and managers have been required to identify risks within their areas of responsibility and to establish, in conjunction with the Trust's Risk and Safety Manager, effective control measures and/or systems.

The Executive Team regularly reviews the Risk Register at its meetings to ensure that it remains up to date and represents an accurate assessment of the risks facing the organisation.

The following actions have been taken to address gaps in Control/Assurance identified in the Assurance Framework

Gap:	**Action:**
Instability of CAD system in Emergency Control Centre	Installation of new CAD during April 2006.
Loss of Chief Executive Officer on 31.3.06	Transitional Chief Executive Officer in situ during period 1.4.06-30.6.06.
Instability generated by merger	Merger Project Director appointed, Merger Project Implementation Plan developed.
Some Director positions vacant due to merger	Positions covered through interim arrangements.
2005/ 2006 Business Plan not in place	A 5 year Service Delivery Plan is in place.
Capacity of substantive Directors to provide interim cross-Trust cover	Backfill arrangements through senior managers put in place where appropriate.
Business continuity plans for failure of the CAD system need to be incorporated into the Trust Risk Register	Business continuity plans have been fully developed and distributed to all Trust sites.
Capacity of the Staff Development Centre to train all additional staff required under Agenda for Change	Plan developed to use agency and bank trainers. Funding has been put in place to fund overtime for existing trainers.
Conflicting guidance provided by Healthcare Commission in relation to Standards for Better Health	Relationship with local Healthcare Commission representative developed and assessment team leader.
Capacity of senior manages in relation to Standards for Better Health	Support provided by Directors to ensure appropriate priority is given to this piece of work.
Capacity and lack of understanding of the Standards for Better Health process by Patient forum and other local partners	Relationship developed with Forum; regular Trust attendance at Forum public meetings. Presentation to Health Overview and Scrutiny Committee. Attendance at Kent and Medway Healthcare Commission draft declaration review event.

The Assurance Framework linked the main elements and aims of the Trust's internal control and governance policies. The Framework comprised the following key elements:

- Principal Risks: the risk management policies sought to identify the main risks which might impede the Trust in achieving its objectives and to keep these under review by the Trust Board.

- Key Controls / Treatments: these were the mechanisms for controlling the risks that have been identified.

- Board Assurance: the Board gained assurance that the Trust's objectives were being achieved and the risks controlled through a variety of assurance processes, including performance reports with high level KPIs, audit (internal and external), assessments by regulatory and monitoring agencies (e.g. Healthcare Commission, RPST, CNST, Health and Safety) and reports from its assurance sub committees.

The Trust has two committees (besides the Trust Board) that involve members of the public. They are the Patient and Public Involvement Committee and the Risk Management and Clinical Governance Committee. In addition to the above, the Trust works closely with the independent Kent Ambulance Patient and Public Involvement Forum and the newly formed Kent Patient Reference Group.

The Chief Executive and the Executive Team also have close relationships with other stakeholders in the local community so that there could be participation in measures of mutual interest designed to improve the delivery of health care in the area. Some of the main I for the transaction of these relationships were:

- Regular Kent & Medway NHS Chief Executive's Forum
- Regular Kent & Medway Directors of Finance Forum
- Regular Kent & Medway Human Resources Director's Forum
- Regular Performance Review meetings with Primary Care Trusts

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

5. Review of Effectiveness

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

My review is also informed by a number of bodies and processes that during the period 1 April 2006 to 30 June 2006, have included:

- Monthly Board performance and financial performance reports
- Internal and External audit reports including 2006/7 Head of Internal Audit Opinion
- Standards for Better Health Declaration
- SHA Performance Reviews
- Minutes of committees including those of the Audit Committee, Risk Management and Clinical Governance Committee
- Ongoing update and approval of the Assurance Framework.
- The Trust Risk Register

Internal Audit carried out the following reviews at Kent Ambulance in 2006/07:

- Critical financial assurance;
- Payroll;
- "Formic" scanning system;
- Canteen;
- Healthcare Commission's Standards for Better Health.

Head of Internal Audit Opinion:

"Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk."

Signed Date

Paul Sutton
Chief Executive Officer

(On behalf of the Board)

Statement of responsibilities

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.

Paul Sutton, Chief Executive Date

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 judgements and estimate which are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the requirements outlined in the above-mentioned direction 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.

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

Paul Sutton, Chief Executive Date

Colin Farmer, Director of Finance Date

Independent auditor's report to the Directors of the Board of South East Coast Ambulance Service NHS Trust as successor body to Kent Ambulance Service NHS Trust

Opinion on the financial statements

I have audited the financial statements of Kent Ambulance NHS Trust for the period ended 30 June 2006 under the Audit Commission Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies relevant to the National Health Service set out within them.

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust as successor body to Kent Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of Directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

I review whether the directors' statement on internal control reflects compliance with the Department of Health's requirements as set out in their letter of guidance dated 15 September 2003 and further guidance issued on 7 April 2006. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the directors' statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report, the Chairman's Statement and the Operating and Financial Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 30 June 2006 and of its income and expenditure for the period then ended; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

Lindsey Mallors
Engagement Lead, Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

June 2007

Independent auditor's statement to the Directors of the Board of South East Coast Ambulance Service NHS Trust as successor body to Kent Ambulance Service NHS Trust

I have examined the summary financial statement which comprises the Income and Expenditure Account, Balance Sheet, Statement of Recognised Gains and Losses and Cash Flow Statement set out on pages 71 to 76**.**

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust as successor body to Kent Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 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 statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statement describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the three months ended 30 June 2006.

Lindsey Mallors
Engagement Lead, Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

June 2007

Summary financial statements 2006/07

Kent Income And Expenditure Account For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Income from activities	**9,542**		37,806
Other operating income	**110**		518
Operating expenses	**(9,437)**		(37,390)
Operating surplus (deficit)	**215**		934
Cost of fundamental reorganisation/restructuring	**0**		0
Profit (loss) on disposal of fixed assets	**(62)**		(4)
Surplus (deficit) before interest	**153**		930
Interest receivable	**24**		116
Interest payable	**0**		0
Other finance costs – unwinding of discount	**0**		(2)
Other finance costs – change in discount rate on provisions	**0**		(11)
Surplus (deficit) for the financial year	**177**		1,033
Public Dividend Capital dividends payable	**(176)**		(589)
Retained surplus (deficit) for the year	**1**		444
All income and expenditure is derived from continuing operations			

Kent Note To The Income And Expenditure Account For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Retained surplus/(deficit) for the year	**1**		444
Financial support included in retained surplus/(deficit) for the year – NHS Bank	**0**		0
Financial support included in retained surplus/(deficit) for the year – internally generated	**0**		0
Retained surplus/(deficit) for the year excluding financial support	**1**		444
The Trust did not receive any financial support for the period ended 30 June 2006			

Kent Balance Sheet As At 30 June 2006			
	30 June 2006		31 March 2006
	£000		£000
FIXED ASSETS			
Intangible assets	**0**		0
Tangible assets	**21,779**		20,286
Investments	**0**		0
	21,779		20,286
CURRENT ASSETS			
Stocks and work in progress	**329**		272
Debtors	**3,696**		2,842
Investments	**0**		0
Cash at bank and in hand	**586**		118
	4,611		3,232
CREDITORS: Amounts falling due within one year	**(2,596)**		(803)
NET CURRENT ASSETS (LIABILITIES)	**2,015**		2,429
TOTAL ASSETS LESS CURRENT LIABILITIES	**23,794**		22,715
CREDITORS: Amounts falling due after more than one year	**0**		0
PROVISIONS FOR LIABILITIES AND CHARGES	**(6,263)**		(6,347)
TOTAL ASSETS EMPLOYED	**17,531**		16,368
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	**6,388**		6,388
Revaluation reserve	**9,941**		8,804
Donated asset reserve	**842**		817
Government grant reserve	**0**		0
Other reserves	**0**		0
Income and expenditure reserve	**360**		359
TOTAL TAXPAYERS EQUITY	**17,531**		16,368

Signed: ……Chief Executive Date: ……

Kent Statement Of Total Recognised Gains And Losses For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Surplus (deficit) for the financial year before dividend payments	**177**		1,033
Fixed asset impairment losses	**34**		(48)
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	**1,154**		495
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**0**		53
Defined benefit scheme actuarial gains/(losses)	**0**		0
Additions/(reductions) in “other reserves”	**0**		0
Total recognised gains and losses for the financial year	**1,365**		1,533
Prior period adjustment	**0**		0
Total gains and losses recognised in the financial year	**1,365**		**1,533**

Kent Cash Flow Statement For The Period Ended 30 June 2006			
	3 Months to 30 June 2006		12 months to 31 March 2006
	£000		£000
OPERATING ACTIVITIES			
Net cash inflow/(outflow) from operating activities	**1,396**		2,808
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received	**24**		116
Interest paid	**0**		0
Interest element of finance leases	**0**		0
Net cash inflow/(outflow) from returns on investments and servicing of finance	**24**		116
CAPITAL EXPENDITURE			
(Payments) to acquire tangible fixed assets	**(776)**		(3,613)
Receipts from sale of tangible fixed assets	**0**		27
(Payments) to acquire intangible assets	**0**		0
Receipts from sale of intangible assets	**0**		0
(Payments to acquire)/receipts from sale of fixed asset investments	**0**		0
Net cash inflow/(outflow) from capital expenditure	**(776)**		(3,586)
DIVIDENDS PAID	**(176)**		(589)
Net cash inflow/(outflow) before management of liquid resources and financing	**468**		(1,251)
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	**468**		(1,251)
FINANCING			
Public dividend capital received	**0**		1,272
Public dividend capital repaid (not previously accrued)	**0**		0
Public dividend capital repaid (accrued in prior period)	**0**		0
Loans received	**0**		0
Loans repaid	**0**		0
Other capital receipts	**0**		0
Capital element of finance lease rental payments	**0**		0
Cash transferred (to)/from other NHS bodies	**0**		0

Net cash inflow/(outflow) from financing	**0**		1,272
Increase/(decrease) in cash	**468**		21

Management costs					
			3 Months to		12 Months to
			30 June 2006		31 March 2006
			£000		£000
		Management costs	**666**		2,528
		Income	**9,652**		38,324
Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts					

Better Payment Practice Code – measure of compliance			
	3 Months to		**3 Months to**
	30 June 2006		**30 June 2006**
	Number		**£000**
Total Non-NHS trade invoices paid in the year	**2639**		**3162**
Total Non NHS trade invoices paid within target	**2361**		**2676**
Percentage of Non-NHS trade invoices paid within target	**89%**		**85%**
Total NHS trade invoices paid in the year	**53**		**169**
Total NHS trade invoices paid within target	**46**		**160**
Percentage of NHS trade invoices paid within target	**87%**		**95%**
The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.			

