Annual Report

August 06 /
March 07

The Centre
for cancer care

Clatterbridge Centre for Oncology NHS
NHS Foundation Trust

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Our vision

‘To be a high quality world class provider of cancer care to cancer patients.’

Our Service Development Strategy sets out how we will make our vision a reality. We aim to be:

- Locally accountable
- The first choice for patients
- The first choice for staff
- Pioneering in research and development
- Delivering safe and effective services

Trust profile

Clatterbridge Centre for Oncology became a Foundation Trust on August 1, 2006.

It is one of the largest cancer centres in the UK – serving a population of 2.3 million across Merseyside, Cheshire, the Isle of Man and South Lancashire. More than 7000 new patients are treated at the centre each year and we deliver in excess of 120,000 treatments.

The main treatment facility, which includes radiotherapy, chemotherapy, diagnostic imaging and support services is located at the Clatterbridge Hospital site in Wirral. However, the Trust also provides visiting medical and nursing teams to hospital sites throughout the region to deliver further specialist cancer services.

The treatment centre has undergone significant financial investment over the past five years and now hosts one of the best equipped radiotherapy centres in the UK.

Research and development, including participation in national and international clinical trails, is also an important feature of the cancer centre.

Message from the Chairman and Chief Executive

Reading through this year’s Annual Report and Operating and Financial Review, it clearly demonstrates that everyone working at Clatterbridge Centre for Oncology is extremely passionate about the services that it delivers for patients.

Quite simply, we want to be a world class provider of cancer services and the first choice for patients in need of treatment.

Over the last eight months our healthcare professionals have continued to be innovative in their approach to work and are well respected for their commitment to research. We are one of the most active hospitals in clinical trails for cancer patients anywhere in the country.

Our radiotherapy equipment now includes some of the most modern machinery in Europe and our waiting times for this treatment are currently recognised as among the best in the country. Within the last year, patients have faced an average wait of 18 days for radiotherapy treatment and just under 100% of our chemotherapy treatments begin within 31 days.

From the moment a patient or visitor walks through the front doors to the centre, our staff and a network of dedicated volunteers will do everything within their power to help, reassure and make the hospital experience as comfortable and efficient as possible.

As a Foundation Trust hospital we have a clear vision, set out in our Service Development Strategy, about where we want to be five years from now. With the support of our recently established Council of Governors we have high hopes and expectations about what the future holds. Financially we are stable and pleased to report a surplus of more than £1.7m within the last financial year.

Chief Executive Tony Halsall left the organisation in February 2007 and we wish him well in his new post with Morecambe Bay University Hospital Trust. Our new Chief Executive Darren Hurrell, will be joining us from Stockport NHS Foundation Trust, where he is currently the Director of Service Modernisation.

Looking ahead to 2007/08, maintaining our financial stability and continuing to address key performance targets, such as the 62 day target and the 18 week patient pathway, will be crucial to our success. We will also be focusing our energies on expanding and delivering more of our services in the local district general hospitals across the region.

With the fast pace of NHS reform and the new era of patient choice, we cannot afford to rest on our laurels. We encourage an ethos of service improvement at all levels within the organisation and over the coming months we expect our staff to take an active role in bringing about further changes for the benefit of our patients.

Alan White
Chairman, Clatterbridge Centre for Oncology
NHS Foundation Trust

Andrew Cannell
Acting Chief Executive

Locally accountable

Governors get involved with the centre

Clatterbridge Centre for Oncology became a Foundation Trust hospital on August 1, 2006, which means that it has new levels of accountability to the local community. Part of this change has seen the formation of a new Council of Governors, made up of elected representatives from the whole region.

Our Governors have established four committees and are already working with the hospital on a range of projects and initiatives:

- The Patient Experience Committee is currently involved in reviewing patient information and progressing plans to furnish the 'quiet room' for patients.
- A Membership and Communications Committee is developing plans to engage with existing members and attract more members. They have also introduced a scheme to link elected Governors with a member of staff in a service area of interest – to improve understanding about their roles.
- The Fundraising Committee is supporting the work of Clatterbridge Cancer Campaign. The committee has actively sought representation on the Board of Trustees for the charity.
- A Strategy Committee is reviewing and supporting us in our service development plans.

The Council of Governors want to ensure that cancer services are developed in a way that reflects the needs of local people. As Governors, they are available to visit community groups, local businesses and other organisations to explain more about the work of the centre.

The hospital is also encouraging local residents to show their support for its work by registering to become a Foundation Trust member. Members receive regular news updates about the hospital and are invited to take part in consultation plans aimed at improving services.

Any groups or individuals who would like to learn more about Clatterbridge Centre for Oncology and the role of the Council of Governors can telephone 0151 482 7799 or visit our website www.ccotrust.nhs.uk.

Meet Governor Tom Fisher

and find out more about his role…

Within the last eight months the Council of Governors has already fulfilled a number of its new statutory functions, such as the appointment of a Non Executive Director and the appointment of the Trust Auditors.

Elected to represent Wirral, Wales and the rest of England, Governor and local solicitor Tom Fisher shares his thoughts about the new role and the transition to the Trust being a publicly accountable organisation.

Tom Fisher has had treatment for cancer for the last seven years. He explains: "During this time I have had invaluable support from Clatterbridge Centre for Oncology and I decided to put myself forward as a Governor as I wanted to reciprocate this support.

"To help me deal with my cancer I sought out knowledge and information – and I wanted the opportunity to encourage other patients to do the same. I also believe it is important that the views and opinions of the local communities relating to the Trust are heard and are taken into account. The main function of the Governors is to ensure local accountability and to keep an eye on the strategic direction of the organisation as well as looking at things from the patient perspective."

Tom is involved with the newly established Patient Experience Committee as well as the Remuneration and Appointments Committee. He says: "I enjoy being a member of the Patient Experience Committee. We review patient survey results and highlight areas to work on. Recently the group has been working with Patient Forum and Patient Council on a food watch project looking at the provision and nutritional value of the food that the hospital provides for the patients.

"Particularly interesting for me was my involvement as a member of the Appointments Panel. In November and December 2006 this panel undertook the recruitment and recommended the appointment of a new Non-Executive Director to the Trust.

"I've also had a role in recruiting the new Chief Executive. The process was thorough to say the least. I attended the presentations given by each of the candidates and had the opportunity to ask questions and thereafter gave feedback. I was able to meet candidates informally at a dinner at Thornton Hall which was quite an advantage. The next day I was a member of the six person interview panel again giving me the opportunity to raise further questions of the candidates. This was particularly worthwhile."

Tom adds: "The NHS Foundation Trusts are a completely new kind of NHS organisation. These are about the NHS being run locally by local people rather than by politicians in central government. Accordingly local people now have a real say in the running of their local hospital. As a Governor I am proud to provide a link between the local people and the hospital."

THE FIRST CHOICE FOR PATIENTS
Major investment in new equipment

A total of £5 million has been invested in new equipment and improving the services for the benefit of our patients over the last year.

In the Radiotherapy Department our oldest Electa linear accelerator has now been replaced with a £910,000 machine from Varian. Our ninth and newest accelerator, known in the hospital as the V10-4, became operational in January 2007. This followed a four month installation project involving staff from Technical Services and Physics. The treatment room has been reconfigured and redecorated to suit the new requirements of the machine.

Two new Computerised Tomography scanners (CT-scanners) have also been purchased by the Trust. Each scanner costs approximately £500,000.

A new CT scanner in Diagnostic Imaging will play a vital role in staging the disease, which means it helps identify the extent of cancer within the body, especially if it has spread from the original site to other parts of the body. CT scans are also used to monitor the progress of patients throughout their treatment. Previously Diagnostic Imaging had a single slice spiral scanner, but this has been replaced with a multi-slice spiral scanner. This is able to acquire more than 64 'slices' in one rotation at high speed, as opposed to one 'slice'. Hundreds of images are generated and when these are reassembled by computer, the result is a very detailed, multidimensional view of the body's interior. This equipment was delivered in March 2007 and is expected to be operational in June 2007.

The Treatment Planning team in Radiotherapy has welcomed the installation of a second wide bore scanner. As linear accelerators are capable of more sophisticated treatments, imaging during the planning stages needs to be performed with the patient in the same position to enable radiotherapy to be targeted more effectively at the tumour. The wide bore scanner also provides a better experience for larger patients or those who are claustrophobic.

Scans on this equipment are also faster for the patient.

Acting Chief Executive Andrew Cannell said: "With such significant investment in equipment over the last few years, Clatterbridge Centre for Oncology now boasts some of the most modern radiotherapy treatment facilities anywhere in Europe. By keeping abreast with the latest developments in technology, our doctors and radiographers are in a strong position to provide cutting edge treatments."

> "By keeping abreast with the latest developments in technology, our doctors and radiographers are in a strong position to provide cutting edge treatments."
> *Andrew Cannell, Acting Chief Executive*

New pager system creates a buzz among patients

A new initiative at Clatterbridge Centre for Oncology is creating a real buzz among patients. Vibrating and bleeping pagers, similar to those used in themed restaurants, are being issued to patients. The Trust is believed to be among only a handful of hospitals in the Northwest making use of this latest technology.

Sometimes patients arriving for treatment at the hospital experience a short wait between seeing their consultant, having their blood counts checked and starting chemotherapy treatment.

The new pager service is now available for patients who want the freedom to go for a walk or have a cup of coffee whilst waiting for their name to be called for an appointment. This offers an alternative to sitting in the designated waiting area.
On request, receptionists can now take patient details and issue a small plastic baton, which is a pager. The baton buzzes, bleeps and flashes to attract attention when the doctor or nurse is ready to see the patient. It is suitable for people who are deaf or visually impaired. They even include a special alarm system that activates when a pager is lost to attract attention.

A total of 40 pagers are now in use at the centre. They are being trialed in the outpatients department and on the Delamere day ward, where patients go for chemotherapy. The system has cost £5000 to install and has been made possible thanks to charitable funding.

Ward manager at Delamere chemotherapy unit Carol Gregson said: "The pagers are straightforward for both staff and patients to use and are proving extremely popular. We're still treating the same numbers of patients, but the waiting area is now a lot quieter as people have greater flexibility to wander around the hospital and surrounding grounds.

"Patients are arriving for appointments in a much more relaxed frame of mind – as they've had the opportunity to get some fresh air, sit out in our gardens, rest in the patient lounge and enjoy a hot meal or a cup of coffee from the hospital restaurant."

Director of Healthcare Governance Helen Porter added: "We pride ourselves on our innovative approach to improving services at Clatterbridge Centre for Oncology for the benefit of our patients and staff.

"We've worked hard to revamp and upgrade patient facilities in recent years, and these pagers give more people the opportunity to make the most of the services that we have on site."

HeadStrong

Volunteers at Clatterbridge Centre for Oncology have teamed up with Breast Cancer Care to be one of a few hospitals in the UK to offer patients their HeadStrong advisory service.

A MacMillan cancer support survey identified that one of the main areas of concern for cancer patients was hair loss. As a result HeadStrong was established as a free advisory service to provide information and support on an individual appointment basis to anyone who has lost, or is likely to lose their hair as a result of cancer treatment.

Six volunteers from Clatterbridge Centre for Oncology have now been professionally trained by Breast Cancer Care to deliver this inspirational service to our patients. Advice on how to look after their hair and scalp before, during and after treatment is provided and lessons in scarf-tying techniques with opportunities to try on hats, scarves and hairpieces is offered.

Losing hair as a side effect of cancer treatment can affect confidence and cause many people to feel insecure about the way they look. HeadStrong not only helps to increase self-esteem, it teaches the practical techniques needed to cope with this difficult side effect.

Ann Turtle from the on site MacMillan Information Centre said: "This service is invaluable and has proved very popular – the practical advice is precious to patients to help them overcome this side effect but more importantly gives them an opportunity to feel comfortable and confident. Psychological support and encouragement about body image is vital to help patients just feel normal again."

Top marks in **patient survey**

Clatterbridge Centre for Oncology has scored amongst the best performing NHS Trusts across England according to the Healthcare Commissions in-patient survey for 2006.

A total of 850 former in-patients were approached to take part in the survey and 58% responded. Data collected from 95% of respondents saw the centre scoring within the country's 20% best performing Trusts.

