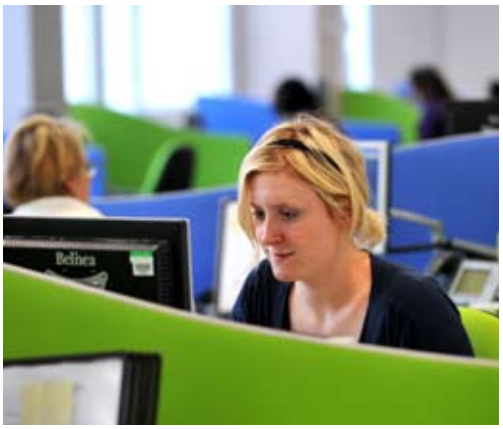
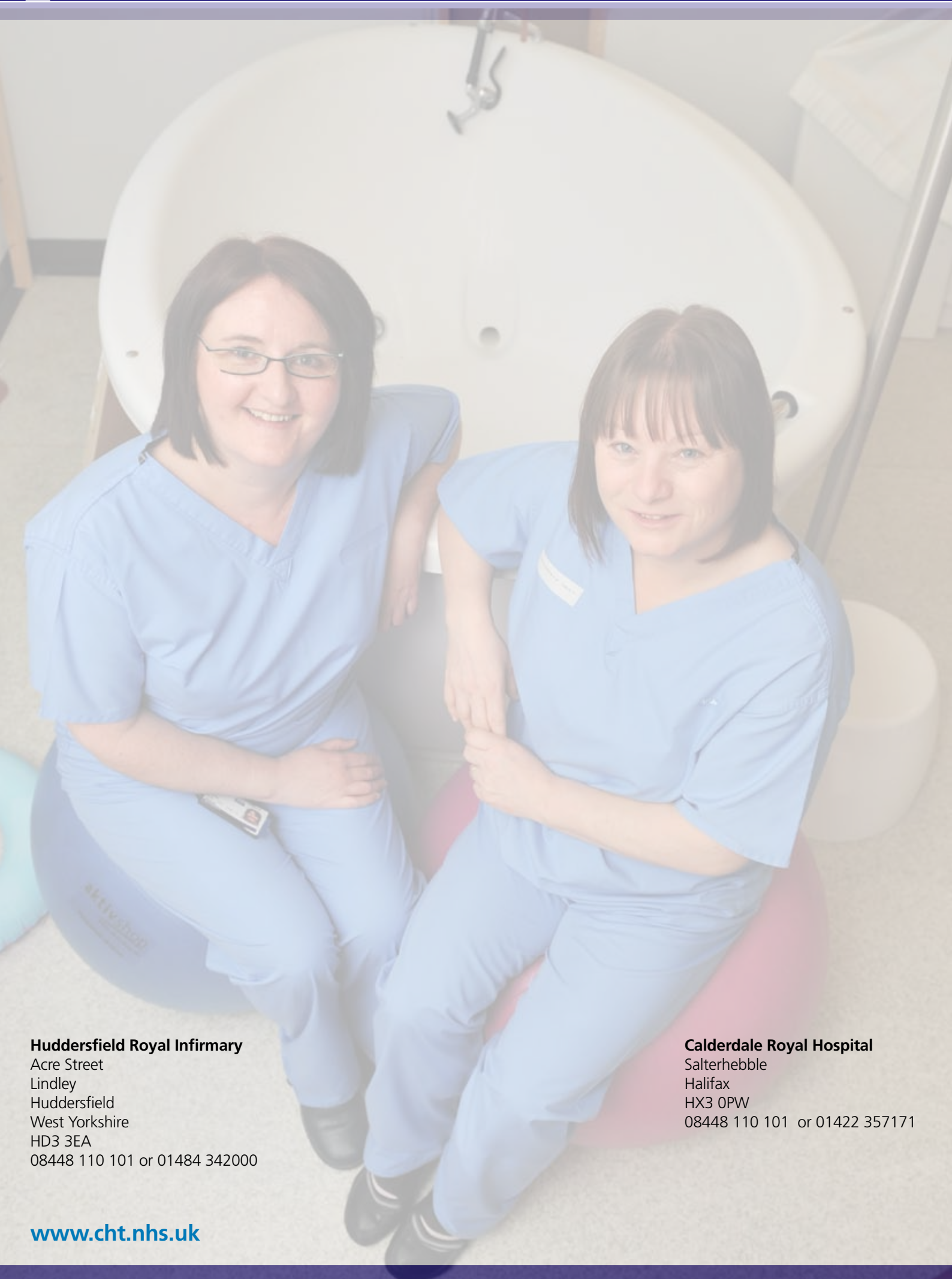
Calderdale and Huddersfield NHS

NHS Foundation Trust



Annual Report

and accounts 2008/09



Huddersfield Royal Infirmary
Acre Street
Lindley
Huddersfield
West Yorkshire
HD3 3EA
08448 110 101 or 01484 342000

Calderdale Royal Hospital
Salterhebble
Halifax
HX3 0PW
08448 110 101 or 01422 357171

www.cht.nhs.uk

Presented to Parliament pursuant to Schedule 7, 25 (4) of the National Health Service Act 2006

Calderdale and Huddersfield NHS Foundation Trust

Annual Report and Accounts 2008/9

CONTENTS

CHAIRMAN'S STATEMENT

This has been year of considerable challenges, great achievements and further developments and improvements to the services we offer our patients.

And behind all this are the people who make it happen – more than 5,500 staff, hundreds of volunteers, Membership Council, members, fundraisers, supporters and partners.

Without all these people we would not have gained another top "double excellent" rating by the health watchdog, the Healthcare Commission. We would not have seen our MRSA bacteraemia rates fall dramatically across the hospitals and the many other great achievements of 2008/9.

The year saw the final stages of our major service reorganisation plans implemented. Children's and women's services were changed to meet modern requirements, national guidelines and high safety standards. The changes have been controversial – particularly the centralisation of consultant-led maternity services at Calderdale Royal Hospital. But our clinicians are consistently clear that this was the right thing to do – for our patients.

As a result consultants are now spending more time with the women who need them and we have seen a reduction in the numbers of emergency caesarean sections and intervention rates (eg forceps).

The Huddersfield Family Birth Centre, opened in March 2008, has proved to be incredibly popular with local families and in the first year exceeded all expectations with more than 500 births.

We have also seen the benefits of reorganising our surgery and orthopaedic services and centralising emergency and complex surgery at Huddersfield Royal Infirmary. These have included falling infection rates, reduced cancellations for planned surgery and a reduced mortality rate following unplanned (emergency) surgery.

Continued close working with GPs and our two primary care trusts has resulted in direct benefits for our patients with more and more hospital services closer to people's homes – such as at the new Todmorden Health Centre. This is great news for our patients – with fewer journeys needed for routine tests and minor procedures.

I would like to say "thankyou" to all the people who have played their part in making this Trust such a successful one for local people. It is not easy – the NHS is one of the most challenging areas to work in but it is also one of the most satisfying.

It is a team effort that makes it all happen – by people directly employed by the Trust and by its many supporters. And the good news for local people who use our services is that it is a winning team by national standards.

Sukhdev Sharma

CHIEF EXECUTIVE'S STATEMENT

Each year presents the NHS with a different set of challenges and 2008/9 was no exception. There were extremely tough national targets to meet, including reducing healthcare acquired infections such as MRSA bacteraemias (bloodstream infections) and meeting the new 18-week referral to treatment target.

Our staff have cared for hundreds of thousands of patients whilst working within the tight financial constraints of the NHS. And they have done all this against a background of significant change to our services, all of which is designed to ensure our patients continue to receive the highest standards of clinical care we can offer.

It has been an exceptional year. We are constantly asking more of our doctors, nurses, healthcare assistants, cleaners, porters – of everyone here – and they constantly step up to the mark.

In 2008/09 their efforts have brought about real benefits for local people:

- A drop of more than 50 per cent in the number of MRSA bacteraemias and a fall in Clostridium difficile cases
- The shortest waiting times since NHS records began
- Services brought back to Halifax and Huddersfield from centres at Leeds and Bradford
- More hospital services provided in the community and closer to people's homes
- Changes in the way our children's and women's services are delivered

The year also saw more than £1.5 million invested in frontline nursing staff. Our capital programme supported major improvements to more of our hospital wards and £1.1 million in state-of-the-art X-ray equipment. More than £2 million is being spent on updating public lifts throughout Huddersfield Royal Infirmary and more improvements to visitor and patient toilet areas are taking place. We are also taking steps to improve car parking facilities for patients and visitors.

Much of this work is taking place as a result of careful financial management, which has allowed us to reinvest surpluses for the benefit of our patients.

There is no doubt that the coming years will be difficult for the public sector as well as the private sector. Continued careful management of our resources will be essential in the current economic climate as will our role as a local employer and buyer of local goods and services. We will play a strong role in the local community contributing to the economic stability of both Huddersfield and Calderdale.
In conclusion, I would like to thank our staff, our partners, our volunteers, our members and our patients for all their help and support.

Diane Whittingham

HIGHLIGHTS OF THE YEAR 2008/9

A quick look back at the highlights of the year from April 2008 to March 2009

APRIL

Top results in staff survey

The national annual staff survey results placed our Trust in the top performing 20% of hospital trusts for high incidences of:

- Job satisfaction
- Staff using flexible working options
- Staff receiving job-relevant training, learning or development

And its low incidences of:

- Staff experiencing harassment, bullying of abuse from staff
- Staff intending to leave the Trust

The Trust also performed well compared to other hospital trusts in support from managers, quality of work-life balance and quality of work design.

MAY

Patient waiting times reduced

A team at Calderdale Royal Hospital has successfully slashed waiting times for varicose vein treatment by more than two-thirds. Patients were being treated in 15 weeks after seeing their GP compared to 48 weeks the year before.

Inpatient survey

Patients praised the care they had received at Calderdale Royal Hospital and Huddersfield Royal Infirmary in a survey carried out by the national health watchdog, the Healthcare Commission. Ninety-three per cent of patients said the care they received was excellent, very good or good. The Trust was also in the top 20% in the country for patients' confidence and trust in doctors and nurses treating them.

JUNE

Hi-tech scanning suite opened

June saw a major investment in patient technology at Huddersfield Royal Infirmary. A new state-of-the-art scanning suite was opened, including a £230,000 isotope scanner, which delivers the very best pictures to ease diagnoses. The suite is also home to a £500,000 CT (computed tomography) scanner, which can pick out the tiniest details, such as individual blood vessels.

Stop, gel and go!

New floor signs and traffic-light style hand gel dispensers were installed throughout our two hospitals to remind all staff, patients and visitors to play their part in the Trust's infection prevention and control campaign. The dispensers carry the banner Stop Gel and Go! urging everyone to use the hand gels before entering or leaving patient areas.

Red carpet night for our staff

We held our very own Oscar-style ceremony in June, recognising the best healthcare ideas and innovations. Staff from throughout the Trust entered the Celebrating Success competition and winners were presented with their awards in a gala-style ceremony. A new infection prevention and control team were the overall winners gaining the £5,000 Gordon McLean award to be reinvested into their project – the IV team – which gives advice about the insertion and care of cannulae.

JULY

Top Award

The team behind the Huddersfield Family Birth Centre at Huddersfield Royal Infirmary won a top innovation award in London. The award was presented by the health minister Ann Keen MP. Their entry highlighted the work with local women which went on before the opening of the centre in March 2008 in a bid to make sure the centre matched their needs.

NHS 60

We celebrated the 60th anniversary of the NHS in July with a whole range of events, including displays and dining room menus featuring food from the 1940s. Staff joined in the celebrations by cutting birthday cakes at the Huddersfield Royal Infirmary and Calderdale Royal Hospital.

AUGUST

New service for patients

Hundreds of Kirklees people with kidney disease no longer needed to travel to Leeds for treatment thanks to the development of a new service. The Trust worked with consultant renal physician Dr Elizabeth Garthwaite to provide a new weekly clinic at the Huddersfield Royal Infirmary.

New improved unit for babies

An extended and improved unit for premature and poorly babies was opened at Calderdale Royal Hospital – the most modern neonatal unit in Yorkshire. The new unit was completed renovated ready for the centralization of the service at the hospital in August. The unit can house six neonatal intensive care cots (for the sickest babies) and 20 special care cots.

SEPTEMBER

New outreach services

More hospital services were taken out into the community to help our patients access services closer to their homes. Diabetes outreach clinics were introduced at the Grange Group Practice in Fartown, Huddersfield and a new gynaecology outreach service for women was launched at Almondbury surgery in Huddersfield. The service at Almondbury was the sixth gynaecology outreach clinic provided by the Trust. Clinics are also held in Hebden Bridge, Todmorden, Ovenden, Brighouse and Holme Valley.

Patient models take to the catwalk

Forty of our patients took to the catwalk in the fourth annual fashion show organized by our award-winning breast cancer nursing team. The event, organized by two of our specialist nurses, is always a hugely popular, emotional event for the patients taking part and their supporters in the audience.

OCTOBER

More matrons

We appointed five more matrons to strengthen our team of top-level experienced nurses across all areas of care. This brought the number to 25 matrons, including six night matrons, as part of the Government drive to see the return of matrons to hospital wards.

Top national rating for the Trust

For the second year running, the Trust gained a double excellent rating from the national independent watchdog, the Healthcare Commission – the only hospital Trust in West Yorkshire to gain the top award. The Healthcare Commission said that the Trust had "continued to provide an excellent quality of service to patients."

NOVEMBER

National accolades

Gillian Lowe was voted Medical Secretary of the Year after being nominated by a patient. Gillian, who works for Dr Anthony Burrows was judged the winner by a panel of six experts from the British Society of Medical Secretaries and Administrators. Dietitian Lisa Green was nominated by one of her patients for a national accolade and was given a special commendation award from Coeliac UK.

Ten years helping tiny babies

The Trust's milk bank, on the neonatal unit at Calderdale Royal Hospital, celebrated 10 years. The milk bank is a supply of donated breast milk from local mums which is given to very premature babies in their earliest days on the unit.

DECEMBER

Baby unit's best ever year

The teams at the assisted conception unit at the Trust celebrated their most successful year ever. Figures, for the year up to the end of September 2008, showed that out of 388 couples who underwent IVF (in-vitro fertilisation) treatment, 137 went on to have babies. This gave the unit a 35% success rate – up from 33%- and well above the national average of 25%.

Health teams honoured

Two teams from our Trust were honoured at the top NHS awards in the country, the HSJ (Health Service Journal) awards. Physiotherapists Rachael Smith and Jayne Duffy were highly commended and a team from pathology were commended for their work.

HIGHLIGHTS OF THE YEAR 2008/9 continued

JANUARY
£1.1 million X-ray investment
State-of-the-art X-ray equipment totalling more than £1.1 million was installed at the Trust. The new equipment included a replacement vascular X-ray machine for complex work on arteries at Huddersfield Royal Infirmary, two digital X-ray machines at the new Todmorden Health Centre and also at Huddersfield Royal Infirmary and replacement ultrasound machines at Calderdale Royal Hospital and Huddersfield Royal Infirmary.

FEBRUARY
Top rated
Top national assessors praised the pathology teams at the Huddersfield Royal Infirmary and the Calderdale Royal Hospital. Our teams were visited over four days in January by a team from Clinical Pathology Accreditation Ltd. The assessors' final report said: "This laboratory provides excellent service to its patients and users". They also described other areas of the service as "excellent" and "superb" and said the new electronic test ordering system had "revolutionised the service."

MARCH
Shortest waiting times since records began!
The Trust celebrated the shortest waiting times since NHS records began. The waiting times standard became fully operational in January 2008 ensuring all patients in the NHS in England will be treated within 18 weeks.

Waiting times for inpatient or day case care at the Calderdale and Huddersfield NHS Foundation Trust have seen a major reduction thanks to a series of measures through close working with partners NHS Calderdale and NHS Kirklees.

