It gives us great pleasure to present to you the final Annual Report from the York Hospitals NHS Trust, as, from April 2007, a new NHS Foundation Trust has been created.

This was a remarkable achievement, particularly given the financial difficulties that were caused by the deficit of our main commissioner, the North Yorkshire and York Primary Care Trust. Achieving NHS Foundation Trust status is a great tribute to the work of the staff throughout the organisation.

The year 2006/07 covered by this annual report was in many ways a year of great uncertainty for the Trust: uncertainty about the impact of the PCT deficit on our services; about achievement of Foundation Trust status; about how individual services would continue; and the numbers of beds and jobs that were being reduced. Inevitably, this led to many colleagues feeling worried about the future.

Despite this, much was achieved through the year. We made further improvements across the range of targets, including further reductions in waiting times and, of particular importance for our patients, continued excellent progress on reducing infections.

We became a national pilot site for the Safer Patients Initiative, building on already strong performance in this area. We continued to improve our facilities, with the new day unit becoming operational and work commencing on improvements to critical care. Against a difficult background, we continued our work to improve a very good hospital.

The year ahead also looks challenging, as we reduce the size of the hospital to meet the PCT’s commissioning requirements. There remains a determination to continue the work of ensuring this hospital continues to provide high quality and improving care for the communities we serve, now as an NHS Foundation Trust.

Professor Alan Maynard
Chairman

Mr Jim Easton
Chief Executive
Organisational structure

This Annual Report comes at a time when the previous NHS Trust has been replaced by the new NHS Foundation Trust from 1 April 2007. This has led to significant changes to the overall governance of the organisation, although the internal clinical management structure has not altered significantly.

The previous Trust Board has become the Board of Directors for the NHS Foundation Trust. Initially, its membership remains the same and it has similar overall responsibilities.

**Board of Directors**
The role of the Board of Directors is to manage the Trust by:

- setting the overall strategic direction of the Trust, within the context of NHS priorities
- regularly monitoring our performance against objectives
- providing effective financial stewardship through value for money, financial control and financial planning.

The Board has the following formal sub-committees

- Audit
- Governance
- Resource Management
- Strategy

The membership of the Board of Directors is shown on pages 6-9.

**Executive Board**
The Trust's Executive Board brings together Executive Board Directors and the doctors who also work as Clinical Directors to manage the work of the Trust on behalf of the Board.

The role of the Executive Board is to:

- contribute to the development of the Trust’s service strategy and agree the strategy to be submitted to the Board of Directors for approval
- review and agree detailed business plans and business cases for change
- monitor the delivery of the Trust’s service activity and financial objectives
- monitor the management of risk, including agreement of any action plans or resources
- agree policies and procedures to ensure the delivery of effective external and internal governance
- develop and monitor the implementation of plans to improve the efficiency, effectiveness and quality of the Trust’s services.

**Members’ Council**
The creation of the NHS Foundation Trust has brought with it two major additions to the governance structure.

Firstly, we have established a Members’ Council (our equivalent of the Board of Governors as described in the legislation). The Members’ Council will provide support and advice to the Trust to:

- ensure that the Trust delivers services that best meet the needs of patients and the communities we serve
- ensure that the Trust provides high quality, effective and patient-focused services
- ensure high standards of corporate governance and personal conduct
- promote effective dialogue between the Trust and the local communities we serve.

In addition, the Members’ Council fulfils a number of formal functions such as the appointment of external auditors. The Members’ Council may, at a General Meeting, appoint or remove the Chairman and the other Non-Executive Directors of the Trust, although the decision to remove a Non-Executive Director would require the support of three-quarters of the Members’ Council.

To view the register of interests for our Members’ Council please contact Jayne Bone, Head of the Chairman and Chief Executive’s Office (jayne.bone@york.nhs.uk)

The Members’ Council was elected from the
Membership of the proposed NHS Foundation Trust. Members’ Council meetings are expected to occur at least quarterly and are open to the public. We will be encouraging the Members’ Council to develop a number of working groups, taking forward issues of importance to the Trust and its community.

Our Membership
York Hospitals NHS Foundation Trust has three membership constituencies – patients, public and staff. At 31 March there were 2,981 patient members, 10,322 public members and 4,874 staff members – a total of 18,177.

Details of the make-up of these constituencies is available on request from the Trust.

Whilst this is one of the largest memberships of any NHS Foundation Trust nationally, the Board of Directors has given a clear commitment to the continued development of a membership that is representative of the communities that the Trust serves.

A strategy for further membership development, particularly amongst harder-to-reach groups, will be discussed further with the Members’ Council.

THE Archbishop of York gave his blessing to the York Press Guardian Angels appeal on an official visit to York Hospital in May 2006. He spoke out in support of the Guardian Angels appeal, which aims to raise £300,000 to transform high-dependency paediatric care on the children’s ward by funding two lifesaving high-dependency rooms with new, specialised equipment. His whirlwind tour included accident and emergency, the new ENT department, some older wards and a children’s ward, where he met patients.
Board of directors

Professor Alan Maynard
Chairman

Alan Maynard chairs both the Trust Board and the Members’ Council. Alan has spent his career deeply involved in the theory and practice of the funding and delivery of health care. He has been Chair of York Hospital since 1997 and involved in NHS management in York since 1983.

His specialist interests in the hospital are general surgery and urology, clinical support services and systems and network services. He also works at the University of York where he was Founding Director of the Centre for Health Economics (1983-95) and is currently Professor of Health Economics in the Department of Health Sciences.

Alan chairs the Remuneration Committee and is a member of the Governance and Resource Management Committees.

Declaration of Interest
Directorships

- Director (unpaid) of the Dr Foster Ethics Committee Ltd concerned with the production of hospital guides.
- Director of York Health Policy Group in the Department of Health Sciences, University of York.
- Chair of Council: Compass Council of Management – an organisation concerned with drug misuse services, based in York,
- An expert witness for the National Institute for Health and Clinical Excellence (NICE) for their judicial review in relation to dementia drugs.

Jim Easton
Chief Executive

Jim Easton has been Chief Executive at the Trust since September 2003. He has been a manager in the UK National Health Service for 19 years, with a broad background, including mental health, primary care, planning and policy development as well as hospital management.

Over the last five years Jim has been particularly involved in work on modernisation in the UK NHS, has been a member of the Modernisation Agency Board and is a regular contributor to national and international work on healthcare improvement. He is currently completing a doctorate on the Leadership of Healthcare Improvement. Jim is a governor of the Health Foundation and a member of the Governance and Strategy Committees.

Declaration of Interest
Directorships

- Member of the Tuke Housing Association Management Board (unpaid).
- "I undertake occasional paid speaking engagements in the NHS and international health care field. Each is agreed in advance with the Chair, and is undertaken using annual leave and involves no cost to the Trust."
- Governor of the Health Foundation (unpaid).

Dr Ian Woods
Medical Director

Ian was appointed Medical Director to the Trust in January 2006. He has been a consultant at the Trust since 1988, specialising in anaesthesia and until 2000 in critical care services.

He originates from Lancashire, trained in medicine at Manchester and prior to his arrival in York worked in several locations, including Australia. Ian now combines his duties as Medical Director with a continued clinical input into anaesthesia, while maintaining an interest in his specialist area of peri-operative care. Prior to becoming Medical Director, Ian spent time on secondment to the National Patient Safety Agency. Ian is a member of the Governance and Strategy Committees and Chairs the Clinical Risk Group.

