Calderdale and Huddersfield NHS

NHS Foundation Trust

Annual Report and Accounts

2006/07

Huddersfield Royal Infirmary

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Calderdale and Huddersfield NHS Foundation Trust

Annual Report and Accounts 2006/07

Presented to Parliament pursuant to Schedule 1 of the Health and Social Care (Community Health and Standards) Act 2003, Schedule 1, paragraph 25(4).

Contents

Tribute to Gordon McLean

Sadly in March this year our chairman Gordon McLean died suddenly.
It came as a shock to everyone.

Gordon was passionate about the NHS, dedicated to the Trust and all the people who work here, and was well known for his kindness. He was our chairman since the Trust's inception in 2001 and before that he was a non-executive member of Calderdale Healthcare NHS Trust.

Gordon had endless enthusiasm for his work and he was instrumental in our successful bid for NHS Foundation Trust status. He was proud and delighted when we were authorised in August 2006.

One of the greatest tributes to Gordon was his popularity amongst staff at the Trust – he put people at ease and made time for everyone. He was well known and well-loved for his warmth, friendliness and smiling face. We all miss him.

The directors of Calderdale and Huddersfield NHS Foundation Trust.

Our Vision and Values

Our vision is to provide high quality services, working within a strong, evolving local health community with a clear sense of direction.

Our core services are hospital based however we will continue to develop outreach services on a locality basis to reflect the way patient pathways are being redesigned and in our quest to become known as a provider of both hospital and community services.

Our vision has three integrated strands:
- To "Provide the Best for Our Patients"
- To know and develop our business
- To build on the enthusiasm and commitment of our excellent staff

Our aim is to provide the very best care for patients. This means that:
- We provide safe care in a clean environment. Your care is designed to meet your needs, not ours, and delivered as close to your home as possible
- Our staff are competent and compassionate, friendly and welcoming
- We work together with you, your family and carers to help you take responsibility for your health and well-being
- Our treatments are up-to-date and we embrace change, innovation and new technologies to make sure we remain at the leading edge of care.

'We are part of the communities we serve working together to create and sustain health and wealth for the future.'

We are part of the communities we serve working together to create and sustain health and wealth for the future.

In developing our strategic direction, we have developed six key strategic goals for the organisation. These are:
- Transforming care
- Developing a business approach
- Developing the organisation
- Improving patient experience
- Working with our communities
- Delivering all standards and targets.

In order to take forward these six strategic goals, the active support of our local community and partners will be essential.

Chair's Statement

The past year has been an exceptional one for the Trust: we began it as an NHS Trust and ended it as an NHS Foundation Trust.

We also saw the end of a major consultation about the way healthcare services are delivered to the people of Calderdale and Huddersfield, and now we have begun to implement those changes.

In a year which has been incredibly challenging for the Trust locally and the NHS nationally it is a great credit to our staff that we have achieved so much. Our success is down to their dedication and hard work, as well as to the vital support we receive from volunteers and other supporters.

The greatest measure of their efforts is that we continue to provide high quality healthcare for the people of Calderdale and Huddersfield, whilst also achieving a financial surplus to reinvest into that care.

The attainment of Foundation Trust status in August 2006 was recognition that we are a top-performing Trust. It was a turning point for the organisation and of course for the membership and Membership Council who have been keen to contribute since our deferred bid for the status in 2004.

Since authorisation considerable progress has been made – our Membership Council has met three times and a number of sub-committees have been established to look at areas ranging from membership training and development to corporate social responsibility. The Membership Council has also been involved in developing the Trust's annual plan and has helped us host two Medicine for Members events on infection control.

Looking forward, there is no doubt that once again the year ahead will be an exciting but demanding time for everyone linked to the Trust.

The pace for change is not slowing: 2007/8 will see the continuing implementation of changes to our services, including major moves for surgical and maternity services. We will also be working hard to meet the new 18-week target from referral to treatment and continuing to work closely with our primary care trust partners to ensure local people get the best possible care.

The new, modern NHS is all about patient choice so it is essential that people continue to choose to be treated in our hospitals. We are confident that we have an organisation served by people who have energy, dedication and great ability, who will help us make the Trust the first choice for patients.

Carol Clark, who was appointed acting Chair of the Trust after the death of Gordon McLean in March this year

Chief executive's statement

On August 1, 2007 Calderdale and Huddersfield NHS Trust became a NHS Foundation Trust – a very proud moment and one which marked us out as a top-performing Trust.

It is important that the credit goes where it is due for this major achievement and the many others the past year has seen – and that is to our staff. This year we have treated almost 400,000 outpatients, just under 90,000 inpatients and nearly 135,000 people attended our two accident and emergency departments. Our two hospitals are always busy and our continuing success is down to the unstinting efforts of everyone involved. Thankyou.

There is also an army of other people who are invaluable to the organisation and who deserve recognition for their work. Our volunteers, supporters, members and Membership Council play an important role and I would like to thank them for their time and dedication.

Major achievements

Although these are tough times for the NHS it is fair to say that our first eight months as a Foundation Trust has seen some major achievements. This report gives a little more detail about these successes but they have included:

- Investment of £500,000 in a new CT (computerised tomography) scanner and CT suite
- Work began on a new £8 million pharmacy manufacturing unit on the Acre Mill site in Huddersfield, which will produce medicines for people across the country
- Massive reductions in the numbers of people waiting for hearing aids and upgrades from analogue to digital aids
- Continuation of our major bathroom refurbishment programme at Huddersfield Royal Infirmary
- Doubling of the number of people seen within 48 hours of first contacting our genito-urinary medicine clinic
- Improving our financial surplus from £166,000 in 2005/6 to £500,000 in 2006/7 (£419,000 in the eight months as a Foundation Trust), which will be reinvested for the benefit of local healthcare users.

A well-performing Trust

All NHS organisations are now carefully scrutinised across a wide variety of areas to ensure good standards of care and effective use of resources. In October the Healthcare Commission's independent check on the quality of our services and the use of resources was announced and resulted in "good" scores for both areas. An important part of this rating is our performance against key targets set by the Department of Health. Many of our performance levels exceeded national performance standards. We have also complied with the Healthcare Commission's 24 core standards.

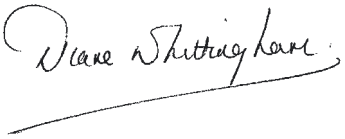
We achieved:

- A maximum waiting time for first appointments of 13 weeks
- A maximum six months waiting time for in-patients
- 100 per cent of patients with suspected cancer seen within two weeks from referral by a GP
- 100 per cent of patients diagnosed with cancer were treated within 31 days
- 96.9 per cent of patients with cancer referred urgently by their GP were treated within 62 days against a target of 95 per cent
- A maximum wait of two weeks for access to the chest pain clinic
- 92.6 per cent of eligible patients received thrombolysis within 60 minutes of an emergency call for an ambulance against a target of 72.9

One of the most challenging targets for hospital trusts is for a 60 per cent reduction in MRSA bacteraemia by 2007/8. For the last three years we have seen a year-on-year reduction but unfortunately we were unable to meet this year's challenging target. However, we are committed to the on-going fight against all infections and hope that the many stringent measures in place will reduce figures further, along with the help and support of our local community.

We have maintained our reputation as a well-managed Trust with strong financial control and the surplus reported will be reinvested for the benefit of the local community.

Overall, this has been a successful year for the Trust and we are well placed to meet the continuing challenges facing the NHS generally and, most importantly, to deliver high quality healthcare services to the people who choose to use our services.



Diane Whittingham, Chief Executive

Listening to our patients

Did you know?

Our big-hearted staff are major charity fundraisers with amazing efforts such as climbing mountains, driving across deserts and running marathons

Patient Advice and Liaison Service

YOUR views are vital for us to influence and develop services and the PALS team (Patient Advice and Liaison Service) is just one way you can raise issues about the care we provide.

PALS provides on-the-spot help, advice and support for patients, relatives and carers. We always encourage feedback on the services our hospitals provide.

During the period August 2006 to March 2007 the team handled 1,036 cases. Of this number 90 per cent (929 cases) were resolved. Nine per cent (96 cases) were dealt with as formal complaints and one per cent (11 cases) went to complaint after PALS involvement.

All the issues raised with the PALS team are recorded and fed back into the organisation to influence the development and improvement of the services provided by the Trust.

The service has offices on both hospital sites and is open Monday to Friday between 9.30am and 3.30pm and can be contacted at the numbers below. There is a telephone answer machine outside of these hours and PALS co-ordinators will aim to respond to enquiries with 24 hours of receiving your call.

Offering help and advice

Calderdale Royal Hospital – Tel: 01422 222417
Huddersfield Royal Infirmary – Tel: 01484 342128
Fax: 01484 347265 E-mail: pals@cht.nhs.uk

Patient survey

Every year a survey is co-ordinated by national health watchdog the Healthcare Commission to determine patients' views on the care and treatment they have received in hospitals.

This helps us find out what we are doing well and, more importantly, what we could do better.

This year's survey was conducted in the summer of 2006 and asked patients about their most recent inpatient stay. There was a response rate of 64 per cent - 532 out of 850 surveyed.

The latest survey for the Trust saw significant improvements in waiting times for admission to hospital. The Trust was also in the top 20 per cent of trusts nationally for:

- Having confidence and trust in the nurses treating them
- Getting answers to questions from nurses that they could understand

'The survey is extremely valuable to help us improve our service and helps highlight areas that we need to address.'

The trust also scored highly in other areas such as patients being given enough privacy when being examined or treated, length of time before help arrived after using the call button and not having their admission date changed by the hospital.

The survey is extremely valuable to help us improve our service and helps highlight areas that we need to address. Areas that patients thought we could do better included them being asked to give their views on the quality of care and choice of admission dates.

Dealing with concerns

The Trust investigates issues in accordance with the NHS Complaints Procedure to answer individual concerns and to help improve the service we provide.

Last year (2006/07) we received 399 formal complaints, which is a small decrease on the previous year (2005/06).

We are keen to ensure that complaints are investigated as fully as possible and make recommendations where needed to prevent the difficulties experienced being repeated.

Examples of how services have been improved following receipt of complaints:

- Intensive Care Unit leaflet developed
- Protocol for the post operative care of patients undergoing spinal fusion being developed
- Review of the nutritional services offered to patients
- Written transfer sheet developed for transfer between wards
- Automatic referral from accident and emergency to the next available hand clinic if tendon injury possible
- Improved documentation regarding pain control

Public and patient involvement

Hope Centre at Huddersfield Royal Infirmary

Listening to the people who use our services is vitally important and taking their advice on board helps us improve the way we work. One example this year is the Hope Centre at Huddersfield Royal Infirmary. The centre, in the entrance to the infirmary, is a multi-faith centre for people of all faiths, and none, as a place of peace, quiet and prayer.

However over the past couple of years, patients, visitors and staff approached the Chaplaincy Department expressing their concern that there were no washing facilities for Muslims and both the chapel area and prayer room were not large enough to accommodate larger gatherings for worship and prayer.

As a result an architect was appointed to draw up possible plans for alterations. Once these plans were put together letters were sent to all worshipping communities in the Huddersfield area and opinions and comments sought. Plans were also discussed with members of staff and visitors. The work was completed in 2006 and the facilities are now being used by the multi-faith community.

Did you know?

More than 1,000 people are killed each year by breathing other people's smoke

A healthier environment

On October 1 our Trust went smoke-free to help provide cleaner, fresher air for all our patients, staff and visitors. Smoking was the biggest single source of complaints from visitors before the new policy.

We are now smoke-free in all our buildings and grounds across all sites. There are signs and banners across the sites asking everyone to support us.

Advice and support is available to all our patients when they are admitted to the wards and our smoking cessation experts are available to help anyone wishing to use the opportunity to quit.

On the launch day the Trust was awarded a Roy Castle Fresh Air certificate for leading the way with its new smoke-free policy.

Our members

The thousands of people who have become members of the Trust have already helped us think again about the way we do things by sharing their thoughts and ideas. During two Medicine for Members events on infection control members raised important points about how we could share advice with hospital visitors and a focus group made-up of members also helped us develop a new action plan to improve the Trust's website.

Improving services for our patients

Did you know?

Our two accident and emergency departments treated 135,000 people last year

Safer patients initiative

Last year the Trust won a place in a nationwide drive to make UK hospitals the safest in the world. It was one of 10 hospital partnerships singled out through a highly competitive UK-wide selection process.

We are working in partnership with York Hospitals NHS Trust on the safety improvement work and will receive support from patient safety experts at the US-based Institute for Healthcare Improvement (IHI).

Over the next two years, the Trust will develop its expertise to drive forward improvements so that medical mistakes are more difficult to make.

The initiative will test out ways of making care safer in three areas of the hospital:

- On the wards
- Before, during and after operations
- In critical care.

The hospital will learn from the experiences of four UK hospital sites, which have been involved in the Safer Patients Initiative for the past two years. They have all made excellent progress in reducing medical mistakes.

Looking to the future

Last year saw the end of a major consultation about the way health services are delivered across Calderdale and Huddersfield.

Looking to the Future put forward proposals to modernise and improve healthcare services for the local population and after a five-month consultation and a ruling on maternity services by the Secretary of State implementation has begun.

In March this year breast and gynaecological in-patient services (for women who require at least one night's stay) were centralised at Calderdale Royal Hospital in a women's unit which has a dedicated nursing team. We worked closely with service users before and during the changes and will continue as we implement other changes.

Below is a table which details future planned changes and possible timescales:

Key:
CRH – Calderdale Royal Hospital
HRI – Huddersfield Royal Infirmary
Inpatient – Patients requiring an overnight stay in hospital

Service change	Estimated date when service change in place
Centralisation of obstetric services (for those women choosing to, or requiring, delivery within the consultant-led unit at CRH), services for babies needing special care and inpatient paediatrics at CRH.	A full obstetric service will run at both HRI and CRH until late spring 2008 whilst we establish the birth centre at HRI. The birth centre work has already started.
Establishment of a stand-alone birth centre (midwife-led unit) at HRI.	It is hoped it will be in place by autumn 2007. The birth centre will continue to run alongside the obstetric unit for at least six months.
Centralisation of planned inpatient orthopaedic and planned inpatient general surgery, including breast surgery, and all inpatient gynaecology at CRH.	Inpatient breast and gynaecology services were centralised at CRH in March 2007 in a dedicated women's unit. The next move will be surgery expected later in 2007.
Centralisation of emergency inpatient orthopaedics and emergency general surgery, complex planned surgery and emergency paediatric surgery will be provided at HRI.	Expected later in 2007.
Relocation of inpatient services from the St Luke's site and the movement of appropriate services into community settings.	The stroke rehabilitation ward moved in September 2006. X-ray services were relocated from St Luke's to HRI in April 2007. Other services provided by this Trust on the site are anticipated to move over the next two years.

Did you know?

Our Falls Team is recognised as the best in the country and is currently helping other Trusts develop their own strategies for helping older patients

Community hospitals bid

The exciting news that a £13 million bid to invest in healthcare services for the people of Calderdale and Huddersfield had been granted came in April this year.

The bid, led by the Kirklees and Calderdale Primary Care Trusts (PCTs), means that further work can be carried out across the area to ensure local people have a health service they can be proud of. It will include investment in existing facilities, development of new centres and improved access to healthcare, such as diagnostic services, closer to people's homes. We will be working closely with the PCTs over the coming months to develop plans in more detail.