The survey is aimed at understanding what patients think about the care and treatment they receive. It is crucial to improving the quality of care being delivered by the NHS.

Clatterbridge Centre for Oncology scored particularly highly for the way patients rated their experiences with medical staff. Confidence in consultants and nurses at the Trust was shown to be among the best results in the country.

Cleanliness of the hospital wards and facilities was recognised as of an excellent standard. Responses also showed the hospital to be extremely effective in its admission procedures – with experiences of waiting times for admission to hospital and onto wards being significantly positive. Areas identified for improvement in the year ahead include providing a wider choice of admission dates and reviewing the proportion of patients receiving a copy of the clinical letters sent to General Practitioners.

Acting Chief Executive Andrew Cannell said: "It is hugely reassuring to receive such a high level of feedback from our patients. Our staff place patients at the centre of everything they do, and this fantastic response is a credit to all their hard work. However, we are not complacent and will used the results of this survey to inform further service improvements."

20%

Clatterbridge Centre for Oncology scores with the country's best performing Trusts

Cocktail hour creates a stir

Calls of 'shaken not stirred' aren't what you would normally expect to hear on a hospital ward, but cocktail hour at Clatterbridge Centre for Oncology is proving a big hit with patients.

Traditional favourites like pina coladas, cosmopolitans and margaritas have been replaced with nutritional alcohol free appetizers at the centre.

Healthier alternatives such as 'strawberry sunshine shake', 'fruit fizz' and 'banana dream' give patients the opportunity to enjoy their usual nutritional supplement drinks blended with ice cream, fresh fruit, yogurts or lemonade.

Dietitians have devised a special service and drinks menu at the hospital to help patients increase their calorie intake to help regain their strength and their appetite.

Happy hour is every Monday afternoon, when the dietetic support nurse and a volunteer take to the wards with their colourful cocktail shakers and serve up their exotic concoctions.

As you'd expect with any cocktail service, the drinks are served up in fluorescent martini glasses and decorated with an umbrella and fresh fruit – making them all the more appealing to patients.

The menu changes throughout the year, with themed cocktail hours in the run up to Halloween, Christmas or Valentine's Day.

Dietetic support nurse Barbara Deeley said: "We want to make the hospital environment as comfortable and as pleasant as possible for our patients.

"It is inevitable that some of the patients being treated for cancer feel poorly and go off their food. It is our job to be as creative as possible in encouraging them to start eating properly again and stop weight loss.

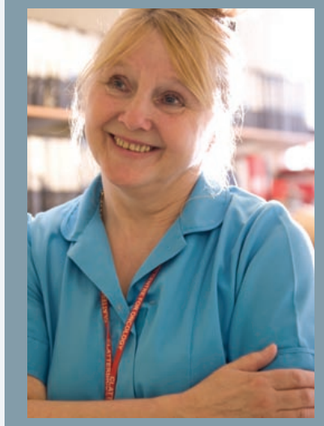
"When people see this colourful cocktail trolley being wheeled around the wards it offers a break from normality, generates interest and always raises a few smiles.

"Nutritional supplement drinks aren't much fun when you are having them day-in, day-out. But it is amazing the difference you can make to the flavour and appeal by adding fresh fruit or ice cream and presenting them in an attractive way.

Barbara added: "We make sure that any visiting friends and relatives are offered a taster. And when they ask if we can give them the recipe, they get full set of instructions on how they can recreate these drinks at home."

The nutritional supplement drinks included in the cocktails are usually milkshake style drinks or powders for mixing with milk, and there are varying brands on sale in supermarkets or chemists. Juice versions are also available, some by prescription only.

Cocktail hour has proven such a success, Clatterbridge Centre for Oncology is now planning to expand the service, and run it more frequently.



"When people see this colourful cocktail trolley being wheeled around the wards it offers a break from normality, generates interest and always raises a few smiles."

Barbara Deeley, Dietetic support nurse

THE FIRST CHOICE FOR STAFF

Workforce strategy

The Trust's current workforce strategy was developed during the Foundation Trust application process, placing emphasis on four key developmental areas:

- Partnership working
- Recruitment and retention
- Talent management
- Innovation and modernisation

A detailed action plan was developed to underpin delivery of the goals outlined within each of these areas. Achievements during the first year include:

- Achievement of 'Practice Plus' status of the Improving Working Lives standard
- Delivery of the Agenda for Change project
- Establishment of a Performance and Development Review process for all staff
- A revised, streamlined recruitment process, incorporating e-recruitment
- Development and launch of a revised Corporate Induction Programme
- Introduction of an Employee Assistance Programme
- A redesign of the system for funding Learning and Development activity
- Development and launch of a Communications Strategy
- Implementation of a policy for managing Organisational Change

"Our workforce strategy is aimed at the Trust getting the right people, with the right skills, in the right place at the right time."

Dawn Jennings, Director of HR

Employee Assistance Programme helps staff

A valuable service is now being provided to Clatterbridge Centre for Oncology's staff and their family household members to offer professional on-line, telephone and face to face support for a range of personal and work related issues that can impact on stress levels.

The scheme is aimed at providing support and help for employees to alleviate high levels of stress – both at home and in work.

A 24-hour telephone help line is in operation and support is now available for issues such as child care, debt advice, elder care, face to face counselling, telephone counselling, financial information and legal advice.

Director of Human Resources at the Trust Dawn Jennings said: "As an employer, we take our responsibilities for looking after the wellbeing of our workforce extremely seriously. We recognise that problems outside of work can have an impact on our actions whilst in work, and we feel it is crucial that staff are supported both in and out of work."

The introduction of the service was prompted in response to the 2005 annual staff survey, after 40 per cent of respondents said they believed work related stress was an issue in the workplace. The 2006 survey results have now shown a 10% reduction in this figure.

"There have been a lot of changes to the structure of the Human Resources team within the last year. We are now in a position to take a much more proactive role in looking after and developing our staff."

Dawn Jennings
Director of Human Resources

Top scores for staff survey

Results from this year's Healthcare Commission annual staff survey show the centre continuing to score within the top 20% of hospital trusts nationally.

A total of 57% of employees responded to the 2006 survey. The findings show significant improvements on last year's survey.

Improvements have been identified in the staff appraisal process with the survey returning a rise in the number of staff being appraised and implemented with specific personal development plans.

Encouraging a **healthy workforce**

Encouraging job satisfaction and a healthy workforce is a priority at Clatterbridge Centre for Oncology.

With this in mind the Human Resources team set out at the beginning of 2006 to provide a series of health promotion days. These were supported by the Occupational Health service provided by Wirral Hospital Trust.

The initiative was aimed at providing staff with information on living a healthy lifestyle with the ultimate goal of ensuring our workforce is well and happy.

The events took place in February and March and saw staff being given advice and support from staffing groups across the Trust, these included:

- Cholesterol and blood pressure checks
- Dietary advice
- A workshop on how to avoid stress
- Relaxation sessions
- Hand massages provided by our volunteers

Director of Human Resources Dawn Jennings said: "There have been a lot of changes to the structure of the Human Resources team within the last year. We are now in a position to take a much more proactive role in looking after and developing our staff.

"These health promotion days are about ensuring that we all make some time for checking our blood pressure, understanding the importance of relaxation, a healthy diet and protecting our wellbeing. They've been extremely popular and plans are already underway for similar events over the next year."

Improving learning and development opportunities

Significant inroads have been made over the last year in learning and development. It has been a busy year for the Clinical Education Team, attracting interest from doctors, nurses and other healthcare professionals working both at our centre and in other hospitals across the region. MacMillan Lecturer Debbie Wyatt manages the facility. She explained: "We don't offer degree courses here, but we have strong links with Chester University and Liverpool University and we run a number of courses that are validated by these establishments and form part of a degree.

"With the growth in chemotherapy services, we have experienced a high demand for the courses we run on 'Care of the Patient Requiring Chemotherapy'.

As well as degree modules the centre also runs short courses for any staff who want to develop their knowledge, skills and expertise in cancer care. These include courses on communication skills, an introduction to cancer and one day visits to the centre."

New learning prospectus

The next year will see the publication of a new Trust-wide Learning and Development Prospectus.

The prospectus details in one place all of the formal learning and development events that exist across the centre. It will be a valuable resource in promoting the sharing of knowledge and expertise across departments, whilst helping to communicate more effectively the opportunities on offer.

Human Resources' Learning and Development Advisor Chris Lloyd said: "Pulling together this prospectus has been a major challenge for the Learning and Development Working Group. Over the last six months we have been busy encouraging departments to contribute by identifying any training and development related events that they can offer to colleagues across the Trust. It is due to be published in May and we hope that the benefits of this documented resource will be instantly recognisable."

"We pride ourselves on keeping up to date with the latest techniques and technologies for treating our cancer patients."

Angela Heaton, Research Radiographer

Pioneering in research and development

Lung cancer patients **benefit** from new radiotherapy treatment

A new radiotherapy treatment is enabling doctors and radiographers to target lung cancer tumours with improved accuracy at Clatterbridge Centre for Oncology.

The hospital is among only a handful of cancer treatment centres in the world to trial the use of a new technique for lung patients known as respiratory gating.

In the past patients have been treated using larger treatment volumes to take account of the motion of the tumour as the patient breathes in and out. The large irradiated volumes of normal lung limit the dose that can be delivered safely to the tumour, subsequently reducing the chances of a cure.

The new technique times or 'gates' the bursts of radiation therapy to a fixed interval in the breathing cycle. This freezes the tumour position and enables a much smaller volume to be treated – allowing doctors to deliver a higher dose to the tumour and increase chances of a cure.

Gating is done using a small plastic box, about the same size as a matchbox, which sits lightly on the patient's chest. It contains light reflective markers that link to cameras in the treatment room and the linear accelerator's computer system, which triggers the radiotherapy beam on and off.

A course of treatment usually consists of up to 20 sessions of 12 minute radiotherapy sessions over a period of four weeks. Within the last 12 months four patients have been treated using respiratory gating at the centre.

This technique and its associated research is currently the subject of much international discussion and interest. Last year Clatterbridge Centre for Oncology's Research Radiographer Angela Heaton was approached and funded by the Australian Government to present her findings to key radiographers and clinicians in their country.

She said: "We pride ourselves on keeping up to date with the latest techniques and technologies for treating our cancer patients.

"As the rib cage moves up and down when we breathe, so too does any tumour. As radiographers we need to be as precise as possible when treating the patient. This technique enables us to be more targeted by timing the beam to activate at the same point in the breathing cycle for each breath.

"The simplicity of the equipment used is appealing to the patients and results show that by being more targeted with the radiotherapy beam, they develop fewer side effects."

Consultant Clinical Oncologist Dr John Littler added: "Respiratory gating will make radiotherapy possible for some patients who couldn't safely be treated using older techniques. For some lung cancer patients it will offer a safer, effective and more tolerable option.

"It may also allow us in time to increase the dose to the tumour, because it will cause less damage to the surrounding normal lung tissue."

The centre hopes to set up a gating school for medical professionals throughout the UK later this year.

Major funding awarded to support Trust physicist

Cancer Research UK has awarded almost £900,000 to a physicist at Clatterbridge Centre for Oncology, funding six years lung and head-and-neck radiotherapy research.

Dr John Fenwick worked at the Trust from 1998 to 2002 and returned in 2004 after spending a couple of years at the University of Wisconsin-Madison. Last year he submitted an application to the national charity for a Career Development Fellowship. These fellowships are awarded to outstanding cancer scientists at the start of their independent careers. As part of the application process, John submitted detailed plans for his research work and attended an interview in London.

The grant funds John and an additional research physicist, together with some technical support, to work on the following research program:

- A collaboration with other cancer centres in Glasgow, Cardiff, Sheffield, and Guys and St Thomas in London, assessing the efficacy of dose escalated radiotherapy treatments for non-small cell lung cancer patients.

- A study carried out in collaboration with researchers at Guys and St Thomas, Nottingham and Madison, using advanced scanning techniques to image cell proliferation and blood flow in tumours, exploring whether high-precision radiotherapy techniques can be used to specifically target rapidly-proliferating and poorly oxygenated tumour regions.