Related Party Transactions

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

Remuneration Report
The Trust's Remuneration Committee consists of the Chairman and all Non Executive Directors of the Trust. The Chief Executive and Director of Human Resources may be asked to attend in an advisory capacity. The Committee oversees the remuneration and conditions of service for Directors (including the Chief Executive Officer). All other managers are now covered by the national Agenda for Change arrangements.

Trust policy in general terms is to apply the same annual uplift as for other staff to Directors salaries, reflecting national awards and guidance from the Department of Health. Director posts may be reviewed individually in the light of the changes in their responsibilities, in market factors, pay relativities or other relevant circumstances.

Objectives for the Directors are determined annually by the Chief Executive reflecting the corporate objectives agreed by the Board and approved by the Remuneration Committee. Performance is reviewed at year end by the Committee and with the advice of the Chief Executive.

Contracts of employment are in accordance with standard NHS practice. All contracts are permanent and include reciprocal notice periods (three months for the Chief Executive, six months for the Director of Strategic Development and Partnerships, three months for Director of Human Resources, and up to three months for the other Directors) proportionate to the needs of the Trust ensuring business continuity where voluntary resignation occurs.

Signed Date:

Paul Sutton, Chief Executive

Kent Salary And Pension Entitlements Of Senior Managers

- **Remuneration**

Name and Title		3 Month Period to 30th June 2006			Year to 31st March 2006		
		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100
B Buchanan	Chairman	0-5	0	0			
B Scruton	Non Executive Director	0-5	0	0			
P Downing	Non Executive Director	0-5	0	0			
J Evatt	Non Executive Director	0-5	0	0			
M Davison	Non Executive Director	0-5	0	0			
H Newton*	Chief Executive Officer	*	*	*			
P Fairclough**	Director of Finance	*	*	*	*	*	*
C Burgess	Director of Strategic Development Partnerships	15-20	0	5	60-65	0	21
T Howden	Acting Patient Services Director	10-15	0	3	55-60	0	12
J Mayhew	Medical Director	5-10	0	0	45-50	0	0
A Tapp	Associate Director of Strategic Development	10-15	0	0	50-55	0	0
J Brierley	Director of H R	10-15	0	0	55-60	0	0

* H Newton was on secondment to the Department of Health

** P Fairclough was the acting Director of Finance on a 4 day per week basis during this period. The consultant costs for the period totalled £36,063

This statement is consistent with the accounting requirements of the remuneration report for non-executive, executive directors and senior managers. The term ‘senior managers’ refers to those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust.

Benefits in kind are the assessed value of provision of a lease car as per the Inland Revenue P11d calculations. Benefits in kind are stated in hundreds.

B) Pension Benefits

Name and title		Real increase in pension at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 June 2006 (bands of £2500) £000	Lump sum at age 60 related to accrued pension at 31 June 2006 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 June 2006 £000	Cash Equivalent Transfer Value at 31 March 2006 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension £00
C Burgess	Director of Strategic Development Partnerships	0-2.5	0-.25	15-20	55-60	295	288	0	0
T Howden	Acting Patient Services Director	0-2.5	0-2.5	15-20	45.50	234	223	0	0
J Mayhew	Medical Director	0-2.5	0-2.5	10-15	30-35	117	117	0	0
A Tapp	Associate Director of Strategic Development	0-2.5	0-2.5	2.5-5	5-10	23	21	0	0
J Brierley	Director of H R	0-2.5	0-2.5	10-15	30-35	155	148	0	0

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional

pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Appendix B
SURREY AMBULANCE NHS TRUST ANNUAL REPORT
1 April to 30 June 2006

From the Chairman…
The beginning of 2006/07 marked a time of both closure and preparation, as Surrey Ambulance Service prepared for merger with colleagues from Kent and Sussex Ambulance Services, and the birth of the new South East Coast Ambulance Service on 1 July 2006.

The final three months of the former Surrey Trust saw a great deal of hard work in many areas, to prepare for the statutory winding down of the Trust, whilst continuing to deliver a high standard of care to our patients. I must pay tribute at this point to outgoing Chairman, Brian Smith and his Board for their consistency and leadership during what was an uncertain time for many.

I know that there was a concentrated effort in many areas to bring to a conclusion many of the projects underway, in order to provide a firm platform on which to build the new Trust. Much work was also put in to keeping the staff as informed and involved as possible in the move towards the new Trust – vital for maintaining morale and commitment during a time, which many staff found unsettling.

You will see from reading this brief report that, even with the arrival of the new Trust pending, it was very much "business as usual" during April to June 2006. The Trust continued to deliver high standards of performance, both in terms of meeting and exceeding national standards, as well as maintaining excellent clinical services. I can think of no better legacy than this to mark the commitment and dedication of staff, both former and present, who have served Surrey Ambulance Service so well.

Martin Kitchen
Chairman, South East Coast Ambulance Service NHS Trust

Chief Executive introduction

The period April to June 2006 was an unusual time for ambulance services nationally, as everyone prepared for a forthcoming merger with their neighbouring Trusts following the publication of "Taking Healthcare to the Patient" (The Bradley Report) in June 2005. The final three months in the life of Surrey Ambulance Service were a time of looking backwards as well as looking forwards.

In building the new Trust, we were anxious not to lose the excellent skills, knowledge and experience built and developed over many years in many different areas. It was also vital that, despite the change going on all around us, we continued to provide an excellent service to the thousands of patients across Surrey who relied on us for both emergency and patient transport services.

I must pay tribute at this point to Paul Grant, Chief Executive of Surrey Ambulance Service and his Board, who provided stability and consistency during this important period.

I am proud that all of the staff throughout Surrey Ambulance Service responded so well to this challenge, despite whatever personal anxieties or uncertainties they may have been experiencing. As much work went into drawing projects to a close, the continued delivery of high quality patient care was at the forefront of everyone's minds.

The ability to look forwards was also key during this period. Ahead of the official start date of 1 July 2006 for the new Trust, much work went into preparing solid foundations for building the new policies, working practices and structures needed. As the new Trust has grown and developed during the year, we have seen the benefits of this in many key areas.

The new Board of SECAmb is committed to continuing the patient focus and emphasis that was evident in each of the three former Trusts. This excellent legacy is evident every day in the work of the new Trust and this is something that all staff associated with Surrey Ambulance Service can be duly proud of.

Paul Sutton
Chief Executive, South East Coast Ambulance Service

Board & Committee membership

Trust Board

Brian Smith	Chairman
Paul Grant	Chief Executive
Colin Hazell	Non-Executive Director
Dorothy Buckrell	Non-Executive Director
Monica Fisher	Non-Executive Director
Nicholas Harrison	Non-Executive Director
Janet Holah	Non-Executive Director
Dr Kranti Kumar	Medical Advisor
Roger Bentley	Director of Human Resources
Rob Owen	Director of Clinical Development
Gary Butson	Director of Operations
David Evans	Director of Finance & Information

Audit Sub-Committee

Nicholas Harrison	Chairman/Non-Executive Director
Janet Holah	Non-Executive Director
Monica Fisher	Non-Executive Director
Paul Grant	Chief Executive
David Evans	Director of Finance & Information

Remuneration & Terms of Service Committee

Brian Smith	Chairman
Colin Hazell	Non-Executive Director
Dorothy Buckrell	Non-Executive Director
Monica Fisher	Non-Executive Director
Nicholas Harrison	Non-Executive Director
Janet Holah	Non-Executive Director

Operating & financial review
For the period 1 April 2006 to 30 June 2006
Surrey Ambulance Service NHS Trust provides an accident and emergency service to the whole of Surrey and the Northeast corner of Hampshire covering 720 miles and a resident population of 1.4 million people.

The Trust manages the above services from its Headquarters in Banstead and from the 21 operational ambulance stations throughout Surrey.

This Annual Report covers the period 1 April – 30 June 2006. On the 1 July 2006 Surrey Ambulance Service ceased to exist and became part of the newly formed South East Coast Ambulance Service NHS Trust.

Merger
The merger of the three former ambulance trusts to create the new SECAmb NHS Trust was a direct recommendation that arose out of the publication in July 2005 of "Taking Healthcare to the Patient" (the Bradley Report) by the Department of Health. This set out a new strategic direction for all ambulance services to follow, as well as recommending the creation of a smaller number of larger services.

Due to the imminent merger of Kent, Surrey and Sussex Ambulance Services on 1 July 2006, work in the period that this report covers has been concentrated heavily on continued delivery of excellence in pre-hospital care at a time when many staff feel uncertain of the future. To support staff during this time the trust has worked hard to be as transparent and open as possible with staff. This has been achieved through the development of 'Merger Matters', a weekly bulletin that has been produced throughout this period and an e-forum has been established to allow all staff the opportunity to pose their questions directly to senior management within the Trust. The Chief Executive has also hosted regular management briefing sessions for all levels of Trust management. In a good display of joined up working ahead of the merger, this approach is a shared one between Sussex and the Kent and Surrey Ambulance Services.

Response Times and Operational Performance

National Response Standards
During the period in question (1 April 2006 to 30 June 2006), Surrey Ambulance Service attended the following number of emergency incidents (calls resulting in response arriving at the scene of the incident):

Category A calls	8,445
Category B calls	13,234
Category C calls	5,321
Total	**27,000**

For this period, Surrey Ambulance Service met the current National Response Standards (calculated as required for the Department of Health KA34 submission) for:

- Category A 8 minute – 79.42% (target 75%)
- Category A 19 minute – 99.27% (target 95%);
- Category B 19 minute – 98.42% (target 95%)

Local Response Standards
Category C response targets are agreed at a local level and Category C response performance has been agreed locally to be a continuation of the original Department of Health target of 95% in 19 minutes.

Urgent and immediate response standards
The locally-agreed response standards for urgent and immediate calls is that, in 95% of calls, an ambulance will arrive at scene within 15 minutes of the time agreed with the healthcare professional booking the call at the time.

During the period 1 April 2006 to 30 June 2006, the Trust responded to 3,091 urgent and immediate calls, and reached 2,982 of these within the agreed standards – 96.47%.

Emergency Dispatch Centre (EDC)
The first contact most patients have with the Trust is through the Emergency Dispatch Centre in Banstead where our dedicated staff rely on the Advanced Medical Priority Despatch (AMPDS) system to ensure a timely and appropriate response to individual patient needs.