Declaration of Interests
Directorships

Trustee and Research Commissioner, Samantha Dickson Brain Tumour Trust
Patrick Crowley
Director of Finance and Performance
Patrick has worked with the York Hospitals NHS Trust since 1991 in a variety of finance and performance management roles prior to his appointment to this role in 2001. He previously worked for the Ministry of Defence and in private sector industry.

Patrick has responsibility for finance, corporate performance management, information services and commissioning. He is a member of the Resource Management Strategy Committee and attends Audit Committee.

**Declarations of Interest**
Directorships
Trustee (and Hon. Treasurer) York Peptic Ulcer Research Trust.

Alison Hughes
Director of Strategy and Planning
Alison has been working in the NHS for over 20 years. She began her career in 1985, qualifying as a chartered physiotherapist at Guy’s Hospital. A number of clinical posts followed in various district general hospitals and teaching hospitals.

In 1993, Alison moved into health service management and studied for an MBA at Manchester Business School which she gained with distinction in 1996. She subsequently worked as a general manager across a number of specialties gaining a wide-ranging operational experience in both a small rural district general hospitals and a large tertiary centre. She took up her current post at York in January 2005. Alison is a member of Governance, Resource Management and Strategy Committees.

**Declarations of Interest**
Nil

Elizabeth McManus
Director of Improvement
“Libby” has worked in the NHS for 22 years, mainly in acute hospitals but also with the NHS Modernisation Agency for the two years prior to her appointment at York in Spring 2003.

As a registered nurse she worked in cardiothoracic surgery and intensive care units before leaving to pursue a managerial role in hospitals. She held a variety of middle management operational posts in Leeds and Birmingham and also had the opportunity to project-manage implementation of large, bespoke IT systems.

Her focus on healthcare improvement commenced in the mid-nineties in Leeds when she took a leadership role in a large organisational development programme. Since then Libby has worked closely with the NHS Institute for Innovation and Improvement and its partners nationally and internationally on local and national healthcare improvement programmes.

For the last year she has provided expert advice to the Department of Health on its national improvement programme to reduce MRSA infections across England.
In addition to leading the improvement effort in the organisation, Libby’s responsibilities include corporate leadership for clinical effectiveness, research & development, patient access and pharmacy.

Libby is a member of both the Governance and Resource Management Committees.

Declaration of Interest
Nil

Peta Hayward
Director of Human Resources and Learning
Peta Hayward has been with York Hospitals NHS Trust as Director of Human Resources for four years after arriving from Birmingham Heartlands and Solihull NHS Trust (Teaching). She has over 10 years’ experience in HR in the NHS, all of which has been in the acute sector.

Her experience within HR is broad, covering a wide range of specialist and generalist issues.

Peta has an honours degree in Mathematics and Economics and more recently gained a diploma in Employment Law and Personnel Practice.

Peta is a member of the Resource Management Committee, Joint Medical and Staff Committee and Local Negotiating Committee.

Cai Mallett
Non-Executive Director
Cai trained as a chartered accountant with Price Waterhouse and continued to work with that company for nine years, latterly as a Financial Management Consultant. Since then she has worked with business, charities and community groups in Yorkshire. Her interest in health services developed through her membership and chairmanship of a Community Health Council, her work in education with children with special needs and her use of health services as a patient and parent. Within the Trust, Cai takes an interest in children’s services and head and neck services.

Cai chairs the Audit Committee and is a member of the Charity Management Committee and Remuneration Committee.

Declaration of Interest
Nil

Professor John Hutton
Vice Chairman/Non-Executive Director
A Non-Executive Director and Vice Chair since January 2005, John’s special interest at the Trust is in medicine for the elderly. His training is in economics, and his career has included periods in universities, local government and the private sector. He is now Professor of Health Economics at the University of York.

John Chairs the Resource Management Committee and is a member of the Audit and Remuneration Committee.

Declaration of Interest
Directorships
● Visiting Scientist and Shareholder. The UBC Health Care Analytics Group, a contract research firm undertaking health economics and health policy research for pharmaceutical and medical device companies and government agencies. (“All business relationships with companies are through my positions with UBC Health Care Analytics Group and the University of York”).
● Professor of Health Economics, Department of Health Sciences and York Health Economics Consortium, University of York.
● Honorary Chair, Patient, Industry and Professionals Forum, British Health Care Trades Association

Gillian Fleming
Non-Executive Director
Gillian has been a member of the Board since January 2005. She has
wide experience in disputes resolution and has worked for Citizens Advice, with trades unions and within the local government sphere for the Ombudsman. She is an accredited mediator and now works independently undertaking investigation and conciliation assignments. Gillian Chairs the Governance Committee and is a member of the Resource Management and Remuneration Committees.

Declaration of Interest
Directorships
Lay Partner with the Health Professions Council. Lay Conciliator for PCTs in Hull and East Yorkshire.
Lay Member of the Investigating Committee for the Royal Pharmaceutical Society.

Alan Rose
Non-Executive Director
Alan has been a Non-Executive at the Trust for a year and has over 25 years’ experience in private sector business management and consulting, mainly in the energy sector, with Shell and Booz Allen Hamilton. His focus has been on marketing, strategy, partnering and business development. He currently runs his own small business, based in York.

Alan is chair of the Strategy Committee and a member of the Governance and Remuneration Committees.

Declaration of Interests
Nil

Linda Palazzo
Non-Executive Director
Linda has previously been employed in senior management positions in finance and has been involved in various community activities. She was previously a Non-Executive Director and Chair of a Health Authority in London prior to moving to Yorkshire two years ago. She is currently a part-time student in art history.
Linda chairs the Charitable Funds Committee and is a member of the Audit, Strategy, Governance and Remuneration Committees.

Declaration of Interests
Directorship
Director – ADS Management Services Ltd

The Remuneration Committee meets once a year, to agree the remuneration of the Chief Executive and Directors

The Audit Committee is a statutory sub-committee of the Trust Board. It is responsible for overseeing risks and internal controls at the Trust affecting financial and all other aspects of the Trust’s business. It is chaired by Cai Mallett, and has two other Non-Executive Directors as members. Meetings are held around five times each year and are attended by the Finance Director, Chief Operating Officer, Internal and External Auditors.

The Governance Committee monitors the organisation’s performance against the Corporate Objectives, examining controls put in place to manage significant risks. The meetings are held every two months and the minutes of the meeting are discussed at the Trust Board. Membership includes Directors and Non-Executive Directors.

The Resource Management Committee meets every two months to review the Trust’s plans for control of expenditure through cost improvement programmes and capacity initiatives. The Committee also reviews the generation of income from non-care services, and the effectiveness of procurement processes. Membership includes Executive and Non-Executive Directors, and minutes are discussed at the Trust Board.

The Strategy Committee is a new group set up in response to the challenges and opportunities provided by Foundation status. It meets approximately every two months. Its main aim is to prepare and enable the Trust Board to spend appropriate time discussing and acting upon strategic issues facing the Trust. Core membership includes Executive and Non-Executive Directors.
Background

The York Hospitals NHS Trust provides health care from its main site – York Hospital, plus two community rehabilitation hospitals at St Helen’s and White Cross Court and satellite renal dialysis units based at Acorn Court, Easingwold and Harrogate and District NHS Foundation Trust.

Outpatient services are also provided from premises operated by Selby and York Primary Care Trust including Selby War Memorial Hospital.