First hospital patients at new health centre
The new £10 million Todmorden Health Centre opened its doors to its first patients, including patients accessing hospital services closer to their homes. The services include ophthalmology, audiology, diagnostics (including X-rays and blood tests), gynaecology and obstetrics (including ante-natal clinics) paediatric outpatients, medical outpatients and surgical outpatients.

Happy first birthday!
Staff, mums and babies celebrated the first year of Huddersfield Family Birth Centre with a tea party. The unit opened on March 10, 2008 and in its first year there were 534 babies born there. To celebrate the landmark occasion staff were joined by parents and their babies who had been born on the centre to cut a cake and celebrate.

DIRECTORS' REPORT

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

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

In 2006 we 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 more closely 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.

Principal activities
We deliver healthcare services from our two main hospitals, Calderdale Royal Hospital and Huddersfield Royal Infirmary. We also deliver care from St Luke's Hospital, Huddersfield, 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 more than 100,000 men, women and children were cared for as inpatients and more

than 350,000 attended our outpatient clinics. Added to that, our accident and emergency departments at the two main hospitals cared for more than 130,000 people.

Our core services are hospital based but we 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.

Stakeholder relations
Our relationship with all key stakeholders has enabled the full delivery of the Looking to the Future Integrated Service Strategy, which completed its final phase in August 2008. With the reconfiguration of our surgical services and our women's and children's care now complete, we will be looking to our partners to see how we can further improve on our approach to care delivery across the health communities.

Working closely with our Practice Based Commissioners to develop services according to the needs of our patients is paramount to our service development strategy. The development of shared care pathways continues to influence how services are delivered locally and demonstrates how collaborative working across the multi-disciplinary team can improve the quality of care for our patients.

Our clinicians have worked with the Primary Care Health Improvement Teams throughout the year to develop and support new pathways for fully integrated care. In 2009 we hope see the results of the work implemented for patients requiring respiratory care in their home.

Excellent progress has been made in the delivery of community based facilities. The Todmorden Health Centre now hosts a variety of outpatient services delivered in the community providing additional choice for patients who wish to have their care provide by Calderdale and Huddersfield NHS Foundation Trust.

In 2008 we introduced a local service for day case plastic surgery, working in collaboration with clinicians from Bradford. This year we will expand our networks to deliver more services closer to home and reduce travel for patients. We are currently exploring opportunities for vascular surgery, maxilla facial, and will be commencing a paediatric orthopaedic day case service in partnership with the Leeds Teaching Hospitals NHS Trust.

Patient care
In 2008 the Trust was again recognised as one of the best performing in the country and awarded "excellent" by the Healthcare Commission for both the quality of our services and the quality of financial management.

Performance against national and local targets is reported monthly to the Board of Directors and the Trust has delivered excellent work in-year to achieve the key requirements for the newly established Care Quality Commission (formerly the Healthcare Commission).

A whole-system approach across the Calderdale and Kirklees health community has enabled us to achieve a healthy position for the 18 week pathways.

We have demonstrated strong performance following the introduction of the new cancer standards in 2008/09. This has been achieved through cohesive clinical pathways and joint working across the health community.

We have welcomed the opportunity to participate in the Productive Ward Programme, which has been developed by the Institute for Innovation and Improvement. This will have major benefits in releasing time to care at the bedside and enabling nurses in particular to deliver high quality care for our patients whilst gaining personal job satisfaction. We have highlighted this as a priority development over the next three years and secured funding from the Department of Health and our local commissioners.

Some additional areas of excellent work across the Trust include:
- Bowel Cancer Screening is now available to all men and women aged between 60 and 69 years as part of the national programme, with a new screening centre at Calderdale Royal Hospital
- A new appointments centre has opened to provide a speedier and more efficient service for our patients
- A wide range of outpatient services is now available at the new health centre in Todmorden providing more care closer to home
- Another successful year for our Assisted Conception Unit, which achieved a higher than national average pregnancy rate for couples undergoing IVF treatment.

Patient and Public Involvement
Our patient and public involvement work is key to delivering high quality clinical services. Involving the people who use our hospitals and outreach clinics, or who may in the future, helps us develop our services to meet the needs of the local community. Examples of this work include:

- Eight wards/units which are accredited or seeking accreditation as Practice Development Units. These awards recognise exemplary healthcare practice with a strong focus on patient and carer involvement, shaping service development
- Patients comment on our services via the annual inpatient surveys – and an action plan is formulated to drive forward necessary improvements. We plan to develop ward based inpatient surveys on a monthly basis
- A process of clinical benchmarking has been undertaken across all the wards across a range of clinical quality care standards. An element of this incorporated a patient questionnaire. Each ward is developing action plans associated with this and sharing relevant best practice.

All this work is in addition to the work carried out with our membership, including focus groups on particular areas to ask for their help and advice on ways of further improving our services and facilities.

Handling complaints
In 2008/09 we received 571 formal complaints, the vast majority (99.5%) of which were resolved without referral to the Healthcare Commission. We investigate issues in accordance with the NHS Complaints Procedure to answer individual concerns and to help improve the service we provide.

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.

Information governance
Information governance continues to be an important issue for the Trust. Training is provided to staff through the Mandatory Risk programme by the Information, Confidentiality and Security Team, who also follow up incidents relating to information security.

Staff relations
More than 5,500 staff work for our Trust and we recognise that they are our most important asset. Communications with staff take place through a variety of means, including the established mechanisms for involving and consulting with our workforce on a formal basis through monthly meetings with recognised staff side representatives.

A team briefing system makes sure that our staff get regular updates from the executive board meetings as well as divisional and departmental updates. Our monthly staff newsletter, Trust News, has a lively mixture of business news, important performance and financial information as well as news about staff and Trust achievements. In addition to this the intranet is well used by both management and staff to communicate key messages.

Staff briefing sessions, workshops and meetings between our chief executive and groups of staff, such as our "What matters to staff" sessions, are examples of ways in which we make sure we have effective two-way channels of communication.

We have a comprehensive disability equality scheme developed using the framework established by the Disability Discrimination Act 1995, as amended in 2005. The scheme operates as the principal mechanism for ensuring that policies and procedures are in place to give full and fair consideration to all applications for employment made by people with a disability.

A single equality scheme is being developed to incorporate existing race, gender and disability schemes and will be informed by extensive stakeholder engagement including our workforce. Equality impact assessments are completed to ensure that what we do in employment takes account of the needs of people with disabilities so that they are not disadvantaged. We monitor, for equal opportunities purposes, all applications for employment and this enables us to identify the number of people in our employment who have declared a disability under the terms of the Act. Our application for employment process guarantees an interview for individuals who have a disability subject to their meeting the minimum requirements for the job they are applying for as set out in the person specification.

This robust approach to ensure that disabled people are treated fairly is applied throughout our employment practice and takes account of training and development needs for people who are disabled at the point of entry as well as those who become disabled whilst in the employment of the Trust. We have a well established and widely recognised employability scheme to help people into employment which has positively encouraged applications from people with a disability.

The Trust's absence rate is at 4.5% and is monitored by our divisions, who are best placed to manage their workforce with appropriate corporate support.

Health and safety
The Trust attaches great importance to fulfilling its duty of care in relation to the health, safety and welfare of its employees, patients, visitors, contractors and any other users of its services and facilities.

We have the necessary policies in place detailing key responsibilities and how safe systems of work are implemented, monitored and reviewed. Health and Safety training is also a key component in the Trust's training portfolio.

Corporate social responsibility
In 2008 /2009 the Trust continued to build on the Corporate Social Responsibility work of previous years. Relationships with partners at local and regional level have developed further and supported work in the following key areas:

- Local Strategic Partnerships and Local Area Agreements – including work on transport, carbon reduction, employment and skills, capital plans and community engagement
- Procurement initiatives – this has included meet the buyer events for suppliers
- Employment – further development of the employability scheme and associated work experience initiatives and a strategic review of occupational health services to support improved health and wellbeing in the workplace
- Equality and Diversity – steering group work on development of Equality Impact Assessment process to demonstrate equity of employment and service delivery for potentially disadvantaged groups and to support reduction in health inequalities
- Innovation and Health Technology – participation in Regional Economic Development Programmes supporting healthcare industries in delivering the core business of the NHS. The most noticeable partnership of which is the Trust's designation as a Department of Health showcase hospital for hospital acquired infection technology.

Financial standing and outlook
In our third year as a Foundation Trust we are pleased to be able to again report a strong financial performance. We achieved a surplus, which will be spent on improved facilities and equipment to benefit patient care. In addition, we finished the year with a healthy cash position.

The financial 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. The plan agreed with Monitor at the start of the year was for the Trust to achieve a risk rating of 4, which we have achieved. This rating indicates that there are no concerns of a financial breach of our terms of authorisation as an NHS Foundation Trust. The table below shows the financial criteria that are used to calculate the Financial Risk Rating and our planned and actual performance in 2008/09.

Criteria	Metric	Planned score	Actual score	Planned rating	Actual rating
Underlying performance	Earnings before Interest, Tax, Depreciation and Amortisation as a % of income	5.9%	6.2%	3	3
Achievement of plan	Earnings before Interest, Tax, Depreciation and Amortisation as a % of plan	100.0%	107.5%	5	5
Financial efficiency	Return on assets	5.0%	5.9%	4	4
Financial efficiency	Income and Expenditure Surplus margin	1.6%	1.9%	3	3
Liquidity	Liquidity days	29.1	35.3	4	5
Overall Financial Risk Rating				**4**	**4**

In 2008/09 the Trust received total operating income of £290.9m. The vast majority of this income came from our two local primary care trusts (NHS Calderdale and NHS Kirklees) for the delivery of patient care to our local population. Total income in 2008/09 showed a 6.3% increase on income received

Total operating expenditure in 2008/09 was £283.2m; comprising £184.9m of pay costs and £98.3m of non-pay costs. The Trust achieved efficiency gains of £7.1m; this was achieved through clinical and operational efficiencies across the Trust, improved contributions relating to service re-design and estates efficiencies.

After taking account of non-operating income and expenditure (e.g. Public Dividend Capital dividends and interest received on cash balances), the surplus before exceptional items for 2008/09 was £5.6m; the plan agreed with Monitor at the start of the financial year showed an anticipated surplus before exceptional items of £4.6m. The increased surplus position was primarily due to the receipt of income above plan for the treatment of patients over contracted levels.

In 2008/09, there were £3.1m of exceptional costs relating to the impairment charges on fixed assets (land and buildings). This was as a result of the general reduction in property prices during 2008/09, a change in the valuation methodology used by our professional valuers to value our land and buildings (as required by HM Treasury), and the impact of taking some accommodation blocks at the St Luke's Hospital site in Huddersfield out of operational use. After allowing for these exceptional costs, all of which did not impact on the cash position of the Trust, the retained surplus for the year was £2.5m.

Private patient income accounted for 0.1% 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 as a Foundation Trust.

Capital expenditure in 2008/09 was £11.5m. Major schemes completed in 2008/09 included:
- Re-roofing Ward Block 2, Huddersfield Royal Infirmary £0.3m
- Neonatal Unit at Calderdale Royal Hospital £0.6m
- Major refurbishment of Ward 17 at Huddersfield Royal Infirmary £1.9m
- Other ward refurbishments at Huddersfield Royal Infirmary £0.3m
- Calderdale Birth Centre £0.5m
- Operational and infrastructure schemes £3.4m

Other major capital schemes that were undertaken during the year that are scheduled to be completed next year include the replacement of emergency generators and the lifts at Huddersfield Royal Infirmary.

As a Foundation Trust, the Trust has the flexibility to borrow money within limits approved by Monitor to fund capital expenditure, known as the Prudential Borrowing Limit (PBL). The Trust has been set a PBL by Monitor of £65.9m. In 2007/08 the Trust entered into a loan agreement with the Foundation Trust Financing Facility (which is part of the Department of Health) for £7.6m. The Trust has no other external repayable loans. This loan agreement is to fund specific capital schemes relating to replacing infrastructure on the Huddersfield Royal Infirmary site e.g. electrical mains and lifts. In 2007/08 and 2008/09 the Trust drew down £2.1m and £4.3m respectively of that loan agreement. The remainder of the loan will be drawn down in 2009/10. The Trust has no current plans to take out additional loans.

The level of cash balance at 31 March 2009 was £19.1m, which was £5.6m above planned levels. This was mainly due to the higher than planned surplus and slippage on the capital programme.

We paid £93.4m of bills to non-NHS suppliers, of which £85.3m (91%) were paid within 30 days. This represents a continued and improved position (the comparable figure for the previous year was 85%) against the target of 95% being paid within 30 days.

The three-year plan submitted to Monitor continues to show a period of sound financial health, albeit in challenging economic times. The 2009/10 national tariff, which determines the level of reimbursement the Trust receives for patient care, has built in an efficiency saving of 3%. Delivering this level of improved efficiency whilst at the same time continuing to drive up the quality of patient care represents a significant challenge for the Trust but this is a challenge that we are well equipped to meet.

In 2009/10 the Trust has a planned capital programme of £13.7m. This includes the following schemes:
- Huddersfield Royal Infirmary boiler house, initial work £0.5m
- Huddersfield Royal Infirmary lift replacement, continuing work £1.1 m
- Calderdale Royal Hospital Car Park, barrier and reorganisation work £0.7m
- New endoscopy unit at Calderdale Royal Hospital £2.7m
- Ward refurbishment and upgrades at Huddersfield Royal Infirmary £2.3m
- Site works at Acre Mills, Huddersfield £0.5m
- Operational and infrastructure schemes £3.4m

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. In so far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Accounts of the Trust have been prepared under a direction issued by Monitor, the independent regulator of NHS Foundation Trusts. The accounting policies for pensions and the retirement benefits are set out in note 1 to the Accounts. Details of senior employee' remuneration can be found in the remuneration report.

The Trust takes a pro-active approach to counter fraud and corruption and has a dedicated Local Counter Fraud Specialist, who is employed by the Trust's Internal Audit provider.

The Trust complies with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Our external auditors
The Trusts' external auditors for the period covered by this annual report were the Audit Commission (Trust Practice). As well as performing audit work under Monitor's Audit Code for NHS Foundation Trusts, the Trust has commissioned a number of reviews from the external auditors during 2008/09 outside of this code.

The terms of reference for any non-audit work are reviewed by the Audit Committee to ensure that there is no conflict of interest, to ensure that they are the most suitable person(s) to carry out any such work, and to ensure that the value of the work is not excessive to ensure that the independence of external auditors is properly maintained.

QUALITY REPORT

Quality has always been at the very heart of what we do. The structure of our organisation, and the culture we have strived to develop, is one that promotes and supports high quality care and high quality people.

The benefits of the way we work have been shown nationally through the health service rating system – we have performed strongly for many years and, during the last two years have been awarded the top, "double excellent" rating by the Healthcare Commission.

In 2006, we made a bid to join the Safer Patients Initiative as a pilot site – a further demonstration of our commitment to patient safety and quality. We went through a highly competitive selection process and were one of just ten trusts nationwide to be successful.

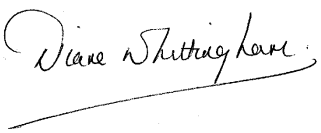
During the 18-month project, our staff took on board a new approach to patient safety. What were then new methods of working, are now day-to-day practice.

The benefits of the project have already included:

- A fall in the number of MRSA bacteraemias (bloodstream infections)
- A fall in the number of infections caused as a result of inserting central lines
- Reductions in ventilator acquired pneumonias
- Increased implementation of measures to prevent surgical site infections.

The move to join the Safer Patients Initiative three years ago was a natural next step on our journey to improve the quality of our care - and this is a journey we are continuing. We listen to our patients, our membership, and our other stakeholders and respond where we can – keeping quality at the heart of everything we do.

Signed:



Chief Executive

Dated: May 2009

Overview of leadership of quality
Our involvement in the Safer Patients Initiative (SPI) has given us many practical tools to improve the safety and quality of different elements of patient care. The overarching aim of SPI, is to change the culture of the Foundation Trust to one which has zero tolerance to avoidable death or harm. We have developed a leadership culture at Board level, that promotes quality and patient safety, and provides an environment where staff are empowered to continuously improve their services.