The Emergency Dispatch Centre is also supported by the Psiam Desk, staffed by Clinical Advisors, which focuses mainly on the management of Category C calls using the 'PSIAM' triage software, a clinical decision support system.

This combination of highly trained staff and top of the range technology systems ensures that when a member of the public calls 999, the most suitable of the following responses is provided:

Emergency (A&E) ambulance
Frontline emergency ambulances with a crew of two, comprised of paramedics and ambulance technicians, respond to the majority of 999 emergencies and GP urgent calls

Single Responder Vehicles (SRV)
SRVs are manned by experiences ambulance clinicians, often Paramedics, can be a car, a four by four vehicle or motorbike. They carry a full range of emergency equipment, including defibrillators, oxygen, drugs and fluids. They are an extremely flexible resource, used primarily for making a rapid attendance at an incident and an initial assessment of patients and situations.

Emergency Care Practitioner (ECP)
ECPs are paramedics who have undertaken additional training enabling them to thoroughly investigate a patient's condition, social situation, and other needs, then I an informed decision about the correct way to progress their treatment. Proven benefits of this role include reduction in anxiety and stress for patients and their family/carers by avoiding unnecessary attendance or admission to hospital and at home and reduced costs to the local health services, by supporting the patient at home.

Emergency Medical Support
On occasion, and especially during a serious or multi-casualty incident, the particular skills of a doctor are required. Surrey Ambulance Service is fortunate to enjoy support from the Surrey & Sussex Immediate Care Scheme (SIMCAS) in this area.

SIMCAS utilises doctors who have completed specialist training to enable them to help patients in the pre-hospital situation. They are mostly GPs with a special interest in this subject and are sent by the EDC to incidents as needed.

Community Responder Schemes
These are mainly members of the public who have been trained by the service to manage and treat patients until the ambulance arrives, but may also be off-duty members of staff or colleagues from another emergency service. They are able to deliver time critical basic life support (where seconds count), including the use of an automated external defibrillator (AED) and can make a big difference to patient outcome, as they are often literally "around the corner" from the patient but are always backed up with an emergency response.

Although the Trust provides training and equipment whenever possible, many of the schemes also rely on the very generous support from local communities and the British Heart Foundation. These schemes have been an enormous success, with many lives saved to the true commitment of community members.

Patient Transport Services (PTS)
Although the Trust ceased to deliver the main PTS Services in Surrey in the 1 April 2006, it continued to deliver a number of small contracts within the South East Area. Between 1 April and 30 June 2006, the Trust carried out 1,848 PTS journeys.

The Trust is committed to improving and strengthening the PTS function within the Surrey area, through the benefits delivered from the formation of SECAMB

Hub 4 Health
This is an extension on the previously existing Emergency Capacity Management System (ECMS) that goes even further to providing the best in pre hospital care to patients in Surrey and North East Hampshire. Local healthcare professionals, for example GPs and district nurses, can use the system to find alternative pathways of care for their patients. This means that more patients can be treated in alternative surroundings in an effort to move away from all patients being taken to A&E units.

This service can also be used by Ambulance clinicians on scene with patients. For example, an ambulance ,clinician can request a home GP visit for the patient rather than taking the patient into A&E to see a doctor. Hub 4 Health ensures that patients are receiving the best possible care in the best possible place, and many patients have already benefited from being able to be treated in their own homes rather than an acute hospital.

Patient Advice and Liaison Service (PALS)
The Patient Advise and Liaison Service (PALS) acts on behalf of service users when handling patient and family concerns. They liaise with staff, managers and, where appropriate, other relevant organisations, to negotiate speedy solutions and to help bring about changes to the way service is delivered.

Between 1 April and 30 June 2006, the Trust received 59 PALS enquiries.

Compliments and Complaints
The Trust received 47 compliments during the period in question. 14 written formal complaints were also received between 1 April and 30 June 2006 and 100% of these complaints were answered within the nationally set standards.

Clinical Excellence
Clinical governance remained at the heart of the organisation with the aim of ensuring high standards of clinical care and service are attained on a daily basis. This in underpinned by an effective system of risk assessment and management of both clinical and non-clinical procedures.

At the end of June 2006 Surrey Ambulance Service remained at level one of the Risk Management Standard for the Provision of Pre-Hospital Care in the Ambulance service as assessed by the NHS Litigation Authority.

Emergency Planning & Preparedness (EPP)
The main thrust of Emergency Preparedness activity has been directed towards preparation for the forthcoming formation of the South East Coast Ambulance Service. Work has been centred around ensuring compatibility of all Major Incident Plans and procedures with the ambulance services in both Kent and Surrey to ensure a smooth transition into the new organisation. A number of Emergency Preparedness work streams have been identified to help with the preparations and to continue with the very robust, multi-agency arrangements enjoyed with our professional partners.

Human Resources

Equal Opportunities
The Trust has a well-established Equal Opportunities Policy which affirms its commitment to promoting equality of opportunity in all aspects of employment, including recruitment, training, promotion, grievance and disciplinary matters, working arrangements and the application of all Trust Employment policies and procedures. There is a specific commitment to practise equality and avoid discrimination on grounds of race, colour, ethnic origin, gender, marital status, sexual orientation, religion or creed, or disability.

The representation of ethnic minority groups (including white minorities) within the workforce has increased from 5% to 5.15%.Representation is lower in specific occupational groups such as Ambulance Paramedics and Technicians. Accordingly, the Trust continues to publicise career opportunities within the Ambulance Service, and to encourage more applications from minority sections of the community.

Disability Equality Scheme
New Equalities legislation in the Autumn of 2006 will require the new Trust to reaffirm commitment to eliminate Gender and Disability Discrimination. There has been significant financial investment at Trust HQ to improve access and facilities for disabled staff.

Improving Working Lives (IWL)
Surrey Ambulance Service continued to achieve and implement strategies for the continuation of the IWL status of Practice Plus. An IWL group meets on a monthly basis with action points arising from the Practice Plus accreditors discussed and new strategies implemented where possible.

Financial Review
Each year the financial performance of the Trust is judged against a range of financial duties and targets, and although the Surrey Ambulance Service ceased to exist on 1 July 2006, there are still some duties and targets for the period 1 April 2006 to 30 June 2006.

Requirements with regard to the capital absorption rate, Capital Resource Limit and External Financing Limit were not imposed upon Surrey Ambulance Service this reporting period and performance in these areas is instead absorbed into the full year accounts for the merged organisation of South East Coast Ambulance Service NHS Trust. The following statements are a summary of the Trust's accounts, the full accounts set out the accounting policies of the Trust including treatment of pension liabilities under the NHS Pension Scheme. Any member of the public who would like a full set of the Trust accounts should contact Colin Farmer, Director of Finance, at the new South East Coast Ambulance Service NHS Trust.

The first of duties is to break even on the income and expenditure account, where the Trust recorded a surplus for the 3-month period of 1 April 2006 to 30 June 2006 of £8,000, representing 0.11% of its turnover.

The Trust is required to comply with the better payment practice code. The target is to pay 95% of valid trade creditor invoices within 30 days of receipt. The Trust for period 1 April 2006 to 30 June 2006 paid 98% by value.

There were no claims for interest payable under the late payment of Commercial Debts (Interest) Act 1999.

The trust's management costs are subject to public and Department of Health (DoH) scrutiny, as defined by the Audit Commission, and for period 1 April 2006 to 30 June 2006 they were 5.6% of income received in the year.

The trust had revenue resources of £7,534,000 for the period 1 April 2006 to 30 June 2006. The majority of this income is from one key A&E SLA with the PCTs for Surrey, which totals £6,842,000 for this period.

The trust also received a proportion of its income for this period from two individual PTS SLAs totalling £81,000. These SLAs have been agreed with hospitals outside of the Surrey area.

The trust delivered a financial surplus of income over expenditure of £8,000 for the period 1 April 2006 to 30 June 2006.

In the period there was no spending on any capital schemes.

Other key financial information for the period 1 April 2006 to 30 June 2006 is as follows:

a) Pay awards 2.5%
b) Employee costs – for the period 1 April 2006 to 30 June 2006 were £5,606,000.
c) The treatment of pension costs are detailed in the notes to the accounts reference 1.11

External Audit

The Trusts external Auditors are The Audit Commission.
The costs of their work in respect of the period ended 30th June 2006 was as follows:

	Audit Fees (£ 000s)	Other remuneration (£ 000s)
Surrey	38	0

SURREY AMBULANCE SERVICE NHS TRUST
STATEMENT ON INTERNAL CONTROL 2006/07 (April – June)

1. Scope of responsibility

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

The Trust merged with two other ambulance trusts in the South East (Kent Ambulance Service NHS Trust and Sussex Ambulance Service NHS Trust) on 1 July 2006. The new organisation will be called South East Coast Ambulance Service NHS Trust and will take on the roles and responsibilities previously undertaken by the three Trusts.

This statement describes the framework for internal control that has been in place from 1 April 2006 until 30 June 2006. During this period a continued focus has been maintained on systems and processes that assure the Board of our continued progress against the objective to provide a high quality, caring and professional ambulance service which responds appropriately to the needs of our patients, stakeholders and the community.

The Code of Conduct outlines the accountability arrangements and scope of responsibility of the Board.

The Executive Management Team and Board have been fully involved in agreeing the strategic priorities for the Trust, which include:

- Preparation for the merger of the Trust on 1July 2006;
- Maintenance of robust corporate governance arrangements;
- Continue to improve patient care and safety
- Delivery of the National key performance targets, including finance;
- Commence the migration from analogue radio to digital under the national programme;
- Acquire external validation of our management of key areas, including HCC core standard compliance;

During this period the Assurance Framework has been re-worked to reflect those high level risks which were deemed to be the most significant risks to the organisation. In particular it reflected the risks that were apparent in taking the organisation forward into the merger of Kent, Surrey and Sussex Ambulance Trusts to establish South East Coast Ambulance Service NHS Trust from 1 July 2006.

The Assurance Framework is reviewed by the Executive team regularly, alongside the red risks on the risk register. There has been an internal transition project group (the Kent, Surrey and Sussex Merger Board) that has met on a monthly basis, of which I am chair, which has also reviewed all risks specifically associated with transition and the Trusts merger.

The Assurance Framework has been presented to both the Audit Committee and the Board during this period of time.

It has been cross referenced to the Standards for Better Health. Much work has been undertaken to improve the specificity of gaps in control and assurances for each item.

The Board delegates authority primarily to the following committees:

- Audit;
- Nomination and Remuneration;
- Clinical Governance and Risk Management;

The Board receives regular minutes and reports from each of the above committees, and in turn sub-committees, who deliver reports which maintain the flow of information to the Board.