Sexual health services provided by York Hospitals NHS Trust are based at Monkgate Health Centre and School Health Services are provided across York and Selby.

The Trust provides acute hospital services for approximately 350,000 people living in and around York and also a range of specialist services over a wider catchment area of around 500,000 in North Yorkshire.

In 2006/07 the Trust’s turnover was £180m, and 4,561 full and part-time staff were employed.

A summary of the Trust’s performance is provided in Section F.

Trust aims and objectives

The primary strategic aim of the Trust in 2006/07 was to make further progress towards achieving Foundation Trust status, and key to this was to maintain our continued good performance in managing our finances and meeting all national targets.

It is pleasing to report that we have been able to confirm that all clinical service targets have been met, most notably those related to access for treatment and the management of infection within the hospital.

As such, the Trust Board has once again been able to confidently declare the Trust’s full compliance with all standards to the Healthcare Commission and is a credit to all staff that contribute so much to the delivery of safe and effective care within the organisation.

In terms of our finances you will note that we have reported an Income and Expenditure deficit for the first time in the Trust’s history.

Whilst this is disappointing it is important to recognise that this was a direct result of a negotiated agreement with our commissioners that provided both a significant contribution to the improvement in the finances of the health community overall and the restoration of our underlying liquidity.

In return, the Trust received direct support from the Yorkshire and Humber SHA for our Foundation Trust application and we are pleased to confirm that as result we have been licensed as a Foundation Trust from the 1 April 2007.

The Board is assured that the underlying management of finances and performance within the hospital is sound, despite the challenges presented by the financial position of our host PCT, and provides the Trust with a sound platform for the future.
Financial performance

Income and Expenditure
The Trust’s original financial plan assumed that income would be received for all clinical activity undertaken, under the Payment by Results national framework agreement. This original plan showed that the Trust would achieve a balanced income and expenditure position at the end of the year.

The majority of the Trust’s clinical income (94%) arose from the contract with the North Yorkshire and York PCT. Due to the pressure on financial resources within the local health economy, the final outcome of the negotiated settlement of the Clinical Service Level Agreement for 2006/7 with the Strategic Health Authority and the North Yorkshire and York PCT, resulted in significantly less income than planned, and the final Income and Expenditure position for the year was a deficit of £3.5m.

Cash Position
The year end cash figure was satisfactory, and ensured the Trust achieved its cash financing target for the year. During the year, the Trust received £10m permanent additional cash support from the NHS Yorkshire and Humber to rebalance the Trust’s underlying liquidity. This has ensured the Trust has a very strong cash position to carry forward to the new financial year.

In preparation for NHS Foundation Trust status, treasury management policies have been strengthened to maximise the effective investment of short term cash surpluses.

Future Outlook and Principal Risks
The financial position of the North Yorkshire and York PCT influences the level of activity they can afford to pay for, and this will be a major factor in 2007/8 and future years. The PCT plans to reduce activity undertaken within a hospital setting through practice based commissioning and the introduction of clinical thresholds. Managing the impact of these reductions is a significant objective for 2007/8.

The Clinical Service Level Agreement for 2007/8 with the North Yorkshire and York PCT, reflecting reduced activity levels, is already agreed and in operation and in response the Trust is adjusting its capacity to meet this lower demand.

The associated income and expenditure requirements to meet the 2007/8 contract activity are incorporated in the Trust’s financial plan for the coming year. This indicates that a return to virtual financial balance is expected by the end of 2007/8.

The Trust has put in place a challenging cost reduction programme which is expected to release savings of £6.4m. The achievement of these savings is another significant objective for 2007/8.

Other challenges facing the Trust include:
- Increasing competition from the private sector through the Choice policy, that gives patients a range of options where they would like to be treated. The main impact for the Trust relates to the activity transferred to the Clifton Park Unit operated by Capio UK, but the impact of this loss of activity has been reflected in the plans for 2007/8 and future years.
- Movement towards a maximum waiting time of 18 weeks from referral to treatment. The additional activity this initiative is expected to create in 2007/8 has been incorporated in the PCT’s contract with the Trust and included in the Trust plans.
Fewer complaints, more positive patient feedback and continued improvement in the results from patient surveys are all indicators that patients’ experiences of York Hospital are improving.

This year we received 313 formal complaints compared with 336 the previous year. Another 115 were resolved on an informal basis by the Patient Experience Team and other managers (120 last year). 11 of the 313 complainants asked the Healthcare Commission to review their case in the second stage of the NHS complaints procedure (also 11 in 05/06). Learning lessons from complaints and taken improvement actions remains a key focus area for us in the Trust.

The Patient Advice and Liaison Service (PALS) continues to be a focal point for patients and relatives for sharing concerns and obtaining information on a wide range of subjects. The PALS team continues to deal with an increased number of enquiries and this year has started to offer ward-based support to patients and relatives on a small number of wards.

We have also seen increased involvement of patients and the public in the development of our services. This has been achieved through one-to-one interviews, small focus groups (for example with tracheostomy patients) or larger events involving community voluntary organisations.

We have continued to work with the Hospital Patient Forum and we value their efforts in helping us to improve and develop services.

Access

Referrals
During 2006/7 the Trust received a total of 56,348 referrals. There were 85,120 first outpatient attendances and 192,965 attendances for a follow-up review.

National Targets
The achievement of the national milestones required to demonstrate progress towards the 18 week maximum wait from referral to treatment (85 per cent of patients being treated within 18 weeks of GP referral for admitted and non-admitted care pathways by 31 March 2008) have been challenging for the Trust. Set against a background of a PCT in financial difficulty that imposed minimum waiting times, the Trust achieved the following milestones:

- a maximum wait of 20 weeks for surgery (Figure 1)
- a maximum wait of 11 weeks for outpatient appointments, (Figure 2)
- a maximum wait of 13 weeks for diagnostic tests.

The A&E target was also challenging, but the Trust delivered the community target of ensuring that 98 per cent of patients were treated within the four hours.

The new national target that stipulates a patient requiring access to genito-urinary medicine (GUM) clinics must be seen within 48 hours of initial contact was met as the result of...
service redesign. The service now operates on a drop-in basis and this has seen a significant improvement in access performance indicated at Figure 3.

The Trust met all the national cancer targets of:
- two week wait for outpatient appointment for referrals made under the two week rule for cancers
- 31 days from diagnosis to treatment of cancer
- 62 days from urgent referral to treatment

The Trust continued to maintain its success rate throughout the year for:
- patients being seen in rapid access chest pain clinics within two weeks
- patients being re-admitted within 28 days of cancelled operation.

However, the Trust failed to meet the 60 minute call to needle national target for patients with suspected heart failure. Whilst the Trust maintained its success in thrombolysing patients within 30 minutes of door to needle, Yorkshire Ambulance Service had difficulties in achieving the call to door element of the pathway.

Booking and Choice
In addition, the Trust has published a Directory of Services that is used to support patient choice. Whilst all of our services (with the exception of our clinical assessment services) are open to receive referrals through direct booking, only 25% of patients are currently being directly booked.

PATIENTS AND CARERS
A new admissions procedure on Ward 26 is attracting national attention. Orthopaedic surgery patients used to be admitted to the ward the day before their operation, clogging up an already busy ward. Now, patients arrive at either 7.45am for morning surgery or 11am if the op is being carried out in the afternoon, cutting patient stay times and improving the quality of care.