- A mathematical biology-based analysis of the effects of radiation doses and timings on radiotherapy reactions in rapidly turning-over normal tissues such as oral mucosa, looking to see whether higher doses can be safely delivered using innovative treatment schedules.

- Development of Intensity Modulated Arc Therapy – changing the way radiotherapy is delivered to better exclude normal structures from high dose regions.

Reflecting on his success in securing the funding John said: "I'm really pleased to receive this award. A lot of people put a lot of effort into raising money for Cancer Research UK, and now I have a huge responsibility to make these projects happen. This is quite a large project, and very live science – so a big challenge will be to adapt plans when things don't work exactly as expected." He added: "Clatterbridge Centre for Oncology originally funded and developed my post. This case shows that investing in people really can work, and make a difference for the benefit of the organisation."

Rectal cancer developments attract **international interest**

Doctors and radiographers from around the world visited Wirral this year to learn more about a pioneering cancer treatment being developed at Clatterbridge Centre for Oncology.

The centre is carrying out trials on a new technique that sees radiotherapy delivered internally, using a beam of radiotherapy aimed directly at the tumour that targets the tissues needing treatment. In the past only external radiotherapy treatments have been common practice.

The treatment, known as Brachytherapy or 'Contact Radiotherapy', can be used to treat patients with early stage rectal cancer before surgery. In cases where the tumour is operable, the technique has brought about improved results.

It also offers an alternative for people with rectal cancer who are not fit for surgery, don't want to undergo surgery or want to avoid having a colostomy bag.

Clatterbridge Centre for Oncology is the only UK cancer hospital currently offering patients the choice of Brachytherapy for rectal cancer.

The technique has been developed in this country by Dr Sun Myint, who has been collaborating with medical colleagues from cancer hospitals in Amsterdam and Montreal.

More than 350 people from the Merseyside and Cheshire area are diagnosed with rectal cancer every year and receive treatment from Clatterbridge Centre for Oncology. Across the UK, over 10,000 cases are reported each year.

This particular technique isn't suitable for all patients, but so far 25 people have been successfully treated in Wirral using this method.

More than 23 clinicians, physicists, radiographers and specialist nurses attended a two day workshop hosted by Clatterbridge Centre for Oncology in September. The guest speakers included Dr Te Vuong from Montreal hospital, Dr Corrie Marijinen from Amsterdam and Wirral's Dr Sun Myint who demonstrated the technique.

It is hoped that national and international trials will be established over the coming year after more healthcare professionals are trained in using the technique.

Dr Myint explained: "Here at Clatterbridge Centre for Oncology we are committed to researching and developing best practices in radiotherapy treatment for the benefit of our cancer patients. This technique enables us to give a higher dose of radiotherapy to the immediate area around the tumour without exposing surrounding healthy tissue to the effects of radiation and toxicities."

"Preliminary results have been very encouraging and it is a real possibility that is type of treatment will become a national standard in the near future. We know the technique works, but we are now in the stages of demonstrating to other specialists that it works and encouraging them to join in our trials, which in turn will benefit their patients."

Physics textbook **leads the way**

The most comprehensive textbook ever to be published about radiotherapy physics was released this year – and two of our very own members of staff have played a major role in its development.

Head of Physics Dr Philip Mayles and Professor Alan Nahum have co-edited a 'Handbook of Radiotherapy Physics: Theory and Practice' together with Jean-Claude Rosenwald from the Institute Curie in Paris, France. Philip and Alan have been working on the project for more than seven years.

It is anticipated that the textbook will be used by physicists and radiation oncologists throughout the world. It is also hoped that it will become the recommended reading for many university courses on medical physics across the globe.

Nursing conference promotes **best practice in cancer care**

Hundreds of nurses descended on Chester in January for a major national cancer care conference.

The event, organised jointly by Clatterbridge Centre for Oncology and the Royal College of Nursing, provided an opportunity for healthcare professionals to come together and share best practice about innovative treatments in cancer nursing.

More than 130 key figures from cancer nursing attended the conference entitled 'Together against Cancer'.

Guest speakers covered a range of topics at the event including developments in prostate cancer treatments, how nursing teenagers can be different, the patient experience of a community palliative care team and South Asian women experiencing cancer.

The hospital is recognised as a centre of excellence for cancer care and Director of Healthcare Governance, Helen Porter, helps to organise the event and Chairs it every year. Speaking about the conference Helen Porter said: "At Clatterbridge Centre for Oncology we see this event as a real opportunity to share information about key aspects of nursing research and developments over the last twelve months. "Nursing cancer patients is rewarding yet challenging work. Often we are not only dealing with a patient's medical requirements – but there are also spiritual, emotional and social concerns that we need to be able to respond to.

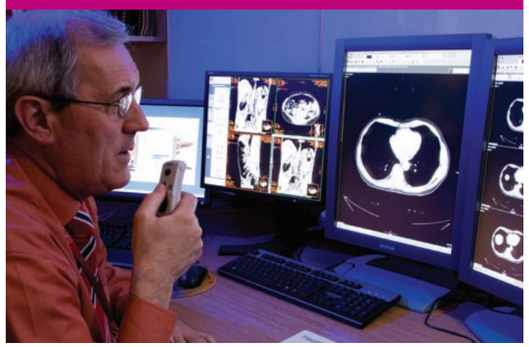
"This conference addresses the new challenges and opportunities facing cancer, such as advances in medical technologies, new drugs, rising expectations amongst the public and the changes to patient choice and commissioning of cancer services. The event is now in its thirteenth year – and is attracting more and more interest. Plans are already underway for the 2008 event."

Delivering safe and effective services

New Picture Archiving and Communications System

A £1.4 million project has seen a new system installed that sees all of our X-rays and scans stored electronically.

The installation of a Picture Archiving and Communications System (PACS) is a national led Department of Health project, being implemented throughout the NHS.



Images can now be stored electronically and viewed on video screens, so that doctors and other health care professionals can access the information and compare it with previous images at the touch of a button.

The system went live at the end of March, following months of detailed planning and training. The Trust has invested in specialist PACS software and state of the art equipment to support the new system. This includes a range of PACS screens deployed throughout the centre.

"Fewer unnecessary re-investigations, which will in turn reduce the amount of radiation to which patients are exposed."

Benefits of the new system include:

- Faster delivery of medical images to the clinicians that evaluate and report on them. This can lead to speedier availability of results.
- No lost or misplaced images, which means fewer patients being postponed or cancelled for consultations or operations due to images not being available.
- Flexible viewing with the ability to manipulate images on screen, which means patients can be diagnosed more effectively.
- Instant access to historic images and patient records.
- Better collaboration, as PACS can be viewed from multiple terminals and locations by a range of clinicians, allowing discussion over diagnoses.
- Fewer unnecessary re-investigations, which will in turn reduce the amount of radiation to which patients are exposed.

Prestigious award recognises our quality of services

Clatterbridge Centre for Oncology has received recognition for its high standards of patient care as part of a prestigious independent assessment.

The region's leading cancer treatment centre is believed to be the only hospital in the UK to be awarded the British Standards Institution (BSI) quality management standard across all departments.

The widely acclaimed ISO 9001:2000 standard is based around the principles of customer satisfaction, a systematic approach to management and encouraging a culture of continual improvement.

To achieve the accreditation staff at the hospital demonstrated meeting strict criteria in giving their patients the best possible care. The Trust also showcased the quality systems it has in place to ensure improvements continue.

Clatterbridge Centre for Oncology was accredited in 1998 with BSI for ISO 9001:2000 in its radiotherapy department, but this is the first time the award has been given across all departments.

Acting Chief Executive at Clatterbridge Centre for Oncology Andrew Cannell said: "We take our responsibilities for providing a high standard of patient care extremely seriously. We are always looking for new and innovative ways in which we can bring about further service improvements for the benefit of patients and staff.

"Our success in gaining this accreditation is a credit to the work of our staff in making sure that we have the processes in place to meet and exceed patient expectations."

Safe management of medicines

Clatterbridge Centre for Oncology has been independently rated as 'excellent' for its work in prescribing and dispensing drugs safely to patients.

Last August the Healthcare Commission announced that the treatment centre was one of only 18 hospital trusts in the country to be given top marks in its annual medicines management healthcheck.

Much work has been done by the hospital to improve its pharmacy services over recent years.

More than £1.7m has been invested in a new state-of-the-art pharmacy for the preparation of chemotherapy drugs and additional staff have been recruited to support the development of the service.

Acting Chief Executive at Clatterbridge Centre for Oncology Andrew Cannell said: "We are pleased to see that our performance in medicine management has been recognised as excellent at a national level.

"Our pharmacy team has been working closely with patients to give them a greater understanding of their medication and reduce wastage from unnecessary prescriptions."

"This high rating from the Healthcare Commission demonstrates the commitment of all our healthcare professionals in working together to manage medicines safely for patients."

High performing areas identified in the assessment include:

- Patients are educated and encouraged to administer their own medicines.
- Excellent progress has been made in managing and reducing infection.
- The Trust has embraced guidelines from NICE (National Institute for Health and Clinical Excellence) recommending medications in the patients' best interests.
- The pharmacy team is proactive in promoting best practice for medicine management across the Trust.

More accuracy for **targeting tumours**

New equipment is being used in the mould room to help doctors and radiographers target tumours in head and neck patients with more accuracy.

The section has invested more than £16,000 in eight carbon fibre and two Perspex five-point fixing boards that reduce the risk of movement in patients during treatment. In the past mould room radiographers have been using a two-point Perspex fixation board. The patient lies back on this board for treatment, and a specially moulded mask is placed on top and locked into position at either side of the face to restrict any movement.

The new boards serve the same function, but they further secure the position of the patient by locking the mask into place at the top of the head, either side of the face and on each shoulder. They also overhang the edge of the bed so as the linear accelerator can rotate around the head if needed, and as some of the boards are made of carbon fibre, they don't absorb the radiotherapy beam as much as the present system.

Four permanent senior radiographers, one rotational radiographer and two technicians work in the mould room. They see up to 15 patients a day and are involved in all aspects of pre-treatment for head and neck patients – creating masks to fit and marking them up, overseeing treatment simulation and scanning, helping with dose calculation and computer planning and attending the first treatment on the linear accelerator if needed.

Mould room staff have spent the last two years testing a variety of boards and suppliers. They opted for an American design made by Q-fix, after finding it easier to use, comfortable for patients, adaptable and more durable. Senior 1 Mould Room Radiographer Louise Wait explained: "Treatment techniques are becoming more sophisticated and we can now target tumours with greater precision. However, this also means that we need to be more confident in our immobilisation and by using a five point fixing board, we will be able to achieve greater accuracy and reproducibility."

Looking forward: Our plans for the future

Service Development Strategy / Annual Plan
The Service Development Strategy and Annual Plan demonstrate a future for Clatterbridge Centre for Oncology that is both financially and clinically viable and one in which public interest can be clearly demonstrated. To deliver this future however, we must change, we must take account of the changes to the environment in which we operate and we must take full advantage of the new local accountability that a Foundation Trust hospital will bring.

Delivering our future
Cancer care is a rapidly changing service environment. Our organisation needs to be flexible and at the same time have systems and processes in place allowing adequate assessment of the potential developments or clinical changes.

Continuing to be the first choice for patients

Clatterbridge Centre for Oncology supports the emergence of a culture of patient choice and recognises that in order to facilitate this there must be plurality of provision. Our forward plans are designed to position us, whatever the competition, as the provider of choice for patients requiring radiotherapy or chemotherapy within Cheshire and Merseyside.

Plans for radiotherapy
The radiotherapy service will demonstrate significant change over the next five years and it is anticipated that treatment numbers will rise.

- The radiotherapy department will implement a new structure, which includes the development of advanced practitioner and consultant practitioner roles. There is an opportunity for them to take over functions currently performed by consultant oncologists, such as review clinics. This is part of a broader corporate service plan to reduce the current level of work intensity for consultant staff.
- An additional linear accelerator has recently come on line, providing an additional 10 hours per day of treatment time.
- A linear accelerator replacement programme is built into capital expenditure plans at 10 years of age.
- A feature of the vision for the future of the hospital is the provision of a satellite radiotherapy service, to reduce the travel times for patients from the North of the Mersey.