All Directors report to me through the regular Executive Team meetings in addition to regular one to one meetings

Collaborative working with other local NHS organisations within our local health economy have continued throughout the year, lead by our Lead Commissioners, Surrey Heath and Woking PCT.

Monthly performance reviews take place with the Strategic Health Authority which I attend. I also attend the Strategic Health Authority Chief Executive Forum and inform the Strategic Health Authority of any relevant strategic issues.

2. The purpose of the system of internal control

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

- Identify and prioritise the risks to the achievement of the organisation's 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.

A robust system of internal control has been in place in Surrey Ambulance for the period 1 April 2006 to 30 June, 2006.

3. Capacity to handle risk

During the transition period flexible arrangements to ensure maximum and effective use of leadership resources have been essential. To manage this transitional period a Merger Project Director was appointed to work across the three Trusts to facilitate planning up to 1July 2006 and beyond, as the new Trust is developed during the transitional year. A Merger Project Implementation Plan was developed and I chaired the Merger Project Board which included the Directors of the three Trusts to oversee the implementation of the plan. Progress against the Project Implementation Plan was reported to the Trust Board during this time.

Reporting lines are also well established through the aforementioned committee structures and close working has been maintained through the regular Executive Team meetings.

4. The risk and control framework.

The Clinical Governance and Risk Management Strategy, including the Reporting and Learning System (RLS) Policy and Procedure, sets out the framework and systems for implementation of Risk and Governance processes. These processes are evidenced within the Standards for Better Health Declaration and the NHS Litigation Authority Level 1 compliance.

In May 2006 the Trust was required to submit a final declaration of compliance with the core standards for Better Health for the year ended 31 March 2006. The Trust Board declared itself compliant with all standards with the exception of C16 (relating to patient information leaflets in languages other than English) which has since been resolved. In line with the Healthcare Commission guidance Surrey Ambulance was not required to undertake an assessment for the period April to June 2006.

Risks are identified and recorded through the corporate risk register; risks are compiled from those established at operational level, through the Reporting and Learning System and by senior manager review. The establishment of the Assurance Framework has ensured that principle risks have been identified and addressed. All high-risk adverse events are monitored at the Clinical Governance and Risk Management Committee. Where specific incidents of risk have occurred an action plan and recommendations provided to the Clinical Governance and Risk Management Committee

The Board has established the Clinical Governance and Risk Management Committee (a committee of the Board chaired by a Non-Executive Board Member) to review the establishment and maintenance of robust systems to ensure effective controls assurance, clinical governance and risk management; the Committee has responsibility for prioritisation of risk and coordination of risk management activities across the Trust. The sub-committees reporting to the Clinical Governance and Risk Management Committee are the Clinical Governance and Risk Management Working Group, the Infection Control Working Group and the Health and Safety Committee.

The Trust seeks to learn from issues raised and implement good practice at all levels. The Board receives regular reports from the Clinical Governance and Risk Management Committee, including trends analysis and benchmarking (e.g. NHSLA, Healthcare Commission Standards). Serious Untoward Incidents are reviewed, investigated, analysed and reported back throughout the organisation via the committee, its sub-committees and directorate management structures.

Risk Management is a corporate responsibility and, accordingly, the Trust Board has ultimate responsibility to lead on this, ensuring that effective processes are in place. However, elements of responsibility also lie with employees of the Trust. In orders to ensure all staff are supported the Trust is committed to the development of a culture which allows and encourages the organisation and its staff to continuously learn and operate within a robust clinical governance and risk management framework. In part this has been achieved through the continued delivery of a risk management training programme during induction courses and annual refresher training.

Since the adoption of the Assurance Framework, the Executive Team has embedded risk management in the activities of the organisation. The processes have been applied to all Trust activities, both existing and proposed. Directors and managers have been required to identify risks within their areas of responsibility and to establish, in conjunction with the Trust's Risk Manager, effective control measures and/or systems.

The Executive Team reviews the Corporate Risk Register at its meetings to ensure that it remains up to date and represents an accurate assessment of the risks facing the organisation.

The following actions have been taken to address gaps in Control/Assurance identified in the Assurance Framework

Gap:	**Action:**
Commissioners not yet endorsed the organisations strategy, partly as a result of reconfiguration and financial pressures in the local health system	Developed relationship with new Ambulance Service Specialised Commissioning Group and have agreed baseline contract for 2007/08.
PTS tender unsuccessful	New PTS structure and support designed to modernise transport services over Surrey, Sussex and Kent.
Development of a Clinical Strategy	New Clinical Structure and strategy developed to drive the clinical agenda forward.
Complete the work on the Estates Strategy	Current estate requirements are being assessed
Loss of PTS business will increase cost base of A&E Service	Budgets/spend has been monitored and additional costs savings not originally identified have be found.
Pressures of operational performance and loss of training capacity have limited delivery of appraisal target	Managers have been trained and a new structure to support delivery of the target developed

The Assurance Framework linked the main elements and aims of the Trust's internal control and governance policies. The Framework comprised the following key elements:

- Principal Risks: the risk management policies sought to identify the main risks which might impede the Trust in achieving its objectives and to keep these under review by the Trust Board.

- Key Controls / Treatments: these were the mechanisms for controlling the risks that have been identified.

- Board Assurance: the Board gained assurance that the Trust's objectives were being achieved and the risks controlled through a variety of assurance processes, including performance reports with high level KPIs, audit (internal and external), assessments by regulatory and monitoring agencies (e.g. Healthcare Commission, RPST, CNST, Health and Safety) and reports from its sub committees.

The Chief Executive and the Executive Team also have close relationships with other stakeholders in the local community so that there could be participation in measures of mutual interest designed to improve the delivery of health care in the area. Some of the main forums for the transaction of these relationships were:

- Regular Surrey & Sussex NHS Chief Executive's Forum
- Regular Surrey & Sussex Directors of Finance Forum
- Regular Surrey & Sussex Human Resources Director's Forum
- Regular Performance Review meetings with the A&E Consortia (led by Surrey Heath & Woking PCT)

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

5. Review of Effectiveness

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

My review is also informed by a number of bodies and processes that during the period 1 April 2006 to 30 June 2006, have included:

- Board performance and financial performance reports
- Internal and External audit reports including 2006/7 Head of Internal Audit Opinion
- Standards for Better Health Declaration
- SHA Performance Reviews
- Minutes of committees including those of the Audit Committee, Clinical Governance and Risk Management Committee
- Ongoing update and approval of the Assurance Framework.
- The Corporate Risk Register

Internal Audit carried out the following reviews at Surrey Ambulance in 2006/07:

- Telecommunications;
- Scanning Clinical Records;
- Financial Probity;
- Agenda for Change – Third review;
- Main Ledgers – Nominal, Creditors, Debtors – and the Payroll.

Head of Internal Audit Opinion:

"Significant assurance can be given that there is a generally sound system of control, designed to meet the Trust's objectives, and that controls are generally being applied consistently. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk. "

Signed Date

Paul Sutton
Chief Executive Officer
(On behalf of the Board)

Statement of responsibilities

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.

Paul Sutton, Chief Executive Date

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 judgements and estimate which are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the requirements outlined in the above-mentioned direction 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.

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

Paul Sutton, Chief Executive Date

Colin Farmer, Director of Finance Date

Independent auditor's report to the Directors of the Board of South East Coast Ambulance Service NHS Trust as successor body to Surrey Ambulance Service NHS Trust

Opinion on the financial statements

I have audited the financial statements of Surrey Ambulance NHS Trust for the period ended 30 June 2006 under the Audit Commission Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies relevant to the National Health Service set out within them.

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust as successor body to Surrey Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of Directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

I review whether the directors' statement on internal control reflects compliance with the Department of Health's requirements as set out in their letter of guidance dated 15 September 2003 and further guidance issued on 7 April 2006. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the directors' statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report, the Chairman's Statement and the Operating and Financial Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 30 June 2006 and of its income and expenditure for the period then ended; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

Lindsey Mallors
Engagement Lead, Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

June 2007

Independent auditor's statement to the Directors of the Board of South East Coast Ambulance Service NHS Trust as successor body to Surrey Ambulance Service NHS Trust

I have examined the summary financial statement which comprises the Income and Expenditure Account, Balance Sheet, Statement of Recognised Gains and Losses and Cash Flow Statement set out on pages 101 to 1006**.**

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust as successor body to Surrey Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 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 statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statement describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the three months ended 30 June 2006.

Lindsey Mallors
Engagement Lead, Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

June 2007

Surrey Income And Expenditure Account For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Income from activities	**7,367**		34,384
Other operating income	**166**		935
Operating expenses	**(7,385)**		(34,407)
Operating surplus (deficit)	**148**		912
Cost of fundamental reorganisation/restructuring	**0**		0
Profit (loss) on disposal of fixed assets	**42**		0
Surplus (deficit) before interest	**190**		912
Interest receivable	**25**		155
Interest payable	**0**		0
Other finance costs – unwinding of discount	**(7)**		(7)
Other finance costs – change in discount rate on provisions	**0**		(37)
Surplus (deficit) for the financial year	**208**		1,023
Public Dividend Capital dividends payable	**(200)**		(766)
Retained surplus (deficit) for the year	**8**		257
All income and expenditure is derived from continuing operations			

Surrey Note To The Income And Expenditure Account For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Retained surplus/(deficit) for the year	**208**		1,023
Financial support included in retained surplus/(deficit) for the year – NHS Bank	**0**		0
Financial support included in retained surplus/(deficit) for the year – internally generated	**0**		0
Retained surplus/(deficit) for the year excluding financial support	**208**		1,023
The Trust did not receive any financial support for the period ended 30 June 2006			

Surrey Balance Sheet As At 30 June 2006			
	30 June 2006		31 March 2006
	£000		£000
FIXED ASSETS			
Intangible assets	**79**		89
Tangible assets	**22,800**		22,151
Investments	**0**		0
	22,879		22,240
CURRENT ASSETS			
Stocks and work in progress	**162**		199
Debtors	**1,399**		3,174
Investments	**0**		0
Cash at bank and in hand	**2,485**		70
	4,046		3,443
CREDITORS: Amounts falling due within one year	**(3,678)**		(3,648)
NET CURRENT ASSETS (LIABILITIES)	**368**		(205)
TOTAL ASSETS LESS CURRENT LIABILITIES	**23,247**		22,035
CREDITORS: Amounts falling due after more than one year	**0**		0
PROVISIONS FOR LIABILITIES AND CHARGES	**(337)**		(332)
TOTAL ASSETS EMPLOYED	**22,910**		21,703
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	**10,504**		10,504
Revaluation reserve	**11,907**		10,698
Donated asset reserve	**71**		81
Government grant reserve	**0**		0
Other reserves	**0**		0
Income and expenditure reserve	**428**		420
TOTAL TAXPAYERS EQUITY	**22,910**		21,703