Over the last two years, executive and non-executive directors have carried out over 150 leadership walkrounds. This has enabled them to engage with front line staff, who have been encouraged to identify and find solutions for any safety or quality issues they may have. Where necessary, teams have been supported to find solutions, using the practical SPI tools.

At the beginning of our SPI journey, we carried out a safety climate survey, involving a large cross-section of our clinical staff. This has been repeated during 2008/09, and has shown improvement.

How we have prioritised our quality improvement initiatives
The Foundation Trust is involved in many quality improvement initiatives, for example:

- We are one of four organisations chosen to participate in the Health Foundation's new initiative "Improving the Safety of Maternity Services through Teamwork Solution".
- We are working with the Department of Health's National Orthopaedic Improvement team, to improve the pathway for patients who suffer a fractured neck of femur.
- We are keen to improve the experience and outcomes for patients with learning difficulties. We have appointed a Matron for patients with complex needs, who works closely with this patient group. We have developed VIP (Vulnerable In-Patient) cards for patients, which provide useful information on their needs and preferences. These are examples of exciting initiatives but, after careful consideration, our Medical Director and Director of Nursing have selected the following three priorities:

Priority 1: To further reduce the incidence of MRSA and C-Difficile infections.

Priority 2: For patients who have suffered fractured neck of femur, to improve the timeliness of surgery, and reduce morbidity, mortality and length of stay.

Priority 3: To increase the score relating to the rating of overall quality of care, provided by patients in the National Patient Survey.

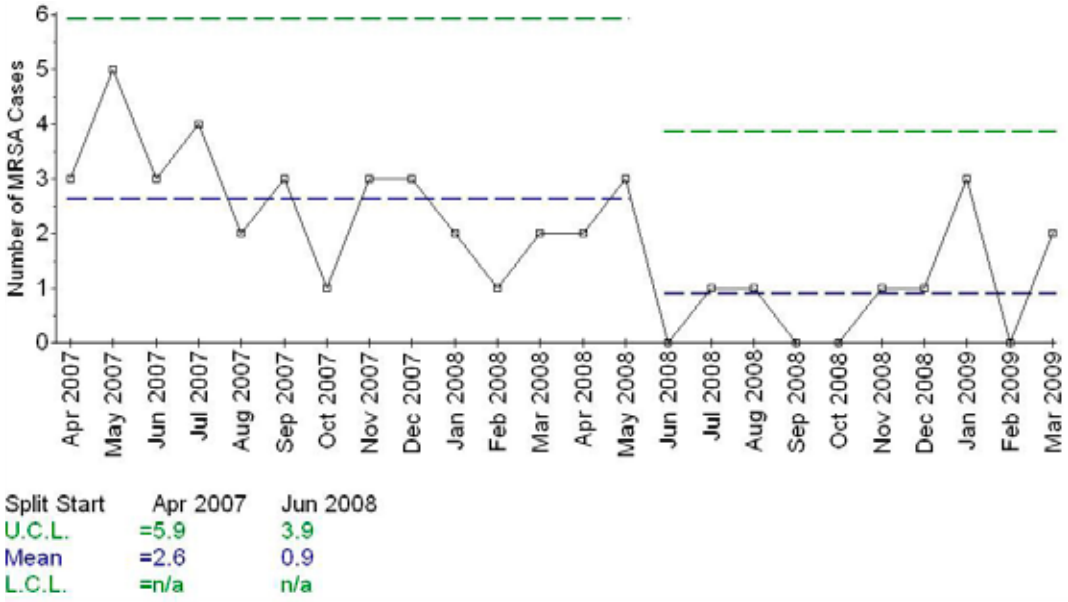
We will, of course, also be monitoring our performance against other quality metrics, including those developed by NHS Yorkshire and the Humber. Their Quality Assurance and Improvement Scheme includes indicators linked to the eight priorities in the Healthy Ambitions programme, which aims to save lives and improve care for our population over the next ten years.

Priority 1: To further reduce our Healthcare Acquired Infection (HCAI) rate in line with our target.

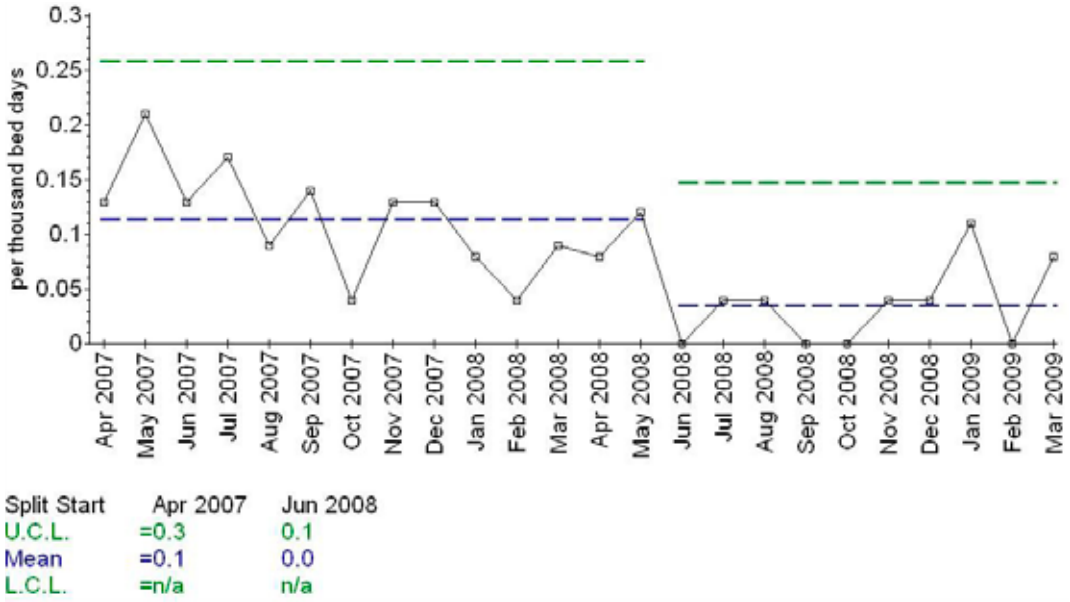
Description of issue and rationale for prioritising
Our current MRSA rate is below the national average, but we believe we can introduce measures to reduce it further, in line with national priorities. The Trust is committed, in particular to change clinical practice to prevent and control healthcare associated infections, including MRSA, as outlined by the DoH in both the 'Winning Ways' action plan document and 'Saving Lives' programme, and the Health Act 2006 : Code of Practice for the Prevention and Control of Healthcare Associated Infections.

Aim/Goal
To reduce the incidence of MRSA bacteraemias and C-Difficile infections.

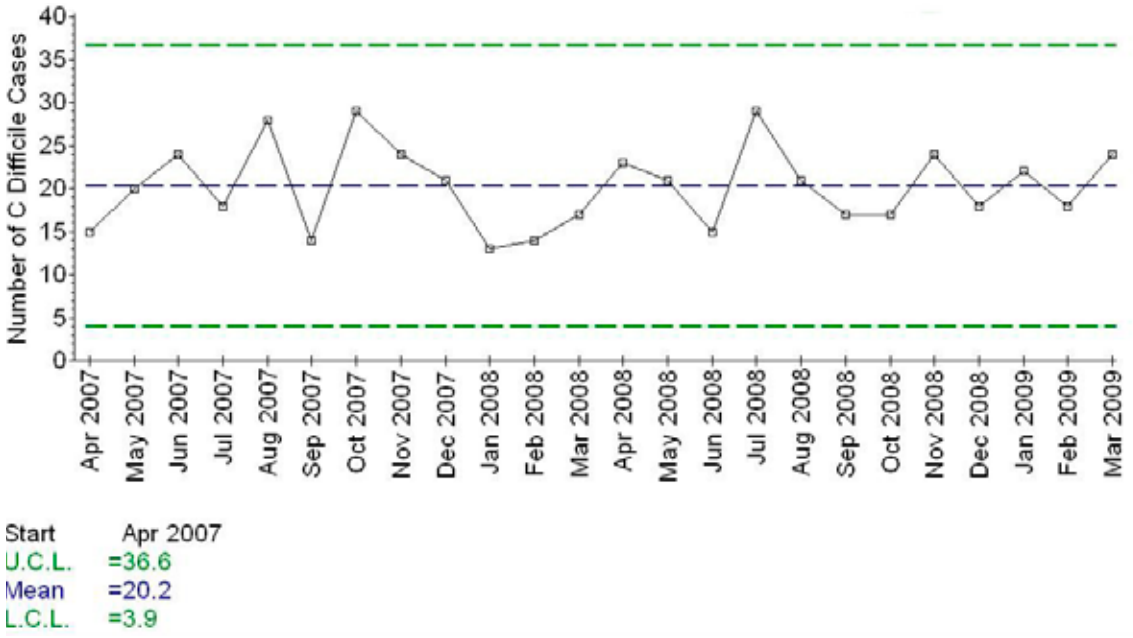
Current status



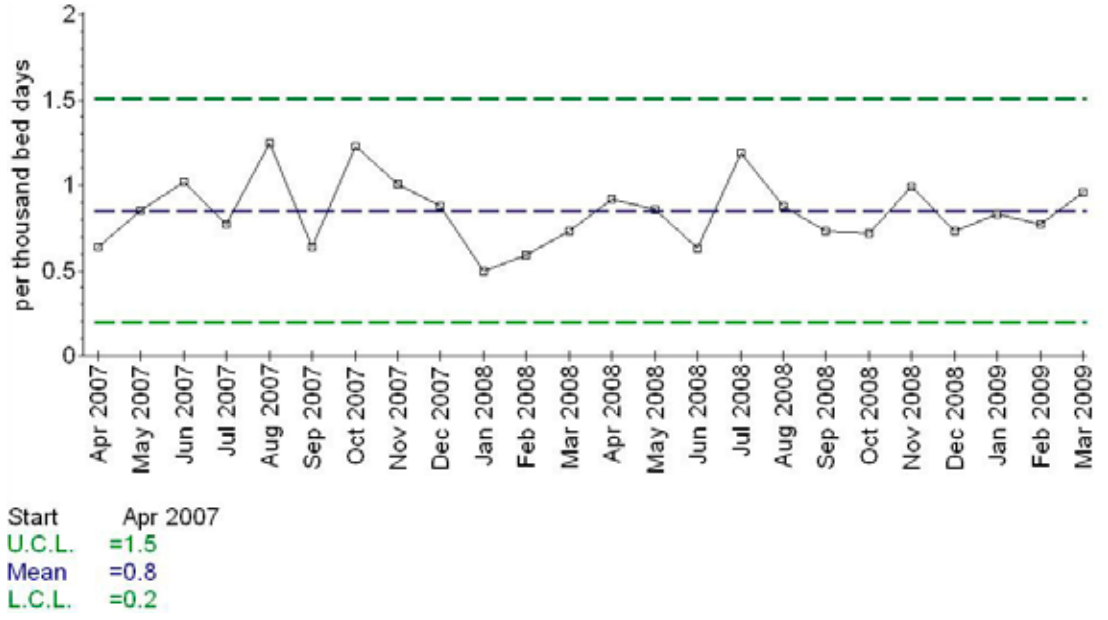
Total number of pre and post 48 hour MRSA bacteraemia



Total number of pre and post 48 hour MRSA bacteraemia per thousand bed days



Total number of Clostridium Difficile cases



Total number of Clostridium Difficile cases per thousand bed days

Identified areas for improvement
- Focus on improving hand hygiene compliance and Saving Lives High Impact Interventions
- Improve communication throughout the Trust
- Improved sharing of lessons learnt from root cause analysis
- Antimicrobial prescribing.

Current initiatives in 2008/09:
- Establishment of Link Infection Prevention and Control Practitioners
- Showcase hospital project – trialling and evaluating new innovations and technologies to help reduce HCAIs
- Development of antibiotic guidelines
- Establishment of hand wash champions
- Intensive environment/infection control audits
- Introduction of Invasive Devices Clinical Nurse Specialist Team

New initiatives to be implemented in 2009/10:
- Bio-Medical Scientist Infection Control Advanced Practitioner – to look at new methods of testing
- Review of antibiotic guidelines
- Antibiotic ward rounds
- Screening of all patients for MRSA, both on admission and prior to surgery
- Ongoing monitoring of process and outcome measures

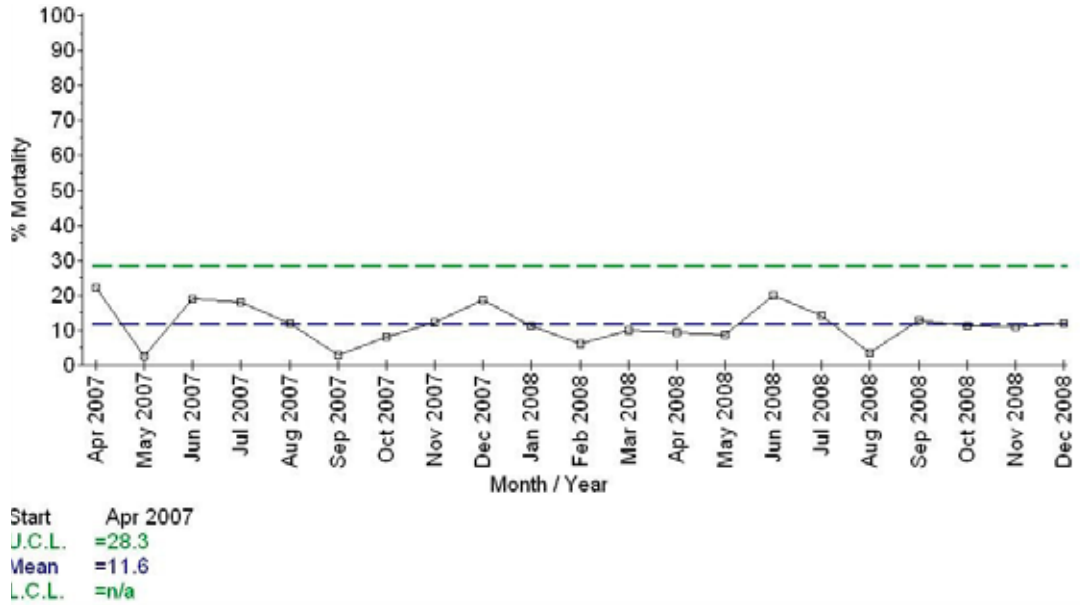
Priority 2: For patients who have suffered fractured neck of femur, to improve the timeliness of surgery, and reduce morbidity, mortality and length of stay.

Description of issue and rationale for prioritising
The time to surgery for patients with fractured neck of femur has been exceeding the nationally accepted target range.