Plans for chemotherapy
Chemotherapy services are dependent on technical expertise for safe delivery and there is a national guidance directive that this service should be delivered from either a cancer centre or cancer unit. This has led to the centralisation of chemotherapy services to a centre like our own. However, in looking to the future we must prepare for increasing pressure from patients having and demanding choice regarding their treatment and care.

- Following a review of services there are plans to develop a team based model that will deliver the services as closely to the patients as possible.
- We are facilitating the development of nurse led services.
- Chemotherapy activity is expected to grow considerably over the next five years and the capacity to deliver this must be addressed. A new £1.7m pharmacy has been opened at the centre with sufficient physical capacity for the forecast activity growth.

Plans for diagnostic imaging
The Diagnostic Imaging Service needs to be responsive to the changing demands of referrers, for example the expectation that increased chemotherapy activity will translate into additional demand for imaging, particularly in Computer Tomography (CT).

- The new CT scanner with a multi slice facility will offer a greater quality of image and allow us to undertake certain procedures that we have not be able to do in the past.
- In order to provide a world class service, we want to be able to offer a PET: CT scanning facility (Positron Emission Tomography: Computer Tomography). The Trust has been agreed as a site for the installation of this equipment as part of an independent sector procurement process.

Continuing to be the **first choice for staff**

Clatterbridge Centre for Oncology has developed a Human Resources Strategy that places emphasis on four key development areas which are partnership, recruitment and retention, talent management and innovation and modernisation.

Effective people management remains at the heart of the organisation's development as our staff are crucial to our future success.

Particular focus within the short to medium term will be:

- Undertaking a review of the management structure
- Developing clinical leadership
- Developing management capability
- Succession planning
- Managing a remote workforce
- Expanding e-recruitment
- Reviewing staff benefits
- Delivering the Electronic Staffing Record
- Staff engagement
- Staff recognition
- Developing a training prospectus
- Improving performance and development review levels
- Corporate social responsibility
- Integrating strands of organisational development

A full copy of the Human Resources Strategy is available on request from the Chief Executive Office.

Continuing to pioneer in research and development

The Trust will continue to conduct high quality research, leading to an increased number of peer reviewed publications and presentations at national and international level. This will be achieved by:

- A review of the Research and Development structure at the Trust, aimed at ensuring greater clarity of roles and responsibilities, reduced duplication of effort and increased accountability.
- Collaboration with health service organisations, academic and commercial partners on regional and national programmes of research.
- Undertaking a key role in the development of an Academic Unit of Oncology at the University of Liverpool, leading to an increased collaboration and attraction of external funding.
- Our success in applying for funding for a programme of biological optimisation in Radiotherapy, submitted by the Physics department.

This will increase our ability to attract more commercial income through collaboration with commercial partners both in the radiotherapy field and the pharmaceutical industry.

Continuing to deliver
safe and effective services

Clatterbridge Centre for Oncology will continue to provide a positive patient experience and high quality care. This will be achieved by the professionalism of our staff and the high standards of our facilities, supported by our Service Improvement Team. By using patient feedback and consulting with members we will continually improve the services we offer. The Trust Board has approved an Information Management & Technology Strategy and has revised the governance arrangements to oversee its delivery.

Financing our future
Under the developing Payment by Results regime the financial security of any hospital trust will depend crucially on its ability to contain costs within the income it generates from the operation of its legally binding contracts with commissioners. NHS Foundation Trusts benefit from their independence in deciding how best to deal with these pressures.

It is recognised that the achievement of Foundation Trust status and the increasing financial pressures facing the local health economy will introduce new challenges in financial management with developments required in Trust Board reporting and a greater business focus on medium term business planning.

"By using patient feedback and consulting with members we will continually improve the services we offer"

Key risks

Clatterbridge Centre for Oncology has a strong record of achieving its key objectives and continues to review all indicators of performance, acting on these where there is evidence of significant risk. A Board-approved Assurance Framework is in place, assuring the necessary evidence of an effective system of internal control.

The key risks facing the Trust in the next few years relate to the 'unknown' element of Payment By Results. This system will not apply to cancer services until April 2009. A further element of risk has been identified in relation to patient choice and potential competitors for the services that we provide.

The Trust has considered these issues in depth. The actions to limit these risks are highlighted in detail within the Service Development Strategy and Annual Plan.

Major incident plan

We have a major incident plan in place which is fully compliant with the requirements set out in NHS guidance 'Handling Major Incidents'.

PERFORMANCE

Meeting national targets

The Trust has met the following national performance targets:

1. All patients who had suspected cancer and were referred to CCO urgently by their GP were seen within 14 days
2. 99.4% of patients were treated within 31 days from the time of referral to Clatterbridge Centre for Oncology (target threshold 98%)
3. No patients wait 20 weeks for elective admission
4. No patients wait 13 weeks for a first outpatient appointment
5. 100% of both elective in-patients and outpatients were fully or partially booked
6. With the exception of one patient in June, no patient has waited longer than seven weeks (target 13 weeks) for imaging services such as CT-scanning and MRI scanning at the Trust
7. We have had only one incident of MRSA bacteraemia (target no more than two)

The 62-day cancer waiting time standard

The delivery of the 62-day cancer waiting time standard remains a considerable challenge. While performance has improved over the year and we have exceeded the performance threshold of 95% for the last four weeks of the financial year, achievement of this target remains elusive. This target monitors the maximum waiting time for 'suspicion of cancer' patients from the point of urgent GP referral to the start of treatment.

Yearly quarter	Trust performance 2006/2007	Trust performance 2005/06
Q1 (April – June)	78.1%	Not recorded
Q2 (July – Sept)	84.3%	51.6%
Q3 (Oct – Dec)	86%	61.6%
Q4 (Jan – Mar)	88.4% (interim)	81.3%

Working hard to address the 62-day target

Clatterbridge Centre for Oncology is making steady improvements towards meeting the 62-day waiting time for cancer patients.

The majority of patients referred to Clatterbridge Centre for Oncology are not affected by the 62-day waiting time target. The figures reported account for 8% of patients treated at the centre. While we accept the importance of improving our work in this area, the Trust is pushing hard to address performance across all areas that affect the remaining 92% of patients.

Our performance in treating patients within 31 days as soon as we receive referrals at the Trust is exemplary, and our radiotherapy waiting times are recognised as among the best in the country at 18 days. These are the figures that affect the majority of our patients who come to receive more than 112,000 radiotherapy and chemotherapy treatments at the hospital every year.

Director of Performance and Improvement Teresa Fenech explains: "Meeting this target is always going to be more complex for a specialist hospital trust like ourselves. It monitors the waiting time across the entire patient pathway – from the point of GP referral to a local hospital, through to diagnosis procedures and identifying appropriate treatment before actual referral to our centre. In complex cases, the target can have been breached before we receive referral here to Clatterbridge Centre for Oncology.

"The Trust has acted swiftly to address its performance in the 62-day target and appointed two new members of staff to act as patient navigators. They are currently working with consultant doctors from both our hospital and referring hospitals to put processes in place to allow the earliest appropriate tracking of patients who will need treatment at our centre."

The Healthcare Commission has also recently announced that tertiary centres can seek reallocation of breaches to referring organisation, where the patient was referred after day 62 (subject to specific criteria and the agreement of secondary care).

Episodes of care

Activity	2006/07 (Aug-Mar)	2006/07 (April-July)	2006/07 Total	2005/06	2004/05
Chemotherapy attends	17,786	8,516	26,302	25,432	24,782
Radiotherapy attends	61,422	29,302	90,724	94,633	93,343
Proton Therapy	511	145	656	613	541
In-patient spells	2,871	1,354	4,225	4,508	4,570
Out-patient consultations	35,038	17,028	52,066	52,188	51,435

Out-patient first attendances – waiting times

August to March 2006 / 07	Up to 4 weeks / %	Up to 13 weeks / %	Greater than 13 weeks / %	Totals
Medical Oncology	**1091** / 97.8%	**24** / 2.2%	**0** / 0	**1115**
Clinical Oncology	**3215** / 98.2%	**59** / 1.8%	**0** / 0	**3274**
Totals	**4306** / 98.1%	**83** / 1.9%	**0** / 0	**4389**

Waiting time in out-patient clinics at Clatterbridge Centre for Oncology

Totals	2006/07 / % August to March	2006/07 / % April to July	2005/06 / %
Seen within 30 minutes	**5327** / 65.3%	**2656** / 70.0%	**7321** / 62.3%
31-60 mins	**1806** / 22.1%	**746** / 19.7%	**2651** / 22.6%
60+	**1026** / 12.6%	**390** / 10.3%	**1774** / 15.1%

Total seen between April and July 2006: **3792**. Total seen between August and March 2007: **8159**

Waiting time in out-patient clinics at Clatterbridge Centre for Oncology

This information is based on figures submitted to the Department of Health

First attendances August 2006 to March 2007

Patients seen	Patients who 'Did Not Attend' (DNA)	% DNA
6357	368	5.5%

Follow up attendances August 2006 to March 2007

Patients seen	Patients who 'Did Not Attend' (DNA)	% DNA
108,170	3768	3.4%

Number of complaints received

The Trust strives to maintain a responsive service and is proud of its record of dealing sympathetically and effectively with anyone experiencing dissatisfaction with our service.

Year	Amount
2006/07	18
2005/06	26
2004/05	21
2003/04	19
2002/03	56

Staff

Improvements in the volume, range and quality of services to patients have been achieved by having the right balance of numbers and skills of staff. In 2006/07 the staffing establishment was increased by 26 whole time equivalents (4.5%).

Equality and Diversity

Clatterbridge Centre for Oncology NHS Foundation Trust is committed to promoting equality and recognising the benefits of diversity in its' roles as a provider of services and as an employer. As such, the Trust has taken the decision to have an Equality & Diversity Scheme rather than a Race Equality Scheme to allow us to encompass a wide ranging set of issues such as age, gender, disability and sexual orientation. This is in line with the Governments' intention to move towards a single equality body.

This Equality & Diversity Scheme will continue to be developed over the next few years with regular reviews, accompanied by an action plan for specific legislation. The aims of this scheme are:

- To set out the principles and key beliefs of the Trust
- To clearly outline the Trust's commitment to all aspects of Equality & Diversity
- To mainstream all relevant legislation and ensure that this scheme addresses all forms of discrimination.

Operating and financial review

Financial summary

The Trust has again had a successful year and has achieved or exceeded all of its key financial targets. The Trust's financial position is detailed in the accounts included as part of this report, however the table below summarises performance in the key areas:

Financial Target	Outcome
Planned income & expenditure surplus of £0.91m	Achieved actual surplus of £1.28m
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of £3.30m	Achieved actual EBITDA of £3.61m
I&E surplus margin of 2.7%	Achieved margin of 3.9%
EBITDA margin of 9.8%	Achieved margin of 10.9%
Return of Assets employed of 7.3%	Achieved return of 8.6%
Liquid ratio of 54.4 days (measures liquidity of the Trust. The higher the ratio the more liquid the Trust)	Achieved ratio of 74.0 days
Overall Financial Risk Rating determined by the independent regulator (Monitor) of 4 (where 5 represents lowest financial risk and 1 highest)	Based on the metrics above CCO would achieve a financial risk rating of 5. However all Foundation Trusts that have been authorised for less than 12 months can only achieve a maximum of 4. Therefore CCO's rating is capped at 4
Prudential Borrowing Limit (PBL): The long term prudential borrowing limit is set by Monitor. The Trust's current cumulative long term limit is £11.3m	CCO has not taken out any loans in 2006/07, therefore net debt is nil. The Trust is within the PBL
Private Patient Income Cap: Under the terms of authorisation as a Foundation Trust private patient income must not exceed 2.2% of total clinical income	Private Patient income of £0.31m represents just over 1% of total Trust clinical income

Key financial risks

The majority (85%) of the Trust's income is received for the provision of non-surgical cancer treatments to the residents of Merseyside, Cheshire, and parts of Lancashire, North Wales and the Isle of Man.