Signed: ……Chief Executive Date: ……

Surrey Statement Of Total Recognised Gains And Losses For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Surplus (deficit) for the financial year before dividend payments	**208**		1,023
Fixed asset impairment losses	**0**		0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	**1,209**		704
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**0**		13
Defined benefit scheme actuarial gains/(losses)	**0**		0
Additions/(reductions) in “other reserves”	**0**		0
Total recognised gains and losses for the financial year	**1,417**		1,740
Prior period adjustment	**0**		0
Total gains and losses recognised in the financial year	**1,417**		**1,740**

Surrey Cash Flow Statement For The Period Ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
OPERATING ACTIVITIES			
Net cash inflow/(outflow) from operating activities	**2,280**		2,981
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received	**30**		146
Interest paid	**0**		0
Interest element of finance leases	**0**		0
Net cash inflow/(outflow) from returns on investments and servicing of finance	**30**		146
CAPITAL EXPENDITURE			
(Payments) to acquire tangible fixed assets	**(17)**		(2,637)
Receipts from sale of tangible fixed assets	**122**		0
(Payments) to acquire intangible assets	**0**		(48)
Receipts from sale of intangible assets	**0**		0
(Payments to acquire)/receipts from sale of fixed asset investments	**0**		0
Net cash inflow/(outflow) from capital expenditure	**105**		(2,685)
DIVIDENDS PAID	**0**		(766)
Net cash inflow/(outflow) before management of liquid resources and financing	**2,415**		(324)
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	**2,415**		(324)
FINANCING			
Public dividend capital received	**0**		327
Public dividend capital repaid (not previously accrued)	**0**		0
Public dividend capital repaid (accrued in prior period)	**0**		0
Loans received	**0**		0
Loans repaid	**0**		0
Other capital receipts	**0**		0
Capital element of finance lease rental payments	**0**		0
Cash transferred (to)/from other NHS bodies	**0**		0
Net cash inflow/(outflow) from financing	**0**		327
Increase/(decrease) in cash	**2,415**		3

Management costs					
			3 Months to		12 Months to
			30 June 2006		31 March 2006
			£000		£000
		Management costs	**421**		1,510
		Income	**7,534**		35,284
Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts					

Better Payment Practice Code – measure of compliance			
	3 Months to		**3 Months to**
	30 June 2006		**30 June 2006**
	Number		**£000**
Total Non-NHS trade invoices paid in the year	**1,753**		**1,081**
Total Non NHS trade invoices paid within target	**1,671**		**1,061**
Percentage of Non-NHS trade invoices paid within target	**95%**		**98%**
Total NHS trade invoices paid in the year	**30**		**39**
Total NHS trade invoices paid within target	**26**		**35**
Percentage of NHS trade invoices paid within target	**87%**		**90%**
The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.			

Related Party Transactions

During the year none of the Board Members or members of the key management staff or Parties related to them has undertaken any material transactions with the Trust.

REMUNERATION REPORT

The Trust's Remuneration and Terms of Service Committee consists of the Chairman and all Non Executive Directors of the Trust. The Chief Executive and Director of Human Resources may be asked to attend in an advisory capacity. The Committee oversees the remuneration and conditions of service for Executive Directors (including the Chief Executive Officer). All other managers are now covered by the national Agenda for Change arrangements.

Trust policy in general terms is to apply the same annual uplift as for other staff to Executive Directors salaries, reflecting national awards and guidance from the Department of Health. Executive Director posts may be reviewed individually in the light of the changes in their responsibilities, in market factors, pay relativities or other relevant circumstances.

Objectives for the Executive Directors are determined annually by the Chief Executive reflecting the corporate objectives agreed by the Board and approved by the Remuneration and Terms of Service. Performance is reviewed at year end by the Committee and with the advice of the Chief Executive.

Contracts of employment are in accordance with standard NHS practice. All contracts are permanent and include reciprocal notice periods proportionate to the needs of the Trust, ensuring business continuity where voluntary resignation occurs.

Signed Date:

Paul Sutton, Chief Executive

Surrey Salary And Pension Entitlements Of Senior Managers

- **Remuneration**

Name and Title		3 month period to 30th June 2006			Year to 31st March 2006		
		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100
B Smith	Chairman	0-5	0	N/a	15-20	0	N/a
M Fisher	Non Executive Director	0-5	0	N/a	5-10	0	N/a
C Hazell	Non Executive Director	0-5	0	N/a	5-10	0	N/a
J Holah	Non Executive Director	0-5	0	N/a	5-10	0	N/a
D Buckrell	Non Executive Director	0-5	0	N/a	5-10	0	N/a
N Harrison	Non Executive Director	0-5	0	N/a	5-10	0	N/a
P Grant	Chief Executive Officer	30-35	0	15	90-95	0	58
D L Evans	Director of Finance	20-25	0	0	75-80	0	0
R Owen	Director of Clinical Development	*	*	*	60-65	0	35
G Butson	Director of Operations	15-20	0	10	70-75	0	39
R Bentley	Director of H R	15-20	0	5	60-65	0	21

This statement is consistent with the accounting requirements of the remuneration report for non-executive, executive directors and senior managers. The term ‘senior managers’ refers to those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust.

Benefits in kind are the assessed value of provision of a lease car as per the Inland Revenue P11d calculations. Benefits in kind are stated in hundreds.

B) Pension Benefits

Name and title		Real increase in pension at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 June 2006 (bands of £2500) £000	Lump sum at age 60 related to accrued pension at June 2006 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 June 2006 £000	Cash Equivalent Transfer Value at 31 March 2006 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension £00
P Grant	Chief Executive	0-2.5	130-135	35-40	95-100	430	423	7	0
D Evans	Director of Finance	0-2.5	110-115	30-35	80-85	427	416	11	0
G Butson	Director of Operations	0-2.5	90-95	20-25	70-75	380	369	11	0
R Bentley	Director of HR	*	*	*	*	*	*	*	*
R Owens	Director of Clinical Development	*	*	*	*	*	*	*	*

* consent to disclose withheld

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when

the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004/05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Appendix C
SUSSEX AMBULANCE NHS TRUST ANNUAL REPORT
1 April to 30 June 2006

From the Chairman…
The beginning of 2006/07 marked a time of both closure and preparation, as Sussex Ambulance Service prepared for merger with colleagues from Kent and Surrey Ambulance Services, and the birth of the new South East Coast Ambulance Service on 1 July 2006.

The final three months of the former Sussex Trust saw a great deal of hard work in many areas, to prepare for the statutory winding down of the Trust, whilst continuing to deliver a high standard of care to our patients. I must pay tribute at this point to outgoing Chairman, Richard Purchase and his Board for their consistency and leadership during what was an uncertain time for many.

I know that there was a concentrated effort in many areas to bring to a conclusion many of the projects underway, in order to provide a firm platform on which to build the new Trust. Much work was also put in to keeping the staff as informed and involved as possible in the move towards the new Trust – vital for maintaining morale and commitment during a time which many staff found unsettling.

You will see from reading this brief report that, even with the arrival of the new Trust pending, it was very much "business as usual" during April to July 2006. The Trust continued to deliver high standards of performance, both in terms of meeting and exceeding national standards, as well as maintaining excellent clinical services. I can think of no better legacy than this to mark the commitment and dedication of staff, both former and present, who have served Sussex Ambulance Service so well.

Martin Kitchen
Chairman, South East Coast Ambulance Service NHS Trust

Chief Executive introduction

The period April to June 2006 was an unusual time for ambulance services nationally, as everyone prepared for a forthcoming merger with their neighbouring Trusts following the publication of “Taking Healthcare to the Patient” (The Bradley Report) in June 2005. The final three months in the life of Sussex Ambulance Service were a time of looking backwards as well as looking forwards.

In building the new Trust, we were anxious not to lose the excellent skills, knowledge and experience built and developed over many years in many different areas. It was also vital that, despite the change going on all around us, we continued to provide an excellent service to the thousands of patients across Sussex who relied on us for both emergency and patient transport services.

I am proud that all of the staff throughout Sussex Ambulance Service responded so well to this challenge, despite whatever personal anxieties or uncertainties they may have been experiencing. As much work went into drawing projects to a close, the continued delivery of high quality patient care was at the forefront of everyone’s minds.

The ability to look forwards was also key during this period. Ahead of the official start date of 1 July 2006 for the new Trust, much work went into preparing solid foundations for building the new policies, working practices and structures needed. As the new Trust has grown and developed during the year, we have seen the benefits of this in many key areas.

The new Board of SECAmb is committed to continuing the patient focus and emphasis that was evident in each of the three former Trusts. This excellent legacy is evident every day in the work of the new Trust and this is something that all staff associated with Sussex Ambulance Service can be duly proud of.

Paul Sutton
Chief Executive, South East Coast Ambulance Service

Board & Committee membership

Trust Board

Richard Purchase	Chairman
Paul Sutton	Chief Executive
Anne Dickens	Non-Executive Director
John Beck	Non-Executive Director
Paul Newett	Non-Executive Director
Bob Herbert	Non-Executive Director
Julie Nerney	Non-Executive Director
Andy Newton	Clinical Director
Chris Searle	Director of Human Resources & Organisational Development
Arthur Jones	Interim Director of Human Resources & Organisational Development
Richard Penney	Director of Performance (seconded to SHA)
Annie Carr	Director of Resources (until 30 May 2006)
Steve Moss	Acting Director of Finance

Risk Management & Clinical Governance Committee

Julie Nerney	Committee Chairman/Non-Executive Director

Audit Sub-Committee

Paul Newett	Committee Chairman/Non-Executive Director
Anne Dickens	Non-Executive Director
John Beck	Non-Executive Director
Julie Nerney	Non-Executive Director

Remuneration & Terms of Service Committee

Richard Purchase	Chairman
Anne Dickens	Non-Executive Director
John Beck	Non-Executive Director
Paul Newett	Non-Executive Director
Bob Herbert	Non-Executive Director
Julie Nerney	Non-Executive Director

Charitable Funds

Paul Newett	Committee Chairman

Operating & financial review
For the period 1 April 2006 to 30 June 2006
Sussex Ambulance Service NHS Trust provides an accident and emergency and GP urgent Service for the counties of East and West Sussex and the City of Brighton and Hove. This is a geographical area of 1,460 miles, with in excess of 100 miles of coastline, and a population of 1.5 million people.