Ward sister Jennie Booth has presented an account of her experiences to the National Institute for Clinical Excellence (NICE). She takes up the story:

"As ward sister I realised there may be a better way of managing pre-operative patient care. By admitting all elective patients to a designated area on the day of surgery I felt we could improve quality, efficiency and satisfaction. Armed with an action plan I approached the orthopaedic consultants and directorate manager with my idea – even though it meant reducing bed base and asking for a change in current practice."

"I was surprised but thrilled to have a positive response – then realised what I had done and how much work lay ahead! Immediately, we started to understand what was needed to introduce the change. The scheme was given the go-ahead on 13 April 2006 which left around two weeks to implement it. The new admissions area opened on 2 May.

Jennie adds: “Overall it has been very successful and other surgical specialities have subsequently started similar pilots.

So what do the patients think?
Some 97 per cent who were asked preferred being admitted the same day and no reduction in the quality of treatment was perceived. Added to this, there has been an 83 per cent improvement in the time patients are seen by an anaesthetist.

One patient commented: “Last time I came in at 2pm. I saw a nurse and a junior doctor but nobody else until one hour before theatre. This time saw everybody within an hour it was great.”

A massive 94 per cent of staff felt the change was beneficial and all felt care remained good or very good.

The scheme’s audit revealed that waiting times had been reduced to nine months. They have now have shrunk further to five months, in line with government targets. Length of stay, as expected, has been reduced from 7-10 days to 3-5 days and the scheme has now been extended to include revision surgery.

Jennie concludes: “I only ever set out to make life better for staff and patients.”

Trust people: Jennie Booth
Ward Sister, Ward 26

Biggest challenge: Putting the plan into practice in such a short time
Biggest success: Making lives better for staff and patients
Hope for the future: to improve the service further
June 2006 was a significant month for cancer care in York. The new haematology/oncology unit opened its doors at York Hospital as part of the third phase of a £6m new build project, giving outpatients access to specialist teams in clean, modern surroundings.

Cancer manager Elaine Jeffers explained the background to the new development: “Three years ago we decided to integrate these services under one roof to benefit both patients and staff. The unit not only provides all of the modern medical procedures – such as chemotherapy – but will also allow for the much required growth in supportive therapies such as Psycho-Oncology, Complementary Therapies and even advice on rights and benefits.”

Elaine added: “People forget than as well as the cancer patient, the families and carers also need support, so we offer that here too. Cancer is a national priority but for our patients the main concern is that we deliver services locally in a very integrated way.”

Staff have also benefited from the new unit as it allows for new ways of working and better training.

Elaine continued: “We now have two chemotherapy development nurses – something we couldn’t have before – they allow the specialist nurses to develop and deliver more specialist care.”

The Cancer Unit at York Hospital already has strong links with Cookridge Hospital and the Leeds Cancer Centre, and although the opening of the New Oncology Wing at St James’s Hospital in Leeds later this year will be an exciting development, it is one that won’t alter York’s philosophy. “They are still our patients whether they are treated here or in Leeds – we will always provide the service locally, wherever we possible can, and only refer to our specialist colleagues in the centre when necessary,” Elaine reassured.

A walk around the new Haematology/Oncology Unit soon reveals how much times have changed. Much of it is in a refurbished section of the hospital joined seamlessly to the new facilities. Chemotherapy chairs used to be located in a temporary building nearby – now they are in modern, spacious rooms. There are 18 chairs available instead of the previous six and the atmosphere is of calm efficiency.

Technology is used in sometimes unexpected ways. For instance, outpatients arriving early for appointments are offered a special coaster. After enjoying their tea or coffee in the Hospital WRVS café, and when staff are ready for them, the coaster vibrates to signal they can make their way back to the unit for their treatment.

Nationally, cancer is a big priority for the NHS and Elaine also has a demanding strategic role, making sure the Trust keeps in step with national guidelines and targets for cancer treatment. An enormous amount has been achieved following the publication of the first national Cancer Plan in 2000 and in February the Cancer Reform Strategy was unveiled to build on that. It will recognise the new challenges and opportunities facing cancer, such as more people living with cancer, advances in cancer treatments and rising expectations amongst the public.

All of this presents new challenges to Elaine and her colleagues. But they are facing the future with confidence, particularly as approximately another £500,000 is being invested in better inpatient facilities for Haematology and Oncology patients.

**Trust people**

Elaine Jeffers, Cancer manager

**Biggest challenge:** Combining the strategic role of making sure the Trust delivers national priorities with the ‘hands-on’ role of being Lead Speciality Manager for haematology/oncology.

**Biggest success:** Getting the new facilities up and running.

**Hope for the future:** Improving inpatient facilities.
IT HAPPENED THIS YEAR...

DAY UNIT
Over 17,000 patients each year will see the benefits of the new day unit at York Hospital. The unit, which was seven years in the planning, opened in two stages, and is already providing an enhanced experience for patients whilst also being an improved environment for staff to work in.

The main part of the day unit, phase 1, opened in January 2006, but in December the complex was complete with the addition of an extended stay area making up phase 2.

The first part has six dedicated operating theatres, a 12-bay first stage recovery area and four 8 bedded bays and two 6 bedded bays on the ward itself. The second, the extended stay area, accommodates patients requiring an overnight stay following surgery and allows the unit to expand the type of procedures undertaken.

The unit cost £8million but will cut the amount of time a patient has to stay in hospital. Many patients will be discharged from hospital in less than 23 hours.

For the staff it means a better working environment and a better relationship with the patient.

Jennifer McGahey, Junior Ward Sister on the Day Unit says: It’s a fantastic environment. We like to put the patient at ease, so everyone has a pre-assessment visit first when we can assess if the patient is fit for surgery and then explain what will happen to them during their stay on the Unit. We also give patients lots of information to read so that when they arrive for their treatment they know exactly what to expect. And we find the patients respond well to having the same people looking after them all the time.’’

She adds: “Another thing we are proud of is the recovery area – there is an area for adults and one for children which is themed. The children wake up from their surgery really calm which means they recover better’’

Increasing numbers of procedures in General Surgery, Urology, Orthopaedics, Gynaecology and Head and Neck specialties will be carried out on the Day Unit. At the same time the hospital will be moving towards centralised and streamlined waiting list management and will be introducing enhanced pre-operative assessment clinics.

Quality care in a better environment

Dr Ian Jackson, clinical lead for the day unit and president of the British Association of Day Surgery, said: “This couldn’t have been completed at a better time. It will allow the clinicians in York to compete with the best performing units in the UK – something that space constraints have prevented us doing previously. It is about providing quality care in quality surroundings and allowing patients to recover safely at home with their families. We know that for some of our specialties over 90 per cent of their elective surgical patients can be managed either as a day case or with an overnight stay in hospital.”

The patients seem to welcome the change – phase 2 had only been open a matter of days when the Evening Press published a glowing tribute in the form of a letter from someone who had been through the unit.

Trust People
Richard Morris, Head of improvement for elective care

Biggest challenge: getting the new day unit open on time and deciding what procedures would be done there.

Biggest success: Opening it on time and on budget.

Hope for the future: To offer exceptional care and be the top trust in country for day surgery.
Service Improvement

Improvement at York Hospital during the last year has continued to concentrate largely on issues of flow and access across all patient pathways.

This has delivered benefits for both patients and the organisation.

We now have commitment to or implementation of:

- A dedicated assessment area for all elderly and medical admissions
- A pre operative admission area
- A full day unit and extended stay area
- A sustainable reduction in waiting times within CT.

The necessary investment required to support these changes is included in the capital programme for 2007/8.