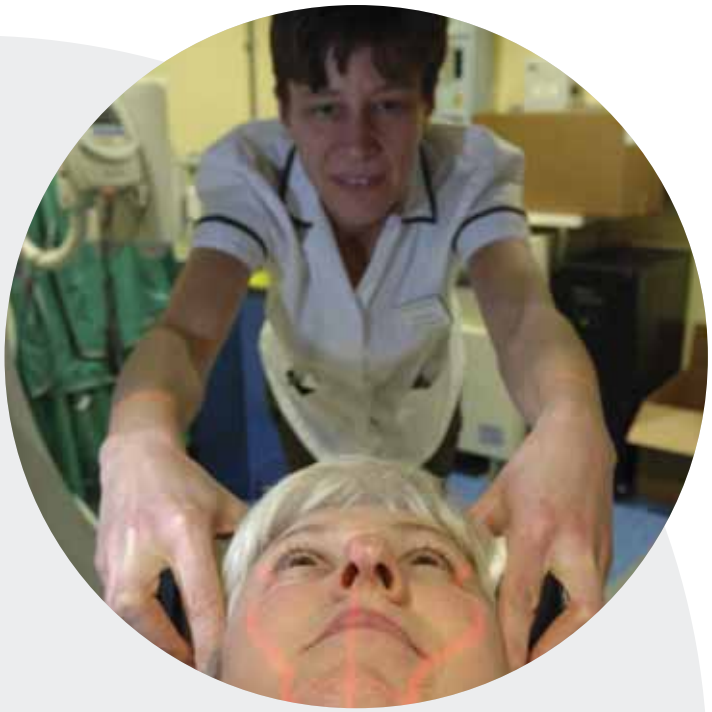
The best technology

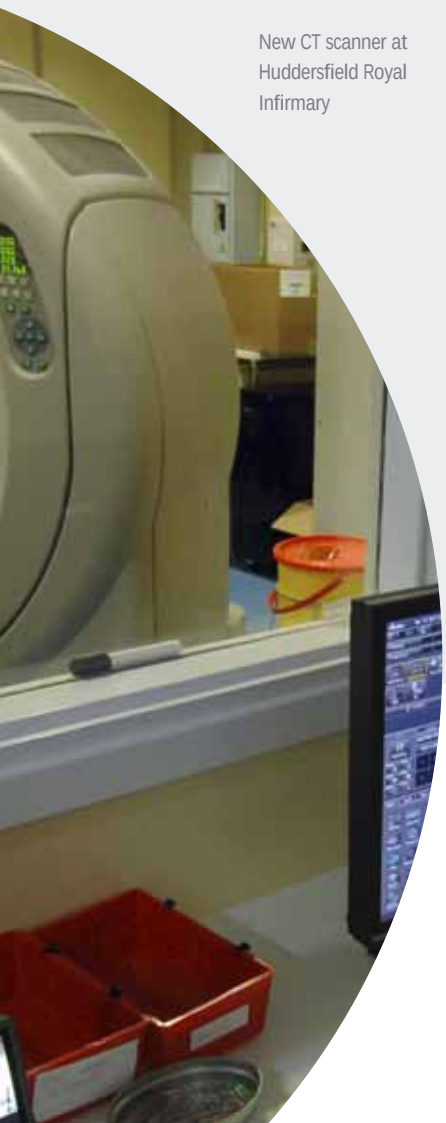
A new CT (Computerised Tomography) scanner that will reduce patient waiting times is now in use at Huddersfield Royal Infirmary. The state-of-the-art equipment is faster than the older, slower machine it replaced meaning more scans will be completed on a daily basis.

The scanner uses advanced technology to produce images in multiple planes which, when transferred to the sophisticated workstation, can produce 3D colour images of bones, organs and vessels.

These advanced features are enabling staff at Huddersfield Royal Infirmary to carry out a range of examinations - such as visualising blood vessels in the head, neck or body from all angles - in amazing detail for the very first time. The £500,000 investment for the benefit of local patients also included a new CT suite.

'The scanner uses advanced technology to produce images in multiple planes which, when transferred to the sophisticated workstation, can produce 3D colour images of bones, organs and vessels.'





New CT scanner at Huddersfield Royal Infirmary

Stroke success

Stroke patients from Calderdale and Huddersfield are getting the best care in West Yorkshire, according to new figures.

The Royal College of Physicians (RCP) has rated the acute unit and rehabilitation services at the Calderdale and Huddersfield NHS Foundation Trust as 79 out of 100.

This rating is the best in the region and puts our hospitals in the top 25 per cent of units in the country. The assessment covered the acute unit at Calderdale Royal Hospital and the rehabilitation services at St Luke's and at the Calderdale Royal Hospital.

The Trust scored strongest in key areas such as:

- Patient assessment
- Early intervention by therapy team
- Making good arrangements for patients to return home

The Trust also rated 75 out of 100 for the way it organises its care.

The RCP assessed stroke care at 224 Trusts in the country as part of its two-yearly audit cycle.

Consultant Dr Irfan Shakir, lead for stroke care, said: " We are very proud of what we have achieved. It is down to good investment, sound training and an excellent atmosphere amongst our teams."

The team has already attracted regional recognition for the way it is reducing death rates among stroke patients through a multi-disciplinary team approach.

Did you know?

The food at both our hospitals achieved an "excellent" rating in this year's Patient Environment Assessment Team scores

Bathroom refurbishment

Work continues to upgrade the bathroom facilities for our patients at Huddersfield Royal Infirmary.

We are spending more than £1 million painting, decorating and upgrading the showers, baths and toilets to improve the hospital environment to make our patients' stay as comfortable as possible.

To minimise disruption throughout it all the areas have been sealed off and outside scaffolding is being used.

The work is part of the ongoing efforts since the Patient Environment Assessment Team (PEAT) was established in 2000.

In the 2006 Patient Environment Assessment Team scores both sites achieved "good" ratings for the standards of environment provided for patients.

New bathrooms at Huddersfield Royal Infirmary

Infection control

The fight against infections is an ongoing challenge for all Trusts and our dedicated teams continue to work with staff to tackle the problem.

Around 90,000 patients a year are treated in our hospitals as in-patients (stay at least one night) and we are constantly monitoring for any potential infections so any necessary action is taken as quickly as possible.

This approach has led to our rates for clostridium difficile being the lowest in West Yorkshire scoring 1.37 per cent against a national average of 2.5 per cent. This has been achieved through rapid screening then treating patients in isolation to prevent further spread.

MRSA (Methicillin Resistant Staphylococcus Aureus) is commonly found on people's skin – some estimates are that 30 per cent of the population carry it harmlessly. However, it can become a problem if it enters a wound and causes infection.

Many patients who come into our hospitals are now screened when they arrive. Patients found to be carriers of the MRSA bug are moved into a side-room and treated to prevent further spread. The screening involves taking swabs.

The Trust is currently liaising with a healthcare group, VEGA, to produce new, state-of-the-art video training material for staff.

In 2004/5 there were 40 MRSA bacteraemia cases at the Trust and in 2005/6 this had reduced to 29. The final figures for 2006/7 were not validated at the time of going to print but the Trust, along with many other hospital trusts, has failed to meet this very challenging target for the year.

Investing in the future

In June 2003 the Trust bought an eight-acre site opposite Huddersfield Royal Infirmary, which is gradually being rejuvenated to provide a home for many non-clinical services, such as offices, so that it frees up valuable space on the main hospital site for clinical services.

Our personnel and development unit is already based there and last autumn work started on a new pharmacy manufacturing unit to replace the old unit in the hospital. The £8 million scheme will bring about a modern, state-of-the art facility to produce medicines for people across the country.

Work starts on the pharmacy manufacturing unit in Huddersfield

Valuing staff

Did you know?

Hayley Taylor, Health Care Assistant in the Children's Community Team was named the 2006/7 Eczema Society's Health Professional of the Year

Red carpet night

The Celebrating Success 2006 event, with a gala evening celebration, attracted a huge entry demonstrating a wide-range of innovation and ideas across the Trust - all designed to make our hospitals a better place for our patients and staff.

The overall winner was the breast care team, which developed a DVD of a fashion show to motivate and inspire patients diagnosed with breast cancer.

All the models on the fashion show catwalks were patients who spoke bravely and with humour about their personal health battles. The team won the £5,000 overall bursary to develop their project further.

Other winners included the distraction team, which trained up staff across the Trust in new techniques on how to make treatment more comfortable for children. This entry achieved national recognition when it went on to become a finalist at the prestigious Health and Social Care Awards in London earlier this year.

'All the models on the fashion show catwalks were patients who spoke bravely and with humour about their personal health battles.'

Mahen Jamookeeah's manual handling course won the Improving Quality and Effectiveness category in last year's Celebrating Success awards.

A delighted winner – Julie Bottomley of the breast care team

Employability

This year the Trust won an award for its groundbreaking work on helping people into employment.

Catherine Hirst, of Dalton, Huddersfield, collected it at a prestigious event at the Leeds United Elland Road football stadium, which showcased the best NHS employers in the Yorkshire and Humber region.

Catherine is now the receptionist and secretarial support at Trust Offices at Huddersfield Royal Infirmary. She had been out of work for two years after taking redundancy before starting with the Trust in a voluntary placement in the medicine and elderly division and then going on to secure her permanent, full-time role.

Staff survey

The staff survey results have placed the Trust in the top performing 20 per cent of acute (hospital) trusts for its low incidences of:

- Staff working more than their contracted hours
- Staff working more than their contracted hours due to pressures/demands of the job
- Staff suffering work related injuries
- Harassment, bullying or abuse by other members of staff

The Trust also performed well compared to other acute trusts in job satisfaction, team working, support from managers, quality of work-life balance and opportunities for flexible working. Staff said they feel supported by their work colleagues and also by their immediate manager on a personal basis.

The results published by the Healthcare Commission form part of the fourth national staff survey conducted across the NHS in England. The survey was done between October and December 2006 with questionnaires sent to a randomly selected sample of 816 Trust employees. Sixty seven per cent were returned completed – a score in the top 20 per cent of acute trusts.

There are areas where the Trust recognises it needs to improve, for example, work pressures and health and safety training. The concerns of staff will be addressed in the coming months.

Did you know?

We are an Investors in People organisation – this means we meet the national quality standards which set out a level of good practice for improving an organisation's performance through its staff

Training

The Trust has a strong learning culture and internal training continues to expand to meet demand.

As part of the Trust's continuing focus on excellence in customer/patient service, the training department has created two new training programmes – Delivering Excellent Service, which is for all Trust staff members, and Managing the Delivery of Excellent Service, for our managers and supervisors.

These courses help staff to think about the importance of excellence in customer/patient service and give them skills to help achieve that goal. Action planning following the training is strongly emphasised on both programmes to ensure the learning is turned into action to benefit patients.

Informing and consulting with staff

We aim to ensure that our staff are aware of what is happening in the Trust and are committed to ensuring their involvement in the development of services. We communicate with and involve staff in a variety of ways including team or individual meetings, monthly team briefs, an annual staff survey, a regular staff newsletter, messages and information on the Trust intranet, personal development reviews and through the annual business planning process.

Positive partnership arrangements have been established with staff side representatives and these have facilitated the successful implementation of pay modernisation within the Trust as well as changes to the way services have been delivered over the last 12 months.

Equality and diversity

The Trust is committed to equal opportunities in employment and an equality of opportunity policy is in place supported by equality schemes covering race and disability. A gender equality scheme will be approved in the first quarter of 2007.

An equality and diversity steering group has been established with a remit to review and promote equality and diversity issues within the Trust. The group will also monitor the impact on service provision and employment of equality and diversity initiatives.

The Trust has in place a policy framework to support disabled applicants into employment, to maintain people who become disabled in employment and to support personal and professional development.

Did you know?

The team behind our massive computer system won a top European award presented in Madrid for excellent performance

Occupational health

During 2006/2007 a health at work policy was introduced, designed to support and protect the health of our staff at work. A clinical psychologist has been appointed in support of our work to improve the mental well-being of staff and a steering group has been established to develop and take forward initiatives to deal with stress - highlighted as a concern for staff in the annual staff survey. The Trust's occupational health service continues to take a proactive approach to workplace health and promoted men's health during the course of the year in addition to facilitating the provision of support to staff following the introduction of a total smoke free ploicy in October 2006.

Winners of the five-a-side tournament staged by occupational health

Health and safety at work

It is a basic right that our staff should feel safe at work and so the message to the public is simple – we do not tolerate any form of violence or aggression against our staff.

In July 2006 the Trust launched its new Violence and Aggression policy, developed with police in both Calderdale and Kirklees. The process has been instrumental in fostering an improved relationship with the police and we are continuing our work to tackle violence and aggression against our staff.

In addition we are delivering an ongoing training programme on conflict resolution to help our staff to deal with potentially violent and aggressive situations as they arise.

- In March this year a man was jailed for three months for attacking a member of our accident and emergency staff. The judge told the man: "I propose to give such protection as I can to hospital staff so they can go about their work notwithstanding interference with their capability to do so by people such as you."

The Trust continues to encourage staff to report all accidents at work and each report is reviewed by senior staff so appropriate actions can be taken.

Training also continues across the Trust to bring all members of staff up to date with fire safety laws. Briefings by our fire officer are in accordance with the fire safety laws and cover issues such as basic fire prevention, actions to take on discovering a fire, responses to the fire alarms, procedures for evacuation and arson.

Working together

Education

Primary schoolchildren from Huddersfield and Halifax helped our paediatric team with a new poster aimed at putting youngsters and their families at ease.

Children were invited to draw little sketches of hospital life to decorate the border. The poster will now go up at all NHS centres in the region where children are treated.

We work closely with local schools and colleges and last year this included a special "question time" event. Business studies pupils at Rastrick High School asked if they could interview senior directors and the Trust arranged for a special panel to get together.

The school pupils also gave us valuable feedback about our new Membership Council application form and this was very useful as we are hoping to boost the membership among younger people in the coming years. The Trust also continues to provide dozens of work placements for pupils across the region.

We also work very closely with Huddersfield University and this includes staff secondments between both organisations as well as placements for student midwives, nurses and therapists. We are currently looking to develop a pharmacy course and carry out research with the university. The Trust also has strong links with Leeds, Bradford and York medical schools and takes students on placement from all three.

'The school pupils also gave us valuable feedback about our new Membership Council application form and this was very useful as we are hoping to boost the membership among younger people in the coming years.'


Doctor
Piecing together better healthcare
for children and young people
NEWSOME JUNIOR
SCHOOL

Our volunteers

Husband and wife team Philip and Hilary Broadbent are two of the army volunteers who are always there with a cheery smile to help patients and staff.

Hilary helps on the tea-bar on the lower ground floor and on reception in the Cedarwood ante-natal unit at Huddersfield Royal Infirmary and Philip is a "meeter and greeter" in the main reception and also drives the bus for the Children's Community Nursing Team.

Hilary started six years ago following retirement as an administrator and Philip followed two years later.

We have more than 400 volunteers of all ages involved in a wide range of activities and we are always very grateful for the work they do.

Their generosity and spirit is greatly appreciated and the support they continue to give to staff, patients and visitors is a big contribution towards the smooth running of hospital services.

Volunteer opportunities at our hospitals are open to anyone, as long as they are over the age of 16, fit and active, have a good sense of humour and are willing to give up at least one morning or afternoon a week.

Thanks to Friends

The League of Friends volunteers continue to play an important role in both our hospitals and the Trust would like to thank them heartily for this.

Throughout the past year they have raised tens of thousands of pounds by providing refreshments for visitors and patients and organising many varied fundraising events for equipment. They have also provided those 'little extras' on the wards that make such a difference to our patients and make their stay more comfortable. We are grateful for all their kind efforts, which are highly valued.

Did you know?

There are photo-voltaic panels on part of the roof at Huddersfield Royal Infirmary catching the rays and turning them into electricity

Dealing with emergencies

Hospitals are often at the centre of major incidents, whether it is a serious motorway accident, train crash or widespread outbreak of illness – so it is essential we are prepared.

We have stringent plans in place to deal with these, or indeed any incident, which could affect our hospitals, such as a power cut. To this end, the Trust has adopted the principles outlined in the new British Standard BS25999 for business continuity management. The process will help protect the Trust's critical services and minimise the risk of disruption from hazards and threats, whilst protecting all employees and visitors.

This year we have also developed a pandemic flu policy with our partners so that we are prepared in the event of an outbreak.

In December 2005 the Trust appointed an emergency planning officer, responsible for making sure that the Trust's major incident plans comply with best practice.

We work very closely with partner organisations, such as primary care trusts, the ambulance service, police and local authorities, to ensure we have an integrated response to civil emergencies. All our emergency planning systems are tested regularly to ensure they are robust.

Reducing our carbon footprint

Earlier this year our estates director Steven Bannister attended a conference at Cambridge University where the guest speaker was former US vice-president Al Gore. Our Trust was the only NHS organisation invited and this was recognition of our commitment to environmentally friendly operations. Mr Gore was promoting his film on global warming "An Inconvenient Truth."

Our Trust is at the forefront of the fight against climate change after being selected for a new national NHS energy-saving campaign.

We are one of 10 Trusts nationally working with the new NHS Carbon Trust Management programme looking at how hospitals can cut their annual carbon footprint.