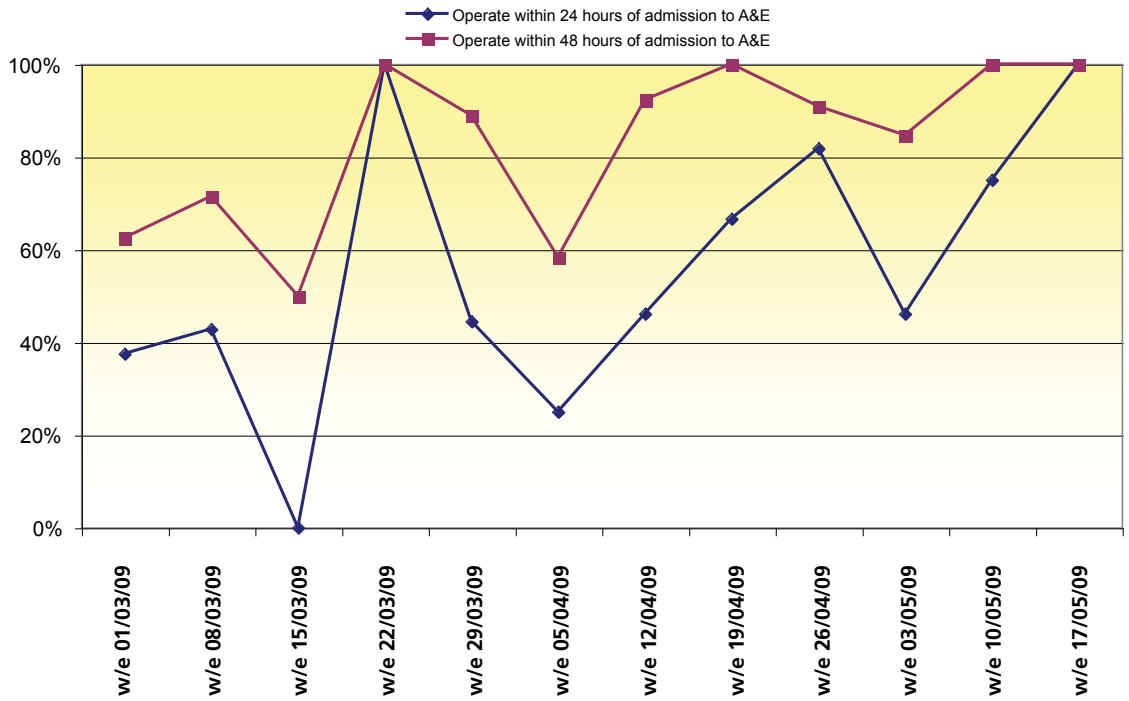
Aim/Goal
To improve the pathway of patients with fractured neck of femur by ensuring that all medically fit patients have surgery within 48 hours of admission to hospital.

Identified areas of improvement
- Management of the care pathway from admission to discharge
- Access to Ortho-Geriatrician
- Communication between teams

Current Status



% In hospital mortality- patients with diagnosis of fractured neck of femur



Operation within 24 hours and 48 hours of admission

Current Initiatives in 2008/09
- Patients with fractured neck of femur are now first on the theatre list
- Discharge planning commenced at time of admission
- Baseline data collection commenced, so that measurement can begin in 2008-09

New initiatives to be implemented in 2009/10
- Daily input to the orthopaedic wards from the Ortho-Geriatricians.
- Introduce dedicated trauma co-ordinator role, to track patients from admission, and ensure improved communication between theatres and ward teams.
- Reduce delays in discharge
- Improve communication between multi-disciplinary teams, by introduction of a chronological patient record

Priority 3: To increase the score relating to the rating of overall quality of care, provided by patients in the National Patient Survey.

Description of issue and rationale for prioritising
We will continue our mission to continuously transform care and improve the patient experience, so that we consistently meet and exceed patients' expectations.

Aim/Goal
To increase the score relating to the rating of overall quality of care, provided by patients in the National Patient Survey.

Current status

National Patient Survey			
	2006 score	2007 score	2008 score
Overall, how would patients rate the care they received	79/100	78/100	76/100

Identified areas of improvement
- Insufficient patient feedback throughout the care pathway
- Nurses need more time to provide direct patient care
- We still have some "mixed sex" accommodation on the assessment wards

Current initiatives in 2008/09

- All ward areas have completed the NHS Institute for Innovation and Improvement's Good Practice Guidance and Self Assessment Audit around Promoting Privacy and Dignity – The Elimination of Mixed Sex Accommodation.
- Mandatory training in either "Delivering Excellent Service" or "Managing the Delivery of Excellent Service".

New Initiatives to be introduced in 2009/10

- Action plan to eliminate mixed sex accommodation to be delivered.
- "Productive Ward" initiative to be rolled out to wards, with the objective of releasing nurses to give more time to providing direct patient care.
- Introduction of Patient Reported Outcome Measures (PROMS).
- Introduction of mechanisms for "real time" patient feedback.

Response to Regulators

- Calderdale and Huddersfield NHS Foundation Trust's declaration to the Care Quality Commission indicated our compliance with all of the core standards.
- In response to concerns from Monitor, we have reduced the incidence of MRSA bacteraemia and achieved our annual target in 2008/09.
- The Healthcare Commission carried out a follow up review of children's hospital services. The review focused on the training and skills required to meet the needs of children in hospital, with particular emphasis on care settings such as emergency care, day case care, surgery and out- patients. Results showed slight improvement against the original review. Whilst the follow up review was published in March 2009, it related to data for the period Oct 2006 – Sept 2007. Data collected for the current year has shown much greater improvement, and an action plan has been developed to further align our service to the required standards.
- Following the Healthcare Commission's inspection of our compliance with elements of the Hygiene Code, the Trust has made improvements in a number of focused areas, alongside existing infection prevention and control priorities during 2008/09. The sustained commitment to these areas of work has culminated in a significant reduction in our MRSA and Clostridium Difficile rates.

Response to Local Involvement Networks (LINks) and to feedback from Foundation Trust (FT) Members and the Membership Council

The Trust has forged working relationships with LINks in both the Calderdale and Kirklees areas. This has resulted in a number of opportunities for the LINks members to express views about services provided by the Trust. Examples of these include:

- The Membership Council has held two workshops with LINks to explore how to best work together effectively
- LINks met with the Head of Patient and Public Involvement and representatives from the obstetric team to discuss breastfeeding rates, this provided an opportunity to talk about the initiatives in place to promote breastfeeding.

Each Trust division holds two focus groups a year, attended by FT members. The first provides an opportunity to shape divisional business plans, and the second allows for ongoing debate on progress.

Divisional reference groups are also held with representatives from the Membership Council, who give feedback on areas of work they have been involved in, such as PEAT visits and 'mystery shopper'. These have been successful in offering a patient and public perspective to divisional business.

Examples of issues raised and being worked on jointly with LINks/FT members/Membership Council members:

- Concerns over the pharmacy waiting area at Huddersfield Royal Infirmary
- Audiology pathway/waiting times
- Assessment and management of pressure sores

Quality Overview: Performance of the Trust against self selected metrics

We have chosen to measure our performance against the following metrics:

Safety Indicators	Source of Indicator	2007-2008	2008-2009
1. Adherence to antibiotic prescribing policy	SPI	Not collected	91.8%
2. Hand hygiene compliance	NPSA	73.9% (Nov to March)	99.4%
3. Medicines reconciliation	SPI	66.52%	79.86%
4. Incidence of venous thrombo-embolism	Internal	Not collected	289 (Aug to Feb)
5. VTE prophylaxis given as prescribed, prior to surgery	SPI	93.07% (May to March)	96.10%

Clinical Effectiveness Indicators	Source of Indicator	2007-2008	2008-2009
1. In-patient mortality rate for patients with fractured neck of femur	Internal	11.89%	11.16%
2. Surgery for fractured neck of femur within 24 hours	DoH	Not collected	Not collected for full year
3. Surgery for fractured neck of femur within 48 hours	DoH	Not collected	Not collected for full year
4. Emergency readmission following discharge after surgery for fractured neck of femur	Internal	12%	4.6%
5. Emergency readmission following discharge (adults)	Internal	10.3%	10.5%

Patient Experience Indicators	Source of Indicator	2007-2008	2008-2009
1. Compliance with DoH guidance on Mixed Sex Accommodation	DoH	Compliant	Compliant
2. Overall, how do patients rate the care they received (maximum score 100)	National In-Patient Survey	78	76
3. Did patients feel they were treated with dignity and respect whilst in hospital (maximum score 100)	National In-Patient Survey	87	86
4. In patients' opinions, were there enough nurses on duty to care for them (maximum score 100)	National In-Patient Survey	69	71
5. Do patients feel that we have communicated with them well. (Questions 3,29,33,38,40,49,50,62,63,64 in the 2008 survey). (maximum score 100)	National In-Patient Survey	77	75

Note on indicator 5: an average score has been calculated, for ten questions in the Patient Survey which relate to communication.

National targets and regulatory requirements

	2008-2009	Target
The Trust has fully met the HCC core standards, and national targets.	24/24	24
Clostridium difficile year on year reduction	167	188
MRSA – maintaining the annual number of MRSA bloodstream infections at less than half the 2003/04 level	HPA 14 Contract 12	19
Maximum waiting time of 31 days from decision to treat to start of treatment extended to cover all cancer treatments	100%	To be confirmed
Maximum waiting time of 62 days from all referrals to treatment for all cancers	95.6%	To be confirmed
18-week maximum wait from point of referral to treatment (admitted patients)	95.6%	90%
18-week maximum wait from point of referral to treatment (non-admitted patients)	98.8%	95%
Maximum waiting time of four hours in A & E from arrival to admission, transfer or discharge	98%	98%
Maximum waiting time of two weeks from urgent GP referral to first out-patient appointment for all urgent suspect cancer referrals	95.5%	To be confirmed

OUR MEMBERSHIP AND MEMBERSHIP COUNCIL

Our membership and Membership Council are our vital link with the local community. Joining our Trust as a Foundation Trust member is a voluntary role and demonstrates support and interest in our hospitals and their future. In turn our members help us to learn and grow as an organisation and to continuously improve our services.

Our membership - eligibility requirements

Our membership is open to any individual who:

- Is over 16 years of age, and
- Is entitled under our Constitution to be a member of one of the public constituencies or of one of the classes of the staff constituency (table below):

PUBLIC CONSTITUENCIES	
1	Calder Valley, Luddendenfoot, Ryburn, Todmorden
2	Birkby, Crosland Moor, Deighton, Newsome, Paddock
3	Almondbury, Dalton, Denby Dale, Kirkburton
4	Batley East, Batley West, Birstall, Birkenshaw, Cleckheaton, Dewsbury East, Dewsbury West, Heckmondwike, Mirfield, Spenborough, Thornhill
5	Brighouse, Elland, Greetland, Stainland, Rastrick, Skircoat
6	Bingley Rural, Clayton, Great Horton, Hipperholme, Lightcliffe, Illingworth, Northowram, Shelf, Odsal, Queensbury, Thornton, Tong, Wibsey, Wyke
7	Mixenden, Ovenden, St John's Sowerby Bridge, Halifax Town, Warley
8	Colne Valley West, Golcar, Holme Valley North, Holme Valley South, Lindley
STAFF CONSTITUENCIES	
9	Doctors and Dentists
10	Allied Health Professionals
11	Management, Admin and Clerical
12	Ancilliary
13	Nurses and Midwives

The Board Secretary makes the final decision about the class to which an individual is eligible to be a member.

Membership Numbers

PUBLIC MEMBERS PER CONSTITUENCY (AS AT 31 MARCH 2009)	
	Number of Members
1	557
2	1871
3	1235
4	335
5	1107
6	649
7	1287
8	2279
STAFF MEMBERS PER CONSTITUENCY (AS AT 31 MARCH 2009)	
9	134
10	214
11	521
12	326
13	433

Membership Development

- Engagement Activities 2008/9

– The role of the Membership Council is to ensure that the Trust responds to the needs and preferences of the local community as well as working towards achieving a representative membership to ensure all sections of the community have a voice. Membership Council members have focused on engaging with the membership to hear their views on local services
– A bi-monthly Medicine for Members event, hosted by Membership Council members and featuring clinicians from the Trust speaking on topics of local and national importance has proved very popular and consistently attracts between 50 and100 members. This has resulted in presentations around the topics of Elderly Care, You and Your Eyes, Cardiology, Rheumatology, Anaesthetics and Pain Control. Nursing in the 21st century included a visit to the Skills Laboratory at Huddersfield University, which proved popular with our younger members. All events were hosted by our Membership Council members and evaluated extremely well
– As the local LINks continue to develop, we have held a number of joint workshops to clarify the different roles and responsibilities of the Membership Council and the two local LINks. Together we have worked on specific issues including audiology, maternity and rehabilitation services
– Members with an interest in specific services have been invited to focus groups which are linked to our clinical divisions. These are held twice a year for each of the five divisions and inform both divisional and trust plans. Members have the opportunity to hear service plans and have their views heard in order to help shape future services
– The Membership Council members are linked to our clinical divisions and host the focus groups. At divisional reference groups they hear about divisional business and share their views and that of the wider membership. Regular feedback is given to members at the focus groups with regard to issues that have been raised at earlier events
– The unitary AGM was held alongside a small health fair where Membership Council members and the Board of Directors engaged with the membership and the wider public
– A healthcare event was held for profoundly deaf people, who were invited along to discuss our accident and emergency services and the provision of support for profoundly deaf people
– We have undertaken a survey of our membership with a view to improving membership services and support involvement. This will become part of our annual cycle of engagement activities
– The Trust continues to write and publish the newsletter "Foundation News" three times a year informing members about developments at the Trust, membership events and a programme of future membership activities
– Attendance at an "Understanding Islam" day in a local mosque provided an opportunity for staff and the Membership Council members to both engage and recruit members from an under represented community
– For staff members we have started a quarterly event under the banner of "A conversation with the Chief Executive" which has been well received. The aim is to engage the staff in future strategy and to build their views into our plans.

The major actions from April 2008 to March 2009 to increase and improve membership were:

ACTION / RECRUITMENT ACTIVITY	OUTCOME
Attendance at local authority area forums	Increased membership in under represented areas
Partnership events with voluntary agencies	Low numbers increased awareness of FT and benefit
Jobs and Enterprise Fair	Engaged and recruited younger job seekers
Attendance at "Understanding Islam" day at local mosque	Good response from an under represented group
Carnivals across both towns	Popular events, good responses
Local Universities Freshers Day	Good response particularly from Health and Social Care students
Careers events at local colleges	Some recruitment and the beginning of partnership working with schools and colleges
Staff events – meet the Chief Executive	Excellent response to events
New staff automatically made FT members	Increase in staff numbers, improved representatiion

Our Membership Council

"The Trust is committed to providing high quality care and treatment, and always puts the needs of patients first and foremost." ***Christine Breare, Membership Council member***

"Being a member of the Foundation Trust Membership Council is a unique opportunity to raise issues from a patient and public perspective. I have found that members can have a real say in the future direction of the Trust."
Bernard Pierce, Membership Council member

"As a staff member of the Foundation Trust, I feel genuinely involved in the running of our hospitals. I now have a much greater understanding of departments outside my own remit and how the organisation operates as a whole."
Sue Scholefield, Membership Council member

Our Membership Council has 28 places, of which 22 represent the public and staff and are elected by our members. The remaining six are appointed by partnership organisations which include: The two primary care trusts, NHS Calderdale and NHS Kirklees, the University of Huddersfield, Calderdale Metropolitan Council, Kirklees Metropolitan Council and South West Yorkshire Mental Health Trust.

The Membership Council meets formally four times per year. Ad hoc meetings are called as required.

The Membership Council has responsibilities in relation to:
- The appointment/removal of the Chairman and other Non-Executive Directors
- The ratification of the appointment (by the Non-Executive Directors) of the Chief Executive
- The remuneration and allowances and the other terms and conditions of the Non-Executive Directors
- The appointment/removal of the Trust's External Auditor
- Being presented with the Annual Accounts, any report of the External Auditor on the Annual Accounts and the Annual Report
- Providing views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning
- Responding as appropriate when consulted by the Board of Directors in accordance with the Constitution
- Undertaking such functions as the Board of Directors shall from time to time request
- Preparation of and review of the Trust's Membership Strategy, its policy for the composition of the Membership Council and of the Non-Executive Directors.

In addition, the Membership Council has established the following Sub-Committees and Groups:
- Remuneration and Terms of Service of Non-Executive Directors Sub-Committee
- Nominations Sub-Committee
- Membership, Engagement, Recruitment and Retention Sub-Committee (MERR)
- Corporate Social Responsibility Group
- Divisional Reference and Focus Groups: Children's and Women's Services, Diagnostic and Therapeutic Services, Surgical and Anaesthetic Services, Medicine and Elderly Services, Estates and Facilities

The Membership Council receives reports and recommendations from each of these Sub-Committees/Groups at its Membership Council meetings.

The Membership Council works closely with the Board of Directors. Directors routinely attend meetings of the Membership Council and representatives from the Membership Council are invited to attend Board of Director meetings. The Membership Council receives reports at each of its meetings from the Director of Finance and Director of Service Development on current issues of performance.