The approach so far has built commitment to improvement both at corporate and clinical level and has seen some of the methods and approaches become more integral to our everyday way of working.

Systems and network services

One of the main objectives in relation to IT is to ensure that it supports the delivery of care. 2006/07 saw the successful implementation of a number of projects that will help towards achieving this objective:

- Over 80 per cent of all inpatients now have their blood results requested electronically.
- Over 300,000 letters and radiology reports are now sent electronically to GPs in Selby and York. This has not only meant faster and more timely communications but has also had a positive impact on patient safety as well as cost savings for both the hospital and general practice.
- Previously when patients have been admitted to hospital the doctor and nurses have had to wait for the paper casenotes to arrive before they could get information about the patient’s medical history. Now as soon as the decision is made for the patient to be admitted to hospital the ward they are to be admitted to is alerted electronically and has immediate access to the electronic patient record.
- Keeping up to date with what is happening to each patient’s care on a busy ward has always been a challenge for nurses. Now they have access to nursing handover information electronically, keeping them better informed about what has happened to a patient whilst they have been off duty or the needs of a patient who has recently been admitted.
- The hospital is in the process of implementing the ability for clinicians to view all clinical images such as X-rays, CT and MRI scans from a PC. This will mean that clinicians have easier and quicker access to images as well as a providing a significant cost saving for the hospital as the need to print film reduces.
York was only the second trust in the region to introduce faster and more reliable cervical sample testing. In January 2006, the changeover began from the old ‘smear’ test to liquid based cytology, cutting the waiting time for results in half and reducing re-tests from 10 per cent to just one per cent.

Trevor Hair, the Cytology department’s Head Biomedical Scientist, explained: “What used to happen is that the sample was smeared onto a glass slide. Now instead of that a small brush is used to take the sample which is dropped into liquid. The liquid is then filtered to leave just the cells for testing. The whole process is more automated and less prone to error.”

Trevor’s team uses state-of-the-art equipment to produce the samples in a format ready for testing by the human eye – a room full of trained staff peering into powerful microscopes.

The benefits for women, who are screened every three to five years as part of the national NHS cervical screening programme, are huge. Instead of waiting four to six weeks for their results, it is now usually under two weeks. Also, the number of times women are recalled to have a repeat test has fallen dramatically – only one time in a hundred instead of one in ten – because the samples are so much ‘cleaner’.

For the 1,100 sample takers in North Yorkshire – York tests for York and Selby, Harrogate, Hambleton and Richmondshire and Scarborough, Whitby and Ryedale – it means they can offer a more reliable and more efficient service.

For the trust, it means it is at the forefront of technology which makes people’s lives better by reducing the anxiety and stress waiting for a cervical test result can cause. It is also making a significant contribution to saving NHS money.

From a population of 184,000 women in North Yorkshire, a total of 62,237 cervical samples were taken last year and, with the difficult changeover period now over with, Trevor is looking forward to further improvements.

He said: “Now we are up and running we can devote more time to training to produce an even better service.”

As well as keeping its own staff training up to date, the trust also helps trains the practice nurses out in GP surgeries, making sure they are testing correctly and demonstrating to them the benefits of screening.

In addition to spotting the early stages of cervical cancer, cervical screening will also identify other infections. The new liquid based process makes it easier to spot abnormal cells as the samples are cleaner, taking out blood and mucous which used to make the sample unsatisfactory for screening.

Nationally, liquid based cytology is still rolling out and should make a significant contribution to both NHS efficiency and peace of mind for the 3.5million women tested each year.
During 2006/7 progress continued to be made against the three strands of the Trust’s Human Resources Strategy. The three strands were:

- Planning and adapting our workforce
- Valuing and involving our workforce
- Developing our workforce.

During the year 200 posts were held as vacancies, across the Trust, which was managed via turnover and directorates not recruiting to a number of posts within the organisation. This was almost wholly achieved without the need for reductions in front line clinical posts. The changing environment resulted in increased staff flexibility across the organisation, which is a key part of the Trust’s HR Strategy.

Throughout this difficult time turnover continues to reduce and is at its lowest compared to the last five-year period. In relation to temporary workforce, considerable work has been undertaken throughout the year for nursing, midwifery and operating department practitioners (ODPs) to be provided through NHS Professionals and this will be implemented early in 2007/08.

Staff continue to be involved in the Trust’s plans, through formal and informal consultation processes, and kept aware of major issues and the Trust’s performance through monthly team briefs.

Considerable progress has been made towards achieving 100% assimilations of staff onto Agenda for Change bandings, with the Trust completing 95.5 per cent assimilation target. In addition, significant work has been undertaken in relation to reviews, and also embedding Agenda for Change into day-to-day operational processes. A greater focus started to be placed on the Knowledge and Skills Framework (KSF), with 330 Managers attending appraisal update training and KSF outlines being developed for the majority of staff.

However, there remain some difficult issues for some staff following their Agenda for Change assimilation. The Trust is working with those staff and staff side trades unions to address these issues.

Ongoing support for staff continues with a range of services being offered, including chaplaincy, plus a variety of services through occupational health and learning and development. The occupational health service obtained excellent feedback in its November 2006 user survey with over 95 per cent of users reporting their overall impression as either good or excellent. The staff counselling service produced some excellent results with over 94 per cent of its clients experiencing a clinical post-therapy improvement. Achievements against the Trust’s learning strategy have continued to develop the capability and capacity within York NHS Trust in supporting all staff to develop knowledge and skills which will enable them to maintain up-to-date practice, be responsive to “customer” demands and be pro-active in achieving corporate objectives. This has been achieved through developing and implementing a range of learning activities, including:

- A clinical leadership development Programme programme for senior nursing staff
- A consultant peer support scheme.
- Developing a health administration foundation degree for senior administrative staff and medical secretaries
- Increasing senior clinical and non-clinical staff involvement in the learning process through delivering HYMS & F1 & F2 doctors module

The Trust is actively involved in the delivery of training for undergraduate trainees at Hull and York Medical School. This collaboration between the medical school and the Trust is an investment in the future provision of health care. Our first students will graduate in 2008.
**Inclusivity**

Our stated aim as an organisation is to work to ensure that there are no barriers to services and employment for our patients, users and staff through inappropriate environments, information, practices and policies. An equality and diversity strategy including a clear action plan has been agreed and supported by the Trust Board.

2006/07 has seen progress on our journey to make sure that our environment, services and policies do not disable people in any way. We have established a steering group and have patient and user representation on this group. We have developed an inclusivity scheme which identifies what actions we intend to take over the next few years and have asked a number of patient groups and staff to comment on whether we are doing the right things.

This scheme can be found on our website. We have set up an internal website where all of the information about our work is also published.

Other areas where we are making or have made progress include:

- Updating the training we give to staff to reflect recent changes in the law
- Reviewing the use and supply of personal hearing loops for one-to-one consultations
- Training the capital planning and estates team on the principles of inclusive design
- Contracting to provide information in Braille in a timely manner
- Updating the POPPIY guide (guidelines for accessible patient information)
- Extending our network of equality groups
- Improving the accessibility of main corridor notice boards
- Developing guidelines for staff who require reasonable adjustments to enable them to work
- Improving the interpreter service available to patients
- Increasing the number of areas which have been audited for accessibility issues.

We recognise that whilst progress is good we still have lots to do and will continue to implement the actions identified in the inclusivity scheme during the coming year.