The Department of Health wants the NHS as a whole to cut its emissions by 0.15 million tonnes by 2010 - so our Trust is starting early.

We have begun a series of workshops to ask staff for ideas and this has led to us exploring the potential of a variety of suggestions such as wind turbines, rainwater harvesting and increased use of the Trust's own shuttle bus service.

We will now continue to work with the Carbon Trust to finalise a new "green" strategy, which should pave the way forward to reduce the Trust's carbon footprint over the coming years.

Overall the Carbon Trust NHS Carbon Management programme aims to help the selected Trusts reduce their combined annual energy bills by more than £7 million a year.

Operating and Financial Review

Background

This NHS Foundation Trust delivers healthcare services from two main hospitals, Calderdale Royal Hospital and Huddersfield Royal Infirmary. We also delivered care from St Luke's Hospital and in a range of community settings.

We provide acute, or hospital-based, health services for more than 435,000 people in the areas served by Calderdale and Kirklees Councils. Last year (2006/07) just under 90,000 men, women and children were cared for as inpatients and almost 400,000 attended our outpatient clinics. Added to that, our accident and emergency departments at the two main hospitals cared for just under 135,000 people.

The Trust was formed in April 2001, following the merger of Calderdale Healthcare NHS Trust and Huddersfield Healthcare Services NHS Trust.

The merger improved the Trust's ability to provide modern, high quality healthcare to the communities of Calderdale and Huddersfield.

Further changes took place in April 2002 following the creation of four new local health organisations. Calderdale, Huddersfield Central and South Huddersfield Primary Care Trusts came into being along with South West Yorkshire Mental Health Trust.

In 2006 Huddersfield Central and South Huddersfield Primary Care Trusts merged with North Kirklees Primary Care Trust to create the new Kirklees Primary Care Trust.

In 2006 the Trust applied for Foundation Trust status and became an NHS Foundation Trust from August 1 2006 under the Health and Social Care (Community Health and Standards) Act 2003. As a Foundation Trust we remain part of the NHS family and are subject to the same NHS quality standards, performance ratings and systems of inspection. Foundation Trust status allows us to work much closer with local people and service users and helps us to respond to the needs of our local communities.

The focus of the Trust is on clinically-led services with consultants and clinicians taking the lead role in the management of the organisation.

The clinical services are split into four divisions - these are: Children and Women's Services; Medicine and Elderly; Surgery and Anaesthetics and Diagnostic and Therapeutic services. A fifth division contains the corporate directorates that support the overall running of the organisation.

The Trust's external auditors for the period covered by this annual report are the Audit Commission (Trust Practice).

The Trust has a nominated lead for countering fraud and corruption and participates in the National Fraud Initiative. A counter fraud plan is approved each year by the Audit Committee, which also receives regular updates of progress against that plan.

Corporate Social Responsibility

The Trust has a much wider social responsibility to the local community that goes beyond providing just healthcare. The Trust has tried to meet that responsibility through a range of initiatives during the course of the year.

We have an active employability scheme, which helps people back to work, and an Equality and Diversity steering group which oversees policies and practices within the Trust. The Trust has recently secured representation on both the Calderdale Forward and Kirklees Partnership Boards, which are Local Strategic Partnerships with the responsibility of ensuring the social, environmental and economic success of the Calderdale and Huddersfield areas.

We are one of 10 pilot sites included in the Carbon Trust's management programme for the NHS; a practical example of what we have done is the installation of photo-voltaic cells on the dining room roof to reduce carbon emissions.

'The focus of the Trust is on clinically-led services with consultants and clinicians taking the lead role in the management of the organisation.'

Stakeholder relations

We continue to work closely with our local primary care trusts to bring services closer to the communities we serve as part of the Integrated Service Strategy proposals and our shared vision for the future of health care in Calderdale and Huddersfield.

The patient choice agenda and the introduction of practice-based commissioning, where GPs have more influence over the commissioning of services, has meant that we, as a Foundation Trust, have to work in a more integrated way with primary care.

We have established outreach services in gynaecology, ophthalmology and cardiology and we will be looking to link with the consortia to introduce more community clinics during 2007/08 to include complex elderly care, rheumatology and respiratory medicine.

In partnership with our local primary care partners, we have been successful in a bid through the Community Hospital Development Fund to further enable the provision of community-based facilities.

We are exploring opportunities where strategic partnerships may provide mutual benefit. We are aiming to start to deliver plastic surgery procedures locally and to have a network for vascular services.

We have been working on the Decontamination Pathfinder Project alongside Leeds Teaching and Bradford Teaching Hospital Trusts to out-source sterile services to an independent provider to ensure a higher quality, compliant service, in line with national recommendations for decontamination provision. This service is due to commence in the summer of 2007.

In July 1998, under the Government's Private Finance Initiative, the Trust commissioned Catalyst Healthcare (Calderdale) Ltd to design, build, finance and maintain Calderdale Royal Hospital and to provide certain non-clinical facilities management services to the Trust. Since then patients have benefited from the modern, state of the art facilities that Calderdale Royal Hospital now provides.

Did you know?

The Special Care Baby Unit at Calderdale Royal Hospital has won national accreditation for excellent healthcare delivery for a record 10 years in a row

Patient Care

The Healthcare Commission provides an annual assessment on the quality of services and the use of resources of NHS organisations. In October the ratings for 2005/06 were published and we received "good" scores for both areas. We complied with the Healthcare Commission's 24 core standards and performed well against the key targets set by the Department of Health.

Our performance against national and local targets is reported monthly to the Board of Directors.

In 2006/07 we have met or exceeded all of the existing national targets with the exception of cancelled operations and those not re-admitted within 28 days and our self-assessment to the Healthcare Commission has showed that we fully comply with all 24 core standards. In addition to the existing targets there were a range of new national targets introduced in 2006/07. We have met or exceeded all of the new national targets with the exception of the target to reduce MRSA bacteraemia infection by 20 per cent year on year.

The continued achievement by the Trust in meeting the national performance targets has resulted in a significant reduction in patients wait times over the last few years. The most dramatic reduction this year has been in waiting times for audiology hearing aid tests and upgrades. The maximum waiting time for appointments was at 100 weeks. New patients now wait on average 11 weeks, which is well within the Government target time of 13 weeks.

In 2005/06 the Trust started consultation on a major proposed clinical service reconfiguration. This reconfiguration will allow the Trust to strengthen and protect key clinical services by developing in-patient centres of excellence and other care closer to the patient's home. Implementation of that service reconfiguration started in 2006/07 with the centralisation of in-patient gynaecology and breast services. In 2007/08 we will see the centralisation of elective surgery and orthopaedic services at Calderdale Royal Hospital and trauma and emergency surgery at Huddersfield. We will also centralise in-patient paediatrics and high risk obstetrics (including neo-natal intensive care) at Calderdale Royal although this phase will not commence until the next financial year.

Did you know?

Our hospitals scored an excellent rating from the Healthcare Commission for their admissions services putting us in the top 16 in the country

Financial standing and future outlook

In our first financial year as an NHS Foundation Trust we are pleased to be able to report a strong financial performance. We achieved a relatively small surplus, which was in line with the plan that we submitted to Monitor. This surplus will be re-invested back in patient care in 2007/08.

We had a healthy cash position and finished the year with a financial risk rating of 4. The risk rating is a measure used by Monitor (the independent regulator of NHS Foundation Trusts) to assess financial risk and more specifically to assess the likelihood of a financial breach of the terms of authorisation. The risk rating is on a scale of 1 to 5, with 5 being the strongest rating and 1 being the weakest. In the first year of operation of an NHS Foundation Trust the highest score achievable is a rating of 4. This rating means that there are no significant concerns of a financial breach and means that the level of monitoring required by the independent regulator is more limited.

The Trust annual accounts, which form part of this annual report, show a surplus for the eight months since 1st August 2006 as a Foundation Trust of £0.42m. The cash position at March 31 was £10.3m which exceeded our original plans. This strong financial performance is particularly encouraging given the significant efficiency target that the Trust had to meet.

The Trust received total income of £171m which, when combined with the income received in the first four months as an NHS Trust, is an increase of £6.3m on the previous year. The majority of this income was received from our two local Primary Care Trusts for the provision of healthcare services.

The Prudential Borrowing Limit, which caps the amount of external borrowing the Trust may take, was set at £64.8m in the terms of authorisation. From 1st August 2006 to 31st March 2007 our total capital investment was £6.8m. Capital expenditure was funded entirely through our own internally generated resources or through specific capital allocations made by the Department of Health. No external loan funding was therefore taken out.

Capital expenditure in 2006/07 included £2.7m investment in the new Pharmacy Manufacturing Unit being built on the Acre Mill site. Other schemes included the upgrade and refurbishment of bathroom and toilet areas across HRI, building work required for the installation of a new CT scanner and new accommodation for the Child and Adolescent Mental Health service.

Private patient income as a Foundation Trust accounted for 0.15% of our total patient related income. This is within the maximum level of 0.4% that we have been set as part of our terms of authorisation.

We paid £74.3m of bills to non-NHS suppliers, of which £67.8m (91.4%) were paid within the 30 days. The national target is to pay 95% of all non-NHS invoices within 30 days.

‘Capital expenditure in 2006/07 included £2.7m investment in the new Pharmacy Manufacturing Unit being built on the Acre Mill site.’

The move to Foundation Trust status has resulted in some relatively minor changes to accounting policies, the most significant of which is to count part completed spells of patient care as work in progress at the end of an accounting period.

The five-year financial plans submitted to Monitor as part of the assessment process for licensing indicated a period of strong financial health. In the first eight months of operation there have been no potential changes to the financial parameters used in those plans.

The national tariff for 2007/08, which determines the prices paid by Primary Care Trusts to Trusts for work carried out, has assumed a 2.5% efficiency saving. The key financial risks facing the Trust in 2007/08 are:

- Delivery of required efficiency savings;
- Response to commissioning intentions;
- Implementation of the service reconfiguration proposals

The Trust has a planned capital programme for 2007/08 of £13.1m (£5.1m on assets protected in the terms of authorisation of the Trust and £8.0m on non protected assets). Major schemes in 2007/08 will include completion of the Pharmacy Manufacturing Unit, further upgrades to bathroom and toilet areas and other infrastructure schemes.

Having considered the risks, the directors of the Trust reasonably expect that there are adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Our Membership and Membership Council

Comprising patients, carers, staff and other stakeholders, the Membership Council is what gives the public a voice in the future of Calderdale and Huddersfield NHS Foundation Trust. More than half of the Membership Council is elected from the Trust's membership, which means that members – numbering 7,933 on 31 March 2007 – have a say in the hospitals' future.

The Membership Council is a vital link for the Trust with its local community. As well as this the Membership Council also has a number of key responsibilities including the appointment of the Trust's Chairman and Non-Executive Directors.

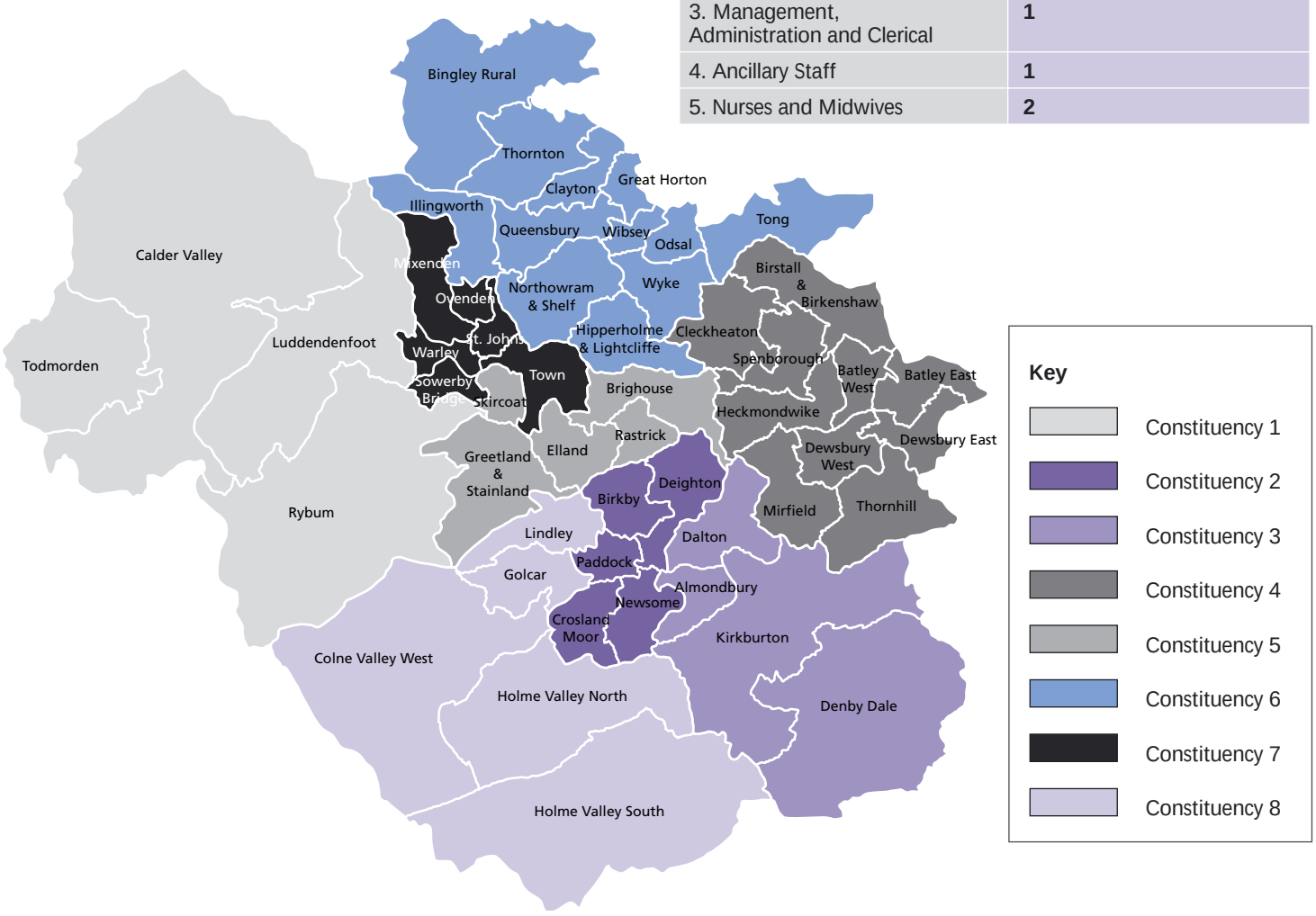
The Membership Council comprises three main groups:

1.Publicly elected council members
These 16 council members nominate themselves for an election (based on two per constituency) which goes to a constituency vote* based on local authority boundaries.

* The catchment area on the map (see below) shows the eight public constituencies.

2.Staff elected council members
These six council members are elected by self nomination and constituency voting by staff is divided into five classes:

	No of Elected Members
1. Doctors and Dentists	1
2. Allied Health Professionals/Health Care Scientists and Pharmacists	1
3. Management, Administration and Clerical	1
4. Ancillary Staff	1
5. Nurses and Midwives	2



3. Stakeholder council members
They are appointed by their stakeholder organisations. There are seven people representing these groups:

	No of Nominated Stakeholders
Primary Care Trusts (Two in total)	**2**
Local Authorities (Two in total)	**2**
Partnership Organisations	**3**

Council members resignations and elections

On authorisation in August 2006, the Trust's constitution was adopted using the method of Single Transferable Voting for all elections. Elections are carried out under an electoral agent (Electoral Reform Services). If a Membership Council member resigns, the person who polled the next highest number of votes in the original election will be offered the post for the remaining period of office. The next elections will take place in September 2007 for about half of the Membership Council posts. Nomination papers will be sent to all our members in August 2007.

Register of council members interests
The Register of Membership Council Members Interests is made known at the start of each Membership Council meeting. Anyone who wants to view the Register of Council Members should contact the Board Secretary on 01484 347186.

Membership
Who is eligible to join our Foundation Trust as a member?

Within catchment: Any resident above the age of 16.

Staff: Any member of staff who has a permanent contract or has worked at the Trust for 12 months or worked on a temporary contract or volunteered for more than 12 months.