The Trust is also commissioned to provide patient transport services, supported by the voluntary car service, for the primary care trusts, mental health and hospital trusts covering this area as well as for a number of trusts in the London area. The Trust manages the above services from its Headquarters in Lewes and from the 25 operational ambulance stations throughout Sussex.

This Annual Report covers the period 1 April to 30 June 2006. On the 1 July 2006 Sussex Ambulance Service ceased to exist and became part of the newly formed South East Coast Ambulance Service NHS Trust.

Merger
The merger of the three former ambulance trusts to create the new South East Coast Ambulance Service NHS Trust was a direct recommendation that arose out of the publication in July 2005 of "Taking Healthcare to the Patient" (the Bradley Report) by the Department of Health. This set out a new strategic direction for all ambulance services to follow, as well as recommending the creation of a smaller number of larger services.

Due to the imminent merger of Kent, Surrey and Sussex Ambulance Services on1 July 2006, work in the period that this report covers has been concentrated heavily on continued delivery of excellence in pre-hospital care at a time when many staff feel uncertain of the future. To support staff during this time the trust has worked hard to be as transparent and open as possible with staff. This has been achieved through the development of 'Merger Matters', a weekly bulletin that has been produced throughout this period and an e-forum has been established to allow all staff the opportunity to pose their questions directly to senior management within the Trust. The Chief Executive has also hosted regular management briefing sessions for all levels of Trust management. In a good display of joined up working ahead of the merger, this approach is a shared one between Sussex and the Kent and Surrey Ambulance Services.

Response Times and Operational Performance

National Response Standards
During the period in question (1 April 2006 to 30 June 2006), Sussex Ambulance Service attended the following number of emergency incidents (calls resulting in response arriving at the scene of the incident):

Category A calls	11,362
Category B calls	16,727
Category C calls	9,325
Total	**37,414**

For this period, Sussex Ambulance Service met the current National Response Standards (calculated as required for the Department of Health KA34 submission) for:

- Category A 8 minute – 76.39% (target 75%)
- Category A 19 minute – 98.49%% (target 95%);

However, the Category B 19 minute performance was slightly below the 95% target at 92.50%.

Local Response Standards
Category C response targets are agreed at a local and Category C response performance has been agreed locally to be a continuation of the original Department of Health target of 95% in 19 minutes.

Following the introduction of a Clinical Telephone Advice desk in the Emergency Patient Communication Centre (EPCC), alternative and robust clinical pathways have been put in place for Category C patients. These include: self-care advice, referral to other health and/or social care providers, attendance by an Emergency Care Practitioner (ECP) or ambulance attendance.

Urgent and immediate response standards
The locally-agreed response standards for urgent and immediate calls is that, in 95% of calls, an ambulance will arrive at scene within 15 minutes of the time agreed with the healthcare professional booking the call at the time.

During the period 1 April 2006 to 30 June 2006, the Trust responded to 8,099 urgent and immediate calls, and reached 7,837 of these within the agreed standards – 96.77%.

Emergency Patient Communication Centre (EPCC)
The first contact most patients have with the Trust is through the EPCC in Lewes where our dedicated staff rely on the Advanced Medical Priority Despatch (AMPDS) system to ensure a timely and appropriate response to individual patient needs.

The Emergency Dispatch Centre is also supported by an Unscheduled Care Desks, staffed largely by Paramedics, which focuses mainly on the management of Category C calls using the 'PSIAM' triage software, a clinical decision support system.

This combination of highly trained staff and top of the range technology systems ensures that when a member of the public calls 999, the most suitable of the following responses is provided:

Emergency (A&E) ambulance
Frontline emergency ambulances with a crew of two, comprised of paramedics and ambulance technicians, respond to the majority of 999 emergencies and GP urgent calls.

Rapid Response Unit (RRU)
RRUs are usually single-manned by a Paramedic and can be a car, a four by four vehicle, motorbike or even a pushbike! They carry a full range of emergency equipment, including defibrillators, oxygen, drugs and fluids.
They are an extremely flexible resource, used primarily for making a rapid attendance at an incident and an initial assessment of patients and situations.

Emergency Care Practitioner (ECP)
ECPs are paramedics who have undertaken additional training enabling them to thoroughly investigate a patient's condition, social situation, etc and then make an informed decision about the correct way to progress their treatment. Proven benefits of this role include reduction in anxiety and stress for patients and their family/carers by avoiding unnecessary attendance or admission to hospital and at home and reduced costs to the local health services, by supporting the patient at home.

Helicopter Air Support
The Trust enjoys air support from "Hotel 900", based at Shoreham Airport, which is operated jointly with Sussex Police and has a paramedic as a permanent part of the crew. Hotel 900 can be asked to assist at any incident where it might be needed, such as inaccessible terrain or where a very fast evacuation to hospital is preferable to an ambulance journey by road.

Emergency Medical Support
On occasion, and especially during a serious or multi-casualty incident, the particular skills of a doctor are required. Sussex Ambulance Service is fortunate to enjoy support from the Surrey & Sussex Immediate Care Scheme (SIMCAS) in this area. SIMCAS utilises doctors who have completed specialist training to enable them to help patients in the pre-hospital situation. They are mostly GPs with a special interest in this subject and are sent by the EPCC to incidents as needed.

Community Responder Schemes
These are mainly members of the public who have been trained by the service to "hold the fort" until the ambulance arrives but may also be off-duty members of staff or colleagues from another emergency service. They are able to deliver time critical basic life support (where seconds count), including the use of an automated external defibrillator (AED) and can make a big difference to patient outcome, as they are often literally "around the corner" from the patient but are always backed up with an emergency response.

Although the Trust provides training and equipment whenever possible, many of the schemes also rely on the very generous support from local communities, the British Heart Foundation and in some areas the Big Lottery Fund. These schemes have been an enormous success, with many lives saved to the true commitment of community members.

Patient Transport Services (PTS)
Between 1 April and 30 June 2006, the Trust carried out 98,983 PTS journeys.

The Trust's on-going commitment to improving and strengthening the PTS function was re-iterated during the year by the appointment of PTS Team Leaders, as well as continued Board discussion around ensuring a viable and robust future for PTS.

Patient and Public Involvement (PPI)
Sussex Ambulance Service's good working relationship with our Patient and Public Involvement Forum and Public Opinion Group continued with meetings of these groups during the period in question. The PPIF Liaison Group that was established in December 2005 specifically to deal with issues around the merger, also continued to meet in the immediate build up to the merger on 1 July 2006.

Each of the forums is made of up of volunteers in their local community who are enthusiastic about helping patients and members of the public influence the way that local healthcare is organised and delivered. Forum members come from a broad variety of backgrounds and have a range of experience and skills.

Patient Advice and Liaison Service (PALS)
The Patient Advise and Liaison Service (PALS) acts on behalf of service users when handling patient and family concerns. They liaise with staff, managers and, where appropriate, other relevant organisations, to negotiate speedy solutions and to help bring about changes to the way service is delivered.

Between 1 April and 30 June 2006, the Trust received 39 PALs enquiries.

Complaints
The Trust received 13 written formal complaints between 1 April and 30 June 2006 and 69% of these complaints were answered within the nationally set standards.

Clinical Excellence
Sussex Ambulance Service continued in its aim to contribute to achieve excellence in and influence the evolution of clinical service delivery. Many innovations continued to be developed during this period just one of which has been the continued roll out of Protocol C across the region.

Pre-hospital thrombolysis was delivered to 31 patients, with 97% of those delivered the clot-busting drug within the national target of 60 minutes of calling for help. The average 'call to needle' time was an outstanding 38 minutes.

The NHS Litigation Authority attributed the Trust level one of the Risk Management Standard for the Provision of Pre-Hospital Care during 2005-06, and this assessment remained valid, with no further assessment undertaken during 1 April to 30 June 2006.

Emergency Planning & Preparedness (EPP)
The trust continues to fill its obligations with regard to Emergency Preparedness and meet its duties under the Civil Contingencies Act 2004, as well as maintaining active engagement with and contribution to the Sussex Local Resilience Forum.

As the Emergency Planning Team moves forward to the merger with Kent and Surrey our Major Incident Plan has been revisited to ensure that policies and procedures submitted by our colleagues can be incorporated to allow us to have a standard South East Coast Ambulance Service Major Incident Plan.

Human Resources
Agenda for Change
Work carries on around Agenda for Change and the small number of staff with new job descriptions who require assimilation.
Some of the financial impact of Agenda for Change in 2005/06 has carried over into period 1 April 2006 to 30 June by way of arrears payments, which could not be paid during 2005/2006. In April 2006 the Trust paid £762,560 in back pay for overtime and unsociable hours to existing staff and in June 2006 the Trust paid annual leave back pay for A&E staff and arrears payments to bank Staff and leavers totalling £138, 810. This additional cost of the new rates not paid by 31 March 2006 was recognised in the trust's income and expenditure account for 2005/06 by the inclusion of a provision.

Equal Opportunities
The Trust remained committed to becoming a model employer with the local economy and to employ staff representative of the communities it serves. It is the policy of the Trust to treat all employees, workers, job applicants, patients and any other stakeholders fairly with dignity and respect, regardless of their gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, religion, age, disability, responsibilities for dependants or Trade Union membership status.

Disability Equality Scheme
The Trust is committed to ensuring disability equality in its service provision and in its responsibility as an employer.

Financial Review
Each year the financial performance of the Trust is judged against a range of financial duties and targets, and although the Sussex Ambulance Service ceased to exist on 1 July 2006, there are still some duties and targets for the period 1 April 2006 to 30 June 2006.

Requirements with regard to the capital absorption rate, Capital Resource Limit and External Financing Limit were not imposed upon Sussex Ambulance Service this reporting period and performance in these areas is instead absorbed into the full year accounts for the merged organisation of South East Coast Ambulance Service NHS Trust. The following statements are a summary of the Trust's accounts, the full accounts set out the accounting policies of the Trust including treatment of pension liabilities under the NHS Pension Scheme. Any member of the public who would like a full set of the Trust accounts should contact Colin Farmer, Director of Finance, at the new South East Coast Ambulance Service NHS Trust.

The first of duties is to break even on the income and expenditure account, where the Trust recorded a deficit for the three- -month period of 1 April 2006 to 30 June 2006 of £5,000, representing 0.04% of its turnover.

The Trust is required to comply with the better payment practice code. The target is to pay 95% of valid trade creditor invoices within 30 days of receipt. The Trust for period 1 April 2006 to 30 June 2006 paid 89% by value.

There were no claims for interest payable under the late payment of Commercial Debts (Interest) Act 1999.