If you have any comments or would like any information on our inclusivity scheme contact:

**Alison Hughes**  
**Director of Strategy and Planning**  
alison.hughes@york.nhs.uk  
01904 725141

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**Risk Management**

We continue to embed and strengthen our risk management processes and systems across all areas of the hospital. A recent focus has been on ensuring all directorates have an operational risk register and a robust system to escalate risks to the corporate risk register for prioritisation and action.

**Health and Safety**

Our priority is to ensure adequate arrangements are in place for the health and safety of our patients, staff, visitors and contractors. We promote an open and fair safety culture, encouraging incident and near-miss reporting to reduce accidents and ill health to the lowest level possible.

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### Number and proportion of staff earning over £75,000 salary

<table>
<thead>
<tr>
<th>Annual Salary</th>
<th>Number of staff</th>
<th>% of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>£75,001-£100000</td>
<td>149</td>
<td>3.27</td>
</tr>
<tr>
<td>£100001-£125000</td>
<td>68</td>
<td>1.49</td>
</tr>
<tr>
<td>Over £125000</td>
<td>40</td>
<td>0.88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>257</strong></td>
<td><strong>5.63</strong></td>
</tr>
</tbody>
</table>
Openness and accountability

The Trust is committed to working as openly and transparently as possible, in the spirit of the Freedom of Information Act 2000.

The Trust’s publication scheme is a guide to the information we publish routinely. The scheme is available on the hospital website at www.yorkhospitals.nhs.uk and visitors to the website will be able to access many documents electronically.

Where the required information is not provided, requests can be e-mailed to foi.requests@york.nhs.uk. For those without internet access, the address for requests is:

The Information Governance Department
2nd Floor
Park House
Bridge Lane
York
YO31 8ZZ

Annual General Meeting
The annual general meeting is held towards the end of September each year and the date will be published nearer the time on the Trust website at www.yorkhospitals.nhs.uk or this can be obtained by emailing jayne.bone@york.nhs.uk

Register of Declaration of Interests
The Trust is required to adhere to guidelines set out for the Standards of Business Conduct for NHS Staff and as such, has a policy which is widely available throughout the organisation to ensure that staff declare any conflicts between their private interests and their Trust duties.

The Register is a public document and is held in the Chairman and Chief Executive’s Office.

Feedback
If you have any complaints, compliments, queries or praise, please do not hesitate to contact:
Mr Jim Easton
Chief Executive
Tel No: 01904 725087
Email: jim.easton@york.nhs.uk

At the end of July 2006 hospital staff along with representatives from neighbouring NHS Trusts and relevant organisations held the emergotrain (major incident simulation) exercise last summer and as a result of the feedback the Corporate Major Incidents Plan has been rewritten and directorates are working to update their local response plans.

The Trust has a draft Pandemic plan which is now being updated in light of further guidance from the DH which came about as a result of a national preparedness exercise called Winter Willow.

Other areas of work include developing our response to Chemical Biological radioactive and nuclear agents in the event of an incident.
“STAGGERINGY successful” – that’s the verdict on the Trust’s new no smoking policy. The ruling came into force on 1 January 2007 and prohibits smoking in Trust grounds. Smoking inside York Hospital was halted 11 years ago, but the new policy, implemented on grounds of health and safety, goes further than some other trusts, allowing patients, staff and visitors to breathe fresh air wherever they wander.

Director of facilities Danny Morgan explains the background: “Two and a half years ago the NHS introduced a Gold Standard for trusts to aim for – it was an aspiration for a totally smoke-free environment.

“We formed a group with representation from every part of the Trust (incidentally there were four smokers and four non-smokers on the group). We learned from other trusts who were ahead of us and anticipated the problems. A communication plan was also put in place a year beforehand and staff representatives were kept fully informed.”

Danny has been pleasantly surprised at how smoothly the smoke-free policy has been implemented and sees very few people struggling with the concept.

“It was a culture change of course,” he adds, “and people are still getting used to it.

The Trust has a duty to ensure the health and safety of both staff and patients and, with many studies highlighting the harmful effects of passive smoke, Danny is sure the policy was the right one implemented at the right time.

Danny says: “It has focused people’s minds and there is even evidence that more of our staff are giving up smoking than ever before. The Trust offers support for people – staff and patients – who quit, and also encourages those who carry on smoking to dispose of their cigarette butts responsibly.”

The smoking ban for public places introduced in July is further evidence of a culture change on smoking – the Trust is setting a good example that others will inevitably follow.

Trust People
Danny Morgan,
Director of facilities
The Trust receives additional income each year from donations and legacies from a wide variety of benefactors, including former patients and relatives in recognition of the Trust’s work, and fundraising initiatives undertaken by staff. These funds are greatly appreciated and make a considerable contribution to local NHS services. The Trust is extremely grateful and continues to use these funds for the benefit of staff and patients.

The funds are held completely separately from NHS funding, and are accounted for through the York Health Services General Charity, which is a registered charity. The Board members of the Trust act as trustees of the charity.

A separate set of accounts and an annual report for the Charity are prepared each year and copies can be obtained from the Finance Department at Park House.

Financial review 2006/07

A summary of the Trust’s financial results for 2006/7 is shown below.

<table>
<thead>
<tr>
<th>Summary Income and Expenditure</th>
<th>2005/6 £million</th>
<th>2006/7 £million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Income</td>
<td>160.4</td>
<td>155.5</td>
</tr>
<tr>
<td>Non clinical Income</td>
<td>19.6</td>
<td>17.9</td>
</tr>
<tr>
<td>Total Income</td>
<td>180.0</td>
<td>173.4</td>
</tr>
<tr>
<td>Pay Spend</td>
<td>-123.8</td>
<td>-112.3</td>
</tr>
<tr>
<td>Non pay Spend</td>
<td>-56.7</td>
<td>-56.5</td>
</tr>
<tr>
<td>Total Spend</td>
<td>-180.5</td>
<td>-168.8</td>
</tr>
<tr>
<td>Operating Deficit/Surplus (Before Interest &amp; Dividend)</td>
<td>-0.5</td>
<td>4.6</td>
</tr>
<tr>
<td>Capital Spend</td>
<td>8.3</td>
<td>14.9</td>
</tr>
</tbody>
</table>
Income
Income for the year totalled £180.0 million, an increase of £6.4 million (3.7%) over 2005/6.

The majority of clinical income arose from contracts with the North Yorkshire & York PCT and other local Primary Care Trusts (£157.9 million), with the balance of £2.5 million from other patient related services, including private patients and road traffic accidents.

£19.6 million non-clinical income arose from training services, research and development and from the provision of various non-clinical services to other organisations and individuals.

Expenditure
Operating expenditure for the year totalled £180.5 million, an increase of £11.7 million (6.9 per cent) over 2005/6. £123.8 million (69.6 per cent) of total expenditure was for staff pay, with the remainder for non pay costs and providing for depreciation on the Trust’s assets.

Capital Investment
Capital spend for the year amounted to £8.3 million. The final phase of the day unit scheme completed during the year, providing an overnight bed facility on the Unit. The major upgrade of the critical care unit began during the year, with the first phase due to complete in the autumn of 2007. In addition the Trust bought significant amounts of new and replacement Medical, IT and other equipment through a combination of purchasing and lease finance. This included a new in house MRI scanner, replacing the equipment previously operated by Health South.