Membership per constituency on 31 March 2007

Constituency	Membership Numbers	Number of Council Members	Current % of 16+ population as Members
1	346	2	0.97
2	1519	2	2.64
3	1077	2	2.11
4	279	2 (1 vacant)	0.21
5	697	2	1.61
6	330	2	0.25
7	642	2	1.31
8	2111	2	3.31
Total membership	**7933**	**16**	

The major actions from August 2006 to 31 March 2007 to increase and improve membership

Action	Outcome
Develop a specification Undertake a cost benefit review of membership database providers	An in-house database has been developed capable of analysing membership by constituency, age, gender, ethnicity and levels of engagement.
Update the current membership list (first developed in 2003) to ensure currency before transfer to new database	The database has been updated.
Establish 'gaps' in membership representation to target recruitment activity	Gaps in geographical age and ethnicity representation have been established.
Develop a Membership, Engagement, Recruitment and Retention Sub Committee from the Membership Council, including Terms of Reference and a Policy for Membership Engagement	Council Members developing a plan for recruitment to address gaps and aim for 1.6% of the population to be members in 2007/8.
Establish the role of the Staff Council Members in recruiting new members	Regular meetings held to develop plans for staff recruitment.
Retain existing members	All members contacted to welcome them to new Foundation Trust and given information on the Trust and the Membership Council
Establish a programme of "Medicine for Members" Events	First events on "Infection Control" held and over 300 members expressed an interest in attending.
Develop membership engagement in the implementation of the new service strategy	Council Members are linked to the Service Improvement Groups in Surgery, Children and Women's Services, Long Term Conditions and Older People and Diagnostic Services

If you are interested in becoming a Foundation Trust Member please contact 01484 347186 or use the application form at the back of this annual report – available also on our website: www.cht.nhs.uk. If you would like to request contact with a Council Member or a Director please either contact the number above or email: membership@cht.nhs.uk

Did you know?

We were given an excellent rating for our medicines management by the Healthcare Commission, which compared how hospitals dispense medicines, putting us in the top 18 in the country

The Membership Council for Calderdale and Huddersfield NHS Foundation Trust 1 August 2006 to 31 March 2007

The Board of Directors works closely with the Membership Council. One of the steps to ensure that it understands the views of the Council and the wider Membership is joint meetings. Members of the Membership Council and directors have also attended events organised for the wider membership, for example two open sessions on infection control.

Constituency	Name	Term of tenure (No of years from 1 august 2006)	Election due
Publicly Elected			
1	Mary Wilkinson	3 years	2009
1	Gaynor Schofield	1 years	2007
2	Garrick Graham	2 years	2008
2	Lesley Longbottom	1 years	2007
3	Ann Nicholas	3 years	2009
3	Jon McKay	1 years	2007
4	Rosemary Walters	3 years	2009
4	Vacant	2 years	2008
5	George Richardson	2 years	2008
5	Allan Templeton	1 years	2007
6	Peter Naylor	3 years	2009
6	Jim Hainsworth	2 years	2008
7	Dot Rayner	2 years	2008
7	Joyce Butterworth	1 years	2007
8	Jan Roberts	3 years	2009
8	Geoffrey Lloyd	1 years	2007
Staff elected			
9 - Drs/Dentists	Paul Knight	2 years	2008
10 - AHPs HCS/Pharm's	Lisa Green	1 years	2007
11- Mgmt Admin/Clerical	Sue Scholefield	3 years	2009
12 - Ancilliary	June Richardson	3 years	2009
13 - Nurses/Midwives	Carole Hallam	3 years	2009
13 - Nurses/Midwives	Chris Burton	2 years	2008
Nominated stakeholder			
University of Huddersfield	Sue Bernhauser	3 years	2009
Calderdale Metropolitan Council	Phil Shire	3 years	2009
Kirklees Metropolitan Council	Tony Hood	3 years	2009
Kirklees PCT	Helena Corder (Mark Day resigned 21.12.06)	3 years	2009
Calderdale PCT	Angela Monaghan	3 years	2009
South West Yorks Mental Health Trust	Ruth Unwin	3 years	2009
NHS Yorks & Humber	TBC	3 years	2009

Did you know?

Around 10,000 people had day surgery at one of our two hospitals last year – treated and back home in the same day

Membership Council public meetings 1 August 2006 to 31 March 2007

Name	Attendance
Gaynor Schofield	2 / 3
Mary Wilkinson	1 / 2
Garrick Graham	2 / 3
Lesley Longbottom	2 / 2
Jon McKay	2 / 3
Ann Nicholas	2 / 3
Rosemary Walters	2 / 2
George Richardson	3 / 3
Allan Templeton	3 / 3
Peter Naylor	3 / 3
James Hainsworth	3 / 3
Dot Rayner	1 / 2
Joyce Butterworth	2 / 3
Jan Roberts	3 / 3
Geoffrey Lloyd	2 / 3
Paul Knight	2 / 2
Carole Hallam	3 / 3
Chris Burton	2 / 3
Sue Scholefield	3 / 3
Lisa Green	2 / 3
June Richardson	2 / 2
Sue Bernhauser	2 / 3
Tony Hood	2 / 3
Phil Shire	2/ 3
Mark Day (resigned 12.12.06)	1 / 2
Helena Corder	1 / 1
Angela Monaghan (nominated 13.11.06)	1 / 1

Name	Attendance
Ruth Unwin	2 / 3
Y&H SHA Rep	0 / 3
Gordon McLean	3 / 3
Diane Whittingham	3 / 3
Bob Macdonald	1 / 3
Helen Thomson	3 / 3
Jan Freer	2 / 3
Julie Hull	3 / 3
Mark Brearley	3 / 3
Lesley Hill	2 / 3
Graham Caddock	1 / 1
Carol Clark	1 / 1
Alison Fisher	1 / 1
Bill Jones	1 / 1
Mohammad Naeem	1 / 1

Membership Council sub committees

The Membership Council has also contributed through attendance at five sub committee meetings during the period 1 August 2006 to 31 March 2007 as follows:-

Remuneration of Non Executive Directors

Name	Attendance
Peter Naylor	3 / 3
Garrick Graham	2 / 3
Jan Roberts	1 / 3
Chris Burton	2 / 3
Lesley Longbottom	3 / 3
Allan Templeton	2 / 3
Mary Wilkinson	3 / 3

Membership training and development

Name	Attendance
Sue Bernhauser	0 / 2
June Richardson	2 / 2
Lesley Longbottom	2 / 2
Chris Burton	1 / 2

Membership engagement, recruitment and retention

Name	Attendance
Gaynor Scholefield	0 / 1
Rosemary Walters	1 / 1
Geoffrey Lloyd	1 / 1
Allan Templeton	0 / 1
George Richardson	1 / 1
Carole Hallam	1 / 1
Jan Roberts	0 / 1
Jim Hainsworth	0 / 1

Corporate Social Responsibility

Name	Attendance
Paul Knight	1 / 1
Dot Rayner	1 / 1
George Richardson	1 / 1
Mary Wilkinson	0 / 1

Appointment of external auditors

Name	Attendance
Peter Naylor	1 / 1
Gaynor Scholefield	0 / 1
Rosemary Walters	1 / 1

Our Membership Council at March 2007

- Public – elected
- Staff – elected
- Nominated – stakeholder

NB There are currently two vacancies – one public – elected and one nominated – stakeholder

Garrick Graham is a former consultant general surgeon in Huddersfield and a former chairman of the Huddersfield NHS Trust. Married with three grown-up children he is a member of the British Medical Association, and a fellow of the Royal College of Surgeons in England and the Royal Australasian College of Surgeons.

Jim Hainsworth has worked in engineering, publicity and marketing and been a technical writer in the nuclear industry. He also worked as a health and safety consultant and as a school mentor. Now retired, he serves on the Council for People's Advocacy in Halifax.

Geoffrey Lloyd is married with children and living in Kirklees. He is a retired medical practitioner and continues to work in a variety of work related to his professional background as an accident and emergency consultant.

Lesley Longbottom worked for the Metropolitan Police in personal training and staff development. Trustee of Victim Support and a member of the Royal British Legion and Royal Air Force Association among others. She is married with two daughters and a grandson.

Jon McKay is an accountant for Bradford Community Housing Trust. He lives in Kirklees and is married with two children and two step-children. He is former chairman of a playgroup in Shepley.

Peter Naylor is married with two sons and lives in Calderdale. He is a director of his own company, which arranges mortgages and insurance.

Ann Nicholas was a GP in Lepton for 35 years and retired in 1990. She since continued to sit on medical tribunals until 2003. She is a Fellow of the Royal College of GPs. She is a member of the Townswomen's Guild and Lepton Community Link and also a member and past president of the Huddersfield Medical Society.

Dot Rayner is a retired manager for employment services for people with disabilities. Married with two grown-up children she is a member of the Arthritis Care and Fuchs Friends (UK) – for people with a specific eye condition.

George Richardson is chair of governors at Calderdale College and also a governor at Brighouse High School and Woodhouse Primary School. He has two married daughters and four grandchildren. Now retired he lives in Calderdale and formerly worked at Park Valley Mills as a dyer.

Allan Templeton is a past chairman of Calderdale Health Authority, Calderdale NHS Trust and Calderdale and Kirklees Health Authority. He has four children and nine grandchildren and is a director of Age Concern Calderdale, a trustee with the Halifax League of Friends and past chairman of the Council for Voluntary Service. He is retired chief executive of Pennine Insurance Co, Halifax Insurance Co and West Yorkshire Insurance Co.

Rosemary Walters is married with one son and lives in Kirklees. She completed nursing training in Keighley Victoria Hospital and Airedale and also attained a district nursing certificate in Bradford along with midwifery training. She has also worked for Bradford Social Services. She is presently Director of Bronti Training Centre in Birstall, Kirklees.

Mary Wilkinson is a trustee and director of Overgate Hospice with the role of chairman. She is married with two sons and a granddaughter. Her background is in medical research and is a former partner in a catering company and technical exhibition company.

Gaynor Scholefield is the public health manager at Calderdale Primary Care Trust and a former environmental health officer at Calderdale Council where she was also health strategy coordinator. She lives in Wainstalls, Calderdale and has three teenage daughters.

Jan Roberts was a headteacher at Gomeral First School for 13 years and at schools in Skelmanthorpe and Dewsbury. She is married with two children and four step-children and after taking early retirement now works on a supply basis. She is a committee member for the Meltham Hospice, a governor at Helme School, Meltham and sits on the Kirklees Governors' Panel.

Joyce Butterworth lives in Halifax. Now retired, she was a former civil servant working for the Head Post Office in Halifax and is currently acting treasurer for their veterans' organisation. She was a member of St John's Ambulance for many years and during the war this involved working at the Royal Halifax Infirmary.

Lisa Green is a senior gastro-dietician based at The Calderdale Royal Hospital. Her work includes covering the gastro wards, surgical ward and a gastro specialist clinic. She is married and lives in Kirkburton, Huddersfield. She has worked for the Trust as a dietitian for seven years. Her hobbies include: snowboarding and mountain biking!

Paul Knight is a consultant anaesthetist and lives in Calderdale. He is married with one child.

Sue Scholefield is travel coordinator at the Trust where she has worked for 23 years in a variety of roles including nursing auxiliary, ward clerk, administrator and PA. Married with four children and four grandchildren she is a director of the Calderdale Sustainability Forum – a board which looks at "green" issues such as waste and transport. She is involved in local cricket.

Tony Hood is director for adults and communities at Kirklees Council responsible for adult social care, housing, community relations and community safety. He is a governor at Norton Thorpe Special School in Huddersfield and is married with two children.

Helena Corder is married and lives in Todmorden. She works for Kirklees Primary Care Trust.

Phil Shire lives in Calderdale and is married with three grown-up children. As head of adult services at Calderdale Council he is responsible for social services for older people including physically disabled adults and adults with mental health issues and learning disabilities.

Carole Hallam is the lead nurse in infection control and assistant director of infection prevention at the Trust. She is married with four daughters and lives in Kirkburton, Huddersfield. She has worked for the Trust for seven years.

June Richardson is a catering assistant at Huddersfield Royal Infirmary. She has one grown-up son and was a cub leader in Newsome for eight years. She now works in the charity shop and is a church warden and a member of the pastoral care team.

Chris Burton is Ward manager/charge nurse on 5 ab at Calderdale Royal Hospital which is an acute medical and elderly ward for 31 patients. He is married with two children and a school governor at St Joseph's RC School in Halifax

Ruth Unwin is married with four children and is an executive director of South West Yorkshire Mental Health NHS Trust, which operates in Calderdale and Kirklees

Angela Monaghan has been a non-executive director of Calderdale Primary Care Trust since 2002 and is currently vice-chair. She lives in Brighouse and is chief executive of the Bradford-based literacy charity Reading Matters, which aims to raise reading skills and confidence amongst 11-16 year olds.

Sue Bernhauser is Dean of Human and Health Sciences at the University of Huddersfield. The University educates nurses and health professionals who are employed within the Trust. She is married with two children and living in Kirklees.

Our board of directors

The overall responsibility for delivering the activities of the Trust rests with the Board of Directors, who are accountable for operational performance as well as the definition and implementation of strategy and policy.

Our Non Executive Directors were appointed because of their experience and strong links with the community. Our Executive Directors were appointed through open competition in accordance with the Trust's recruitment and selection policies and procedures.

Board Of Directors

The Board of Directors for 1 August 2006 to 31 March 2007 was as follows:

Board Member	Position	Tenure Ends
Gordon McLean	Chairman	30/11/08
Mohammad Naeem	Non-Executive Director	30/11/07
Bill Jones	Non-Executive Director	30/11/08
Carol Clark	Non-Executive Director	30/11/08
Graham Caddock	Non-Executive Director	30/9/08
Alison Fisher	Non-Executive Director	30/11/09
		Appointed In
Diane Whittingham	Chief Executive	1/4/97
Helen Thomson	Director of Nursing	1/4/93
Mark Brearley	Director of Finance	1/10/05
Bob Macdonald	Medical Director	30/10/01
Lesley Hill	Director of Service	
	Development	2/5/06
Julie Hull	Director of Personnel and	
	Development	01/9/95

Notice periods for the Chief Executive and Executive Directors are 12 months and six months respectively and there are no arrangements for termination payments or compensation for early termination of contact.

Non-executive Termination Of Tenure
The Calderdale and Huddersfield NHS Foundation Trust Constitution (August 2006) states:

- (section 13.3.1.3) 'for the Membership Council at a general meeting to appoint or remove the Chairman and the other Non-Executive Directors ...'
- (section 13.7.12) The resolution to remove the individual has the 'approval of three quarters of the full Membership Council, following a recommendation by the Board of Directors ...'

Register Of Directors' Interest
Any member of the public wishing to view the Register of Directors' Interests should contact the Board Secretary on 01484 347186.

Did you know?

Our rheumatology department is one of only 16 centres of excellence in the country

Board of Directors

1 August 2006 – 31 March 2007

Name	Attendance
G McLean	7 / 7
B Jones	6 / 7
M Naeem	6 / 7
G Caddock	5 / 7
C Clark	7 / 7
A Fisher	5 / 7
D Whittingham	6 / 7
R C Macdonald	6 / 7
H Thomson	5 / 7
M Brearley	7 / 7
L Hill	4 / 7
J R Hull	6 / 7

Executive Directors
Diane Whittingham, Chief Executive
Diane holds an MA in Health Service Management from Manchester University and the Diploma of the Institute of Health Service Managers. She is a member of the Institute of Health Service Management and was also a Research Fellow in Action Learning at the University of Salford until 2005

Diane was previously Chief Executive of Huddersfield NHS Trust and was appointed to lead the merged Calderdale and Huddersfield Trust in April 2001. In 2003, for a period of 12 months, she also acted as interim Chief Executive to the West Yorkshire Ambulance Trust. She has over 30 years experience of health service management and has previously worked in the West Midlands, Manchester and Lancashire.

Diane has a specialist interest in Organisational and Personal Development and has an active role in HR Policy issues and is a member of a number of national groups.

Diane is married with two daughters and enjoys reading and keeping-fit. Her passions are travelling and ocean yacht racing.

Helen Thomson, Director of Nursing
Helen holds an MA in Leading Innovation and Change from York University and a BA (hons) in Management from Leeds University. She is also a Registered Nurse and Midwife and holds the Advanced Diploma in Midwifery and the Midwife Teachers Diploma.