Elected Council Members

Elections were held in five public constituencies during the autumn of 2008 and the results were announced at the Annual Members' Meeting in October 2008. The elections were held under the independent scrutiny of the Electoral Reform Services.

There have been four formal meetings of the Membership Council during 2008/9 financial year and the attendance of the Membership Council members at these meetings is detailed overleaf:

NAME	CONSTITUENCY	ELECTED UNTIL ANNUAL MEMBERS' MEETING (Shading = current serving members)	ATTENDANCE AT FORMAL MEMBERSHIP COUNCIL MEETINGS 2008/9
PUBLIC			
Bernard Pierce	1	2010	4/4
Frances Macguire	1	2011	1/2
Garrick Graham	2	2008	3/3
Linda Wild	2	2011	2/2
Lesley Longbottom	2	2010	2/4
Ann Nicholas	3	2009	3/4
Dorothy Conroy	3	2011	1/2
Brenda Mosley	3	Resigned 1.10.08	0/3
Rosemary Walters	4	Resigned 6.10.08	2/4
Christine Breare	4	2011	2/2
Joy Callaghan	5	Resigned 7.4.09	2/2
George Richardson	5	Reserve from 7.4.09 until 6.10.09	3/3
Allan Templeton	5	2010	4/4
Peter Naylor	6	2009	4/4
Christine Mickleborough	6	2011	1/2
Jim Hainsworth	6	2008	2/3
Dot Rayner	7	2011	4/4
Liz Breen	7	2011	2/2
Jan Roberts	8	2009	3/4
Janette Roberts	8	2010	3/4
STAFF			
Paul Knight	9	2011	4/4
Imran Hussain	10	Resigned 24.2.09	0/4
Sue Scholefield	11	2009	2/4
June Richardson	12	2009	2/4
Carole Hallam	13	2009	3/4
Chris Burton	13	2011	2/4
STAKEHOLDERS			
Sue Bernhauser	University of Huddersfield	2012	2/4
Jonathan Phillips	Calderdale Metropolitan Council	2010	0/4
Tony Hood	Kirklees Metropolitan Council	Resigned 5.1.09	0/4
Merran McRae	Kirklees Metropolitan Council	2012	0/0
Helena Corder	NHS Kirklees	2012	2/4
Sue Cannon	NHS Calderdale	2011	2/3
Angela Monaghan	NHS Calderdale	Resigned 9.4.08	0/1
Ruth Unwin	South West Yorkshire Mental Health Trust	2012	1/4

Attendance of Executive Directors at Membership Council Meetings		
Sukhdev Sharma	Chairman	4/4
Diane Whittingham	Chief Executive	4/4
Mark Brearley	Director of Finance	4/4
Lesley Hill	Director of Service Development	4/4
Julie Hull	Director of Personnel and Development	3/4
Jan Freer	Director of OD/Membership Director	3/4
Yvette Oade	Medical Director	4/4
Helen Thomson	Director of Nursing	3/4
Two Non-Executive Directors are invited to each meeting on a rotation basis (from May 2008)		
Carol Clark	Non-Executive Directors/Vice-Chair	3/3
Alison Fisher	Non-Executive Director	2/2
Mohammad Naeem	Non-Executive Director	1/1

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 should contact the Board Secretary on 01484 347186 or Email: Kathy.bray@cht.nhs.uk.

If you would like to get in touch with a Membership Council member, or would like to find out more about becoming a member or about the services provided by the Trust please contact the membership office on 01484 347342 or email: membership@cht.nhs.uk or mail: The Membership Office, Calderdale and Huddersfield NHS Foundation Trust, Freepost HF2076, The Royal Infirmary, Lindley, Huddersfield, HD3 3LE.

OUR BOARD OF DIRECTORS

The Board of Directors is responsible for managing the business of the Trust and, subject to the Constitution, exercises all the powers of the Trust. The Board of Directors therefore has overall responsibility for delivering the activities of the Trust and is accountable for the operational performance of the Trust as well as the definition and implementation of strategy and policy.

The day-to-day management of the Trust rests with the Chief Executive and Executive Directors who are responsible for taking decisions, particularly with regard to financial and performance issues and day-to-day quality matters, subject to the Trust's Scheme of Delegation and Standing Financial Instructions. The Board of Directors for the period 1 April 2008 to 31 March 2009 was as follows:

BOARD MEMBER	POSITION	TENURE REVIEW DATE
Sukhdev Sharma	Chairman	4.10.10
Carol Clark	Non-Executive Director/Vice-Chair and Senior Independent Director	30.11.10
Graham Caddock	Non-Executive Director	Resigned 30.9.08
Alison Fisher	Non-Executive Director	30.11.09
Jane Hanson	Non-Executive Director	30.9.12
Bill Jones	Non-Executive Director	30.11.11
Mohammad Naeem	Non-Executive Director	30.11.10
		APPOINTED:
Diane Whittingham	Chief Executive	1.4.97
Helen Thomson	Director of Nursing/Deputy Chief Executive	1.4.93
Mark Brearley	Director of Finance	1.10.05
Yvette Oade	Medical Director	2.7.07
Lesley Hill	Director of Service Development	2.5.06
Julie Hull	Director of Personnel and Development	1.9.95

Non-Executive appointments and termination of tenure are determined by the Membership Council.

The Board of Directors comprises a Chairman, five Non-Executive Directors and six Executive Directors. The Board considers each of the Non-Executive Directors to be independent in character and judgement and have identified no relationships or circumstances that are likely to affect or appear to affect their judgement. Our Non-Executive Directors were appointed because of their experience and specific skills and their strong links with the community. Our Executive Directors are appointed through open competition in accordance with the Trust's recruitment and selection policies and procedures.

Assessments of the board are conducted using established Trust appraisal and personal development planning processes. In addition a skills assessment for the board, which was developed in 2007/8, continues to be reviewed.

The Board of Directors has monitored its compliance with the NHS Foundation Trust Code of Governance throughout the year and is satisfied that the Trust complies with the provisions of the code. For more information about how the Trust applies the main and supporting principles of the code please see the Statement of Internal Control in the accounts section of this report.

During 2008/9 the Board of Directors met on 13 occasions and attendance at these meetings is given below:

NAME	ATTENDANCE AT BOARD OF DIRECTOR MEETINGS 1.4.08 – 31.3.09
Sukhdev Sharma	12/13
Carol Clark	12/13
Graham Caddock	4/6 (resigned 30.9.08)
Alison Fisher	10/13
Jane Hanson	5/7 (appointed 1.10.08)
Bill Jones	10/13
Mohammad Naeem	10/13
Diane Whittingham	11/13
Helen Thomson	10/13
Mark Brearley	12/13
Yvette Oade	10/13
Lesley Hill	12/13
Julie Hull	11/13

Register of Directors' interests: Any member of the public who would like to view the Register of Directors' Interests should contact the Board Secretary on 01484 347186 or Email: Kathy.bray@cht.nhs.uk. Anyone who would like to get in touch with a Director should also contact the Board Secretary.

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 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 NHS Trust in April 2001. She has more than 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 development, plays an active role in health policy issues and is a member of a number of national groups. She is a member of the Huddersfield University Council.

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. She has also undertaken the High Potential Development Programme organised by the Department of Health. Helen 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.

In 1993, she took the post of director of operational management then became executive director of nursing and clinical development in April 1995. In April 2001, she was appointed executive director of nursing for the newly-formed Calderdale and Huddersfield NHS Trust and has also held the post of deputy chief executive since January 2006.

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 from 1 October 1999, the merged Hull and East Yorkshire Hospitals NHS Trust, where latterly he was 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 Yorkshire and Humber Finance Skills Development Board.

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

Lesley Hill, Director of Service Development
Lesley has 20 years experience as both a health care 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 in a variety of business manager, contracts manager and general manager roles at Northwick Park Hospital in Harrow.

Lesley became Head of Acute Commissioning for Bradford Health Authority in 1998, with a specific remit to help them sort out their waiting list and patient access problems, and deliver modernised services. In 2000 Lesley became the director of commissioning and deputy chief executive for North Bradford Primary Care Trust. Lesley was acting chief executive of North Bradford and Airedale Primary Care Trusts before her move to Calderdale and Huddersfield NHS Foundation Trust as director of service development in 2006.

Lesley enjoys the theatre and opera, and participates in a variety of sports. She is married with two teenage daughters.

Yvette Oade, Medical Director
Dr Yvette Oade was appointed medical director in July 2007. Yvette joined the Trust in 1993 as a consultant paediatrician. She was a clinical director and then divisional director of the Trust's children's and women's services.

Yvette studied medicine at Leeds University. She is a Fellow of the Royal College of Paediatrics and Child Health. She has worked in the field of paediatric medicine since 1985 and did her higher specialist training in Leeds, Blackburn and Manchester. Her particular area of interest is children with diabetes. She has cared for children with diabetes in Calderdale since 1993.

Yvette is the first woman medical director at the Trust and also continues in her clinical role caring for young patients. Yvette is married with a teenage daughter and lives in Liversedge.

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 held since September 1995, and was then appointed to the merged Calderdale and Huddersfield NHS 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

Sukhdev Sharma, Chairman
Sukhdev was appointed Chairman of Calderdale and Huddersfield NHS Foundation Trust in October 2007.

He lives in Halifax and is married with four children. He was the chief executive of the Commission for Racial Equality in London until 1998 and before his appointment to the Trust was chairman of the South West Yorkshire Mental Health Trust - a position he held since 2002.

He was also a chairman of the former Calderdale and Kirklees Health Authority. He has been a member of the European Economic and Social Committee since 1998 and has been a rapporteur (expert/spokesman) on equality, anti-discrimination, migration and human rights issues for the committee.

He currently chairs the Migration Policy Group, a Brussels-based think tank. He is a lay member of the Employment Tribunal, and a board member of the Shaw Trust charity, the largest provider of vocational and job training to disabled and disadvantaged people. He was awarded a CBE in 1998 for services to the community.

Carol Clark, Vice-Chair and senior independent Non-Executive Director
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.

She has a special interest in public involvement in health service provision and has been the Non-Executive representative on the Patient Safety Committee.

In her spare time Carol particularly enjoys walking and gardening, as well as being an armchair supporter of rugby league and soccer. She has two young grandchildren.

Jane Hanson, Non-Executive Director
Jane was appointed as a Non-Executive Director in October 2008. Having obtained a BA Hons degree in Music from York University, Jane joined KPMG and qualified as a chartered accountant.

She was responsible for the delivery of corporate governance, internal audit and risk management advisory services to many private sector organisations specialising in the financial sector.

In 2002 she became the of Director of audit at Norwich Union Life and in 2004 was made Risk Director working in York and London, responsible for regulatory compliance and a significant portfolio of change programs.

With more than 15 years' experience of working at Board level in large and complex organisations Jane now has her own financial sector consulting business. She is also a magistrate and vice-chair of governors at a local primary school.

Jane lives in Huddersfield, is married and has two children. She loves travelling, skiing, gardening and music, regularly accompanying her children for their music exams!

Alison Fisher, Non-Executive Director
Alison was appointed as a Non-Executive Director in December 2005. She is employed, part-time, by the West Yorkshire Probation Board as Diversity Manager and has a particular interest in issues of equality and diversity. 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 NVQs 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 and continues to sit on teacher conduct hearings as a lay representative. She was also previously a representative parent on the

Education Scrutiny Panel of Kirklees Council for four years and is a governor at a local primary school.
Alison lives in Huddersfield and has two daughters. She sings with women's singing group unityvoices, who are involved in various local events.

Mohammad Naeem, Non-Executive Director
Mohammad Naeem was appointed as a 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.

Naeem worked in Huddersfield, Calderdale and Bradford for more than 15 years in Community Related work, before taking up the post with the Rochdale Centre of Diversity in 1985. He is chairman of Local Public Service Board in Rochdale (The Local Strategic Partnership), and also serves as a board member of the Oldham and Rochdale Housing Market Renewal Path Finder. His recent appointments include Independent Chairman of Race and Religious Scrutiny Panel of the Greater Manchester Crown Prosecution Service and he also Chairs Northwest Network, a voluntary organisation providing infrastructure support to the Third Sector in Greater Manchester.

Naeem enjoys computing and finds working with people of all backgrounds and levels extremely satisfying.

Bill Jones, Non-Executive Director
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.

In 2008 Bill was appointed Non-Executive of the Health Informatics Service.

Graham Caddock, Non-Executive Director (resigned 30.09.08)
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 and ran his own tax consulting business.

AUDIT COMMITTEE

The Trust has an Audit Committee which meets at least nine times a year. During 2008/9 the Board of Directors invited an independent representative, Andrew McConnell (a Chartered Accountant and Director of Finance at the University of Huddersfield), onto the Audit Committee to assist the committee in discharging its duties.

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. The Audit Committee has approved Terms of Reference which are available on request and are regularly reviewed.

The committee reviews the disclosure statements that flow from the Trust's assurance processes, in particular, the Statement of Internal Control. During the course of the year the Trust has continued to ensure its Governance Arrangements are aligned with the Code of Governance for Foundation Trusts published by Monitor. The Non-Executive Director membership and attendance of the Audit Committee for the period 1.4.08 to 31.3.09 was:

NAME	ATTENDANCE AT AUDIT COMMITTEE MEETINGS 1.4.08 – 31.3.09
Bill Jones (Chair)	8/9
Graham Caddock	3/5 (resigned 30.9.08)
Jane Hanson	3/4 (appointed 1.10.08)
Mohammad Naeem	6/9
* Alison Fisher	3/9
* Carol Clark	2/9
Andrew McConnell	3/3 (appointed 1.11.08 as Independent Member of Audit Committee)

* = Co-opted members

NOMINATION COMMITTEE

Executive Directors
The Board of Directors is the Nomination Committee for Executive Director appointments. This committee is responsible for appointing the Executive Directors of the Foundation Trust. The committee complies with the Code of Governance issued by Monitor, the Foundation Trust Regulator. The Chair of the Nomination Committee for Executive Directors is the Chair of the Trust, Mr Sukhdev Sharma.

There were no Executive Director appointments in 2008/2009

Non-Executive Directors
The Nomination Committee for Non-Executive Director appointments is a sub–committee of the full Foundation Trust Membership Council. The standing membership of the sub-committee is:

The Chair of the Trust Sukhdev Sharma (or Vice Chair/Acting Chair in relation to the appointment of the Chair) -
One appointed Membership Council member- Sue Bernhauser, University of Huddersfield, Stakeholder Representative
Three elected Membership Council members (at least two of which must be publicly elected)
- Garrick Graham/Ann Nicholas, publicly elected members
- George Richardson, publicly elected member
- Carol Hallam, staff elected member

The Chief Executive of the Trust – Diane Whittingham

NB Director of Finance Mark Brearley co-opted by committee on to selection process for Non-Executive Director

The Director of Personnel and Development in attendance – Julie Hull
The Board Secretary in attendance – Kathy Bray

The sub-committee met on 22 May 2008 and 10 July 2008 to discuss the Non-Executive Director appointments arising in year. The selection process for the Non-Executive Director was held on 18 July 2008.

The attendance of the Nominations Sub-Committee during 2008/9 was:

NAME	ATTENDANCE
Sukhdev Sharma, Chairman	3 / 3
George Richardson, Publicly elected member	2 / 3
Ann Nicholas, Publicly elected member	1 / 1
Carole Hallam, Staff elected member	2 / 3
Sue Bernhauser, Nominated Stakeholder	1 / 3
Diane Whittingham, Chief Executive	3 / 3
Julie Hull, Director of Personnel	3 / 3
Kathy Bray, Board Secretary	1 / 3
Garrick Graham, Publicly elected member	1 / 1
Mark Brearley, Director of Finance	1 / 1

The principal business of this sub-committee is to oversee the appointment of Non-Executive Directors having regard to the requisite skills and experience, as determined by the Board of Directors in communication with the Membership Council, to maintain the success of the Foundation Trust. The Nomination Committee appointed external advisers to assist with the search for high calibre candidates for the Non-Executive Director vacancy created by the resignation of Graham Caddock.