Approximately 25% of the Trust's clinical income is funded by Payment by Results (PbR) national tariffs, with the remainder from locally determined prices. Both PbR and the local tariff arrangements are based on the principle that the Trust is reimbursed based on activity performed. Therefore a reduction in activity levels represents a financial risk to the Trust. However the Trust is able to mitigate in part against this risk by:

- Employing contract tolerances to reduce in year income volatility
- Agreeing cancer drug developments to ensure drug funding based on actual drug usage

Another key financial risk is the delivery of the Trust's cost improvement programme (CIP) however the target was achieved in 2006/07 and 80% of the 2007/08 programme has already been identified.

Other income and non-healthcare activities

As noted above the majority of the Trust's income is derived from providing clinical cancer services. In addition the remaining 15% of income is derived from:

- Undertaking research & development
- Education and training
- External drug sales to the private sector
- Hosting non-clinical services, such as the National Cancer Services Analysis Team, the Merseyside and Cheshire Cancer Network, and Clatterbridge Cancer Research Trust. The funding for the latter two services transferred to other organisations in 2006/07 (1st October and 1st February respectively). Therefore income from hosted services is expected to reduce correspondingly in 2007/08. However in CCO's accounts income for these services matches expenditure therefore there will not be an adverse impact on the Trust's EBITDA overall I&E surplus.
- Support from charities and recharges to other NHS and non-NHS bodies.

Post Balance Sheet Events

The only significant post balance sheet event that the Trust is currently aware of is the planned revaluation of land and buildings in 2007/08. The Trust will be employing the District Valuers Office to undertake this assessment.

"The majority of the Trust's income is derived from providing clinical cancer services"

Investment Activity

The Trust invested just under £5 million in new and replacement equipment, Information Technology systems and building refurbishment in 2006/07.

The main schemes were:

- £1,472,000 to introduce a Picture Archiving and Communications system (PACs) to enable diagnostic and radiotherapy planning images to be viewed digitally rather than using film
- £1,071,000 to improve the physical condition of the Trust's estate
- £910,000 to replace a linear accelerator (a radiotherapy treatment machine)
- £529,000 to replace a diagnostic CT scanner with a significantly more technologically advanced model
- £478,000 to replace an X-ray Simulator with a CT Simulator (used in planning radiotherapy treatment)
- £271,000 to upgrade the Centre's IT network.

All of the above represented investments in assets that are protected to deliver cancer services to our patients as part of the core business of the Trust, with the expectation that the improved technology will build on the existing high standard of care provided.

Accounting Policies

In its transition to NHS Foundation Trust CCO has significantly adapted two of its accounting policies:

1. Indexation of fixed assets: As an NHS Trust CCO was required to index all fixed assets (with the exception of IT) each year. However as an NHS Foundation Trust CCO will no longer be indexing fixed assets each year. Land and buildings will be revalued every 5 years, with an interim revaluation after 3 years. It is such an interim valuation that will take place in 2007/08 (see Post Balance Sheet Events above).
2. Government Granted Assets: In the past the Trust has been the grateful recipient of funding from the national lottery to purchase 3 linear accelerators and an MRI machine. As an NHS Trust these assets would be accounted for against a Government Granted Assets (GGA) reserve. However as a Foundation Trust the GGA reserve has been transferred to current liabilities as a deferred asset.

Going Concern

The following financial accounts' statements have been prepared on a going concern basis. After making enquiries the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Charitable Funding

The Board of CCO are also the Corporate Trustees of Clatterbridge Centre for Oncology Charitable Funds. During the eight months of 2006/07 from 1st July 2006 to 31st of March 2007 £108,027 has been spent by the charity in support of the Foundation Trust.

The main areas of expenditure were:

- Research & development – £57,356
- Improving patient welfare – £36,947
- Improving staff welfare – £13,724

Board of directors

The Board of Directors has responsibility for setting the strategic direction of the Trust and for understanding and managing significant risks. The Board also receives assurance that the Trust is fulfilling its responsibilities including compliance with standards and targets.

The Board delegates specific functions to its committees identified within their terms of reference. The Trust considers that it operates a balanced and unified Board with particular emphasis on achieving an appropriate balance of skills and experience. This is reviewed as part of the Board development programme, as well as whenever a vacancy arises.

In 2006, in preparation for Foundation Trust status, the Board commissioned Whitehead Mann consultants to provide an independent assessment of the effectiveness of the Board and of how it functions. It also reported on the roles and experience of individual Board members. The output of this review has been used to inform the Board development programme.

In the 8 months from 1st August 2006 to 31st March 2007 the Board of Directors held 4 Public Board meetings.

Chair and non-executives

Alan White – Chairman

Alan was appointed as Chairman in 1999. During his time at the Trust we have seen unprecedented capital investment resulting in major improvements to the treatment infrastructure. The Trust has undertaken a successful CHI review and achieved three star performance for the past two years. Exceptionally high patient experience ratings and financial stability have been the cornerstones of the organisation's success.

Alan retired from Local Government following 10 years as Chief Executive of Wirral Metropolitan Council. As the eighth largest organisation of its type in England, employing over 17,000 staff and with an operational budget of £360m, the chief executive role was both challenging and high profile. During the period of his appointment the Government made radical changes to the way local government services were delivered including the introduction of Compulsory Competitive Tendering for many council services. Wirral MBC with one exception competed and successfully retained all its services in-house, which resulted in the creation of substantial financial savings.

Alan led a successful bid for 'City Challenge' status as an inner city re-generation initiative developed by the then Secretary of State, Michael Heseltine. The initiative depended on the development of new partnerships between Wirral MBC and major business corporations, which included Lever Bros, General Motors and Mobil Oil.

As Chair of the 'City Lands Board', the organisation established to lead the implementation, Alan led a 5-year programme of investment, which generated £37m of public sector and some £285m of private sector investment.

Alan continues to have a strong network of contacts throughout Wirral both in health and the Local Authority. The management of 'local' politics and his long-term relationship with many prominent MPs and trade union leaders have been of significant benefit to CCO.

At the meeting of the Council of Governors in January 2007 the Nominations Committee recommended to the Council that the current Chairman be reappointed for a term of three years and that a new Non-Executive director appointment was made. At the committee the Governors were advised that Alan White had no significant commitments that required to be disclosed.

Douglas Buchanan – Vice Chairman, Senior Independent Director

Douglas has been a Non-Executive director at Clatterbridge Centre for Oncology since 1995 and is due to complete his current term of office in January 2008.

Douglas is a retired surgeon whose medical career started in Edinburgh in 1966. He enjoyed a successful 11 years working as a surgeon for the mining industry in Zambia and latterly as their Chief Medical Officer. The company provided full medical services for its 60,000 strong workforce, their dependents and local population – a total of around 500,000.
On return to the UK in 1986, Douglas joined the British Council where in 1990 he was appointed to the post of Director of the Health Work of the Council. He led a team bidding for developmental projects, where he gained experience of working for the World Bank on the provision of specialist advice to the Ministry of Health of Malaysia and the European Commission.

During his work at the British Council, Douglas visited 35 countries working with health professionals up to ministerial level. In 1996 he organised a seminar on the UK NHS reforms held at the World Bank in Washington. The UK team included Sir Alan Langlands, the CEO of the NHS and Sir Nigel Crisp, then CEO of the Oxford Radcliffe Hospital. Douglas has a very clear understanding of the principles of sound governance put most usefully to work in providing scrutiny in areas such as research, service development and medical education.

Graham Morris

Graham is a qualified accountant (FCCA) who became a Non-Executive director at Clatterbridge Centre for Oncology in December 2005. He worked for 33 years in the electricity industry and during that time Graham gained extensive experience of finance, regulation and corporate strategy, heading up the finance function of SP Manweb plc following Scottish Power's take-over. SP Manweb plc is the licence holder for ScottishPower's distribution network in the Manweb authorised distribution area, covering Merseyside, Cheshire and North Wales. During this period he also worked in America, working on the merger of PacifiCorp, an American subsidiary acquired by Scottish Power in 1999. PacifiCorp is one of the major electricity producers in the United States, providing more than 1.6 million customers with energy.

Following his return from America, Graham helped set up a joint venture company Selectusonline Ltd - a procurement consultancy that can harmonise specifications and aggregate volumes within the utilities sector.
As an elder and treasurer of Upton by Chester United Reformed Church he also has extensive involvement in charity and community activities, including being on the executive of the local pre-school association. In July 2006 he was elected on to the Finance Committee of the United Reformed Church at a national level.

Alan White

Douglas Buchanan

Graham Morris

Louise Martin

Louise was appointed as a Non-Executive director as the Trust in April 2001. She has worked within the UK National Health Service for 15 years in a number of clinical and managerial posts.

In 1998 Louise left the NHS to head the project company managing the delivery of a major first-wave PFI scheme at South Manchester University Hospitals NHS Trust. In this role she was responsible for managing the investment company, including overseeing the construction of new healthcare facilities, the transfer of public sector staff to the private sector partner companies, and the delivery of non-clinical support services to the Trust. This 30-year concession was funded through a mix of private equity and senior debt, underwent a major refinancing post-construction and has been a highly regarded commercial success in the field of private/public partnership.

Louise now works for Health Care Projects Ltd, a subsidiary of 'Innisfree' the Infrastructure Investment Company, where she acts as Project Director. In this role Louise co-ordinates the various consortium companies bidding to provide PFI solutions to the public sector, leads the commercial, legal and financial negotiations for the Project Agreements between the various parties, including the payment mechanism structures required to guarantee payment for performance, and is actively involved in preparatory profiling for both the bank and bond markets when taking schemes to city investors prior to financial close. Louise acts as a Non-Executive director to 'live' schemes once they are fully operational and retains responsibility for overseeing the financial stability of the SPV (Special Purpose Vehicle) companies including dividend payments to the equity investors.

Louise's expertise and experience in the financing of major capital schemes will be of increasing value as the need to critically appraise service development opportunities and the long term capital investment programme for the Trust are developed.

Vicky Tagart

After a degree in Biochemistry from Somerville College, Oxford, Vicky gained a Ph.D. in Immunology from the University of Bristol. This was followed by two postdoctoral research positions, the first at the Clinical Research Centre, Harrow, Middlesex, and the second at Johns Hopkins University, Baltimore.

On return to the UK Vicky joined the UK affiliate of the American pharmaceutical company Eli Lilly. Vicky then moved to the Head Office Personnel Department where she was involved in pensions administration and the monitoring of the investment performance of the pension fund, as well as various personnel projects. It was at this time that she took and passed an Open University course in Finance and Accounting for Managers.

In 1991 Vicky took the position of Head of Human Resources with Degussa Ltd. the UK affiliate of a large German chemical company. As well as providing a full personnel service she was responsible for introducing a new appraisal system and was a trustee of their occupational pension scheme. Since December 2000 she has been a Non-Executive director at Clatterbridge Centre for Oncology, initially chairing the Clinical Governance Committee, the Audit Committee and the Finance & Estates Committee.

Vicky is highly analytical and enjoys solving problems. She is well organised and motivated to succeed. Her training and experience in personnel have given her good skills at interacting and working with a wide range of people.

Louise Martin

Vicky Tagart

Andrea Spyropoulos (until 31st January 2007)

Andrea is a qualified nurse, midwife and teacher. She has held a variety of positions over a twenty-five year period specialising in clinical and hospital management, gaining vast experience of the health service and private sector. In addition to her nursing qualifications she holds a degree in Health Studies, a degree in Law and a Masters Degree in Law. Andrea remains fully committed to strive to advance practices, which focus on delivering the best possible care for the patient. Andrea has been actively involved with the Royal College of Nursing and spent six months seconded to the regional office consolidating her experience of dealing with employee related issues.

Andrea has been a Non-Executive director at Clatterbridge Centre for Oncology for 9 years, and during that time sat on the Performance, Audit, Investment and Remuneration committees. Andrea has been the lead Non-Executive for the National Service Framework for older people, and was nominated as the lead Children's Champion. Andrea has also chaired Independent Panel Reviews and the Research Governance Committee.

As a senior lecturer at John Moores University Liverpool, Andrea has taught both graduate and undergraduate health professionals on the subject of legal and professional issues. She has actively been involved in the business case development and tendering activity for the pre-registration courses, curriculum planning and development of the clinical suite. As a member of the Workforce Development Confederation working group supporting Clinical Practice Facilitators she was able to assist in addressing some of the problems encountered regarding clinical placements, student support and skills transition and development.