Helen has been a nurse and midwife in the NHS since 1976 and moved to Huddersfield as Head of Midwifery in 1989, from a teaching post at a Leeds hospital. She became the Director of Nursing and Midwifery and Deputy General Manager at Huddersfield Royal Infirmary from 1991. Then in April 1993, when Huddersfield Royal Infirmary became a Trust, she took the post of Director of Operational Management, before moving on to become Nurse Director in April 2005. Following the merger of Huddersfield NHS Trust with Calderdale NHS Trust, in April 2001, Helen was appointed as Executive Director of Nursing for the newly formed Calderdale and Huddersfield NHS Trust.

Much of Helen's leisure time is spent with her husband and two children.

Mark Brearley, Director of Finance
Mark is an Associate Member of the Chartered Institute of Management Accountants and a Member of the Institute of Healthcare Management. He also has a Post-Graduate Diploma in Business Administration from Warwick Business School (Warwick University).

Mark joined the NHS in 1981, after undertaking his basic training with a FTSE 250 manufacturing company. He has been an NHS Board Director since 1989 and held the post of Director of Finance at Leicester General Hospital NHS Trust from 1992 to 1997. From 1997 to 2005 he held the post of Director of Finance with Royal Hull Hospitals NHS Trust and the merged Hull and East Yorkshire Hospitals NHS Trust. He has also held the portfolio of Deputy Chief Executive.

He has been a member of the Audit Committee of the University of Lincoln (seven years) and a primary school Governor (four years). He is the Chair of the NHS Yorkshire & Humber Financial Skills Development Committee and is a member of the National Finance Skills Development Board.

Mark enjoys music and sport.
He is married with three children.

Lesley Hill, Director of Service Development

Lesley has 17 years experience as both a Healthcare practitioner and manager. She entered health service management following a period as a Community Pharmacist and having completed an MBA at Cranfield School of Management. She then worked as a Business Manager and General Manager in acute trusts and then moved to Bradford Health Authority to help them sort out their waiting list and patient access problems. She then moved on to become the Director of Commissioning and Deputy CEO for North Bradford Primary Care Trust. From May 2006 Lesley joined Calderdale and Huddersfield NHS Trust as Director of Service Development.

Bob Macdonald, Medical Director

Bob obtained a BSc (Med Sci) in 1969, an MB ChB (Hons) in 1972 and an FRCS in 1976, all from the University of Edinburgh. He also obtained a ChM from Edinburgh in 1990. His surgical training was in Bristol, Leicester, Edinburgh, Glasgow and Leeds.

Bob was appointed to the post of Consultant General Surgeon at Huddersfield Royal Infirmary in May 1985, previously lecturing in surgery at the University Department of Surgery, Leeds General Infirmary. He was appointed as Medical Director to Calderdale and Huddersfield NHS Trust in April 2001, prior to which he held the post of Clinical Director – Surgical and Anaesthetic Services, and Director of Day Surgery Unit.

Bob's clinical interest is in day surgery for adults and children, having been an upper gastrointestinal surgeon with an interest in oesophagogastric cancer.

Bob is married with three children and enjoys fishing, walking and country pursuits. He enjoys Italy and everything Italian.

Julie Hull, Director of Personnel and Development

Julie is a Chartered Fellow of the Institute of Personnel and Development and holds a law degree. Julie was the Director of Personnel for Calderdale NHS Trust, a position she had held since September 1995, and was then appointed to the merged Calderdale and Huddersfield Trust in May 2001.

Julie has broad NHS experience, having worked in Primary, Secondary and Mental Health care organisations. Her principal interest is ensuring that the employment arrangements in the Trust support the delivery of high quality healthcare and provide the best employment context for the workforce.

Julie is a member of the NHS Staff Council and is committed to developing sustainable good corporate citizenship strategies, which will benefit the Trust, the local population and the wider health and social care community.

Julie enjoys spending time with her family, reading and music.

Non Executive Directors

Gordon McLean, Chairman

Gordon held a B. Commerce (Economics and Marketing) from the University of Melbourne, Diploma of Agriculture (Hons) and was a trained and qualified teacher. Further training included Advanced Management Development (Switzerland), Financial Analysis, Policy Studies, Advanced Negotiating Skills and the Management Grid in the private sector. He also completed a range of NHS training programmes.

Gordon was chairman of the Calderdale Victim Support Scheme (seven years) and first chairman of the Calderdale Racial Harassment Multi-Agency Panel (four years). He was a governor of Calderdale College and a member of the Calderdale Forward Forum.

He completed his full-time working career as the Divisional Manager of Shell Chemicals agricultural chemicals business in Australia. Gordon worked extended periods in the UK and the USA. He also did ad hoc consultancy in a number of countries.

After completing the initial screening programme Gordon joined the NHS in 1997 as a non-executive director of the former Calderdale NHS Trust (acute, community and mental health services). He was appointed in February 2001 as the first chairman of the newly merged Calderdale and Huddersfield NHS Trust (acute, community and mental health services – community and mental health services were subsequently devolved). He maintained a strong focus on staff as the key resource. He also supported the requirement for the Trust to be a good neighbour and corporate citizen.

Carol Clark

Carol has a BA Hons degree in French and a Post-graduate Certificate in Education. She has lived in Almondbury, Huddersfield, since 1981 and was a parent governor at the local comprehensive school and Chairman of Governors at one of the infant schools.

In 1989 she became a member of Huddersfield Community Health Council and acted as Convenor of the Women and Children's Services Special Interest Group. She was Deputy Chairman for two years and Chairman from 1996-98.

Carol was appointed as a Non Executive Director of Huddersfield NHS Trust in 1998, and when it merged with Calderdale Trust in 2001 she became a member of the new board. During the past five years she has taken a special interest in public involvement in health service provision and has been the non-executive representative on the Clinical Governance Committee. She has also participated in and, on occasion, chaired numerous panels for consultant appointments.

In her spare time Carol particularly enjoys walking and gardening, and she is a keen reader of crime fiction as well as an armchair supporter of rugby league and soccer. Her other main interest is her two young grandchildren who keep her fairly busy.

Graham Caddock

Graham was appointed Non Executive Director in October 2004. Graham qualified within the tax department of PricewaterhouseCoopers. Graham subsequently undertook an MBA (full-time) at Leeds University Business School (where he is currently a part-time Visiting Teaching Fellow) and also runs his own tax consulting business.

Alison Fisher

Alison was appointed as a Non Executive Director in December 2005. She is employed, part-time, by the West Yorkshire Probation Board as team manager in the Diversity and Development Unit. She has worked for the Probation Service for 25 years and holds a Certificate of Qualification in Social Work, a Post Qualifying Award in Social Work and a Practice Teaching Award. She is also an assessor and internal verifier for National Vocational Qualifications in Community Justice. She has an honours degree in Theology and Religious Studies from the University of Leeds and a CMI Executive Diploma in Management (Level 5) from Park Lane College, Leeds.

Alison was a representative parent on the General Teaching Council (England) for its first five years of operation (2000-5) and is currently a lay member for their conduct and competency hearings. She was a representative parent on the Education Scrutiny Panel of Kirklees Council for four years (2000-4) and continues to be a governor at a local Primary School.

Alison lives in Huddersfield and has two daughters. She spends a lot of time supporting their various activities and interests. Her partner manages a Local Authority Adoption Team. Alison sings with a women's singing group – unityvoices.

Mohammad Naeem

Mohammad Naeem was appointed as Non Executive Director in May 2001. Naeem is also Chief Executive of the Rochdale Centre of Diversity and has lived in Calderdale for more than 30 years. Naeem is a former councillor on Calderdale Council. He is a qualified engineer, but due to a decline in this industry pursued a successful career in race and community relations.

Naeem has worked in Huddersfield, Calderdale and Bradford for almost 15 years in community related issues, before taking up the post with the Rochdale Centre of Diversity in 1985. He is Chairman of Rochdale Borough Pride Partnership, (The Local Strategic Partnership, (LSP) and serves as a Board member of The Oldham and Rochdale Housing Market Renewal Path Finder. He works with wide ranging partnerships in the Northwest region in meeting the needs of local communities in health,housing, education, employment and social care. Naeem contributes, whenever possible, to community related issues in Calderdale.

He has served as a school governor in three local schools in Calderdale and has a particular interest in personnel issues.

Naeem enjoys computing and finds working with people of all backgrounds and levels extremely satisfying. He is very much people- orientated and loves to spend as much time with his family as possible.

Bill Jones

Bill holds a BSc (Hons) in Sociology linked to Politics and is an associate of the Chartered Institute of Bankers. During his career in banking he has had responsibility for the audit function of a large commercial bank in the North of England and retired as an area director of that bank.

Bill has been involved with the NHS since 1992 firstly as a Non Executive Director with the Prescription Pricing Authority serving in the role of audit chair until 1998, and then in 2002 he joined the board of the Calderdale and Huddersfield NHS Trust and has served as audit chair to date again in a non executive role.

In 2005 he was invited to join the board of the Foundation Trust Financing Committee with the Department of Health in London as a non executive contributor and has since then assumed the role of a permanent member. Bill enjoys golf, watching soccer and breeds and shows dogs.

Audit Committee

1 August 2006 to 31 March 2007

The primary role of the Audit Committee is to judge and report upon the adequacy and effective operation of the overall control systems of the organisation. The committee will focus on the framework of risks, controls and related assurances that underpin the delivery of the organisation's objectives.

Name	Attendance
Bill Jones (Chair)	4 / 4
Graham Caddock	3 / 4
Mohammad Naeem	3 / 4
* Carol Clark	2 / 4
* Alison Fisher	2 / 4

* Co-opted members

During the course of the year, the Trust has revised its Governance Arrangements to simplify them and to ensure alignment with the Code of Governance for Foundation Trusts published by Monitor.

Nominations Committee

Did you know?

The food at both our hospitals achieved an "excellent" rating in this year's Patient Environment Assessment Team scores.

Executive Directors

The Board of Directors is 'ultimately and collectively responsible for all aspects of the performance of the Foundation Trust' (Code of Governance) and resolved at its meeting on 22 February 2007 that the Nominations Committee for Executive Director appointments would consist of the complete Board of Directors. All appointments agreed by the Nominations Committee will be made using the recruitment processes well established in the Trust for appointment to senior positions. A Non-Executive Director and a Member of the Membership Council will participate in the appointments process for Executive Director positions.

Non-Executive Directors

The Nominations Committee for Non-Executive Directors is currently being constituted. Membership and Terms of Reference have been discussed within the full Membership Council of the Foundation Trust Membership Council and Members have been asked to declare their interest in becoming a Non-Executive Director of the Foundation Trust prior to being selected to sit as a member of the Nominations Committee.

External Audit advice has been received regarding this matter. The Foundation Trust will also have regard to the provisions of the NHS Foundation Trust Code of Governance published by Monitor when establishing the Nominations Committee.

'All appointments agreed by the Nominations Committee will be made using the recruitment processes well established in the Trust for appointment to senior positions.'

Remuneration report

This report will deal with those who influence the decisions of the NHS Foundation Trust as a whole rather than the decisions of individual directorates or sections within the NHS Foundation Trust. Such persons will include advisory and non-executive board members.

The key components of the Trust's remuneration policy include:-

- Assessment of overall pay, market position and competitiveness
- Salary determination based upon individual job size
- Fixed salaries with no automatic incremental progression
- The basis for decisions of salary determination
- The determination of an overall pay and reward package.

The Trust's Remuneration Committees are required to ensure that remuneration arrangements for the Board of Directors are defensible, transparent, fair and competitive, in line with best practice and deliver appropriate levels of reward and support the recruitment and retention of the Board of Directors.

The Remuneration Committees review appropriate levels of pay for the Board of Directors. In line with best employment practice, where performance should be assessed by the line managers, the Chief Executive conducts the performance assessments for the Directors. The Chairman assesses the performance of the Chief Executive and Non-Executive Directors. Assessments are conducted using established Trust appraisal and personal development planning processes. The Chairman is appraised externally and the whole Board participates in 360º appraisal.

Remuneration of Non-Executive Directors - Sub Committee

Since authorisation on 1 August 2006 the above Committee now sets the remuneration for the Chairman and Non-Executives.

Membership of the Committee:
Six members from the Public/Stakeholder Constituencies (from whom the Chair of the Committee is appointed)
One member from the Staff Elected Constituency

Chief Executive – in attendance
Director of Personnel and Development – in attendance
Trust Secretary – in attendance

On advice from the Remuneration Sub Committee of the Membership Council, the full Membership Council agreed at its meeting on 6 March 2007 to the following salaries for Non-Executive posts to be effective from 1 August 2006:

- Chairman £45,000 p.a.
- NED/Chair of the Audit Committee £15,000 p.a.
- Non-Executive Directors (NEDs) £12,000 p.a.

Terms and Conditions were agreed at the same meeting of the Membership Council. The Remuneration of NEDs Sub Committee based its decisions on the paper from the FTN Network on NED salaries and terms and conditions. Advice was also sought from individual Foundation Trusts and External Audit.

Executive Directors Remuneration Committee

The above committee sets the remuneration for the Chief Executive and Executive Directors.

The role of the committee is as follows:-

- The determination of overall pay arrangements including cost of living awards for the Chief Executive and Executive Directors
- The determination of terms and conditions of service for the Chief Executive and Executive Directors
- The determination of contractual arrangements and termination payments for the Chief Executive and Executive Directors.

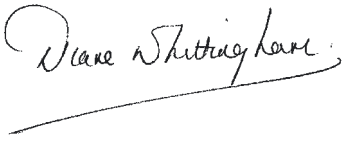
Membership of the Committee:

- The Chairman of the Board of Directors
- Four Non-Executive Directors (Chair of Audit Committee excluded)
- Chief Executive – in attendance
- Director of Personnel & Development – in attendance
- Trust Secretary – in attendance

The Remuneration Committee based its decision on Department of Health guidance and benchmarking data produced by IDS (Incomes Data Services Ltd).

The details of salary and entitlements for Directors are included in the Annual Accounts and this section forms an integral part of the Remuneration Report.

The Contracts issued to the Chief Executive and Executive Directors are based on Standard NHS Contracts and Practice. No significant awards have been made to past senior managers.



Calderdale and Huddersfield NHS Foundation Trust

Accounts for the eight month period ended 31st March 2007

Accounts

Health and Social Care (Community Health and Standards) Act 2003

Directions by Monitor in respect of National Health Service foundation trusts' annual accounts

Monitor, the Independent Regulator of NHS Foundation Trusts, with the approval of HM Treasury, in exercise of powers conferred on it by paragraph 25(1) of Schedule 1 of the Health and Social Care (Community Health and Standards) Act 2003, hereby gives the following Directions:

1. Application and interpretation

(1) These Directions apply to NHS Foundation Trusts in England.

(2) In these Directions "The Accounts" means:

for an NHS Foundation Trust in its first operating period since authorisation, the accounts of an NHS Foundation Trust for the period from authorisation until 31st March; or

for an NHS Foundation Trust in its second or subsequent operating period following authorisation, the accounts of an NHS Foundation Trust for the period from 1st April until 31st March.

The NHS Foundation Trust means the NHS Foundation Trust in question.

2. Form of accounts

(1) The Annual Accounts submitted under paragraph 25 of Schedule 1 of the 2003 Act shall show, and give a true and fair view of, the NHS Foundation Trust's gains and losses, cash flows and financial state at the end of the financial period.

(2) The Annual Accounts shall meet the accounting requirements of the NHS Foundation Trust Financial Reporting Manual, (FT FReM) as agreed with HM Treasury, in force for the relevant financial year.

(3) The Balance Sheet shall be signed and dated by the chief executive of the NHS Foundation Trust.

(4) The Statement on Internal Control shall be signed and dated by the chief executive of the NHS Foundation Trust.

3. Statement of accounting officer's responsibilities

(1) The statement of accounting officer's responsibilities in respect of the accounts shall be signed and dated by the chief executive of the NHS Foundation Trust.

4. Approval on behalf of HM Treasury

(1) These directions have been approved on behalf of HM Treasury.