The trust's management costs are subject to public and DoH scrutiny, as defined by the Audit Commission, and for period 1 April 2006 – 30 June 2006 are 6.2% of income received in the period.

The trust had revenue resources of £13,172,000 for the period 1 April 2006 to 30 June 2006. The majority of this income is from one key A&E SLA with the PCTs for Sussex, which totals £10,963,000 for this period.

The trust also received a significant proportion of its income for this period from 22 individual PTS SLAs totalling £2,019,000. These SLAs have been agreed with PCTs, hospital and mental health trusts throughout Sussex, Hampshire and the London area.

The trust delivered a financial deficit of income over expenditure of £5,000 for the period 1 April 2006 to 30 June 2006.

In the period there was no spending on any capital schemes.

Other Key financial information for the period 1 April 2006 to 30 June 2006 is as follows:

a) Pay awards 2.5%
b) Employee costs – for the period 1 April 2006 to 30 June 2006 were £8,606,000
c) The treatment of pension costs are detailed in the notes to the accounts reference 1.11

The post of Director of Service Delivery remained vacant and the Director of Performance remained on secondment to the Strategic Health Authority during the period 1 April 2006 to 30 June 2006.

The Trust has an Interim Director of Resources who left the Trust at the end of May 2006. The post is now filled with an Acting Director of Finance pending the appointment of a Director of Finance on this Trust with the Kent and Surrey ambulance service trusts on 1 July 2006.

All the substantive executive director posts continued to be employed and in the event of termination of employment are entitled to six months notice.

External Audit

The Trusts external Auditors are The Audit Commission.
The costs of their work in respect of the period ended 30th June 2006 was as follows:

	Audit Fees (£ 000s)	Other remuneration (£ 000s)
Sussex	38	0

SUSSEX AMBULANCE SERVICE NHS TRUST
STATEMENT ON INTERNAL CONTROL 2006/07 (April – June)

1. Scope of responsibility

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

The Trust merged with two other ambulance trusts in the South East (Surrey Ambulance Service NHS Trust and Kent Ambulance Service NHS Trust) on 1st July 2006. The new organisation will be called South East Coast Ambulance Service NHS Trust and will take on the roles and responsibilities previously undertaken by the three Trusts.

This statement describes the framework for internal control that has been in place from 1st April 2006 until 30th June 2006. During this period a continued focus has been maintained on systems and processes that assure the Board of our continued progress against the objectives to deliver high quality care and improvements for the benefit of the people of Sussex, while recognising the importance of maintaining financial balance.

The Code of Conduct outlines the accountability arrangements and scope of responsibility of the Board.

The Executive Management Team and Board have been fully involved in agreeing the strategic priorities for the Trust, which include:

- Preparation for the merger of the Trust on 1st July 2006;
- Maintenance of robust corporate governance arrangements;
- Effective financial management;
- Delivery of the National key performance targets;
- Continued advancement in Clinical Effectiveness and Development
- Further development of, and joint working with, healthcare partners to provide seamless and appropriate care
- Further embedding Patient and Public Involvement in the organisational culture and all aspect of service delivery
- HCC Core Standards Compliance

During this period the Assurance Framework has been re-worked to reflect those high level risks which were deemed to be the most significant risks to the organisation. In particular it reflected the risks that were apparent in taking the organisation forward into the merger of Kent, Surrey and Sussex Ambulance Trusts to establish South East Coast Ambulance Service NHS Trust from 1 July 2006.

The Assurance Framework is reviewed by the Executive team regularly, alongside the red risks on the risk register. There has been an internal transition project group (the Kent, Surrey and Sussex Merger Board) that has met on a monthly basis, of which I am chair, which has also reviewed all risks specifically associated with transition and the Trusts merger.

The Assurance Framework has been presented to both the Audit Committee and the Board during this period of time. It has been cross referenced to the Standards for Better Health. Much work has been undertaken to improve the specificity of gaps in control and assurances for each item.

The Board delegates authority primarily to the following committees:

- Audit;
- Appointments and Remuneration;
- Risk Management and Clinical Governance;
- Central Health and Safety;

The Board receives regular minutes and reports from each of the above committees, and in turn sub-committees, who deliver reports which maintain the flow of information to the Board.

All Directors report to me through the regular Executive Team meetings in addition to regular one to one meetings.

Collaborative working with other local NHS organisations within our local health economy have continued throughout the year, lead by our Lead Commissioners, Adur, Arun and Worthing PCT

Monthly performance reviews take place with the Strategic Health Authority which I attend. I also attend the Strategic Health Authority Chief Executive Forum and inform the Strategic Health Authority of any relevant strategic issues.

2. The purpose of the system of internal control

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

- Identify and prioritise the risks to the achievement of the organisation's 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 been in place in Sussex Ambulance for the period 1 April 2006 to 30 June, 2006.

The proposal that the Trust should merge with Surrey and Kent Ambulance Trusts was announced in July 2005 and will take effect on 1 July 2006. As a result of this announcement some members of the Trusts senior management team left the organisation or secured external secondments The Trust however put into place acting arrangements to cover for those Executives who left the Trust and as a result a robust system of internal control was fully in place during the period 1 April 2006 to 30 June 2006.

3. Capacity to handle risk

During the transition period flexible arrangements to ensure maximum and effective use of leadership resources have been essential. To manage this transitional period a Merger Project Director was appointed to work across the three Trusts to facilitate planning up to 1 July 2006 and beyond, as the new Trust is developed during the transitional year. A Merger Project Implementation Plan was developed and I chaired the Merger Project Board which included the Directors of the three Trusts to oversee the implementation of the plan. Progress against the Project Implementation Plan was reported to the Trust Board during this time.

Reporting lines are also well established through the aforementioned committee structures and close working has been maintained through the regular Executive Team meetings.

4. The risk and control framework.

The Risk Management Strategy, including the Risk Management Policy, sets out the framework and systems for implementation of Risk and Governance processes. These processes are evidenced within the Standards for Better Health Declaration and the NHS Litigation Authority Level 1 accreditation.

In May 2006 the Trust was required to submit a final declaration of compliance with the core Standards for Better Health for the year ended 31^{t} March 2006. The Trust hade made an assessment of not met against C7e and C10a and the plans to close gaps in compliance that were submitted to the Healthcare Commission became organisational objectives in the Service Delivery Plan and reviewed at executive meetings on a regular basis. In line with the Healthcare Commission guidance Sussex Ambulance was not required to undertake an assessment for the period April to June 06.

Identified risks are recorded and monitored through a comprehensive Risk Register, and all high-risk adverse events are monitored at the Risk Management and Clinical Governance Committee. Where specific incidents of risk have occurred a Root Cause Analysis has been carried out, with a detailed action plan and recommendations provided to the Risk Management and Clinical Governance Committee.

The Risk Management and Clinical Governance Committee (RMCGC) is a formal sub-committee of the Trust Board and is responsible for the management of risk. Its agenda reflects the organisation's core business. The Trust seeks to learn from issues raised and implement good practice at all levels. The Board receives regular reports from the Risk Management and Clinical Governance Committee, including trends analysis and benchmarking (e.g. NHSLA, Healthcare Commission Standards). Serious Untoward Incidents are reviewed, investigated, analysed and reported back throughout the organisation via the committee and directorate management structures.

Risk Management is a corporate responsibility and, accordingly, the Trust Board has ultimate responsibility to lead on this, ensuring that effective processes are in place. However, elements of responsibility also lie with employees of the Trust. And the Trust is committed to supporting its staff in exercising their roles and responsibilities with regard to health and safety risks and all other forms of risk. Risk management training is a fundamental part of our Induction Course and annual refresher training.

Since the adoption of the Risk Management and Assurance Framework, the Executive Team has embedded risk management in the activities of the organisation. The processes have been applied to all Trust activities, both existing and proposed. Directors and managers have been required to identify risks within their areas of responsibility and to establish, in conjunction with the Trust's Risk and Safety Manager, effective control measures and/or systems.

The Executive Team regularly reviews the Risk Register at its meetings to ensure that it remains up to date and represents an accurate assessment of the risks facing the organisation.

The following actions have been taken to address gaps in Control/Assurance identified in the Assurance Framework

Gap:	**Action:**
Failure to fully implement Agenda for Change	Trained team of managers and staff representatives to lead through the process
No effective systems and structures in place to protect vulnerable adults	Policy drafted and RMCGC approved. Training incorporated in mandatory training days
Delays affecting 'turn round times' at hospitals, thus creating reduced resource availability	Identification of current average times and processes to achieve improvements. SAST handover procedure introduced to help reduce unnecessary delay at hospitals.
Inadequate secure storage for records management	Storage has now been reviewed and changed to improve storage. Requests are controlled through the Quality & Information Manager

The Assurance Framework linked the main elements and aims of the Trust's internal control and governance policies. The Framework comprised the following key elements:

- Principal Risks: the risk management policies sought to identify the main risks which might impede the Trust in achieving its objectives and to keep these under review by the Trust Board.

- Key Controls / Treatments: these were the mechanisms for controlling the risks that have been identified.

- Board Assurance: the Board gained assurance that the Trust's objectives were being achieved and the risks controlled through a variety of assurance processes, including performance reports with high level KPIs, audit (internal and external), assessments by regulatory and monitoring agencies (e.g. Healthcare Commission, RPST, CNST, Health and Safety) and reports from its assurance sub committees.

The Trust has one committee (besides the Trust Board) that involves members of the public representatives. And this is the Risk Management and Clinical Governance Committee.

In addition to the above, the Trust works closely with the independent Sussex Ambulance Patient and Public Involvement Forum and the Public Opinion Group.

The Chief Executive and the Executive Team also have close relationships with other stakeholders in the local community so that there could be participation in measures of mutual interest designed to improve the delivery of health care in the area

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

5. Review of Effectiveness

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

My review is also informed by a number of bodies and processes that during the period 1 April 2006 to 30 June 2006, have included:

- Monthly Board performance and financial performance reports
- Internal and External audit reports including 2006/7 Head of Internal Audit Opinion
- Standards for Better Health Declaration
- SHA Performance Reviews
- Minutes of committees including those of the Audit Committee, Risk Management and Clinical Governance Committee
- The Service Delivery Plan
- Ongoing update and approval of the Assurance Framework.
- The Trust Risk Register

Internal Audit carried out the following reviews at Sussex Ambulance in 2006/07:

- Critical financial assurance;
- Medical gases expenditure;
- Review of CAD system;
- Network infrastructure;
- Business continuity;
- IM&T risk register.