In 2008/2009 the sub–committee, after due consideration, offered a further three-year term of office to Mr Bill Jones, Non-Executive Director, and a further two-year term of office to Mrs Carol Clark, Non-Executive Director. Both appointments were accepted and effective from 1 December 2008. The sub-committee appointed Mrs Jane Hanson to the vacancy and Mrs Hanson took up her appointment on 1 October 2008 for a three-year term.

REMUNERATION REPORT

Remuneration Policy
The remuneration policy of the Foundation Trust, which applies to Non-Executive Directors, Executive Directors and senior below Board level posts is based on open, transparent and proportionate pay decisions which are subject to audit scrutiny. All pay decisions are based on market intelligence and capable of responding to recruitment imperatives to secure high calibre people. The Trust has well established performance appraisal systems that operate within the Trust's devolved structure

The sub-committees of the Membership Council and Board of Directors, which deal with the remuneration of the Non-Executive Directors and Executive Directors respectively, operate within well understood and regulated frameworks. The committees receive professional reports in order to inform their decisions and ensure they are evidence based. The reports use pay information derived from the Annual Reports of all Trusts of a similar size and complexity as Calderdale and Huddersfield together with Foundation Trust information and Department of Health guidance.

Remuneration of Non-Executive Directors
The Remuneration and Terms of Service Sub-Committee of the Membership Council sets the remuneration and terms of service for the Non-Executive Directors of the Foundation Trust.

In 2008/2009 the sub-committee met, in accordance with its Terms of Reference, on one occasion.

The sub-committee comprises six members of the Membership Council from which the Chair of the sub-committee is appointed. In the 2008/2009 financial year the members were as follows:

– Mr Peter Naylor, Chair (public elected member) - present
– Mr Chris Burton, (staff elected member) - present
– Mrs Janette Roberts (public elected member) - present
– Mr Allan Templeton (public elected member) - present
– Mrs Lesley Longbottom (public elected member) – apologies received
– Mrs Rosemary Walters (public elected member) – apologies received

The committee was quorate and able to conduct its business. The committee reviewed its Terms of Reference and agreed these for the current financial year.

The committee received professional advice from Julie Hull, Director of Personnel and Development

In 2008/2009 the sub-committee reviewed the pay arrangements for the Non-Executive Directors and determined that salaries should be uplifted in line with pay recommendations from the Department of Health for Non-Executive Directors in non Foundation Trusts, Strategic Health Authorities and Primary Care Trusts. In addition the Chair's pay was reviewed using benchmarking data collected from the Foundation Trust Network. Terms and conditions for the Non-Executive Directors remained the same.

Remuneration of Executive Directors
The Remuneration Committee of the Board of Directors sets the remuneration and contractual arrangements for the Executive Directors.

The committee comprises the Chair of the Board of Directors and four Non–Executive Directors (the Non-Executive Director who Chairs the Audit Committee does not sit on the Remuneration Committee).

In the 2008/2009 financial year the committee met on one occasion, in accordance with its Terms of Reference. The members of the committee were as follows:

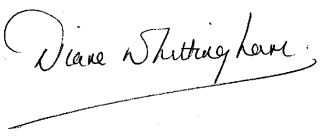
- Mr Sukhdev Sharma, Chair - present
- Mrs Carol Clark, Non-Executive Director – present
- Mrs Jane Hanson, Non- Executive Director – present
- Mrs Alison Fisher, Non-Executive Director – apologies received
- Mr Mohammad Naeem, Non-Executive Director – apologies received

The committee was quorate and able to conduct its business. The committee's Terms of Reference were reviewed and accepted for the current financial year.

The committee received professional advice from Julie Hull, Director of Personnel and Development.

The Remuneration Committee, in setting the pay of the Executive Directors, based its decisions on Department of Health guidance for Strategic Health Authorities and Primary Care Trusts, benchmarking data produced by Income Data Services Ltd and Foundation Trust data.

The details of salary and entitlements for Executive Directors are included in the Annual Accounts. The contractual arrangements for the Executive Directors are based on standard NHS contracts and best employment practice. There are no liabilities in the event of early termination save for contractual notice and rights accruing under employment legislation. No significant awards have been made in year to Executive Directors or senior managers.



Diane Whittingham
Chief Executive
April 2009

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NATIONAL HEALTH SERVICE ACT 2006

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 7 of the National Health

Service Act 2006,(the 2006 Act) 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 accounts submitted under paragraph 25 of Schedule 7 of the 2006 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 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: 17 January 2008

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF CALDERDALE AND HUDDERSFIELD NHS FOUNDATION TRUST

The National Health Service Act 2006 ("the 2006 Act") states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the 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 2006 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;

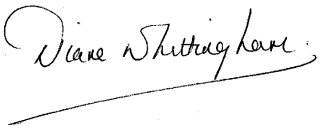
– state whether applicable accounting standards as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and

– 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: 28th May 2009

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

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 and 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 and Huddersfield NHS Foundation Trust for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts.

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

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:

Patient Safety 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

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

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL continued

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 to ensure that it continues to meet the needs of all staff.

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

The Trust continues to participate in the Safer Patients Initiative which is assisting us in developing our risk and safety culture. 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 Governance strategy, which details our risk management systems, 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.

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 Patient Safety Committee, Audit Committee, and Internal and External Audit.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL continued

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.

Information governance continues to be an important issue for the Trust. This is lead by the Medical Director, who is also Caldicott Guardian. The Health Informatics Service provides operational support to the Information Governance programme, including information confidentiality and security expertise.

Training is provided to staff through the Mandatory Risk programme by the Information, Confidentiality and Security Team, who also follow up incidents relating to information security.

On an annual basis, the Trust measures itself against the Information Governance Toolkit and in 2008/09 has scored 81%, an improvement of 2% on the previous year. A Statement of Compliance has been submitted to NHS Connecting for Health and action plans are now being developed to highlight areas where improvements can be made. Further work will be focused on ensuring that systems and processes are fully embedded across the Trust and that improvement is maintained and continued for 2009/10.

Assurance is provided to the Board of Directors on its Information Governance framework, by the Information Governance Committee, which is chaired by the Caldicott Guardian.

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.

The Trust received a 'excellent' rating for 2007/08 (reported in October 2008) from the Healthcare Commission for it's 'Use of Resources' based on the assessment of financial risk undertaken by Monitor.

In 2008/09 the Trust set itself a challenging cash releasing efficiency target which it achieved in full. During the year the Trust continued to implement the findings and recommendations from external benchmarking reviews and service modernisation programmes. These service reviews, commissioned from external consultancy firms, were undertaken in theatres, pathology, radiology and endoscopy amongst many others. 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.

During 2008/09 the Trust has been working on the implementation of Service Line Reporting, in order to support the drive for efficiency and effectiveness within the Divisions. The Project Board for Service Line Reporting was chaired by the Divisional Director for Surgery and Anaesthetics and has two Executive Directors on the Board.

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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL continued

These documents and internal and external audits of specific areas of internal control provide the Board of Directors 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.

The Patient Safety 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 Compliance and Assurance Committee, chaired by the Associate Director – Risk Management, 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.

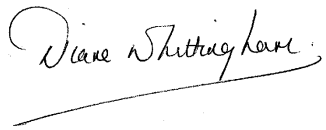
A Non-Executive Director chairs the Audit Committee. Its role is to review the establishment of an effective system of internal control and risk management and provide an independent assurance to the Trust Board. The Committee takes an overview of the organisation's governance activity supported by the 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 Compliance and Assurance Committee provided additional assurance to Executive Managers regarding the effectiveness of the system of internal control.

Following a recent NED appointment, which has further strengthened the Board's financial expertise, the Board of Directors has focussed on Board development and succession planning together with the development of an on going annual board development programme.

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

Signed



Chief Executive

Date: 28th May 2009

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

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 year ended 31 March 2009 under the National Health Service Act 2006. The financial statements 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. I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Membership Council of Calderdale and Huddersfield NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. My work was undertaken so that I might state to the Membership Council 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 of NHS Foundation Trusts (Monitor) 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 Monitor as being relevant to NHS Foundation Trusts. I report whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I also report to you whether, in my opinion, the information included in the Annual Report is consistent with the financial statements.

I review whether the Accounting Officer's statement on internal control reflects compliance with the requirements of Monitor contained in the NHS Foundation Trust Financial Reporting Manual 2008/09. I report if it does not meet the requirements specified by Monitor 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 the Chair's Statement, the Chief Executive's Statement, Background Information, Operating and Financial Review, the sections on the Membership Council, the Board of Directors, membership and the un-audited part of the Remuneration Report included in the Annual 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.

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 Monitor, 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 and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERSHIP COUNCIL OF CALDERDALE AND HUDDERSFIELD NHS FOUNDATION TRUST

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 31 March 2009 and of its income and expenditure for the year then ended in accordance with the accounting policies adopted by the Trust;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- the other information, included in the annual report, is consistent with the financial statements.

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 Monitor.

John Prentice

(Officer of the Audit Commission)
Kernel House, Killingbeck Drive, Killingbeck, Leeds. LS14 6UF
5th June 2009

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31st March 2009

	NOTE	2008/09 £ 000s	2007/08 £ 000s
Income from activities	3	**253,332**	238,842
Other operating income	4	**37,590**	34,763
Operating expenses*	5	**(283,230)**	(264,852)
OPERATING SURPLUS / (DEFICIT)		**7,692**	8,753
Profit / (loss) on disposal of fixed assets	8	**(70)**	(48)
SURPLUS / (DEFICIT) BEFORE INTEREST		**7,622**	8,705
Finance income		**887**	990
Finance costs - interest expense		**(201)**	(3)
Other finance costs - unwinding of discount	17	**(69)**	(70)
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		**8,239**	9,622
Public Dividend Capital dividends payable		**(5,770)**	(5,672)
RETAINED / SURPLUS (DEFICIT) FOR THE YEAR		**2,469**	3,950

All income and expenses shown relate to continuing operations.

The notes on the following pages form part of these Accounts.

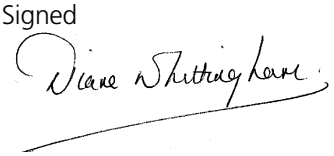
*The 2008/09 Operating Expenses total includes £3,133,000 of exceptional costs relating to fixed asset impairments, further details are included in note 5.1.2. The retained surplus for the year excluding these exceptional costs is £5,602,000.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

BALANCE SHEET

	NOTE	31st March 2009 £ 000s	31st March 2008 £ 000s
FIXED ASSETS			
Intangible assets	10	**252**	148
Tangible assets	11	**153,990**	186,267
Total Fixed Assets		**154,242**	186,415
CURRENT ASSETS			
Stocks and work in progress	13	**4,487**	4,330
Debtors	14	**13,654**	12,818
Cash at bank and in hand	19.3	**19,079**	11,047
		37,220	28,195
CREDITORS: Amounts falling due within one year	16	**(24,887)**	(20,292)
NET CURRENT ASSETS / (LIABILITIES)		**12,333**	7,903
DEBTORS: Amounts falling due after more than one year	14	**19,165**	17,370
TOTAL ASSETS LESS CURRENT LIABILITIES		**185,740**	211,688
CREDITORS: Amounts falling due after more than one year	16	**(8,947)**	(4,964)
PROVISIONS FOR LIABILITIES AND CHARGES	17	**(3,130)**	(3,520)
TOTAL ASSETS EMPLOYED		**173,663**	203,204
FINANCED BY TAXPAYERS EQUITY			
Public dividend capital	18.2	**111,899**	111,899
Revaluation reserve	18.3	**48,030**	80,960
Income and expenditure reserve	18.3	**12,102**	8,969
Donated Asset reserve	18.3	**1,632**	1,376
TOTAL TAXPAYERS EQUITY		**173,663**	203,204

Signed



Chief Executive
Date: 28th May 2009

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31st March 2009

	31st March 2009	31st March 2008
Surplus / (deficit) for the financial year before dividend payments	**8,239**	9,622
Fixed asset impairment losses	**(32,931)**	0
Unrealised surplus / (deficit) on fixed asset revaluations / indexation	**666**	21,414
Increase in the donated asset reserve due to receipt of donated assets	**437**	56
Reductions in the donated asset reserve due to depreciation	**(182)**	(143)
Total gains and losses relating to the financial period	**(23,771)**	30,949

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2009

	NOTE	2008/09 £ 000s	2007/08 £ 000s
OPERATING ACTIVITIES			
Net cash inflow / (outflow) from operating activities	19.1	**19,159**	12,013
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		**887**	990
Interest paid		**(270)**	(70)
Net cash inflow / (outflow) from returns on investments and servicing of finance		**617**	920
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		**(10,129)**	(8,650)
Payments to acquire intangible fixed assets		**(145)**	0
Net cash inflow / (outflow) from capital expenditure		**(10,274)**	(8,650)
DIVIDENDS PAID		**(5,770)**	(5,672)
Net cash inflow / (outflow) before financing		**3,732**	(1,389)
FINANCING			
Public Dividend Capital received			
Loans received from Foundation Trust Financing Facility		**4,300**	2,100
Net cash inflow / (outflow) from financing		**4,300**	2,100
Increase / (decrease) in cash		**8,032**	711

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

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 2008/09 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.

The value at the start or end of an accounting period of incomplete spells of care is recognised to the extent that treatment services have been provided in that period. The value of incomplete spells of care has been calculated using estimation techniques.

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.

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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

A three yearly interim valuation was carried out in the financial year 2007/08 and was accounted for on 31st March 2008.

An additional valuation was undertaken in the financial year 2008/09 which was accounted for on 31st March 2009. This valuation was undertaken to change the valuation methodology in line with HM Treasury requirements, as well as ensuring that the general reduction in land and building prices in 2008/09 was reflected in the asset values.

Previously valuations had been carried out on the basis of depreciated replacement cost for specialized operational property and existing use value for non-specialised operational property. The value of land for existing use purposes had previously been assessed at existing use value. Non-operational properties and surplus land had been carried at open market value.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. HM Treasury has agreed that NHS Foundation Trusts must apply these new valuation requirements between 1st April 2008 and 1st April 2010. The move to a Modern Equivalent Asset Valuation was undertaken on 31st March 2009.

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.

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.

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; thereafter any further impairment is charged to the Income and Expenditure Account.

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).

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

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 donated asset is transferred from the donated asset reserve to the income and expenditure reserve.

Liquid Resources
Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cashflow statement.

Government Grants
Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Grants from the Department of Health, including those for achieving three star status, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Income and Expenditure account to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to the Income and Expenditure account over the life of the asset on a basis consistent with the depreciation charge for that asset.

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 assets, 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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

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.

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 22 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 22 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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

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.
The latest published valuation relates to the period 1 April 1999 to 31 March2004 which was published in December 2007 and is available on the Pensions Agency website http://www.nhspa.gov.uk/nhspa_site/foi/foi1/Scheme_Valuation_Report/NHSPS_Valuation_report.pdf

The notional deficit of the scheme was £3.3 billion as per the last scheme valuation by the Government Actuary for the period 1 April 1999 to 31 March 2004. 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, it was recommended that employer contribution rates should continue at 14% of pensionable pay. From 1 April 2008, employees' contributions are now on a tiered scale from 5% to 8.5% 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.

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. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual.

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 asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. 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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

Public Dividend Capital
Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the original NHS trust.
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.

Financial Instruments and financial liabilities
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made. All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instruments.

De-Recognition
All financial assets are de-recognised when the rights to receive cashflows from assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement
Financial assets are categorised as Loans and receivables. Financial liabilities are classified as 'Fair Value through Income and Expenditure' or as 'Other Financial liabilities

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust loans and receivables comprise: current investments, cash at bank and in hand, NHS debtors, accrued income and 'other debtors'. Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the income and expenditure account.

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the balance sheet date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to the income and expenditure account.