Signed by the authority of Monitor, the Independent Regulator of NHS Foundation Trusts

Signed:

Name: Dr. William Moyes (Chairman)
Dated: 22 December 2006

Statement of the Chief Executive's responsibilities as the accounting officer of Calderdale and Huddersfield NHS Foundation Trust

The Health and Social Care (Community Health and Standards) Act 2003 ("2003 Act") states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the 2003 Act, Monitor has directed the Calderdale & Huddersfield NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of affairs of Calderdale & Huddersfield NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

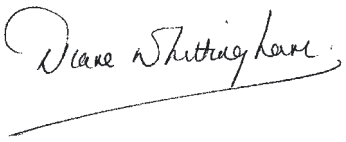
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, and disclose and explain any material departments in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Signed



Chief Executive

Date: 6 June 2007

Statement of directors' responsibility in respect of internal control

1. Scope of responsibility
As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

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 policies, aims and objectives of Calderdale & Huddersfield NHS Foundation Trust, to 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 Calderdale & Huddersfield NHS Foundation Trust for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk
As Chief Executive I recognise that committed leadership in the area of risk management is essential to maintaining the sound systems of internal control required to manage the risks associated with the achievement of organisational objectives and compliance with our Terms of Authorisation as a Foundation Trust.

As Accounting officer, I have responsibility for risk management within the Trust. I have delegated responsibility for key categories of risk:
- Financial risk – Executive Director of Finance
- Clinical risk – Executive Director of Nursing/Medical Director
- Organisational risk – Executive Director of Nursing

Non Executive Directors play an active role in the Trust's Risk Management and Assurance processes and participate in the following Committees, both of which report to the Board of Directors:
- Clinical Governance Committee
- Audit Committee

The Trust's focus is on clinically led services with clinicians taking the lead role in the management of the organisation. These clinical services are split into four divisions:
- Children and Women's services
- Medicine and Elderly
- Surgery and Anaesthetics
- Diagnostic and Therapeutic Services

Statement of directors' responsibility in respect of internal control (continued)

Corporate functions including the Risk Management Team, provide the operating frameworks and advice and support to the Clinical Divisions.

This operational management framework is the primary mechanism by which the Trust achieves its business, financial and service objectives and mitigates risks to achieving them. Decision-making is devolved to Managers at all levels with clear responsibilities and accountabilities.

In a complementary manner the Terms of Reference of the Audit Committee were revised as a result of the latest DoH guidance to reinforce its role in monitoring and reviewing the processes by which assurance on the system of internal control is obtained across the full range of Trust activity.

In addition to this I recognise that effective training is essential in the management of risk and this is demonstrable at all levels within the organisation.

At an operational level the Trust has in place well-developed programmes of generic and specific risk management training. We have reviewed and refreshed the mandatory training programme in year to ensure that it continues to meet the needs of all staff.

Learning from good practice, and from untoward incidents, is seen as a primary mechanism for continuously improving risk management systems.

The Trust is participating in the Safer Patients Initiative over the next 2 years which will assist us in developing our risk and safety culture. A resource of 50 senior members of staff trained in Advanced Investigation Skills has been developed, to ensure that we have the expertise to learn all the lessons from a serious incident. In addition we have developed "Investigation Skills for Leaders" a programme designed to involve Clinicians in learning from experience and to ensure a consistent approach to the investigation of incidents and complaints. We also rigorously apply national guidance including the recommendations from investigations and Enquiries.

Risk is considered to be an integral part of the Trust's Organisational Development strategy and is included in key training programmes such as LEO.

4. The risk and control framework

The Trust has a Risk Management strategy which is endorsed by the Board. We aim to create a sound healthy balance between innovation, opportunity and risk, seeking to enhance performance and quality whilst minimising adverse consequence. Risk Management underpins and supports governance and the assurance framework, which provides stakeholders with evidence that the Trust is meeting their needs in a resource efficient manner.

We work closely with partner agencies in the local health economy with cross representation on each organisation's Governance committees to ensure transparency and the sharing of good practice.

Statement of directors' responsibility in respect of internal control (continued)

The strategy defines responsibilities of staff at all levels and promotes the Trust's Risk Assessment Tool and Corporate, Divisional, Directorate and local Risk Registers, as the mechanisms for maintaining a sound risk management system, which support the assurance framework. The strategy also commends the integration of the risk/control framework with the operational management system. It also provides instruction and guidance on the management and communication of risks depending upon their level of severity. This ensures that the Board receives intelligent information regarding the risks to service level objectives.

The Operational Management Framework incorporates the primary control systems for risk minimisation. The performance management, progress monitoring and control processes embedded in this structure ensure that the corrective actions required to deliver objectives are consistently applied. In this way, the risks associated with business, financial and services objectives are actively minimised.

The assurance framework has been adapted to mirror the Domain structure of the Standards for Better Health and also relates to the Trust's principal objectives. Any gaps in controls and assurances are reflected in the assurance framework. The Trust has an action plan in place to support these issues.

This information is available to Stakeholders and the public at Open Board Meetings and via the Publication Scheme to meet the requirements of the Freedom of Information Act.

Internal assurance as to the effectiveness of this system of control is provided through the operational management system by way of management checks. In addition, the Compliance and Assurance Committee monitors the Compliance Register, Risk Register, Assurance Framework and performance against national standards on my behalf. Assurance is also provided by the governance system which includes the Clinical Governance Committee, Audit Committee, and Internal and External Audit.

Regular reports are received by the Executive Board which performance manages the operational Management framework and by the Board of Directors which monitors the governance framework.

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 economy, efficiency and effectiveness of the use of resources
The Trust ensures the economic, efficient and effective use of resources through a variety of measures including the adoption of a robust budgetary control system, the consistent application of internal financial controls and effective procurement and tendering procedures.

Statement of directors' responsibility in respect of internal control (continued)

The Trust received a 'good' rating for 2005/06 (reported in October 2006) from the Audit Commission for it's 'Use of Resources' using the 'Auditors Local Evaluation' (ALE) methodology. In addition as part of the Foundation Trust application process the Trust received a positive report (July 2006) on it's 'Financial Reporting Procedures, Systems and Controls' from the external assessors.

In 2006/07 the Trust set itself a challenging cash releasing efficiency target which it achieved in full. During the year the Trust commissioned external consultancy firms to assist in benchmarking reviews and service modernisation programmes. Service reviews were undertaken in theatres, pathology, radiology and endoscopy amongst many others. In addition the Trust undertook a voluntary redundancy / early retirement programme which will save over £800,000 in mainly management and support functions.

The monthly finance report to the Board includes an update on performance against the efficiency target. In addition Board members are able to review performance in more detail at the Finance Committee.

6. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and governance sub-committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Executive Management Team has identified the Trust's principal objectives and the risks to their achievement, along with risk controls and assurance mechanisms. As part of this risk assessment process, gaps in controls and assurances have been highlighted. This information is incorporated in the Trust's Assurance Framework document. Underpinning the Assurance framework, is the Trust Risk Register which includes strategic risks identified by the Executive Team and the most significant operational risks identified by our Clinical and Corporate Divisions.

These documents and internal and external audits of specific areas of internal control provide the Trust Board with the information it requires to gain assurance that the Trust is meeting it's objectives to protect patients, staff the public and other stakeholders against risks of any kind: which allows the Board to support me in signing this statement on internal control.

Responsibility for the effectiveness of organisational systems rests with the Board of Directors which is informed regarding risk by its Governance sub-committees and the Audit Committee. The Board of Directors receives monthly Performance and Financial Management reports as the primary mechanism for assessing compliance with national and local targets, and the identification of existing and potential risks. The Board also receives and endorses key internal and external reports that specifically demonstrate the adequacy of the internal control function in designated risk areas, alongside generic reviews of the Assurance Framework.

Statement of directors' responsibility in respect of internal control (continued)

The Clinical Governance Committee is chaired by the Medical Director and receives regular reports from Divisions, specialist committees e.g. Medicines Management and specialist functions e.g. control of infection. It monitors compliance with national standards e.g. CNST and considers action plans prepared in response to serious incidents and national enquiries, and monitors their implementation.

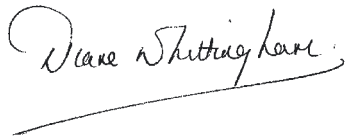
The Non-Clinical Governance Operations Committee, chaired by the Director of Estates, receives regular reports from specialist committees and functions e.g. health and safety and considers risk registers and the Trust's compliance with national standards.

A Non-Executive Director chairs the Audit Committee. Its role is to review the establishment of an effective system of internal control and risk management and provide an independent assurance to the Board of Directors. The Committee takes an overview of the organisation's governance activity supported by the internal auditors who provide opinions on compliance with standards and the systems of internal control. Internal Audit have reviewed elements of the system of internal control including the assurance framework, self assessment of performance against the Standards for Better Health, clinical governance and corporate governance.

The Associate Director of Risk Management chairs the Compliance and Assurance Committee which provides additional assurance to Executive Managers regarding the effectiveness of the system of internal control.

There have been no significant internal control issues identified during the year.

Signed



Chief Executive

Date: 6 June 2007

Independent auditor's report to the Membership Council of Calderdale and Huddersfield NHS Foundation Trust

I have audited the financial statements of Calderdale and Huddersfield NHS Foundation Trust for the eight month period ended 31st March 2007 under the National Health Service Act 2006, which 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 set out within them.

This report is made solely to the Council of Members of Calderdale and Huddersfield NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Services Act 2006. My work was undertaken so that I might state to the Council of Members those matters I am required to state to it in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for the audit report or for the opinions I form.

Respective responsibilities of the Accounting Officer and auditor
The Accounting Officer's responsibilities for preparing the financial statements in accordance with directions made by the Independent Regulator are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts 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 in accordance with the accounting policies directed by the Independent Regulator as being relevant to NHS Foundation Trusts.

I review whether the Accounting Officer's statement on internal control reflects compliance with the requirements of the Independent Regulator contained in the NHS Foundation Trust Financial Reporting Manual 2006/07. I report if it does not meet the requirements specified by the Independent Regulator 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 Accounting Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chair's Statement, the Chief Executive's Statement, Operating and Financial Review, the sections on the Council of Members, the Board of Directors, membership and public interest disclosures and the un-audited part of the Remuneration Report. 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.

Independent auditor's report to the Membership Council of Calderdale and Huddersfield NHS Foundation Trust (continued)

Basis of audit opinion
I conducted my audit in accordance with the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by the Independent Regulator, which requires compliance with International Standards on Auditing (United Kingdom 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. 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 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

Opinion
In my opinion the financial statements give a true and fair view of the state of affairs of Calderdale and Huddersfield NHS Foundation Trust as at 31st March 2007 and of its income and expenditure for the eight month period then ended in accordance with the accounting policies adopted by the Trust.

Certificate
I certify that I have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by the Independent Regulator.

John Prentice – Officer of the Audit Commission

Audit Commission, Kernel House, Killingbeck Drive, Killingbeck Leeds, LS14 6UF

Date: 11 June 2007

Income and Expenditure Account for the period ended 31 March 2007

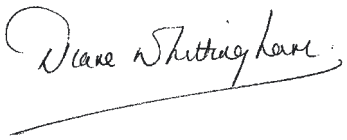
	Note	2006-07
		£000s
Income from activities	3	150,299
Other operating income	4	21,108
Operating expenses	5	(167,277)
Operating surplus / (deficit)		**4,130**
Profit / (loss) on disposal of fixed assets	7	(62)
Surplus / (deficit) before interest		**4,068**
Interest receivable		386
Other finance costs - unwinding of discount	17	(56)
Surplus / (deficit) for the financial year		**4,398**
Public Dividend Capital dividends payable		(3,979)
Retained surplus / (deficit) for the year		**419**

All income and expenses shown relate to continuing operations.
The notes on the following pages form part of these accounts.

Balance Sheet

	Note	31st March 2007	1st August 2006
		£000s	£000s
Fixed assets			
Intangible assets	10	188	175
Tangible assets	11	161,842	158,500
Current assets			
Stocks and work in progress	13	4,504	4,515
Debtors	14	14,161	19,823
Cash at bank and in hand	20.3	10,336	6,513
		29,001	**30,851**
Creditors: amounts falling due within one year	16	(24,532)	(29,423)
Net current assets / (liabilities)		**4,469**	**1,428**
Debtors: amounts falling due after more than one year	14	17,835	18,282
Total assets less current liabilities		**184,334**	**178,385**
Creditors: amounts falling due after more than one year	16	(2,604)	(2,288)
Provisions for liabilities and charges	17	(3,805)	(3,911)
Total assets employed		**177,925**	**172,186**
Financed by:			
Public dividend capital	24	111,899	107,488
Revaluation reserve	19	60,365	60,422
Income and expenditure reserve	19	4,280	2,851
Donated asset reserve	19	1,381	1,425
Total funds		**177,925**	**172,186**

Signed



Chief Executive

Date: 6 June 2007

Statement of Total Recognised Gains and Losses for the period ended 31st March 2007

	2006/07
	£000s
Surplus / (deficit) for the financial year before dividend payments	4,398
Unrealised surplus / (deficit) on fixed asset revaluations / indexation	970
Receipt of donated asse	32
Reductions in the donated asset reserve due to depreciation	(93)
Total gains and losses relating to the financial period	**5,307**

Cash Flow Statement for the period ended 31st March 2007

	Note	2006/07
		£000s
Operating activities		
Net cash inflow / (outflow) from operating activities	20.1	9,813
Returns on investments and servicing of finance		
Interest received		386
Interest paid		(56)
Net cash inflow / (outflow) from returns on investments and servicing of finance		**330**
Capital expenditure		
Payments to acquire tangible fixed assets		(6,720)
Payments to acquire intangible fixed assets		(32)
Net cash inflow / (outflow) from capital expenditure		**(6,752)**
Dividends paid		**(3,979)**
Net cash inflow / (outflow) before financing		**(588)**
Financing		
Public Dividend Capital received		4,411
Net cash inflow / (outflow) from financing		**4,411**
Increase / (decrease) in cash		**3,823**

Notes to the Accounts

1. Accounting Policies and Other Information

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Financial Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2006/07 NHS Foundation Trust Financial Reporting Manual issued by Monitor. The accounting policies contained in that manual follow UK generally accepted accounting practice for companies (UK GAAP) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting Convention
These accounts have been prepared under the historical cost convention modified to account for the revaluation of tangible fixed assets at their value to the business by reference to their current costs. NHS Foundation Trusts, in compliance with HM Treasury's Financial Reporting Manual, are not required to comply with the FRS 3 requirements to report "earnings per share" or historical profits and losses.

Income Recognition
Income is accounted for applying the accruals convention. The main source of income for the Trust is under contracts from commissioners in respect of healthcare services. Income is recognised in the period in which services are provided. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

The NHS Foundation Trust contracts with NHS commissioners following the Department of Health's Payment by Results methodology. Such income is shown net of annual transitional relief adjustments which are calculated by the Department of Health. NHS Foundation Trusts may either receive or pay back transitional relief.

The value at the start or end of an accounting period of in-complete spells of care is recognised to the extent that treatment services have been provided in that period. The value of in-complete spells of care have been calculated using estimation techniques. The opening balances of the Foundation Trust have been adjusted to reflect the value of incomplete spells at the 31st July 2006.

Expenditure
Expenditure is accounted for applying the accruals convention.

Tangible Fixed Assets

Capitalisation
Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

1. Accounting Policies and Other Information (continued)

Valuation
Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the fixed asset are not capitalised but are charged to the income and expenditure account in the year to which they relate.

All land and buildings are revalued using professional valuations in accordance with FRS 15 every five years. A three yearly interim valuation is also carried out.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The last asset valuations were undertaken in 2004 as at the prospective valuation date of 1st April 2005.

The revaluation undertaken at that date was accounted for on 31st March 2005.

The valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.

Residual interests in off-balance sheet private finance initiative properties are included in assets under construction within tangible fixed assets at the amount of unitary charge allocated for the acquisition of the residual with an adjustment. The adjustment is the net present value of the change in the fair value of the residual as estimated at the start of the contract and at the balance sheet date.

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at net recoverable amount. Equipment is indexed on an annual basis according to the Department of Health agreed indices. For the completion of this set of accounts covering an eight month period that indexation has been applied monthly.

Depreciation, amortisation and impairments
Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

1. Accounting Policies and Other Information (continued)

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over their estimated lives, which are as follows:

Engineering plant and equipment	5-15 years
Vehicles	7 years
Office equipment, furniture and soft furnishings	5-10 years
Medical and other equipment	5-15 years
IT equipment	5-8 years
Buildings	15-80 years

Fixed asset impairments resulting from losses of economic benefits are charged to the income and expenditure account. All other impairments are taken to the revaluation reserve and reported in the statement of total recognised gains and losses to the extent that there is a balance on the revaluation reserve in respect of the particular asset.