Andrea left the University in 2003 to take up a position with Health Care Projects to work as a bid manager/ clinical advisor, working with the design team bidding projects to build new hospitals under PFI. Andrea's role is to ensure that the clinical design matches the aspirations of the service provider and the user, in essence to ensure the design provides clinical functionality is aesthetically pleasing, matches consumerism and is affordable.

Carol Eastwood (from 1st February 2007)

Carol Eastwood is currently employed as a Vice President in Corporate Information Services at AstraZeneca, one of the worlds leading pharmaceutical companies.

Over the last six years she delivered strategic leadership, operational and programme management in a number of roles in Information Management, Information Services and Regulatory Compliance. Reporting to the Chief Information Officer she led the outsourcing of Information Services and has commercial experience from completing a major commercial deal with a global service partner.

Carol joined ICI from university as a research scientist and was appointed as Chief Analyst for Zeneca Specialities in 1995. Her prime accountabilities included Analytical science and research and delivery of specialist services including Nuclear Magnetic Resonance Spectroscopy, Mass Spectrometry and a wide range of chromatographic techniques.

Carol has been a member of many different external committees, including European Research programmes, Information governance in the Pharmaceutical industry and Regulatory Compliance. She is married with one son at University and is planning to retire from AstraZeneca later this year.

Andrea Spyropoulos

Carol Eastwood

Chief executive and executive directors

Tony Halsall – Chief Executive (until 28th February 2007)

Tony joined the Trust as Chief Executive in September 2003. He has a proven record of achievement in the successful management of change founded on a comprehensive experience in health care in both clinical and managerial roles.

Tony has previous experience in Executive Director roles within the large acute Trusts in Stockport and Wigan where he combined heavy corporate operational management responsibilities with professional leadership. His work in the area of emergency care and escalation planning led to various assignments by the Modernisation Agency both in terms of training and troubleshooting at site visits. As an experienced Director, he undertook an aspiring Chief Executive's Development Programme with the Kings Fund before securing his post at CCO.

Tony played a full part in the developing strategic agenda across the wider health economy. He took a lead Chief Executive's role in the implementation of the European Working Time Directive and the implementation of the Improving Outcomes Guidance in Upper Oesophageal Cancer across Cheshire and Merseyside.

Tony left the Trust at the end of February 2007 to take up the post of Chief Executive at Morecambe Bay University Hospital Trust.

Andrew Cannell – Director of Finance (Acting Chief Executive from 1st March 2007)

Andrew is a IPFA qualified accountant who has worked almost exclusively in the NHS since 1983.Before joining the Trust in July 2003 he worked in a senior role as a "Link Accountant" at the North West Regional Office and Greater Manchester SHA. In this role he monitored the financial performance of a number of NHS Trusts and Primary Care Trusts and provided advice on a number of issues including merger proposals, financial recovery plans and financial reporting.

Prior to that he worked for a number of years as Deputy Director of Finance and then Acting Director of Finance at the Manchester Children's Hospital NHS Trust, developing the finance function from the inception of the Trust until its eventual merger. The Trust successfully maintained financial balance throughout its existence

His primary responsibilities at CCO are to support the delivery of the Trust Service Development Plans ensuring that the necessary resource as secured from Commissioners is obtained and to guide the organisation through the challenge of the developing Financial Regime (particularly the introduction of Payment by Results). He makes a major contribution to the effective Governance of the Trust through the provision of sound financial advice, the establishment of effective systems of performance management and developing the Finance Department. He also leads on the Information Management and Technology agenda for the Trust. Andrew will fulfill the role of Chief Executive until the commencement of the new substantive Chief Executive, Darren Hurrell, in August 2007.

"Within the last year patients have faced an average wait of 18 days for radiotherapy treatment and just under 100% of chemotherapy treatments began within 31 days."

Alan White, Chairman

Teresa Fenech – Director of Performance & Improvement

Teresa was appointed to the post of Director of Corporate Strategy in February 2005. This post has key responsibilities around the development of the Service Development Strategy and also in leading the development of a Service Improvement culture within CCO.

Teresa joined CCO from her combined role of Assistant Chief Executive at a large Acute Trust: (turnover £120m, 4 hospital sites) and also as a Department of Health 'lead intervener' for organisations that were facing significant challenges in meeting national emergency access targets. This role was undertaken as part of the National Emergency Care Project Team, providing Intensive Support to challenged organisations.

Prior to this Teresa was National Lead for wave 2 of the Emergency Services Collaborative – a national Improvement Programme delivered by the Modernisation Agency. Teresa therefore has extensive knowledge and experience of the application of service improvement tools and techniques.

Responsible for 34 hospital sites across England, Teresa led the development of local capability in service improvement through a programme of training and support and measurement for improvement. This delivered changes in systems and processes leading to improvements in service delivery and performance against the National target. Teresa has held a range of general and senior management posts in a number of large acute Trusts and is a registered nurse with a BA (Hons) in Health Studies and an MSc in Health Policy and Organisation.

Helen Porter – Director of Healthcare Governance

Helen has been a cancer nurse for over 20 years. She has worked within 4 cancer centres holding a variety of clinical and non-clinical posts. She has played a role in the national and international cancer nursing agenda through being on the committees of the RCN Cancer Nursing society; RCN Haematology Society and the International Society of Nurses in Cancer Care. She was also a member of the Cancer Nursing Advisory Group reporting to Professor Mike Richards and has been involved in the development of the Supportive and Palliative Care Guidance (NICE) and the development of the DH publication 'The Nursing Contribution to Cancer Care'. As such she has established a wide network within the field of cancer. Her clinical background has been predominantly in haemato-oncology and the majority of her publications relate to this field, as does her MSc.

Helen has been at Clatterbridge Centre for Oncology since August 2000 joining the Trust as Director of Nursing. During that time there have been many changes in the way nurses deliver care and treatment both at CCO and in the wider cancer world. Four of these years were also spent as the Lead Cancer Nurse for the Merseyside and Cheshire Cancer Network.

Key responsibilities of this post include leading on clinical governance and risk management (including management of complaints and litigation). Helen has successfully developed a risk management culture to enable the Trust to achieve CNST level 3 and has responsibility to ensure the Trust is complaint with Standards for Better Health (HCC). Helen also leads on Patient and Public Involvement ensuring this is integral to all activities of the Trust.

Dr David Husband – Medical Director

David has been Medical Director since 2000. Following a degree in Biochemistry, he trained in medicine at the University of Leeds. Post-graduate training in general internal medicine and endocrinology and diabetes followed in Leeds and Newcastle. David came to Clatterbridge to train in Clinical Oncology in 1985 and was appointed Consultant in Clinical Oncology in 1992. He is an Honorary Lecturer in the Department of Medicine, University of Liverpool.

David first became involved in management in 1994 as a member of the Quality Assurance Group, then in 1995 as a member of the Risk Management Team. He was appointed as Clinical Director in Radiotherapy in 1996 and subsequently Medical Director in 2000.

As Clinical Director of Radiotherapy, David established the structure of the new Directorate, and was responsible for the implementation of a Quality System for Radiotherapy (QART) and the implementation of the Ionising Radiation Regulations at CCO. He has been involved in the planning and implementation of an extensive programme of radiotherapy equipment replacement and development at CCO since 1998, and currently Chairs the Medical Equipment Group. He has overseen the implementation of many new clinical services. As Medical Director he is the Lead Cancer Clinician for the Cancer Centre, Joint Clinical Governance Lead and is responsible for the development of network cancer services by CCO. He led the implementation of Consultant Appraisals and the new Consultant Contract at CCO. He was a member of the Medical Think Tank of the North Mersey Healthcare Project. Currently he is responsible for CCO's involvement in the development of an Academic Department of Oncology in co-operation with the University of Liverpool. He continues to work as a clinician, and to be active in cancer research, bringing current front line experience to the Board.

During a varied career David has worked in some 20 Hospitals, including most of the Trusts to which CCO currently provides services. Currently he undertakes clinics in, or works with clinicians from, 6 of CCO's partner Trusts giving a unique insight into the network services CCO provides. David's main interest is in the development and provision of high quality services for patients with cancer, and the appropriate quality assurance of such services, but takes an active role in the whole work of the Trust.

Helen Porter

Dr David Husband

Dawn Jennings – Director of Human Resources

Dawn joined the Trust in December 2005. She is a graduate of the Chartered Institute of Personnel & Development and has held a variety of Human Resources (HR) posts in both the public and private sector.

Immediately prior to taking up this post, Dawn was Associate Director of HR at the Christie Hospital in Manchester where she developed their first HR Strategy and led a number of changes, including a reshaping of the HR function. The redesigning of HR roles and a merger of separate corporate and professional training and development functions led to the provision of a more pro-active service, enabling strategic HR input to business decisions at an earlier stage.

Prior to her NHS experience, Dawn worked within various business areas of the Automobile Association, including Insurance and Retail, and contributed to the planning and execution of 3 significant change programmes, including the resulting redundancy and outplacement activities.

Dawn has also held a variety of voluntary posts, including Trustee and Treasurer of a local Pre-school, Secretary of the Mid-Cheshire branch of the National Childbirth Trust and Governor of the Primary school that her children attend. She is now a Parent Governor at her local high school. Dawn's post does not hold voting rights at Board meetings.

John Andrews (Acting Director of Finance from 1st March 2007)

John has worked within the Finance department at a senior level at CCO since 1995. He is an IPFA qualified accountant who has spent his entire career to date in the NHS. His substantive role is as Deputy Director of Finance, but he will be covering the Director of Finance role until Andrew Cannell ceases to be acting Chief Executive in August 2007.

The Remuneration Report

The Remuneration Report can be found at note 5.3 in the enclosed Trust Accounts for the period 1st August 2006 to 31st March 2007. In addition attendance at the remuneration committee is included in the table below.

The Monitor Foundation Trust Code of Governance includes a code provision (C.2.1 "….All [other] Executive Directors should be appointed by a committee of the Chief Executive, the Chairman and Non-Executive directors and subject to re-appointment at intervals of no more than five years). The Board considered this code provision at its meeting in March 2007 and was informed that with an employment contract of any type, there is only one way to terminate without incurring a financial penalty and that is by following due process, i.e. clear and documented performance management. The financial penalty associated with ending a rolling contract could be significantly higher than a standard contract. The Board therefore agreed that it would not comply with this code provision.

Name and Title	Independent	Public Board	Held	Att	Remuneration	Held	Att	Audit Committee	Held	Att	Nomination	Held	Att
Executive Directors													
Tony Halsall Chief Executive (until 28th February)		✓	4	3									
Andrew Cannell Acting Chief Executive (from 1st March)		✓	1	1									
Andrew Cannell Director of Finance (until 28th February)		✓	3	2									
John Andrews Acting Director of Finance (from 1st March)		✓	1	1									
Helen Porter Director of Healthcare Governance		✓	4	4									
Teresa Fenech Director of Performance and Improvement		✓	4	4									
David Husband Medical Director		✓	4	4									
Dawn Jennings Director of Human Resources (Non Voting)		✓	4	4									
Non-Executive Directors													
Alan White Chairman	✓	✓ (chair)	4	4	✓ (chair)	1	1				✓	1	1
Andrea Spyropoulos (until 31st January)	✓	✓	3	3	✓	1	1	✓	3	3	✓	0	0
Louise Martin	✓	✓	4	3	✓	1	0	✓	4	2	✓	1	1
Vicky Tagart	✓	✓	4	4	✓	1	1	✓ (vice chair)	4	4	✓	0	0
Douglas Buchanan Vice Chairman Senior Independent Director	✓	✓	4	3	✓	1	1	✓	4	4	✓	0	0
Carol Eastwood (from 1st February)	✓	✓	1	1	✓	0	0	✓	1	1	✓	0	0
Graham Morris	✓	✓	4	4	✓	1	1	✓ (chair)	4	4	✓	1	1

Note:
Please note attendance of the Executive Directors at the Remuneration, Audit and Nomination Committees is not recorded in the table as they are not members.

Att = Number of attendances
Held = Number of meetings held in 2006/07 or since appointment where that occurred after 1st April 2006

Douglas Buchanan has been a Non-Executive Director for 11 years. However, notwithstanding this, the Board determines that he is independent in character and judgement based on his current performance as a Board Director. This has been particularly demonstrated through the Foundation Trust application process.