The value of the Trust’s fixed assets at the end of the year amounted to £117.5 million, after transferring assets valued at £27.7m to the former Selby and York PCT, in April 2006. These assets comprised land and buildings at Clifton and at Bootham Park Hospital that are mainly used by the PCT. For this reason, fixed assets reduced compared with the previous year.

No material differences are expected in the carrying value and the market value of land.

Pension Liabilities
Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is accounted for as a defined contribution scheme. Further details are included in the accounting policies notes to the Trust’s Annual accounts.

Post Balance Sheet Events
The Trust attained Foundation Trust status from 1 April 2007 and this has required the transfer of all assets and liabilities to the new organisation.

Compliance with Better Payments Practice Code
The NHS Executive requires Trusts to pay their trade creditors in accordance with the Better Payment Practice Code and government accounting rules.
Financial review continued

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

The Trust's performance for 2006/7 against this target is shown below.

<table>
<thead>
<tr>
<th></th>
<th>Non NHS Trade</th>
<th></th>
<th>NHS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>Number</td>
<td>£000</td>
<td>Number</td>
</tr>
<tr>
<td>Total bills paid</td>
<td>53,404</td>
<td>54,363</td>
<td>17,290</td>
<td>2,648</td>
</tr>
<tr>
<td>Number paid within target</td>
<td>41,688</td>
<td>37,121</td>
<td>10,221</td>
<td>1,649</td>
</tr>
<tr>
<td>Percentage within target</td>
<td>78%</td>
<td>68%</td>
<td>59%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Management Costs
The Trust's management costs for the year totalled £7,108,000 and represents 3.9 per cent of income. The definition of management costs for NHS Trusts can be found at www.dh.gov.uk.

Annual Accounts
Summarised financial information taken from the Trust's Annual Accounts for 2006/7, is shown on the following pages. This summarised financial information does not contain sufficient information to allow as full an understanding of the results of the Trust and the state of affairs of the Trust and of its policies and arrangements concerning directors remuneration, as would be provided by the full annual accounts and reports. Where more detailed information is required, copies of the Trust's last full accounts and reports including a copy of the Statement on Internal Control (SIC) are obtainable free of charge from the Finance Department at Park House, Wigginton Road, York YO31 8ZZ.

Accounting Policies
The Trust accounts were prepared on a going concern basis, under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

The Trust has adopted a policy of recognising income on a straight line basis therefore where income is due for a specific activity which is to be completed in the following financial year, that income is accounted for proportionately in the current financial year. The full adoption of this represents a change in accounting policy and the comparative figures for 2005/06 have been restated accordingly.

The Operating and Financial Review has been prepared in compliance with Reporting Standard 1.

Directors Statement
The directors state that as far as they are aware, there is no relevant audit information of which the NHS body's auditors are unaware. They have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS body's auditors are aware of that information.

Audit
The Trust's auditors are Pricewaterhouse Coopers LLP, and their address is Benson House, 33 Wellington Street, Leeds LS1 4JP. The fee for audit services for 2006/7 was £173,000.
Independent Auditors’ Statement to the Directors of the Board of York Hospitals NHS Trust

We have examined the summary financial statements for the year ended 31 March 2007 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cashflow Statement and the related notes. We have also audited the information in the Trust’s Remuneration Report that is described as having been audited.

This report, including the opinion, has been prepared for and only for the Board of York Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and the Audited Bodies prepared by the Audit Commission. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

Basis of opinion
We conducted our work in accordance with Bulletin 1999/6 ‘The auditors’ statement on the summary financial statement’ issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our audit opinion on those financial statements and on the information in the Remuneration Report to be audited.

Opinion
● The summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2007; and
● the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

PricewaterhouseCoopers LLP
Leeds
25 June 2007
### Income and expenditure for the year ended 31 March 2007

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income from activities</strong></td>
<td>160,416</td>
<td>155,497</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>19,610</td>
<td>17,865</td>
</tr>
<tr>
<td><strong>Operating expenditure</strong></td>
<td>(180,536)</td>
<td>(168,825)</td>
</tr>
<tr>
<td><strong>Operating Surplus</strong></td>
<td>(510)</td>
<td>4,570</td>
</tr>
<tr>
<td><strong>Profit (Loss) on disposal of fixed assets</strong></td>
<td>(1)</td>
<td>33</td>
</tr>
<tr>
<td><strong>Surplus before Interest</strong></td>
<td>(511)</td>
<td>4,570</td>
</tr>
<tr>
<td><strong>Interest receivable</strong></td>
<td>985</td>
<td>224</td>
</tr>
<tr>
<td><strong>Interest payable</strong></td>
<td>(19)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Change in discount rate on provisions</strong></td>
<td>0</td>
<td>(106)</td>
</tr>
<tr>
<td><strong>Surplus for the financial year</strong></td>
<td>455</td>
<td>4,669</td>
</tr>
<tr>
<td><strong>Public Capital Dividend payable</strong></td>
<td>(3,940)</td>
<td>(4,652)</td>
</tr>
<tr>
<td><strong>Retained Surplus for the year</strong></td>
<td>(3,485)</td>
<td>17</td>
</tr>
</tbody>
</table>

### Note to the Income and Expenditure Account for the year to 31 March 2007

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained surplus for the year</td>
<td>(3,485)</td>
</tr>
<tr>
<td>Financial support included in retained surplus for the year</td>
<td>0</td>
</tr>
<tr>
<td>Retained surplus for the year excluding financial support</td>
<td>(3,485)</td>
</tr>
</tbody>
</table>
Financial review continued

### Balance Sheet as at 31 March 2007

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>616</td>
<td>670</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>116,912</td>
<td>137,531</td>
</tr>
<tr>
<td></td>
<td>117,528</td>
<td>138,201</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>3,360</td>
<td>3,128</td>
</tr>
<tr>
<td>Debtors</td>
<td>9,953</td>
<td>10,303</td>
</tr>
<tr>
<td>Cash</td>
<td>454</td>
<td>336</td>
</tr>
<tr>
<td></td>
<td>13,767</td>
<td>13,767</td>
</tr>
<tr>
<td>Creditors due within one year:</td>
<td>(9,079)</td>
<td>(13,765)</td>
</tr>
<tr>
<td>Net Current Assets (Liabilities)</td>
<td>4,688</td>
<td>2</td>
</tr>
<tr>
<td>Total Assets less Current Liabilities</td>
<td>122,216</td>
<td>138,203</td>
</tr>
<tr>
<td><strong>Creditors:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for Liabilities and Charges</td>
<td>(1,062)</td>
<td>(1,063)</td>
</tr>
<tr>
<td>Total Assets Employed</td>
<td>121,154</td>
<td>137,140</td>
</tr>
<tr>
<td><strong>Financed by:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public dividend capital</td>
<td>62,146</td>
<td>81,034</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>66,033</td>
<td>59,527</td>
</tr>
<tr>
<td>Donation reserve</td>
<td>744</td>
<td>863</td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td>(7,769)</td>
<td>(4,284)</td>
</tr>
<tr>
<td>Total Capital and Reserves</td>
<td>121,154</td>
<td>137,140</td>
</tr>
</tbody>
</table>

Signed /  Date 22 June 2007

Chief Executive
### Statement of Total Recognised Gains and Losses for the year ended 31 March 2007