Protected and unprotected assets
Assets that are required for the provision of mandatory goods and services are protected. Assets which are not required for mandatory goods and services are not protected and may be disposed of by the Trust without the approval of the Government Regulator (Monitor).

Intangible fixed assets
Intangible assets are capitalised when they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

Intangible fixed assets held for operational use are valued at historical cost and are amortised over the estimated life of the asset on a straight line basis. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

Donated fixed assets
Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the sale proceeds of the donated asset is transferred from the donated asset reserve to the income and expenditure reserve.

1. Accounting Policies and Other Information (continued)

Private Finance Initiative (PFI) transactions
The NHS follows HM Treasury' Technical Note 1 (Revised) "How to Account for PFI transactions" which provides definitive guidance for the application of application note F to FRS 5.

Where the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator, the PFI payments are recorded as an operating expense. Where the Trust has contributed land and buildings, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the income and expenditure account. Where, at the end of the PFI contract, a property reverts to the Trust, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year, as a tangible fixed asset.

Where the balance of risks and rewards of ownership of the PFI property are borne by the Trust, it is recognised as a fixed asset along with the liability to pay for it which is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

In line with the land and building guidance developed by the Private Finance Unit of the Department of Health the Trust is required to build up a residual interest in it's facility over the course of the concession. The value of residual interest is being built up over a 30 year time period to coincide with the Trusts first termination option within the contract.

Stocks and work-in-progress
Stocks and work-in-progress are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production.

Cash, bank and overdrafts
Cash, bank and overdraft balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts are recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

Research and development
Expenditure on research is not capitalised.

Expenditure on development is capitalised if it meets the following criteria:
- there is a clearly defined project;
- the related expenditure is separately identifiable;
- the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and its resulting in a product or services that will eventually be brought into use; and
- adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.

1. Accounting Policies and Other Information (continued)

Expenditure so deferred is limited to the value of future benefits expected and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project. It is revalued on the basis of current cost. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible, NHS Foundation Trusts disclose the total amount of research and development expenditure charged in the Income and Expenditure account separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed. Fixed assets acquired for use in research and development are amortised over the life of the associated project.

Provisions
The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms.

Contingencies
Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 23 where an inflow of economic benefits is probable.

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in note 23 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Clinical negligence costs
The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 17.

Non-clinical risk pooling
The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

1. Accounting Policies and Other Information (continued)

Pension costs
Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence it is not possible for the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme under FRS 17.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time the Trust commits itself to the retirement, regardless of the method of payment.

The NHS pension scheme is subject to a full valuation every four years by the Government Actuary. However, the last published valuation relates to the period 1 April 1994 to 31 March 1999.

The valuation as at 31 March 2003 has not yet been published and it is not expected that it will be published before the 2006/07 NHS Foundation Trust accounts are prepared. Between valuations, the Government Actuary provides an update of the scheme liabilities which is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions Agency website at www.nhspa.gov.uk.

The notional surplus of the scheme was £1.1 billion as per the last scheme valuation by the Government Actuary for the period 1 April 1994 to 31 March 1999. The conclusion of the valuation was that the scheme continues to operate on a sound financial basis.

Employer contribution rates are reviewed every four years following the scheme valuation, on advice from the actuary. At the last valuation on which contribution rates were rebased (31 March 1999) employer contribution rates from 2003-04 were set at 14% of pensionable pay. Employees pay contributions of 6% (manual staff 5%) of their pensionable pay.

Taxation
Most of the activities of the NHS Foundation Trust are outside the scope of Value Added Tax (VAT) and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

The Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or are ancillary to, the provision of healthcare, and where the profits exceed £50,000 per annum. In the period covered by these accounts the Trust has assessed that it is not liable for corporation tax.

Foreign exchange
Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the income and expenditure account.

1. Accounting Policies and Other Information (continued)

Third party assets
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them.

Leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

Public Dividend Capital
Public Dividend Capital (PDC) is a type of public sector equity finance.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

2. Segmental Analysis

Not applicable.

3. Income from Activities

3.1 Income from activities:

	2006/07
	£000s
Elective income	25,577
Non-elective income	51,161
Outpatient income	22,792
Other types of activity income	43,195
A&E income	6,688
Total income at full tariff	**149,413**
PBR clawback	653
Income from Activities	**150,066**
Private patients	233
	150,299

3.2 Private patient income:

	2006/07
	£000s
Private patient income	233
Total patient related income	152,162
Proportion as a percentage	0.15%

Section 15 of the Health and Social Care (Community Health and Standards) Act 2003 requires that the proportion of private patient income to the total patient related income of NHS Foundation Trusts should not exceed its proportion whilst the body was an NHS Trust in 2002/03. The proportion in 2002/03 was 0.4%. The above note shows that the Trust was compliant for 2006/07.

3.3 Income from activities:

	2006/07
	£000s
NHS Foundation Trusts	21
Strategic Health Authorities	6
Primary Care Trusts	140,610
Local Authorities	8
Department of Health - other	7,596
Non NHS: Private patients	233
Road Traffic Act	553
Non NHS: Other	1,272
	150,299

4. Other Operating Income

	2006/07
	£000s
Research and development	5
Education and training	2,838
Charitable and other contributions to expenditure	472
Transfers from the donated asset reserve in respect of depreciation, impairment and disposal of donated assets	93
Non-patient care services to other bodies	8,561
Other	9,139
	21,108

5. Operating Expenses

5.1 Operating expenses comprise:

	2006/07
	£000s
Services from other NHS Trusts	990
Services from other NHS bodies	816
Purchase of healthcare from non NHS bodies	55
Directors' costs	620
Staff costs	108,367
Drugs costs	8,647
Supplies and services - clinical	13,398
Supplies and services - general	1,625
Establishment	3,646
Transport	1,334
Premises	19,545
Bad debts	40
Depreciation and amortisation	4,337
Audit services - statutory audit	98
Clinical negligence	2,215
Other	1,544
	167,277

5.2 Operating leases

5.2/1 Operating lease rentals:

	2006/07
	£000s
Hire of plant and machinery	169
Other operating lease rentals	11,854
	12,023

5.2/2 Annual commitments under operating leases are:

	Land and buildings	Other leases
	2006/07	2006/07
	£000s	£000s
Operating leases which expire:		
Within 1 year	166	609
Between 1 and 5 years	570	604
After 5 years	18,494	0
	19,230	**1,213**

5.3 Salary and pension entitlements of senior managers

Note: It is the view of the Board that the authority and responsibility for controlling major activities is retained by the Board and is not exercised below this level.

Name and title	Salary	Other remuneration	Golden hello	Compensation for loss of office	Benefits in kind
	(Bands of £5,000)	(Bands of £5,000)			(Rounded to the nearest £100)
	£000s	£000s	£000s	£000s	£
2006/07					
G Mclean (Chairman)	30-35				
W Jones (Non Executive Director)	10-15				
M Naeem (Non Executive Director)	5-10				
G Caddock (Non Executive Director)	5-10				
C Clark (Non Executive Director)	5-10				
A Fisher (Non Executive Director)	5-10				
D Whittingham (Chief Executive)	105-110				
L Hill (Director of Service Development)	70-75				
J Hull (Director of Personnel)	65-70				
RC Macdonald (Medical Director) *	50-55				
M Brearley (Director of Finance)	75-80				
H Thomson (Director of Nursing)	70-75				

Note: * Details disclosed for RC Macdonald have been apportioned based on an estimate of time spent on managerial rather than clinical duties.

5.3 Salary and pension entitlements of senior managers (continued)

Pension entitlements of senior managers
Note: As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

Name and Title	Total accrued pension at age 60 at 31st March 2007	Lump sum at age 60 related to accrued pension at 31 March 2007	Real increase in pension during the year	Real increase in automatic lump sum during the year	CETV at 31st March 2007	CETV at 31st March 2006	Real increase in CETV during the year
	(Bands of £5,000)	(Bands of £2,500)	(Bands of £2,500)	(Bands of £2,500)			
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2006/07							
D Whittingham (Chief Executive)	60-65	185-187.5	0-2.5	2.5-5	958	887	49
L Hill (Director of Service Development)	20-25	65-67.5	0-2.5	5-7.5	270	220	44
J Hull (Director of Personnel)	25-30	80-82.5	0-2.5	0-2.5	349	316	25
RC Macdonald (Medical Director) *	30-35	92.5-95	0-2.5	2.5-5	573	511	49
M Brearley (Director of Finance)	35-40	112.5-115	0-2.5	2.5-5	539	481	46
H Thomson (Director of Nursing)	40-45	120-122.5	0-2.5	5-7.5	589	511	65

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

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

Note: * Details disclosed for RC Macdonald have been apportioned based on an estimate of time spent on managerial rather than clinical duties.

6. Staff Costs and Numbers

6.1 Staff costs

	2006/07
	£000s
Salaries and wages	89,058
Social Security costs	6,614
Employer contributions to NHSPA	10,731
Agency and contract staff	2,584
	108,987

All employer pension contributions in 2006/07 were paid to the NHS Pensions Agency.

6.2 Average number of persons employed

	Permanently employed	Agency, temporary and contract staff	2006/07 Total
	Number	Number	Number
Medical and dental	390	47	437
Administration and estates	1,056	11	1,067
Healthcare assistants & other support staff	444	7	451
Nursing, midwifery & health visiting staff	2,211	19	2,230
Nursing, midwifery & health visiting learners	1	0	1
Scientific, therapeutic and technical staff	1,109	9	1,118
Bank and agency staff		126	126
	5,211	**219**	**5,430**

6.3 Employee benefits

There were no non pay benefits which are not attributable to individual employees exceeding £100,000.

6.4 Early retirements due to ill-health

During 2006/07 there were 15 early retirements from the Trust agreed on the grounds of ill health. The estimated additional pension liabilities of these ill-health retirements will be £784,935. The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

7. Profit / (Loss) on Disposal of Fixed Assets

	2006/07
	£000s
Profit on disposal of fixed asset investments	0
Loss on disposal of fixed asset investments	0
Profit on disposal of intangible fixed assets	0
Loss on disposal of intangible fixed assets	0
Profit on disposal of land and buildings	0
Loss on disposal of land and buildings	0
Profit on disposal of other tangible fixed assets	0
Loss on disposal of other tangible fixed assets	(62)
	(62)

There were no disposals of protected assets.

8. Interest Payable

No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2006/07.

9. Losses and special payments

- There were 42 cases of losses and special payments totalling £45,953 during the period covered by these accounts.
- There were no clinical negligence cases where the net payment exceeded £100,000.
- There were no fraud cases where the net payment exceeded £100,000.
- There were no personal injury cases where the net payment exceeded £100,000.
- There were no compensation under legal obligation cases where the net payment exceeded £100,000.
- There were no fruitless payment cases where the net payment exceeded £100,000.
- The total cases in this note are on a cash basis.

10. Intangible Fixed Assets

Intangible fixed assets at the balance sheet date comprise the following elements:

	Software licences	Licenses and trademarks	Patents	Development expenditure	Goodwill	Other	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or valuation at 1 August 2006	589	0	0	0	0	0	589
Impairments	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Other revaluations	0	0	0	0	0	0	0
Additions - purchased	32	0	0	0	0	0	32
Additions - donated	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
At 31st March 2007	**621**	**0**	**0**	**0**	**0**	**0**	**621**
Depreciation at 1 August 2006	414	0	0	0	0	0	414
Provided during the year	19	0	0	0	0	0	19
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Other revaluations	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Accumulated depreciation at 31st March 2007	**433**	**0**	**0**	**0**	**0**	**0**	**433**
Net book value							
- Purchased at 31st March 2007	188	0	0	0	0	0	188
- Donated at 31st March 2007	0	0	0	0	0	0	0
Total at 31st March 2007	**188**	**0**	**0**	**0**	**0**	**0**	**188**

11. Tangible Fixed Assets

11.1 Tangible fixed assets at the balance sheet date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or valuation at 1 August 2006	63,430	67,267	6,728	5,187	36,424	124	6,732	1,143	187,035
Additions – purchased	0	463	22	5,448	317	0	470	0	6,720
Additions – donated	0	0	0	0	32	0	0	0	32
Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,444	0	(2,968)	0	0	1,524	0	0
Other in year revaluation	0	0	0	717	663	2	0	21	1,403
Disposals	0	0	0	0	(1,350)	0	0	0	(1,350)
At 31st March 2007	**63,430**	**69,174**	**6,750**	**8,384**	**36,086**	**126**	**8,726**	**1,164**	**193,840**
Depreciation at 1 August 2006	0	1,025	55	0	22,676	117	4,092	570	28,535
Provided during the year	0	2,441	103	0	1,237	2	465	70	4,318
Impairments	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Other in year revaluation	0	0	0	0	420	2	0	11	433
Disposals	0	0	0	0	(1,288)	0	0	0	(1,288)
Accumulated depreciation at 31st March 2007	**0**	**3,466**	**158**	**0**	**23,045**	**121**	**4,557**	**651**	**31,998**
Net book value									
- Purchased at 31st March 2007	63,430	65,314	6,592	8,331	12,110	5	4,169	513	160,464
- Donated at 31st March 2007	0	394	0	53	931	0	0	0	1,378
Total at 31st March 2007	**63,430**	**65,708**	**6,592**	**8,384**	**13,041**	**5**	**4,169**	**513**	**161,842**

- The value of the residual interest in the PFI scheme, relating to Calderdale Royal Hospital, included in assets under construction is £3,619,000.
- The Trust held no assets at open market value in 2006/07.
- The Trust held no assets under finance lease and hire purchase contracts at the balance sheet date of 31st March 2007.
- A review of assets has indicated the loss of economic benefit of a small number of assets. This has resulted in additional depreciation of £548,000 being charged to the Income and Expenditure account.

11.2 Analysis of tangible fixed assets

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Net book value									
- Protected assets at 31st March 2007	7,821	35,202	0	0	0	0	0	0	43,023
- Unprotected assets at 31st March 2007	55,609	30,506	6,592	8,384	13,041	5	4,169	513	118,819
Total at 31st March 2007	**63,430**	**65,708**	**6,592**	**8,384**	**13,041**	**5**	**4,169**	**513**	**161,842**

11.3 The net book value of land, buildings and dwellings at 31st March 2007 comprises:

	31st March 2007	31st March 2007	31st March 2007
	Protected	Unprotected	Total
	£000s	£000s	£000s
Freehold	43,023	92,707	**135,730**
Long leasehold	0	0	**0**
Short leasehold	0	0	**0**
	43,023	**92,707**	**135,730**

12. Fixed asset investments

The Trust does not hold any fixed asset investments.

13. Stocks and Work in Progress

	31st March 2007 £000s	1st August 2006 £000s
Raw materials and consumables	4,164	4,138
Work in progress	105	138
Finished goods	235	239
	4,504	**4,515**

14. Debtors

	31st March 2007 £000s	1st August 2006 £000s
Amounts falling due within one year:		
NHS debtors	7,163	12,564
Provision for irrecoverable debts	(237)	(223)
Other prepayments and accrued income	2,116	2,980
Other debtors	5,119	4,502
	14,161	**19,823**

Amounts falling due after more than one year:		
NHS Debtors	795	807
Other debtors	17,040	17,475
	17,835	**18,282**

NHS Debtors falling due within one year includes £2,464,400 for incomplete spells of care provided at the 31st March 2007.

Other debtors falling due after more than one year includes the deferred asset relating to the value of the existing buildings, that were transferred to the PFI contractor at a nominal fee, plus the cost to the Trust of all subsequent expenditure on these buildings. In addition, it includes an amount relating to road traffic income due, which is regarded as a long term debtor.

15. Current asset investments

The Trust does not hold any current asset investments.

16. Creditors

	31st March 2007	1st August 2006
	£000s	£000s
Amounts falling due within one year:		
Payments received on account	1,073	1,535
NHS creditors	3,502	9,812
Taxation and Social Security	3,512	1,912
Other creditors	12,589	15,246
Accruals and deferred income	3,856	918
	24,532	**29,423**
Amounts falling due after more than one year:		
Other	2,604	2,288
	2,604	**2,288**

Accruals and deferred income falling due within one year includes £1m of deferred income relating to funding provided for the voluntary redundancy / voluntary early retirement scheme and for other in year financial risks.