Board committees

Members of the Board who also have membership of the Board Committees are listed below:

Audit Committee

To provide the central means by which the Trust Board ensures effective internal control arrangements are in place. In addition, the Audit Committee provides a form of independent check upon the executive arm of the Board. It does this by holding regular meetings in which Internal and External Auditors are in attendance.

Membership: Non-Executive Directors only, excluding the Chairman.

Remuneration Committee

The Remuneration Committee of the Chairman and other Non-Executive Directors decide the terms and conditions of office including the remuneration and allowances of all the Directors, including pension rights and any compensation payments.

Membership: A White, D Buchanan, L Martin, A Spyropoulous (up to 31st January 2007), C Eastwood (from 1st February 2007), V Tagart, G Morris.

Nomination Committee

The Nomination / Appointment Panel for a Chief Executive is made up of the Non-Executive Directors. The appointment is subject to the approval of a majority of the members of the Council of Governors present and voting at a general meeting.

The Nomination / Appointment Panel for the Directors is made up of a committee consisting of the Chairman, the Chief Executive and the other Non-Executive Directors.

During 2006-07 the Board was required to appoint a new Chief Executive Officer. The process for the appointment of the Chief Executive was:

Assessment Day – 7th March 2007
Formal Interviews – 16th March 2007
Reported to the Council of Governors for approval – 26th March 2007

Interview Panel: Chairman, 2 x Non-Executive Directors, 2 x Council of Governors and 1 External Chief Executive.

This followed the appointment process outlined in the Trust's constitution.

"As a Foundation Trust hospital we have a clear vision, set out in our Service Development Strategy, about where we want to be five years from now."
Andrew Cannell, Acting Chief Executive

Foundation trust governor and membership information

On August 1st 2006 Clatterbridge Centre for Oncology became a Foundation Trust Hospital.

This means the Trust now operates independently of the Department of Health and it is accountable to its patients and the local community. It remains part of the NHS, but we now have greater freedom and flexibility in determining how services are run in order to best meet local needs.

Local people, patients, carers and staff can become members and elect representatives to serve on a Council of Governors for the Trust. Over 4,200 people have already applied to become members of Clatterbridge Centre for Oncology NHS Foundation Trust.

Chairman Alan White said: "We see this as a real opportunity to establish even closer links with the communities that we serve. The Council of Governors will play a crucial role in bringing about wider community engagement. Patients, staff and residents will have a much greater say in how cancer services are developed and delivered across the region."

The Governors
The Governors are elected as part of an independent process managed by Electoral Reform Services, in line with the Trust constitution.

The Council is made up of six Staff Governors (elected by staff) and 15 Public Governors (elected by the members). There are also six Governors from nominated organsiations, serving a fixed three year term of office.

The Council of Governors meets quarterly in public and fulfils its legal obligations as outlined in the constitution.

In addition to Council meetings, the group has also established four committees – Membership and Communications, Patient Experience, Fundraising and Strategy.

"With the support of our Council of Governors we have high hopes and expectations about what the future holds."
Alan White, Chairman

Council of Governors

Governor	Constituency	Term of office	Committees *in addition to Council of Governors*	No. of Council meetings held in 2006/7	Total no. of attendances at Council meetings
Elected					
Andrew Cartwright (from March 2007)	Wirral, Wales and the rest of England	2007	Strategy	2	1
Michele Christopherson	Sefton	2009	Patient	5	4
Kerry Connon	Sefton	2007	Strategy	5	3
Reg Cox (from November 2006)	Liverpool	2007	Membership	4	4
Mary Doddridge	Liverpool	2007	Membership and Strategy	5	5
Joanne Evans	Liverpool	2007	Patient	5	1
Tom Fisher	Wirral, Wales and the rest of England	2008	Patient	5	5
June Holland	Wirral, Wales and the rest of England	2008	Fundraising	5	4
Linda Irlam	Warrington & Halton	2007	Membership	5	5
Hazel Maddox	St Helens & Knowsley	2009	Membership	5	4
Ruth Murray	Chester, Ellesmere Porter and Vale Royal	2008	Patient	5	5
Gill Oliver	Chester, Ellesmere Port and Vale Royal	2009	Membership	5	5
Susan Ramsay	Wirral, Wales and the rest of England	2007	Strategy	5	3
Margaret Warriner (from March 2007)	St Helens & Knowsley	2007	Patient and fundraising	2	2
Hilda Whitfield	Warrington & Halton	2008	Patient	5	5
Staff					
Peter Benson	Non staff	2008	Patient	5	5
Doug Errington	Doctor	2007	Patient and Strategy	5	5
Peter Fearnhead	Non clinical	2008	Fundraising	5	5
Philip Mayles	Other clinical	2007	Fundraising and Strategy	5	5
Kate Perkins	Radiographer	2009	Strategy	5	4
Kate Smith	Nurse	2009	Patient	5	5
Nominated					
Eve Berridge (from November 2006)	Manx Cancer Help Association	2009	Patient	4	4
Nicola Cook	Macmillan Cancer Support	2009	Strategy	5	2
John Cocker	Wirral Council	2009	Patient	5	3
John Earis	University Hospital Aintree	2009		5	2
Ray Murphy (from January 2007)	Cancer Task Force	2009	Strategy	3	3
Alistair Watson	University of Liverpool	2009		5	2
Ewan Wilkinson	Liverpool PCT	2009	Strategy	5	4

We would like to express our thanks to former public Governor Tina Freeman, and former nominated Governors Stephen Parry and Stephen Cropper. Each served as a Governor during 2006/07 for period of time, but they have since resigned from their roles.

We would like to offer our sympathies to the family of former Governor William Beedles, who sadly passed away at the end of 2006.

The Council of Governors has approved its standing orders which includes the development of its sub committees. Each of these committees has identified Executive and Non-Executive Director. In addition the Director of Healthcare Governance has a specific role in supporting and working with the Council of Governors playing a key role in developing links between the board committees and the Council of Governors ensuring that key strategic themes are being addressed. The Council of Governors receives minutes of the Public Board meetings.

Nomination / Appointment Panel
The Nomination / Appointment Panel for the Non-Executive Directors is made up of the Chairman and three elected Governors. This Nomination Panel is responsible for appointing Non-Executive Directors by identifying appropriate candidates through a process of open competition, which take account of the policy maintained by the Council of Governors and the skills and experience required. Membership: A White, T Fisher, D Errington, M Doddridge.

The Nominations Committee followed the appointment process described in the Trust's constitution for the appointment of Dr Carol Eastwood in December 2006. This appointment was approved by the Council of Governors at its meeting in January 2007.

Working together with the Board
Every effort is being made to ensure close working links between the Tuust Board and the Council of Governors. Minutes from the Council of Governors meeting go to the Trust Board and both Executive Directors and Non-Executive directors attend the Council of Governor meetings and its committees.

Foundation Trust Membership
Every Member is either a member of one of the public constituencies or a member of one of the staff constituencies.

Membership is open to any individual who is over the age of 16, is entitled under the constitution to be a member of one of the public constituencies or the staff constituencies and has completed the relevant application form.

If members wish to contact their individual Governor or a Director they can do so by contacting Andrea Leather, Corporate Governance Manager on 0151 482 7799 or by emailing andrea.leather@ccotrust.nhs.uk

There is a 'members only' section available on the CCO website.

Constituency details

Staff constituency members as of March 31, 2007 totalling 737.

Doctor	45
Nurse	131
Non clinical	211
Other clinical professional	104
Radiographer	121
Volunteer	125

Public constituency members as of March 31, 2007 totalling 3465.

Wirral, Wales and rest of England	1360
Liverpool	464
Sefton	367
Warrington and Halton	377
St Helens and Knowsley	369
Chester, Ellesmere Port and Vale Royal	528

Membership strategy
The Membership and Communications committee is responsible for reviewing and implementing the Membership Strategy.

Acknowledgements

Expressing our appreciation

Clatterbridge Centre for Oncology Volunteers
We would like to express our sincere thanks and appreciation to the Clatterbridge Centre for Oncology volunteers who continue to provide an indispensable service to our patients, visitors and staff.

Charitable donations
Our thanks and gratitude must go to our loyal and dedicated fundraisers for all their support and contributions over the last year.

Clatterbridge Cancer Research Trust
We would like to express our gratitude to Clatterbridge Cancer Research Trust for their continued support in contributing towards vital research and development at the hospital.

WRVS (Womens Royal Voluntary Service)
We would like to thanks the WRVS who continue to play a crucial role in providing essential facilities where staff, patients and visitors can relax and enjoy refreshments away from the wards and waiting areas.

Public Patient Involvement and Patient Council
Our grateful thanks must go to the Public and Patient Involvement Forum and the Patient Council involved with the work of the hospital. These groups have regular meetings to ensure that patients and members of the public have a much greater input into decisions that affect the health of the community that Clatterbridge Centre for Oncology serves.

Useful contacts

Fundraising
If you want to find out more information about how to get involved with fundraising activities for the Trust, or to make a charitable donation, please contact the Fundraising office on 0151 482 7948.

Becoming a volunteer
Anyone interested becoming a member of the volunteer network at Clatterbridge Centre for Oncology should contact Volunteer Co-ordinator Alison Bell on 0151 334 1155 ext 4864.

Applying for jobs
To find out more information about job vacancies at Clatterbridge Centre for Oncology visit www.jobs.nhs.uk or contact Human Resources on 0151 482 7678.

Foundation Trust membership
Anyone interested in becoming a member of Clatterbridge Centre for Oncology NHS Foundation Trust can either apply on line by visiting www.ccotrust.nhs.uk or telephone 0151 482 7799.

What our patients say

Thank you letters continue to flood into the Trust. Here is a snapshot of some of the comments and feedback from patients and relatives that we have helped in recent months…

"I would like to offer my sincere thanks to all your professional staff and volunteers for the wonderful treatment I have had at your hospital. The staff of V15 have been so kind and considerate. Every person encountered has had a kind word and a smile. "

"I want to say a sincere thank you to Dr Robson, Dr Syndikus and all the staff at Clatterbridge for the excellent treatment I have received during the past six months. All of the staff have been unfailingly cheerful and made the whole chemotherapy and radiotherapy 'experience' as pleasant as possible. Keep up the good work!"

"I would like to take this time to thank you very much for all the help, time and effort you all put in to help my father. The job you all do is priceless. The sincerity of Dr Littler and also Bernice Sanders helped my father more than you could know."

"I have recently been diagnosed with liver cancer. During these early stages of testing and appointments I would like to say thank you to everyone at your hospital for all the kind attention and support I have received. This has been a traumatic time for myself and my family. Your team of nurses and specialist helpers have been wonderful to me. My heartfelt thanks to all concerned."

"One hears constant bad publicity about the NHS, but I would like to state that I was very impressed with all aspects of the service. From Dr Maguire, initial planning stages, appointments and the actual treatment I can only praise your staff for their professionalism and humanistic approach to their patients. They certainly made a gruelling time more pleasant."

"Thank you to your hospital for the way I have been treated over the last year. The caring support and medical treatment has been first class. I dreaded my hospital stay at Clatterbridge away from family and friend, but found such caring support from all your staff that I felt in safe hands."

"You and your staff cannot be thanked enough – from the radiographers on M10-2 who made my treatment bearable to Dr Malik and Dr Marshall for their kindness, help, support and understanding. Your choice of staff is to be congratulated!"

"Thank you to all staff involved with my treatment – especially all those on the M10-1 machine and Delamere Ward for all their kindness, crae and attention. It was faultless."

"Please thank Dr Errington and his team for their kind attention. I arrived at your hospital terrified, but in no time I settled because the care I received was first class. Please thank all staff on Conway Ward for caring for me so well and also staff of the 10-2 treatment area for making the treatment so easy and keeping my dignity at all times. "

Annual accounts for the 8 months ended 31st March 2007

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Foreword to the accounts

CLATTERBRIDGE CENTRE FOR ONCOLOGY NHS FOUNDATION TRUST

Clatterbridge Centre for Oncology became an NHS Foundation Trust on 1st August 2006. The accounts for the 8 months ended 31 March 2007, have been prepared by the Clatterbridge Centre for Oncology NHS Foundation Trust in accordance with paragraph 24 and 25 of Schedule 7 of the National Health Services Act 2006 in the form which Monitor has, with the approval of the Treasury directed.