<table>
<thead>
<tr>
<th>Description</th>
<th>2007 £000</th>
<th>2006 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the financial year</td>
<td>455</td>
<td>4,669</td>
</tr>
<tr>
<td>Unrealised surplus on revaluation &amp; indexation of fixed assets</td>
<td>6,527</td>
<td>3,128</td>
</tr>
<tr>
<td>Increase in donation reserve due to receipt of donated assets</td>
<td>65</td>
<td>118</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>689</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Gains and Losses Recognised in financial year</strong></td>
<td><strong>7,736</strong></td>
<td><strong>7,915</strong></td>
</tr>
</tbody>
</table>

### Cash Flow Statement for the year ended 31 March 2007

<table>
<thead>
<tr>
<th>Description</th>
<th>2007 £000</th>
<th>2006 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Inflow from Operating Activities</td>
<td>1,946</td>
<td>12,758</td>
</tr>
<tr>
<td>Interest received</td>
<td>985</td>
<td>223</td>
</tr>
<tr>
<td>Net Cash Outflow from Returns on Investments and Servicing of Finance</td>
<td>985</td>
<td>223</td>
</tr>
<tr>
<td>Capital payments</td>
<td>(8,759)</td>
<td>(15,954)</td>
</tr>
<tr>
<td>Receipts from sale of fixed assets</td>
<td>28,872</td>
<td>1,608</td>
</tr>
<tr>
<td>Payments to acquire intangible fixed assets</td>
<td>(98)</td>
<td>(260)</td>
</tr>
<tr>
<td>Net cash outflow from Capital expenditure</td>
<td>20,015</td>
<td>(14,606)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(3,940)</td>
<td>(4,652)</td>
</tr>
<tr>
<td>Net Cash Outflow before financing</td>
<td>19,06</td>
<td>(6,277)</td>
</tr>
<tr>
<td>Financing:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public dividend capital received</td>
<td>15,705</td>
<td>15,083</td>
</tr>
<tr>
<td>Public dividend capital repaid</td>
<td>(34,593)</td>
<td>(8,800)</td>
</tr>
<tr>
<td>Increase in cash</td>
<td>118</td>
<td>6</td>
</tr>
</tbody>
</table>
Remuneration report

Remuneration Policy
The remuneration of Trust employees is determined by national framework agreements. Directors’ remuneration is set by the Trust’s Remuneration Committee. The members of the Remuneration Committee are shown on pages 6-9.

Service Contracts
Senior management contracts covered in this report are all open ended, and subject to six months notice.

Salary and Pension Entitlements
The following section provides details of remuneration and pension interests of the Trust’s Senior Management Team and Non Executive Directors.

Salaries and Allowances
Details of the remuneration of the Trust’s Executive and Non Executive Directors are set out below. No payments were made during the year to former directors. No element of the remuneration is performance related.

<table>
<thead>
<tr>
<th>Executive Directors</th>
<th>2006/7</th>
<th>2005/6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary as Director (Bands of £5000) £000</td>
<td>Other Remuneration (Bands of £5000) £000</td>
</tr>
<tr>
<td>J Easton Chief Executive</td>
<td>110-115</td>
<td>52</td>
</tr>
<tr>
<td>P Crowley Finance Director</td>
<td>90-95</td>
<td>32</td>
</tr>
<tr>
<td>M Porte Medical Director</td>
<td>50-55</td>
<td>90-95</td>
</tr>
<tr>
<td>M Proctor Chief Operating Officer</td>
<td>80-85</td>
<td>38</td>
</tr>
<tr>
<td>A Hughes Director of Strategy &amp; Planning</td>
<td>70-75</td>
<td>27</td>
</tr>
<tr>
<td>I Woods Medical Director</td>
<td>100-105</td>
<td>70-75</td>
</tr>
<tr>
<td>E McManus Director of Improvements</td>
<td>70-75</td>
<td>24</td>
</tr>
<tr>
<td>P Hayward Director of Human Resources</td>
<td>60-65</td>
<td>70-75</td>
</tr>
</tbody>
</table>

Dr M Porte resigned as Medical Director 31 December 2005  Dr I Woods commenced as Medical Director 1 January 2006

Signed /  Date 22 June 2007

Chief Executive
If you wish to make a comment on this annual report or need further copies (including versions in alternative format), please call Jayne Bone on 01904 725233 or email jayne.bone@york.nhs.uk

<table>
<thead>
<tr>
<th>Non Executive Directors</th>
<th>2006/7</th>
<th>2005/6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary as Director (Bands of £5000) £000</td>
<td>Salary as Director (Bands of £5000) £000</td>
<td></td>
</tr>
<tr>
<td>A Maynard (Chairman)</td>
<td>20-25</td>
<td>20-25</td>
</tr>
<tr>
<td>G Fleming</td>
<td>5-10</td>
<td>5-10</td>
</tr>
<tr>
<td>C Mallett</td>
<td>5-10</td>
<td>5-10</td>
</tr>
<tr>
<td>A Hutton</td>
<td>5-10</td>
<td>5-10</td>
</tr>
<tr>
<td>A Rose</td>
<td>5-10</td>
<td>0-5</td>
</tr>
<tr>
<td>K Jukes</td>
<td></td>
<td>5-10</td>
</tr>
<tr>
<td>L Palazzo</td>
<td>5-10</td>
<td></td>
</tr>
</tbody>
</table>

None of the above received benefits in kind
Reverend K Jukes left 31 March 2006
Mr Alan Rose commenced 1 March 2006
Mrs L Palazzo commenced 1 May 2006

<table>
<thead>
<tr>
<th>Pension Benefits</th>
<th>Real increase in pension at age 60 (bands of £2,500)</th>
<th>Real increase in pension lump sum at age 60 (bands of £2,500)</th>
<th>Total accrued pension at age 60 at 31 March 2007 (bands of £5,000)</th>
<th>Lump sum at age 60 related to accrued pension at 31 March 2007 (bands of £5,000)</th>
<th>Cash equivalent transfer value at 31/03/07</th>
<th>Cash equivalent transfer value at 31/03/06</th>
<th>Real increase in cash equivalent transfer value</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Easton Chief Executive</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>P Crowley Finance Director</td>
<td>0-2.5</td>
<td>2.5-5.0</td>
<td>20-25</td>
<td>60-65</td>
<td>246</td>
<td>220</td>
<td>14</td>
</tr>
<tr>
<td>M Proctor Chief Operating Officer</td>
<td>0-2.5</td>
<td>0-2.5</td>
<td>0-2.5</td>
<td>30-35</td>
<td>90-95</td>
<td>486</td>
<td>449</td>
</tr>
<tr>
<td>I Woods Medical Director</td>
<td>0-2.5</td>
<td>2.5-5.0</td>
<td>25-30</td>
<td>75-80</td>
<td>381</td>
<td>347</td>
<td>18</td>
</tr>
<tr>
<td>E McManus Director of Improvements</td>
<td>0-2.5</td>
<td>2.5-5.0</td>
<td>25-30</td>
<td>75-80</td>
<td>381</td>
<td>347</td>
<td>18</td>
</tr>
<tr>
<td>P Hayward Director of Human Resource</td>
<td>0-2.5</td>
<td>2.5-5.0</td>
<td>25-30</td>
<td>75-80</td>
<td>381</td>
<td>347</td>
<td>18</td>
</tr>
<tr>
<td>A Hughes Director of Strategy &amp; Planning</td>
<td>0-2.5</td>
<td>2.5-5.0</td>
<td>25-30</td>
<td>75-80</td>
<td>381</td>
<td>347</td>
<td>18</td>
</tr>
</tbody>
</table>

The remuneration of Non Executives is non-pensionable

Signed /  Date 22 June 2007

Chief Executive