Other creditors falling due after more than one year includes deferred income relating to the PFI scheme at Calderdale Royal Hospital which is being released over the life of the contract. It also includes VAT reclaimed under the Lennartz mechanism which is repayable to Her Majesty's Revenue & Customs over an extended time period.

17. Provisions for Liabilities and Charges

	Pensions relating to former directors	Pensions relating to other staff	Legal claims	Other	Total
	£000s	£000s	£000s	£000s	£000s
At 1st August 2007	0	2,823	143	945	3,911
Change in the discount rate	0	0	0	0	0
Arising during the year	0	0	93	251	344
Utilised during the year	0	(158)	(68)	(139)	(365)
Reversed unused	0	(85)	(56)	0	(141)
Unwinding of discount	0	42	0	14	56
At 31st March 2007	**0**	**2,622**	**112**	**1,071**	**3,805**
Expected timing of cashflows:					
Within 1 year	0	480	112	276	868
1 - 5 years	0	939	0	100	1,039
Over 5 years	0	1,203	0	695	1,898
	0	**2,622**	**112**	**1,071**	**3,805**

As at 31st March 2007 £23,206,000 is included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the Trust.

18. Prudential Borrowing Limit

The NHS Foundation Trust is required to comply and remain within a Prudential Borrowing Limit. This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the five ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit.
- the amount of any working capital facility approved by Monitor.

	2006/07 Actual	2006/07 Planned
Financial Ratios		
Maximum debt / capital	0.0	0.0
Minimum dividend cover	2.1	2.1
Minimum interest cover	0.0	0.0
Minimum debt service cover	0.0	0.0
Maximum debt service to revenue	0.0	0.0

The Trust has £18.0m of approved working capital facility. The Trust has not made any drawings against this facility.

The Trust has a maximum long term borrowing limit of £46.8m. The Trust has not made any borrowing against this limit.

19. Movements on Reserves

Movements on reserves in the year comprised the following:

	Revaluation reserve	Donated asset reserve	Income and expenditure reserve	Total
	£000s	£000s	£000s	£000s
At 1st August 2006	60,422	1,425	2,851	64,698
Transfer from the income and expenditure account	0	0	419	419
Surplus/(deficit) on revaluations of fixed assets and current asset investments	953	17	0	970
Transfer of realised profits / (losses) to the income and expenditure reserve	(1,010)	0	1,010	0
Receipt of donated assets	0	32	0	32
Transfers to the income and expenditure account for depreciation, impairment and disposal of donated assets	0	(93)	0	(93)
At 31st March 2007	**60,365**	**1,381**	**4,280**	**66,026**

20. Notes to the Cash Flow Statement

20.1 Reconciliation of operating surplus / (deficit) to net cash flow from operating activities

	2006/07
	£000s
Total operating surplus / (deficit)	4,130
Depreciation and amortisation charge	4,337
Transfer from donated asset reserve	(93)
(Increase) / decrease in stocks	11
(Increase) / decrease in debtors	6,109
Increase / (decrease) in creditors	(4,575)
Increase / (decrease) in provisions	(106)
Net cash inflow from operating activities	**9,813**

20.2 Reconciliation of net cash flow to movement in net funds

	2006/07
	£000s
Increase / (decrease) in cash in the period	3,823
Change in net funds resulting from cashflows	3,823
Net funds at 1st August 2006	6,513
Net funds at 31st March 2007	**10,336**

20.3 Analysis of changes in net funds

	At 31st March 2007	Cash changes in year	At 1st August 2006
	£000s	£000s	£000s
Cash at bank	10,336	3,823	6,513
	10,336	**3,823**	**6,513**

21. Capital Commitments

Commitments under capital expenditure contracts at the balance sheet date were £3,659,000

22. Post Balance Sheet Events

There were no disclosable post balance sheet events.

23. Contingent Assets and Liabilities

There are no contingent assets or liabilities at 31st March 2007.

24. Movements in Total Funds

	2006/07
	£000s
Taxpayers' equity at 1st August 2006	172,186
Surplus / (deficit) for the financial year	4,398
Public Dividend Capital dividends	(3,979)
Surplus/(deficit) from revaluations of fixed assets and current asset investments	953
New Public Dividend Capital	4,411
Additions/(reductions) in donated asset reserve	(44)
Total Funds at 31st March 2007	**177,925**

Public dividend capital at 1st August 2006	107,488
New public dividend capital received	4,411
Closing Public Dividend Capital	**111,899**

25. Private Finance Transactions

	2006/07
For PFI schemes deemed to be off-balance sheet:	**£000s**
Amounts included within operating expenses in respect of PFI transactions:	
Gross	11,815
Amortisation of PFI deferred asset	0
Net charge to operating expenses	**11,815**

The Trust is committed to make the following payments during the next year in which the commitment expires:	
Within one year	
2nd to 5th years (inclusive)	
6th to 10th years (inclusive)	
11th to 15th years (inclusive)	
16th to 20th years (inclusive)	
21st to 25th years (inclusive)	
26th to 30th years (inclusive)	
31st to 35th years (inclusive)	
36th year and beyond	18,427
Estimated capital value of project	75,247

The Calderdale PFI scheme is for the provision of a 614 bed district general hospital. It is a joint venture between Calderdale and Huddersfield NHS Foundation Trust and Catalyst Healthcare PLC. The Trust are responsible for all clinical services and Catalyst Healthcare are responsible for support services.

The value of residual interest within the Trust's tangible fixed assets is £3,619,000. The Trust has previously built up the value of residual interest over a 60 year time period which is equivalent to the maximum length of the contract. The value of residual interest is now being built up over 30 years to coincide with the Trusts first termination option within the contract.

The value of the deferred asset (made up of buildings only) is £16,727,000

26. Pooled budget

The Trust does not operate any pooled budgets.

27. Related Party Transactions

Calderdale & Huddersfield NHS Foundation Trust is a public interest body authorised by Monitor, the Independent Regulator for NHS Foundation Trusts. It is an independent body not controlled by the Secretary of State. It is therefore considered that Government departments and agencies of Government departments are not related parties.

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 Calderdale & Huddersfield NHS Foundation Trust.

The Register of Council Member Interests for 2006/07 has been compiled and is available to be viewed by contacting the Board secretary.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the Trustees for which are also members of the NHS Foundation Trust Board.

28. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Foundation Trust has with local Primary Care Trusts and the way those Primary Care Trusts are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Trust neither buys or sells financial instruments. Financial assets are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities.

As allowed by FRS 13, debtors and creditors that are due to mature or become payable within 12 months from the balance sheet date have been omitted from all disclosures other than the currency profile. Provisions should be shown gross. Any amount expected in reimbursement against a provision (and included in debtors) should be separately disclosed.

Liquidity risk
The Trust's net operating costs are incurred under three year service contracts with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The Trust receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are corrections made to adjust for the actual income due under PBR.

The Trust has put in place an £18m working capital facility which to date it has not had to use.

In 2006/07 the Trust has financed it's capital expenditure from internally generated funds or from Public Dividend Capital made available by the Government. The Trust has the ability to borrow funds to fund capital expenditure within the limits set by it's Prudential Borrowing Limit.

It is therefore felt that the Trust is not exposed to significant liquidity risk.

Interest rate risk
7% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Calderdale and Huddersfield NHS Foundation Trust is not exposed to significant interest-rate risk.

Foreign Currency Risk
The Trust has negligible foreign currency income or expenditure.

29.1 Financial assets

Currency	Total	Floating rate	Fixed rate	Non-interest bearing	Fixed rate		Non-interest bearing
					Weighted average interest rate	Weighted average period for which fixed	Weighted average term
	£000s	£000s	£000s	£000s	%	Years	Years
At 31st March 2007							
Sterling	11,133	10,325	796	12	2.20	0	0
Gross financial assets	**11,133**	**10,325**	**796**	**12**			

29.2 Financial liabilities

Currency	Total	Floating rate	Fixed rate	Non-interest bearing	Fixed rate		Non-interest bearing
					Weighted average interest rate	Weighted average period for which fixed	Weighted average term until maturity
	£000s	£000s	£000s	£000s	%	Years	Years
At 31st March 2007							
Sterling	(114,836)	0	(2,938)	(111,899)	7.16	0	0
Gross financial assets	**(114,836)**	**0**	**(2,938)**	**(111,899)**			

Note: The public dividend capital is of unlimited term.

29.3 Fair Values

Set out below is a comparison, by category, of book values and fair values of the Trust's financial assets and liabilities as at 31st March 2007	Book value	Fair value	Basis of fair valuation
	£000s	£000s	
Financial assets			
Cash	10,337	10,337	
Debtors over 1 year:			
- Agreements with commissioners to cover creditors and provisions.	796	796	Note (a)
Total	**11,133**	**11,133**	
Financial liabilities			
Creditors over 1 year:			
- Early retirements	(2,142)	(2,142)	Note (b)
Provisions under contract	(796)	(796)	Note (c)
Public Dividend Capital	(111,899)	(111,899)	Note (d)
Total	**(114,836)**	**(114,836)**	

Notes

(a)These debtors reflect agreements with commissioners to cover creditors over 1 year for early retirements and provisions under contract, and their related interest charge / unwinding of discount. In line with notes b and c, below, fair value is not significantly different from book value.

(b) Fair value is not significantly different from book value since interest at 9% is paid on early retirement creditors.

(c) Fair value is not significantly different from book value since, in the calculation of book value, the expected cash flows have been discounted by the Treasury discount rate of 2.2% in real terms.

(d) The figure here should be the full value of PDC in the balance sheet and 'book value' should equal 'fair' value.

30 Pharmacy Manufacturing Unit

The Trust operates a Pharmacy Manufacturing Unit as part of its Pharmacy department. The unit purchases raw materials for the manufacture of pharmaceutical products which are used within the Trust, and sold to other NHS and non NHS bodies. The income and expenditure of the unit are included in the accounts of the Trust, the income being shown under 'Other operating income' in note 4.

31 West Riding Audit Consortium

The Audit Consortium was set up on 1st April 1993. It provides the internal audit function to a number of NHS Trusts and other public bodies, and is a non-profit making organisation. The Consortium is managed by a Board consisting of the Directors of Finance of its major customers. Calderdale and Huddersfield NHS Foundation Trust provides accounting services to the Consortium and its income and expenditure is included in the Trust's accounts.

The expenditure of the Consortium for the 8 month period covered by these accounts was £670,000 which equalled its income.

32 Health Informatics

The Trust hosts the Health Informatics Service on behalf of a number of NHS Bodies. The income recorded from other organisations for the 8 month period covered by these accounts was £4,213,036. This was matched by expenditure incurred by the Health Informatics Service on their behalf.

Calderdale and Huddersfield NHS

NHS Foundation Trust

NHS FOUNDATION TRUST MEMBERSHIP FORM
(Please complete all sides of this form)

I would like to become a member and be able to influence the future of my local hospitals and:

- receive regular updates on news and developments at my local hospitals
- attend (optional) annual members' meetings
- help decide who sits on the Trusts' 'Membership Council' by voting in future Council Member elections
- stand for future elections myself to have the chance to sit on the Trust's 'Membership Council'
- register my special health interests for use in staff and patient involvement initiatives (eg focus groups)

I am eligible to become a member as I am over 16 years of age and fit into one or more of the following categories (please tick all boxes that are appropriate)

☐ I live within the catchment area of the Trust (See map on page 34)
☐ I am employed by the Trust on a permanent contract
☐ I am employed by the Trust on a temporary contract of 12 months or more
☐ I have continually worked for the Trust or one of its private partners for 12 months or more
☐ I have volunteered for the Trust for 12 months or more

TITLE (MR/MRS/MISS/MS/DR ETC):

Forename:_____ **Home telephone number:** _____

Surname:_____ **Work telephone number:** _____

House/number: _____ **Mobile telephone number:** _____

Street: _____ **Email address (if applicable)** _____

Area:_____

Town: _____

Postcode _____

Gender: ☐ **Male** ☐ **Female** ☐ **Date of Birth:** _ _ / _ _ / _ _ _ _

TO BE COMPLETED BY STAFF

Job title _____ **Constituency** _____

Place of work (eg HRI, CRH):

(Constituency	9 - Doctors/Dentists	)
("	10 - AHPs, HCS & Pharmacists	)
("	11 - Admin, Clerical, Managers	)
("	12 - Ancillary Staff	)
("	13 – Nurses & Midwives	)

We are committed to ensuring that NHS Foundation Trust Membership is representative of the whole community. We, therefore, welcome applications from persons aged 16 years or over and of any race, colour, religious belief, ethnic or national origin, sexual orientation, gender, disability or marital status. It would be very helpful if you completed the following categories. THIS INFORMATION WILL BE HELD IN CONFIDENCE AND WILL NOT BE ATTRIBUTED TO ANY INDIVIDUAL.

ETHNIC CLASSIFICATION

To which of the following ethnic groups do you belong? Choose ONE section from A to E, then mark the appropriate box to indicate your cultural background:

A. White: ☐ British ☐ Irish ☐ Any other White background, please specify below:

B. Mixed: ☐ White and Black African ☐ White and Asian ☐ Any other Mixed background, please specify below:

C. Asian or Asian British: ☐ Indian ☐ Pakistani ☐ Bangladeshi ☐ Any other Asian background, please specify below:

D. Black or Black British: ☐ Caribbean ☐ African ☐ White and Black Caribbean ☐ Any other Black background, please specify below:

E. Chinese or other ethnic group: ☐ Chinese ☐ Any other, pleasespecify below:

Please ✓ (tick) if you **do not** wish your name and constituency to appear on the Public Register ☐

Data will only be used to contact you about NHS Foundation Trusts or other health issues and will be stored and processed in accordance with the Data Protection Act.

Please return this form to:
NHS Foundation Trust Membership Office
Calderdale and Huddersfield NHS Foundation Trust
FREEPOST HF 2076
Huddersfield Royal Infirmary
Lindley
Huddersfield
West Yorkshire
HD3 3EA

IF YOU WOULD LIKE THIS INFORMATION IN LARGE PRINT, BRAILLE, ON AUDIO TAPE OR IN ANOTHER LANGUAGE THEN PLEASE PHONE 01484 347186. YOU CAN ALSO CALL THIS NUMBER IF YOU HAVE A QUERY OR NEED HELP FILLING IN THE FORM

As a member what are your areas of interest? (please indicate with a ✓ tick all those you are interested in):

☐ Surgical Services
☐ Orthopaedic Services
☐ Emergency Care and Critical Care (e.g. Accident & Emergency, Intensive Care)
☐ Community Services
☐ Maternity Services
☐ Gynaecology (womens services)
☐ Children & Younger People
☐ Cancer Services

☐ Care of the Elderly Services
☐ Medical Services (treatments not requiring surgery)
☐ Rehabilitation and Therapy Services
☐ Coronary Care Services (heart disease)
☐ Hospital Cleanliness, Car Parking, Laundry, Catering
☐ Hospital Infections
☐ Diagnostic Services (eg. x-rays, blood tests, scans)
☐ Pharmacy and medicines
☐ Equality and Diversity Issues
☐ Patient Information (e.g. leaflets and website)
☐ Disability Issues
☐ Waiting Times
☐ Environmental/Green issues
☐ Membership recruitment issues
☐ General Service Improvement issues
☐ Other – please specify

In addition, would you like to be involved in? (Please indicate with a ✓)

☐ Completing Questionnaires
☐ Group Meetings on subjects of interest
☐ Volunteering i.e. meeting and greeting patients and visitors
☐ Reviewing leaflets and information for patients
☐ Relaying your experiences of treatment to staff to help improve services
☐ Taking part in new staff interviews
☐ Becoming a Council Member
☐ Other – please specify

.....

When would you be available? (Please indicate all availability with a ✓)

☐ Morning
☐ Afternoon
☐ Evenings
☐ Saturday
☐ Sunday

In the interests of economy the following are available on the Trust website (www.cht.nhs.uk) but please indicate with a ✓ if you would like to receive any of the following through the post:

☐ Annual Report
☐ Regular Newsletters
☐ Information on Services
☐ I would prefer not to receive further information at the present time

How do you want us to communicate with you? (Please indicate with a ✓)
☐ By post only
☐ By e-mail
☐ By telephone

Please identify any special needs you may have in relation to accessing hospital buildings and/or attending meetings

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FOR OFFICE USE ONLY **Date Received:** **Date entered:** **Constituency:**