Determination of fair value
For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from discounted cash flow analysis.

Impairment of financial assets
At the balance sheet date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' is impaired. Financial assets are impaired and impairment losses are recognised if , and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset. For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cashflows discounted at the asset's original effective interest rate. The loss is recognised in the income and expenditure account and the carrying amount of the asset is reduced.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

2. Segmental Analysis
Segmental analysis of the Accounts is not required for the Trust as the totality of its operations relate to healthcare.

3. Income from Activities
3.1 Income from activities:

	2008/09 £ 000s	2007/08 £ 000s
Elective income	**43,581**	44,454
Non-elective income	**84,845**	78,090
Outpatient income	**37,097**	37,563
A&E income	**10,700**	10,823
Other NHS Clinical Income	**72,402**	63,744
PBR clawback	**0**	505
Private patients	**271**	450
Other non-protected clinical income	**4,436**	3,213
	253,332	238,842

3.2 Private patient income:

	2008/09 £ 000s	2007/08 £ 000s
Private patient income	**271**	450
Total patient related income	**253,332**	238,842
Proportion as a percentage	**0.11%**	0.19%

Section 44 of the National Health Service Act 2006 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 2008/09.

3.3 Income from activities:

	2008/09 £ 000s	2007/08 £ 000s
NHS Foundation Trusts	**0**	0
NHS Trusts	**339**	126
Strategic Health Authorities	**161**	77
Primary Care Trusts	**236,796**	223,341
Local Authorities	**432**	471
Department of Health - other	**11,329**	11,636
Non NHS: Private patients	**271**	450
Non NHS: Overseas patients (non-reciprocal)	**2**	1
NHS injury scheme (was RTA)	**1,577**	1,035
Non NHS: Other	**2,425**	1,705
	253,332	238,842

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

4. Other Operating Income

	2008/09 £ 000s	2007/08 £ 000s
Research and development	**471**	85
Education and training	**6,966**	5,500
Charitable and other contributions to expenditure	**667**	677
Transfers from the donated asset reserve in respect of depreciation, impairment and disposal of donated assets	**182**	143
Non-patient care services to other bodies	**9,116**	8,650
Other*	**20,188**	19,708
	37,590	34,763

* Other Income includes £8.4m Estates recharges, £3.7m Pharmacy Sales and £1.5m Catering income.

5. Operating Expenses
5.1.1 Operating expenses comprise:

	2008/09 £ 000s	2007/08 £ 000s
Services from NHS Foundation Trusts	**110**	100
Services from other NHS Trusts	**1,774**	1,826
Services from other NHS bodies	**57**	789
Purchase of healthcare from non NHS bodies	**1,929**	2,517
Executive Directors Costs*	**948**	977
Non-Executive Directors Costs	**128**	112
Staff costs	**183,858**	168,927
Drugs costs	**15,681**	13,647
Supplies and services - clinical	**21,891**	21,370
Supplies and services - general	**3,377**	2,979
Establishment	**5,144**	5,631
Transport	**2,386**	2,176
Premises	**30,304**	30,608
Bad debts	**38**	527
Depreciation and amortisation	**7,127**	6,199
Fixed Asset Impairments	**0**	0
Audit services - statutory audit**	**48**	65
Other Auditors remuneration	**8**	0
Clinical negligence	**3,324**	3,755
Exceptional Items	**3,133**	0
Other	**1,965**	2,647
	283,230	264,852

* In the 2007/08 Accounts,£956,000 was disclosed as Executive Directors Costs. This should have read £977,000 and has been amended in comparison figures above. This adjustment is also reflected in 'Staff Costs' which has change from £168,948,000 to £168,927,000. ** In the 2007/08 Accounts,£123,000 was disclosed as Statutory audit fees. This should have read £65,000 and has been amended in comparison figures above. This adjustment is also reflected in other Costs which changed from £2,589,000 to £2,647,000.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

5.1.2 Exceptional Items

As a result of the fall in the land and property prices during 2008/09, the Trust felt it was necessary to undertake an additional interim valuation at 31 March 2009 (the next scheduled valuation had been a full revaluation due at 31 March 2010). This coincided with the requirement set out in the Accounting Policies to move to a valuation methodology known as Modern Equivalent Asset methodology which is based on the estimated replacement cost of each asset.The resulting reduction in asset values gives rise to an impairment charge which is offset against the revaluation reserve to the extent that there are positive balances. Any further impairment is charged to the Income and Expenditure Account and in 2008/09 this equated to £2,778,021.

In addition to the charge detailed above, a number of blocks at the St Luke's Hospital site in Huddersfield became non-operational in the year which resulted in fixed asset impairments, again with a charge against positive revaluation reserve balances as well as a charge to the Income and Expenditure Account of £355,412.

Together these issues account for fixed asset impairment (exceptional costs) of £3,133,433

5.2 Operating leases

5.2.1 Operating lease rentals:

	2008/09 £ 000s	2007/08 £ 000s
Hire of plant and machinery	**832**	430
Other operating lease rentals	**20,821**	19,943
	21,653	20,373

5.2.2 Annual commitments under operating leases are:

	Land and buildings		**Other leases**	
	2008/09 £ 000s	**2007/08 £ 000s**	**2008/09 £ 000s**	**2007/08 £ 000s**
Operating leases which expire:				
Within 1 year	**197**	76	**1,061**	684
Between 1 and 5 years	**701**	289	**2,497**	1,282
After 5 years	**22,272**	20,156	**0**	0
	23,170	20,521	**3,558**	1,966

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

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 (Bands of £5,000) £ 000s	Other remuneration (Bands of £5,000) £ 000s	Golden hello £ 000s	Compensation for loss of office £ 000s	Benefits in kind (Rounded to the nearest £100) £
2008/09					
S Sharma (Chairman)	40 - 50				
W Jones (Non Executive Director)	15 - 20				
M Naeem (Non Executive Director)	10 - 15				
A Fisher (Non Executive Director)	10 - 15				
C Clark (Non Executive Director)	10 - 15				
G Caddock (Non Executive Director)(1)	6 - 10				
J Hanson (Non Executive Director)(1)	6 - 10				
D Whittingham (Chief Executive)	180 - 185				
L Hill (Director of Service Development)	120 - 125				
J Hull (Director of Personnel)	110 - 115				
Y A Oade (Medical Director)(2)	105 -110				
M Brearley (Director of Finance)	135 - 140				
H Thomson (Director of Nursing)	120-125				

Note (1) G Caddock was in post till 30.09.08, and was replaced by J Hanson on 1.10.08

Note (2) Details disclosed for Y A Oade have been apportioned on an estimate of time spent on management rather than clinical duties.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

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 2009 (Bands of £2,500) £ 000s	Lump sum at age 60 related to accrued pension at 31 March 2009 (Bands of £2,500) £ 000s	Real increase in pension during the year (Bands of £2,500) £ 000s	Real increase in automatic lump sum during the year (Bands of £2,500) £ 000s	CETV at 31st March 2009 £ 000s	CETV at 31st March 2008 £ 000s	Real increase in CETV during the year £ 000s
D Whittingham (Chief Executive)	75 - 77.5	225 - 227.5	5 - 7.5	25 - 27.5	1509	1025	320
L Hill (Director of Service Development)	27.5 - 30	82.5 - 85	2.5 - 5	10 - 12.5	448	307	93
J Hull (Director of Personnel)	32.5 - 30	102.5 - 105	5 - 7.5	15 - 17.5	563	383	119
Y A Oade (Medical Director)*	27.5 - 30	82.5 - 85	0-2.5	2.5 - 5	514	380	87
M Brearley (Director of Finance)	45 - 47.5	142.5 -145	5 - 7.5	17.5 - 20	881	577	203
H Thomson (Director of Nursing)	50 - 52.5	155 - 157.5	5 - 7.5	15 - 17.5	979	676	200

Note * Details disclosed for Y A Oade have been apportioned on an estimate of time spent on management rather than clinical duties.

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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

6. Staff Costs and Numbers
6.1 Staff costs

	2008/09 £ 000s	2007/08 £ 000s
Salaries and wages	**149,457**	139,143
Social Security costs	**10,973**	10,101
Employer contributions to NHSPA	**18,041**	15,969
Agency and contract staff	**6,335**	4,692
	184,806	169,905

All employer pension contributions in 2008/09 were paid to the NHS Pensions Agency.

6.2 Average number of persons employed (WTE Basis)

	2008/09 Total Number	2007/08 Restated Total Number
Medical and dental	**476**	425
Administration and estates	**1,003**	937
Healthcare assistants & other support staff	**1,105**	1,068
Nursing, midwifery & health visiting staff	**1,373**	1,356
Nursing, midwifery & health visiting learners	**0**	0
Scientific, therapeutic and technical staff	**736**	712
Bank and agency staff	**176**	142
Total	**4,869**	4,640

In the Annual Accounts for 2007/08 the average number of persons employed we included on a Headcount basis, these figures have now been restated to use a Whole Time Equivalent basis.

6.3 Early retirements due to ill-health

During 2008/09 there were no early retirements from the Trust agreed on the grounds of ill health that incurred additional pension liabilities that would be borne by the NHS Pensions Agency.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

7. The Late Payment of Commercial Debts (Interest) Act 1998
No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2008/09.

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

	2008/09 £ 000s	2007/08 £ 000s
Profit on disposal of fixed asset investments	**0**	0
Loss on disposal of fixed asset investments	**0**	0
Profit on disposal of intangible fixed assets	**0**	0
Loss on disposal of intangible fixed assets	**0**	0
Profit on disposal of land and buildings	**0**	0
Loss on disposal of land and buildings	**0**	0
Profit on disposal of other tangible fixed assets	**0**	0
Loss on disposal of other tangible fixed assets	**(70)**	(48)
	(70)	(48)

There were no disposals of protected assets.

9.1 Finance income

	2008/09 £ 000s	2007/08 £ 000s
Interest on loans and receivables*	**887**	990
Interest on available for sale financial assets	**0**	0
Interest on held-to-maturity financial assets	**0**	0
Other*	**0**	0
TOTAL	**887**	990

* In the 2007/08 Accounts,£990,000 was disclosed as Other Finance Income , this should have been disclosed as Interest on loans and receivables and has been amended in comparison figures above.

9.2. Finance costs - interest expense

	2008/09 £ 000s	2007/08 £ 000s
Loans from the Foundation Trust Financing Facility	**201**	3
Commercial loans	**0**	0
Overdrafts	**0**	0
Finance leases	**0**	0
Other	**0**	0
TOTAL	**201**	3

9.3. Other net gains / (losses) on financial instruments
There was no net gains/(losses on financial instruments.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

10. Intangible Fixed Assets

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

	Total £ 000s	Software licences £ 000s	Licenses and trademarks £ 000s	Patents £ 000s	Development expenditure £ 000s	Goodwill £ 000s	Other £ 000s
Cost or valuation at 1 April 2008	621	621	0	0	0	0	0
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	145	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
At 31st March 2009	**766**	**766**	**0**	**0**	**0**	**0**	**0**
Amortisation at 1 April 2008	473	473	0	0	0	0	0
Provided during the year	41	41	0	0	0	0	0
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
Amortisation at 31st March 2009	**514**	**514**	**0**	**0**	**0**	**0**	**0**
Net book value							
- Purchased at 1st April 2008	148	148	0	0	0	0	0
- Donated at 1st April 2008	0	0	0	0	0	0	0
Total at 1 April 2008	**148**	**148**	**0**	**0**	**0**	**0**	**0**
Net book value							
- Purchased at 31st March 2009	252	252	0	0	0	0	0
- Donated at 31st March 2009	0	0	0	0	0	0	0
Total at 31st March 2009	**252**	**252**	**0**	**0**	**0**	**0**	**0**

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

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

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Cost or valuation at 1 April 2008	**224,228**	67,143	88,464	6,475	14,229	37,784	129	8,809	1,195
Additions – purchased	**9,839**	1	446	0	7,477	868	0	1,036	11
Additions – donated	**437**	0	0	0	0	437	0	0	0
Impairments	**(36,064)**	(15,140)	(20,216)	(708)	0	0	0	0	0
Reclassifications	**0**	0	3,632	39	(3,767)	77	0	19	0
Other in year revaluation	**1,348**	0	0	0	329	985	3	0	31
Disposals	**(1,814)**	0	0	0	0	(1,814)	0	0	0
At 31st March 2009	**197,974**	**52,004**	**72,326**	**5,806**	**18,268**	**38,337**	**132**	**9,864**	**1,237**
Depreciation at 1 April 2008	**37,961**	0	6,401	314	0	25,300	126	5,047	773
Provided during the year	**7,086**	0	3,446	130	0	2,285	3	1,114	108
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	**682**	0	0	0	0	659	3	0	20
Disposals	**(1,745)**	0	0	0	0	(1,745)	0	0	0
Accumulated depreciation at 31st March 2009	**43,984**	**0**	**9,847**	**444**	**0**	**26,499**	**132**	**6,161**	**901**
Net book value									
- Purchased at 1 April 2008	**184,894**	67,143	81,625	6,161	14,177	11,601	3	3,762	422
- Donated at 1 April 2008	**1,373**	0	438	0	52	883	0	0	0
Total at 1 April 2008	**186,267**	**67,143**	**82,063**	**6,161**	**14,229**	**12,484**	**3**	**3,762**	**422**
Net book value									
- Purchased at 31st March 2009	**152,360**	52,004	62,081	5,362	18,216	10,658	0	3,703	336
- Donated at 31st March 2009	**1,630**	0	398	0	52	1,180	0	0	0
Total at 31st March 2009	**153,990**	**52,004**	**62,479**	**5,362**	**18,268**	**11,838**	**0**	**3,703**	**336**

The value of the residual interest in the PFI scheme, relating to Calderdale Royal Hospital, included in assets under construction is £5,351,000.
The Trust held no assets at open market value in 2008/09.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

11.2 Analysis of tangible fixed assets

	Land £ 000s	Buildings excluding dwellings £ 000s	Dwellings £ 000s	Assets under construction and payments on account £ 000s	Plant & machinery £ 000s	Transport equipment £ 000s	Information technology £ 000s	Furniture & fittings £ 000s	Total £ 000s
Net book value									
- Protected assets at 31st March 2008	7,329	37,972	0	0	0	0	0	0	45,301
- Unprotected assets at 31st March 2008	59,814	44,091	6,161	14,229	12,484	3	3,762	422	140,966
Total at 31st March 2008	**67,143**	**82,063**	**6,161**	**14,229**	**12,484**	**3**	**3,762**	**422**	**186,267**
Net book value									
- Protected assets at 31st March 2009	5,902	31,703	0	0	0	0	0	0	37,605
- Unprotected assets at 31st March 2009	46,102	30,776	5,362	18,268	11,838	0	3,703	336	116,385
Total at 31st March 2009	**52,004**	**62,479**	**5,362**	**18,268**	**11,838**	**0**	**3,703**	**336**	**153,990**

11.4a Net book value of assets held under finance leases and hire purchase contracts at the balance sheet date
The Trust does not hold any assets under finance leases or hire purchase contracts.

11.4b The total amount of depreciation charged to the income and expenditure account in respect of assets held under finance leases and hire purchase contracts
The Trust does not hold any assets under finance leases or hire purchase contracts therefore no depreciation has been charged to the income and expenditure account.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

11.5 The net book value of land, buildings and dwellings comprises:

	31st March 2008 Protected £ 000s	31st March 2008 Unprotected £ 000s	31st March 2008 Total £ 000s
Freehold	45,301	110,066	155,367
Long leasehold	0	0	0
Short leasehold	0	0	0
	45,301	**110,066**	**155,367**

	31st March 2009 Protected £ 000s	31st March 2009 Unprotected £ 000s	31st March 2009 Total £ 000s
Freehold	37,605	82,240	119,845
Long leasehold	0	0	0
Short leasehold	0	0	0
	37,605	**82,240**	**119,845**

11.6 Impairment of assets

	2008/09	2007/08
Loss or damage from normal operations	**0**	0
Loss as a result of catastrophe	**0**	0
Abandonment of assets in course of construction	**0**	0
Unforeseen obsolescence	**0**	0
Over specification of assets	**0**	0
Other*	**36,064**	0
Changes in market price	**0**	0
	36,064	**0**

12. Fixed asset investments

The Trust does not hold any fixed asset investments.