Head of Internal Audit Opinion:

"Limited assurance can be given as weaknesses in the design, and/or inconsistent application of controls, put the achievement of the organisation's objectives at risk in a number of the areas reviewed"

Significant Control Issues

Critical financial assurance – Concerns around Payroll controls systems were highlighted. Since this time the Trust has commissioned a further investigation/audit to ensure it is able to successfully mitigate the risks through the implementation of appropriate control systems.

Signed Date

Paul Sutton
Chief Executive Officer

(On behalf of the Board)

STATEMENT OF RESPONSIBILITIES

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.

Paul Sutton, Chief Executive Date

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 judgements and estimate which are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the requirements outlined in the above-mentioned direction 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.

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

Paul Sutton, Chief Executive Date

Colin Farmer, Director of Finance Date

Independent auditor's report to the Directors of the Board of South East Coast Ambulance Service NHS Trust as successor body to Sussex Ambulance Service NHS Trust

Opinion on the financial statements

I have audited the financial statements of Sussex Ambulance NHS Trust for the period ended 30 June 2006 under the Audit Commission Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies relevant to the National Health Service set out within them.

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust as successor body to Sussex Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of Directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

I review whether the directors' statement on internal control reflects compliance with the Department of Health's requirements as set out in their letter of guidance dated 15 September 2003 and further guidance issued on 7 April 2006. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the directors' statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report, the Chairman's Statement and the Operating and Financial Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 30 June 2006 and of its income and expenditure for the period then ended; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

Lindsey Mallors
Engagement Lead, Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

June 2007

Independent auditor's statement to the Directors of the Board of South East Coast Ambulance Service NHS Trust as successor body to Sussex Ambulance Service NHS Trust

I have examined the summary financial statement which comprises the Income and Expenditure Account, Balance Sheet, Statement of Recognised Gains and Losses and Cash Flow Statement set out on pages 132 - 137**.**

This report is made solely to the Board of South East Coast Ambulance Service NHS Trust as successor body to Sussex Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 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 statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statement describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the three months ended 30 June 2006.

Lindsey Mallors
Engagement Lead, Audit Commission

16 South Park, Sevenoaks, Kent, TN13 1AN

June 2007

Sussex Income And Expenditure Account For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Income from activities	**13,060**		53,280
Other operating income	**112**		1,079
Operating expenses	**(12,648)**		(53,103)
Operating surplus (deficit)	**524**		1,256
Cost of fundamental reorganisation/restructuring	**0**		0
Profit (loss) on disposal of fixed assets	**(440)**		4
Surplus (deficit) before interest	**84**		1,260
Interest receivable	**49**		85
Interest payable	**0**		0
Other finance costs – unwinding of discount	**(13)**		(49)
Other finance costs – change in discount rate on provisions	**0**		(443)
Surplus (deficit) for the financial year	**120**		853
Public Dividend Capital dividends payable	**(125)**		(722)
Retained surplus (deficit) for the year	**(5)**		131
All income and expenditure is derived from continuing operations			

Sussex Note To The Income And Expenditure Account For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Retained surplus/(deficit) for the year	**(5)**		131
Financial support included in retained surplus/(deficit) for the year – NHS Bank	**0**		0
Financial support included in retained surplus/(deficit) for the year – internally generated	**0**		0
Retained surplus/(deficit) for the year excluding financial support	**(5)**		131
The Trust did not receive any financial support for the period ended 30 June 2006			

Sussex Balance Sheet As At 30 June 2006			
	30 June 2006		31 March 2006
	£000		£000
FIXED ASSETS			
Intangible assets	**299**		393
Tangible assets	**23,144**		22,702
Investments	**0**		0
	23,443		23,095
CURRENT ASSETS			
Stocks and work in progress	**468**		580
Debtors	**4,882**		6,008
Investments	**0**		0
Cash at bank and in hand	**4,681**		160
	10,031		6,748
CREDITORS: Amounts falling due within one year	**(5,517)**		(1,768)
NET CURRENT ASSETS (LIABILITIES)	**4,514**		4,980
TOTAL ASSETS LESS CURRENT LIABILITIES	**27,957**		28,075
CREDITORS: Amounts falling due after more than one year	**0**		0
PROVISIONS FOR LIABILITIES AND CHARGES	**(4,598)**		(5,964)
TOTAL ASSETS EMPLOYED	**23,359**		22,111
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	**11,588**		11,588
Revaluation reserve	**10,486**		9,317
Donated asset reserve	**570**		547
Government grant reserve	**0**		0
Other reserves	**0**		0
Income and expenditure reserve	**715**		659
TOTAL TAXPAYERS EQUITY	**23,359**		22,111

Signed: ……Chief Executive Date: ……

Sussex Statement Of Total Recognised Gains And Losses For The Period ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
Surplus (deficit) for the financial year before dividend payments	**120**		853
Fixed asset impairment losses	**0**		0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	**1,269**		585
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**0**		0
Defined benefit scheme actuarial gains/(losses)	**0**		0
Additions/(reductions) in “other reserves”	**0**		0
Total recognised gains and losses for the financial year	**1,389**		1,438
Prior period adjustment	**0**		0
Total gains and losses recognised in the financial year	**1,389**		**1,438**

Sussex Cash Flow Statement For The Period Ended 30 June 2006			
	3 Months to		12 Months to
	30 June 2006		31 March 2006
	£000		£000
OPERATING ACTIVITIES			
Net cash inflow/(outflow) from operating activities	**4,801**		1,857
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received	**49**		85
Interest paid	**0**		0
Interest element of finance leases	**0**		0
Net cash inflow/(outflow) from returns on investments and servicing of finance	**49**		85
CAPITAL EXPENDITURE			
(Payments) to acquire tangible fixed assets	**(335)**		(2,056)
Receipts from sale of tangible fixed assets	**6**		4
(Payments) to acquire intangible assets	**0**		(246)
Receipts from sale of intangible assets	**0**		0
(Payments to acquire)/receipts from sale of fixed asset investments	**0**		0
Net cash inflow/(outflow) from capital expenditure	**(329)**		(2,298)
DIVIDENDS PAID	**0**		(722)
Net cash inflow/(outflow) before management of liquid resources and financing	**4,521**		(1,078)
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	**4,521**		(1,078)
FINANCING			
Public dividend capital received	**0**		1,122
Public dividend capital repaid (not previously accrued)	**0**		0
Public dividend capital repaid (accrued in prior period)	**0**		0
Loans received	**0**		0
Loans repaid	**0**		0
Other capital receipts	**0**		0
Capital element of finance lease rental payments	**0**		0
Cash transferred (to)/from other NHS bodies	**0**		0
Net cash inflow/(outflow) from financing	**0**		1,122
Increase/(decrease) in cash	**4,521**		44

Management costs					
			3 Months to		12 Months to
			30 June 2006		31 March 2006
			£000		£000
		Management costs	**811**		3,261
		Income	**13,158**		54,359
Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts					

Better Payment Practice Code – measure of compliance			
	3 Months to		**3 Months to**
	30 June 2006		**30 June 2006**
	Number		**£000**
Total Non-NHS trade invoices paid in the year	**3,238**		**3,294**
Total Non NHS trade invoices paid within target	**2,612**		**2,917**
Percentage of Non-NHS trade invoices paid within target	**81%**		**89%**
Total NHS trade invoices paid in the year	**38**		**41**
Total NHS trade invoices paid within target	**28**		**35**
Percentage of NHS trade invoices paid within target	**74%**		**85%**
The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.			

Related Party Transactions

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

REMUNERATION REPORT

The Trust's Remuneration and Terms of Service Committee consists of the Chairman and all Non Executive Directors of the Trust. The Chief Executive and Director of Human Resources may be asked to attend in an advisory capacity. The Committee oversees the remuneration and conditions of service for Directors (including the Chief Executive Officer). All other managers are now covered by the national Agenda for Change arrangements.

Trust policy in general terms is to apply the same annual uplift as for other staff to Directors salaries, reflecting national awards and guidance from the Department of Health. Director posts may be reviewed individually in the light of the changes in their responsibilities, in market factors, pay relativities or other relevant circumstances.

Objectives for the Directors are determined annually by the Chief Executive reflecting the corporate objectives agreed by the Board and approved by the Remuneration and Terms of Service. Performance is reviewed at year end by the Committee and with the advice of the Chief Executive.

Contracts of employment are in accordance with standard NHS practice. All contracts are permanent and include reciprocal notice periods proportionate to the needs of the Trust, ensuring business continuity where voluntary resignation occurs.

Signed Date:

Paul Sutton, Chief Executive

Salary And Pension Entitlements Of Senior Managers

- **Remuneration**

Name and Title		3 Month Period to 30th June 2006			Year to 31st March 2006		
		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100
R Purchase	Chairman	0-5	0	0	15-20	0	0
J Beck	Non Executive Director	*	*	*	*	*	*
A Dickens	Non Executive Director	*	*	*	*	*	*
P Newett	Non Executive Director	5-10	0	0	5-10	0	0
R Herbert	Non Executive Director	*	*	*	*	*	*
J Nerney	Non Executive Director	0-5	0	0	0-5	0	0
P Sutton	Chief Executive Officer	20-25	0-5	5	85-90	10-15	20
A Carr	Director of Resources	15-20	0-5	0	75-80	0-5	0
R Penney	Director of Performance	15-20	0-5	0	60-65	0-5	0
C Searle	Director of H R & OD	15-20	0-5	0	60-65	5-10	0
A Newton	Clinical Director	15-20	0	0	35-40	0	0

This statement is consistent with the accounting requirements of the remuneration report for non-executive, executive directors and senior managers. The term 'senior managers' refers to those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust.
Benefits in kind are the assessed value of provision of a lease car as per the Inland Revenue P11d calculations. Benefits in kind are stated in hundreds.

B) Pension Benefits

Name and title		Real increase in pension at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 June 2006 (bands of £2500) £000	Lump sum at age 60 related to accrued pension at June 2006 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 June 2006 £000	Cash Equivalent Transfer Value at 31 March 2006 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension £00
P Sutton	Chief Executive Officer	0-2.5	42.5-45	10-15	40-45	168	158	9	0
A Carr	Director of Resources	0-2.5	0-2.5	2.5-5	0-5	2	7	1	0
R Penney	Director of Performance	0-2.5	32.5-35	10-15	30-35	182	177	5	0
C Searle	Director of H R & OD	0-2.5	65-67.5	20-25	65-70	345	340	3	0
A Newton***	Clinical Director	17.5-20	17.5-20	7.5-10	15-20	100	7	93	0

*** includes effect of transfer from previous (non NHS) Pension Scheme

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when

the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Appendix D

Annual Accounts 2006/07