13. Stocks and Work in Progress

	31st March 2009 £ 000s	31st March 2008 £ 000s
Raw materials and consumables	**4,018**	4,038
Work in progress	**223**	75
Finished goods	**246**	217
	4,487	4,330

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

14. Debtors

	31st March 2009 £ 000s	31st March 2008 £ 000s
Amounts falling due within one year:		
NHS debtors	**6,025**	6,425
Provision for Impaired Debt	**(779)**	(770)
Prepayments	**2,931**	1,613
Accrued Income	**725**	794
Other debtors	**4,752**	4,756
	13,654	**12,818**
Amounts falling due after more than one year:		
NHS Debtors	**758**	771
Provision for Impaired Debt	**0**	0
Prepayments	**0**	0
Accrued Income	**0**	0
Other debtors	**18,407**	16,599
	19,165	17,370
Total Debtors	**32,819**	**30,188**

NHS Debtors falling due within one year includes £2,981,827 for incomplete spells of care provided at the 31st March 2009.

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 NHS Injury Cost Recovery Scheme income due, which is regarded as a long term debtor.

14.2 Provision for impairment of NHS debtors

	31st March 2009 £ 000s	31st March 2008 £ 000s
At 1st April 2008	**770**	233
Increase in provision	**346**	577
Amounts utilised	**(28)**	(20)
Unused amounts reversed	**(309)**	(20)
At 31st March 2009	**779**	**770**

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

	31st March 2009 £ 000s	31st March 2008 £ 000s
14.3 Analysis of impaired debtors		
Ageing of impaired debtors		
Up to three months	**172**	29
In three to six months	**97**	172
Over six months	**510**	569
Total	**779**	770
Ageing of non-impaired debtors past their due date		
Up to three months	**1,404**	1,044
In three to six months	**322**	164
Over six months	**216**	193
Total	**1,942**	1,401

15. Current asset investments

The Trust does not hold any current asset investments.

16. Creditors

16.1 Analysis of Creditors

	31st March 2009 £ 000s	31st March 2008 £ 000s
Amounts falling due within one year:		
Loans (repayment of principal plus interest creditor)	**247**	3
Payments received on account	**1,154**	2,030
NHS creditors	**3,826**	1,310
Taxation and Social Security	**3,772**	173
Capital creditors	**1,842**	2,132
Other creditors	**8,680**	4,780
Accruals	**4,180**	7,962
Deferred income	**1,186**	1,902
	24,887	**20,292**
Amounts falling due after more than one year:		
Loan	**6,163**	2,100
Other	**2,784**	2,864
	8,947	**4,964**

Accruals and deferred income falling due within one year includes £0.5m 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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

16.2 Loans

	31st March 2009 £ 000s	31st March 2008 £ 000s
Payments of loan principal falling due:		
- within one year	**237**	0
- between one to two years	**474**	78
- between two and five years	**2,368**	936
- after five years	**3,321**	1,086
TOTAL	**6,400**	**2,100**
16.2/2 Of which:		
- wholly repayable within 5 years	**3,079**	1,014
- wholly repayable after 5 years, not by instalments	**0**	0
- wholly repayable after 5 years by instalments	**3,321**	1,086
TOTAL	**6,400**	**2,100**

16.3 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.

Further information on the NHS Foundation Trust Prudential Borrowing Code and Compliance Framework can be found on the website of monitor, the Independent Regulator of Foundation Trusts.

The Trust has a maximum long term borrowing limit of £65.9m in 2008/09 (£15.1m 2007/08).

The Trust actually borrowed £4.3m in 2008/09 (£2.1m 2007/08) taking total borrowings to £6.4m.

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

	31st March 2009 £ 000s	31st March 2008 £ 000s
Total long term borrowing limit set by Monitor	**65,900**	15,100
Working capital facility agreed by Monitor	**18,000**	18,000
Total Prudential Borrowing Limit	**83,900**	**33,100**
Long term borrowing at 1 April 2008	**2,100**	0
Net actual borrowing/(repayment) in year - long term	**4,300**	2,100
Long term borrowing at 31 March 2009	**6,400**	**2,100**
Working capital borrowing at 1 April 2008	**0**	0
Net actual borrowing/(repayment) in year - working capital	**0**	0
Working capital borrowing at 31 March 2009	**0**	**0**

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

	2008/09		2007/08	
	Actual	Planned	Actual	Planned
Financial Ratios				
Maximum debt / capital	3%	2%	1%	2%
Minimum dividend cover	3.2x	3.1x	2.8x	2.3x
Minimum interest cover	92.0x	78.3x	5290.7x	324.5x
Minimum debt service cover	92.0x	78.3x	5290.7x	86.5x
Maximum debt service to revenue	0.1%	0.1%	0.0%	0.1%

The maximum debt/capital ratio is higher than plan largely due to the reduced value of the asset base because of the in-year change in asset valuation methodology. Fixed assets are now valued according to the Modern Equivalent Asset valuation method. All are within the limits contained in the Prudential Borrowing Code.

16.4 Finance lease obligations
The Trust has no finance lease obligations.

16.5 Future finance lease obligations
The Trust has no future finance lease obligations.

17. Provisions for Liabilities and Charges

	Total	Pensions relating to former directors	Pensions relating to other staff	Legal claims	Other
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
At 1st April 2008	3,520	0	2,367	171	982
Change in the discount rate	0	0	0	0	0
Arising during the year	115	0	0	115	0
Utilised during the year	(416)	0	(251)	(119)	(46)
Reversed unused	(158)	0	(109)	(49)	0
Unwinding of discount	69	0	47	0	22
At 31st March 2009	**3,130**	**0**	**2,054**	**118**	**958**
Expected timing of cashflows:					
Within 1 year	490	0	320	11	159
1 - 5 years	1,162	0	951	44	167
Over 5 years	1,478	0	783	104	591
	3,130	**0**	**2,054**	**159**	**917**

As at 31st March 2009 £39,127,310 (31st March 2008 £26,593,257) is included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the Trust.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

18. Movement in Funds
18.1 Movements in taxpayers' equity

	2008/09 £ 000s	2007/08 £ 000s
Taxpayers' equity at 1st April	**203,204**	177,927
Surplus / (deficit) for the financial year	**8,239**	9,622
Public Dividend Capital dividends	**(5,770)**	(5,672)
Fixed Assets Impairments	**(32,909)**	0
Surplus/(deficit) from revaluations of fixed assets and current asset investments	**643**	21,332
Additions/(reductions) in donated asset reserve	**256**	(5)
Taxpayers' equity at 31st March	**173,663**	**203,204**

18.2 Movements in public dividend capital

	2008/09 £ 000s	2007/08 £ 000s
Public dividend capital at 1st April	**111,899**	111,899
New public dividend capital received	**0**	0
Public dividend capital at 31st March	**111,899**	**111,899**

18.3. Movements on Reserves
Movements on reserves in the year comprised the following:

	Total £ 000s	Revaluation reserve £ 000s	Donated asset reserve £ 000s	Income and expenditure reserve £ 000s
At 1st April 2008	91,305	80,960	1,376	8,969
Transfer from the income and expenditure account	2,469	0	0	2,469
Fixed asset impairments	(32,931)	(32,909)	(22)	
Surplus/(deficit) on revaluations of fixed assets and current asset investments	666	643	23	0
Transfer of realised profits / (losses) to the income and expenditure reserve	0	(664)	0	664
Receipt of donated assets	437	0	437	0
Transfers to the income and expenditure account for depreciation, impairment and disposal of donated assets	(182)	0	(182)	0
At 31st March 2009	**61,764**	**48,030**	**1,632**	**12,102**

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

19. Notes to the Cash Flow Statement
19.1 Reconciliation of operating surplus / (deficit) to net cash flow from operating activities

	2008/09 £ 000s	2007/08 £ 000s
Total operating surplus / (deficit)	**7,692**	8,753
Depreciation and amortisation charge	**7,127**	6,199
Fixed asset Impairments	**3,133**	0
Transfer from donated asset reserve	**(182)**	(143)
(Increase) / decrease in stocks	**(157)**	175
(Increase) / decrease in debtors	**(2,630)**	1,809
Increase / (decrease) in creditors	**4,566**	(4,495)
Increase / (decrease) in provisions	**(390)**	(285)
Net cash inflow from operating activities	**19,159**	**12,013**

19.2 Reconciliation of net cash flow to movement in net funds

	2008/09 £ 000s	2007/08 £ 000s
Increase / (decrease) in cash in the period	**8,032**	711
Change in net funds resulting from cashflows	**8,032**	711
Net funds at 1st April 2008	**11,047**	10,336
Net funds at 31st March 2009	**19,079**	**11,047**

19.3 Analysis of changes in net funds

	At 1st April 2008 £ 000s	Cash changes in year £ 000s	At 31st March 2009 £ 000s
Cash at bank	11,047	8,032	19,079
	11,047	**8,032**	**19,079**
Third party assets held by the Trust*	**26**		**4**

*This relates to Patient Monies.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

20. Capital Commitments

Commitments under capital expenditure contracts at the balance sheet date were £2,136,000, (compared to £1,141,000 at the previous balance sheet date).

21. Post Balance Sheet Events
There were no post balance sheet events.

22. Contingent Assets and Liabilities
There are no contingent assets or liabilities at 31st March 2009

23.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 2008/09 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 of Directors.

The Trust's main Commissioner PCT's are Calderdale PCT and Kirklees PCT.
The transactions are detailed below.

	Income 08/09 £'000s	Expenditure 08/09 £'000s
Calderdale PCT	114,099	73
Kirklees PCT	122,689	117
	236,788	**190**

	Debtors 31st March 2009 £'000s	Creditors 31st March 2009 £'000s
Calderdale PCT	2,128	58
Kirklees PCT	2,632	34
	4,760	**92**

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

24. Private Finance Transactions

For PFI schemes deemed to be off-balance sheet:	2008/09 £ 000s	2007/08 £ 000s
Amounts included within operating expenses in respect of PFI transactions:		
Gross	20,782	20,159
Amortisation of PFI deferred asset	0	0
Net charge to operating expenses	**20,782**	**20,159**

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	**20,782**	**20,159**
Estimated capital value of project	**75,247**	**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.

Total Length of project is 60 years, with 53 years to end of the project.
The value of residual interest within the Trust's tangible fixed assets is £5,351,000.

The value of the deferred asset is £18,647,753.

24.1 On balance sheet PFI schemes.
The trust does not have any on balance sheet PFI schemes.

25. Pooled budget
The Trust does not operate any pooled budgets.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

26. Financial Assets and Liabilities
26.1 Financial assets by category

	Total £000	Loans and receivables £000	Assets at fair value through the I&E * £000	Held to maturity £000	Available-for-sale £000
Assets as per balance sheet					
Fixed asset investments	0	0	0	0	0
NHS Debtors	6,783	6,783	0	0	0
Provisions for irrecoverable debts	(779)	(779)	0	0	0
Accrued income	725	725	0	0	0
Other debtors	2,830	2,830	0	0	0
Current asset investments	0	0	0	0	0
Cash at bank and in hand	19,079	19,079	0	0	0
Total at 31 March 2009	**28,638**	**28,638**	**0**	**0**	**0**
Fixed asset investments	0	0	0	0	0
NHS Debtors	7,196	7,196	0	0	0
Provisions for irrecoverable debts	(770)	(770)	0	0	0
Accrued income	794	794	0	0	0
Other debtors	3,573	3,573	0	0	0
Current asset investments	0	0	0	0	0
Cash at bank and in hand	11,047	11,047	0	0	0
Total at 31 March 2008*	**21,840**	**21,840**	**0**	**0**	**0**

* These values have been restated in line with the classification used to prepare the 31st March 2009 values.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

26.2 Financial liabilities by category

	Total £000	Other financial liabilities £000	Liabilities at fair value through the I&E £000
Liabilities as per balance sheet			
Bank overdrafts	0	0	0
Loans	6,410	6,410	0
NHS Creditors	3,826	3,826	0
Other creditors	11,464	11,464	0
Accruals	4,180	4,180	0
Capital Creditors	1,842	1,842	0
Finance lease obligations	0	0	0
Provisions under contract	0	0	
Total at 31 March 2009	**27,722**	**27,722**	**0**
Bank overdrafts	0	0	0
Loans	2,103	2,103	0
NHS Creditors	1,310	1,310	0
Other creditors	7,644	7,644	0
Accruals	7,962	7,962	0
Capital creditors	2,132	2,132	0
Finance lease obligations	0	0	0
Provisions under contract	0	0	0
Total at 31 March 2008*	**21,151**	**21,151**	**0**

* These values have been restated in line with the classification used to prepare the 31st March 2009 values.

27. Financial Instruments

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. 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.

Interest rate risk

37% 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.

Currency Risk

The Trust has negligible foreign currency income or expenditure.

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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

In 2008/09 the Trust has financed it's capital expenditure from internally generated funds or from Public Dividend Capital previously 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.

The Board of Directors has approved a Treasury Management policy which sets out the parameters for investing any surplus operating cash in short-term deposits. This includes the restriction of any such investment to specific permitted institutions with appropriate credit ratings; these ratings are in line with the guidance issued by Monitor 'Managing Operating Cash in NHS Foundation Trusts'. In addition the policy sets out the maximum limits for any such investments. The policy, and its implementation are reviewed by the Audit Committee and the Board of Directors.

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

28. 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 2009.

		Book value £ 000s	Fair value £ 000s	Basis of fair valuation
Financial assets Over a Year				
	Debtors over 1 year - Agreements with commissioners to cover creditors and provisions	758	758	Note (a)
	Investments	0	0	
	Other	0	0	
Total		**758**	**758**	
Financial liabilities Over a Year				
	Creditors over 1 year - Finance lease obligations	0	0	
	Provisions under contract	0	0	Note (b)
	Loans	6,163	6,163	
Total		**6,163**	**6,163**	

Notes

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

(b) 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.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

	Book value £ 000s	Fair value £ 000s
Financial Assets less than a year		
Fixed asset investments	0	0
NHS Debtors	6,025	6,025
Provisions for irrecoverable debts	(779)	(779)
Accrued income	725	725
Other debtors	2,830	2,830
Current asset investments	0	0
Cash at bank and in hand	19,079	19,079
Total at 31 March 2009	**27,880**	**27,880**

	Book value £ 000s	Fair value £ 000s
Financial liabilities less than a year		
Bank overdrafts	0	0
Loans	247	247
NHS Creditors	3,826	3,826
Other creditors	11,464	11,464
Accruals	4,180	4,180
Capital Creditors	1,842	1,842
Finance lease obligations	0	0
Provisions under contract	0	0
Total at 31 March 2009	**21,559**	**21,559**

There are no differences between book value and fair value for any financial asset or financial liability due within less than 1 year.

29. Losses and special payments

There were 55 cases of losses and special payments totalling £105,836 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.

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 Income and Expenditure Account; and the value of income in 2008/09 was £3,593,783.

ACCOUNTS FOR THE 12 MONTH PERIOD ENDED 31st MARCH 2009

NOTES TO THE ACCOUNTS

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 income and expenditure of the Consortium for the period covered by these accounts was £1,671,416; these amounts are recorded in the Income and Expenditure Account.

32. Health Informatics

The Trust provides information management and technology services to a number of other NHS organisations from the Health Informatics Service. The income recorded in the Income and Expenditure Account relating to the service is £6,670,286.

33. Limitation on Auditors Liability

There is no limit on our external Auditors liability.

NOTES

NOTES

If you would like this information in large print, Braille, on audio tape, CD or in another language then please contacts PALS (Patient Advice and Liaison Service) on 01422 222 417 or 01484 342128
www.cht.nhs.uk