Signed  Date: 30th May 2007

A Cannell
Acting Chief Executive

STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF CLATTERBRIDGE CENTRE FOR ONCOLOGY NHS FOUNDATION TRUST

The National Health Services Act 2006 states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Services Act 2006,Monitor has directed the Clatterbridge Centre for Oncology 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 the state of affairs of Clatterbridge Centre for Oncology 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 him 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  Date: 30th May 2007

A Cannell
Acting Chief Executive

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required under the National Health Services Act 2006 to prepare accounts for each financial year, Monitor, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income & expenditure of the Trust for that period. In preparing those accounts, the Directors are required to;

- select suitable accounting policies, as described on pages 66 to 71, and them apply them consistently;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

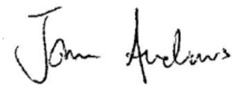
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of Monitor. The Directors are also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

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

By order of the Board

Signed  Date: 30th May 2007

A Cannell
Acting Chief Executive

Signed  Date: 30th May 2007

J Andrews
Acting Director of Finance

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF CLATTERBRIDGE CENTRE FOR ONCOLOGY NHS FOUNDATION TRUST

I have audited the financial statements of Clatterbridge Centre of Oncology NHS Foundation Trust for the period 1 August 2006 to 31 March 2007 under the National Health Service Act 2006, which comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Council of Governors of Clatterbridge Centre for Oncology 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 Council of Governors 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 extend permitted by law, I do not accept or assume responsibility to anyone other that the Foundation Trust as a body, for my audit work, for the audit report or for the options I form.

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

My responsibility is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by the Independent Regulator as being relevant to NHS Foundation Trusts.

I review whether the Accounting Officer's statement on internal control reflects compliance with the requirements of the Independent Regulator contained in the NHS Foundation Trust Financial Reporting Manual 2006/07. I report if it does not meet the requirements specified by the Independent Regulator or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Message from the Chairman and Chief Executive, Trust Profile, Operating and Financial Review, the sections on the Council of Governors, the Board of Directors, membership and public interest disclosures and the un-audited part of Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

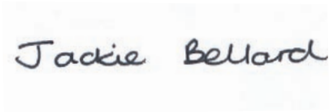
Basis of audit opinion
I conducted my audit in accordance with the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by the Independent Regulator, which requires compliance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

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

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

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



Jackie Bellard
Officer of the Audit Commission

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STATEMENT ON INTERNAL CONTROL August 2006 to March 2007

1. Scope of responsibility

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

In my role of Acting Chief Executive I account to the Chairman and Board of Clatterbridge Centre for Oncology NHS Foundation Trust for all matters pertaining to the delivery of strategic and operational objectives of the Trust. I hold key responsibilities for ensuring financial duties are met, clinical governance systems are robust and the development of effective partnerships with external organisations and bodies and internally with staff. To support this role there are clear systems of accountability with each Executive Director having delegated areas of operational responsibility.

In order to achieve my responsibilities a governance and management framework has been established.

- Central to the organisation's strategic management of risk identification and control is the Service Development Strategy. In addition, the Trust Board regularly reviews performance monitoring and management of the Trust's strategic objectives.
- Personal objectives are agreed for all directly managed staff ensuring direct linkage to the Trust's Service Development Strategy.
- The Trust has in place a Corporate Governance Manual supported by a detailed Scheme of Reservation and Delegation, outlining statutory and operational responsibilities.
- A review of the working and membership of the Board, including the role and function of the sub-committees, in line with emerging guidance on integrated governance. This supports the strategic direction of the Trust and the management of risk through the Assurance Framework.
- Ensuring managers' awareness and compliance with policies and procedures including NHS codes of conduct.
- The Foundation Trust operates under a formal Foundation Trust constitution

The Trust's principal commissioning partner is the Cheshire and Merseyside Specialised Commissioning Team with whom we have strong links.

The Trust was successful in gaining authorisation as an NHS Foundation Trust from 1st August 2006 following a detailed and comprehensive application process.

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 a reasonable, but not absolute assurance of effectiveness. The system of internal control is based on an ongoing process that is designed to:

- Identify risks and prioritise risks to the achievement of the organisation's policies, aims and objectives
- To evaluate the likelihood of those risks being realised and the impact should they be realised
- To manage them efficiently, effectively and economically.

The system of internal control has been in place at Clatterbridge Centre for Oncology NHS Foundation Trust for the whole of the period from 1st August to 31st March 2007 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The Trust is committed to providing high quality services in a safe and secure environment. As Acting Chief Executive I have overall responsibility and accountability for all aspects of risk management within the Trust, making sure that the organisational structure and resource are in place to ensure this occurs. Senior leadership is delegated through the directors and operationally through departments and committee structures. This covers all aspects of governance relating to our service delivery, including: clinical care, radiation protection, Standards for Better Health, finance, contracts, information technology, health and safety, cancer standards peer review, research, and employment practices.

The Audit Committee has overarching responsibility for ensuring that risk is managed effectively within the organisation. This role is supported by the Clinical Performance, Finance and Resources and Human Resources committee that oversee specific aspects of the risk portfolio.

The system provides a central steer whilst supporting local ownership in managing and controlling risks to which the Trust may be exposed.

These systems are further supported by the evaluation of the effectiveness of risk management and control systems and implementation of recommendations from external assessments to promote both organisational and individual learning and the dissemination of good practice within the Trust.

4. The Risk and Control Framework

The key elements of the Trust's Risk Management Strategy are to manage and control identified risks, whether clinical, non-clinical or financial, appropriately. This is achieved through a sound organisational framework, which promotes early identification of risk, the co-ordination of risk management activity, the provision of a safe environment for staff and patients, and the effective use of financial resources. It ensures that staff are aware of their roles and responsibilities and outlines the structures and processes through which risk is assessed, controlled and managed.

Risks are identified through feedback from many sources, such as formal risk assessment, incident reporting, audit data, complaints, legal claims, patient and public feedback, stakeholder/partnership feedback and internal/external assessment.

The Trust Board endorsed the Clinical Governance Strategy, the Operational Budget Plan and the Risk Management Strategy. In addition, a range of trust wide policies and procedures further supports the risk management processes.

The Trust has embedded an assurance framework at a corporate level and is continuing to apply these processes across all areas of the organisation. The corporate assurance framework identifies those risks deemed as strategically significant to the Trust's objectives, the controls in place to manage/ mitigate this risk and the assurances received by the Trust. All Board members have been involved in the development, identification, quantification and prioritisation of the risks and the subsequent action planning to address areas for improvement. Significant risks are escalated to the Trust Board as they arise and subsequent updates are made to the Assurance Framework. The cascading of these processes to directorates has commenced the embedding of these principles across the organisation. This assists with the development of an organisation wide risk aware culture.

In respect of public involvement:

- Board meetings are held at which reports on key elements of risk are discussed. The papers, including the minutes of the meetings are available on the Trust's intranet / internet site.

- As part of the work towards applying for Foundation Trust status, a membership strategy has been implemented and in excess of 4,000 members have been recruited. Elections for places within the Council of Governors were undertaken in conjunction with the Electoral Reform Society and the governance infrastructure was in place to enable the trust to operate effectively as an NHS Foundation Trust from 1st August 2006. This work strengthens the input of patients, the public and staff into the strategic decision making of the Trust.

Further developments for 2007/08 will include:

- Continued departmental embedding of the Assurance Framework, to ensure systematic mapping of risks to objectives throughout the organisation.
- Implement and ensure the effectiveness of the revised approved Trust Board committee structure in line with the principles of Integrated Governance
- Further develop the operation of the Trust's Risk Register
- Ensure full compliance with the Standards for Better Health Core Standards
- Work towards full compliance with the Standards for Better Health Developmental standards
- Work towards the achievement of NHSLA level 3 under the revised NHSLA scheme
- Implementation of the agreed Information Management and Technology Strategy.

5. Review of economy, efficiency and effectiveness and the use of resources

As Accountable Officer, I am responsible for ensuring that the organisation has arrangements in place to secure value for money in the use of resources. The Trust achieves this through the following systems:

- Setting and monitoring the delivery of strategic and operational objectives
- Monitoring and reviewing of organisational performance
- Delivery efficiency savings

In achieving Foundation Trust status the organisation was subject to a rigorous assessment of its 5-year service and finance strategy. The strategy approved by the Board of Directors informs the detailed annual financial and performance plans. The Board of directors monitors performance monthly through the corporate Finance & Performance Report, which provides information on current and forecast financial performance, achievement of savings targets, capital investment, contract activity and performance against key targets.

Reports on specific issues relating to economy, efficiency and effectiveness are commissioned by the Audit Committee from the Trust's Internal Auditors and it also receives reports from the External Auditors as required. The Audit Committee monitors closely the implementation of Audit recommendations.

Effective performance has been demonstrated through:

- The achievement of the majority of key NHS targets
- A financial risk rating of 4 (the highest attainable by a newly created Foundation Trust) allocated by Monitor on authorisation. This has been maintained in the first eight months of operation.

6. Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the systems of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and Controls reviewed as part of internal audit work. Executive and Senior Managers within the Trust, who have responsibility for the development and maintenance of the systems of internal control, provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by reports through the Trust committee structures and from the executive team.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the achievement of targets, accreditations, and external review.

The Board of Directors reviews performance across a range of indicators, which include both corporate and national objectives.

- Waiting times are a critical indicator of success in terms of improving access for patients and the Trust achieved 99% (target 98%) for the 31 day from decision to treat to first treatment and 85% (target 95%) against the 62-day urgent referral to first treatment target in the second, third and final quarters of 2006/07. The key issue to the Trust in achieving the 62-day target in the future is the timely referrals of patients from other hospitals.
- The action plan and new systems continue to be developed to improve the performance against the 62-day waiting time target. The key features of the action plan for 2007/08 are to:
  - Continue to work with colleagues in secondary care and the Cancer Network to improve the timeliness of referrals. If all patients were referred to CCO by day 42 of their treatment pathway the Trust would achieve the 62-day target.
  - Further improvements to internal systems and controls including the enhancement of the dedicated waiting times team.
  - The Trust will continue to engage with the Health Care Commission (HCC) regarding the 62-day target and most appropriate methodology for allocating breaches. Members of the CCO Executive team will be meeting with representatives of the HCC in early July 2007.
- Achievement of all key financial duties and Monitor financial risk rating of 4.
- Internal Audit concluded that the systems and processes in place regarding the Assurance Framework are designed and operated to meet the requirements of the SIC. They have also provided significant assurance regarding the systems and processes underpinning the Standards for Better Health declaration.
- Independent reviews of the Trust Board and performance development frameworks.
- Accreditations for Clinical Negligence Scheme for Trusts (CNST) level III and Risk Pooling Scheme for Trusts (RPST level I).
- Award of a special quality management accreditation (ISO9001:2000) across the whole Trust from the British Standards Institute (BSI).
- Successfully implemented the Agenda for Change pay reform in accordance with national guidance.
- Incorporation of feedback from Cancer Peer Review into action plans and corporate objectives.
- External review of our financial reporting procedures identified a number of weaknesses. A detailed action plan is in place to address these issues. The Audit Committee will monitor delivery against these plans. Internal Audit will be asked to review the effectiveness of the controls being put in place.
- Compliance with Standards for Better Health core standards.

In summary, the Trust has a sound system of Internal Control in place, which is designed to manage the key organisational objectives and minimise the Trust's exposure to risk.

Plans to address weaknesses have been devised to enhance the Assurance Framework and compliance with the new Development Standards for Better Health This will ensure continuous improvement of the internal control system that is in place.

Signed  Date: 30th May 2007

A Cannell
Acting Chief Executive

INCOME AND EXPENDITURE ACCOUNT FOR THE 8 MONTHS ENDED 31ST MARCH 2007

	NOTE	8 months 2006/07 £ 000s
Income from activities	3	29,363
Other operating income	4	3,651
Operating expenses	5	(31,234)
OPERATING SURPLUS / (DEFICIT)		1,780
Profit / (loss) on disposal of fixed assets	8	(3)
SURPLUS / (DEFICIT) BEFORE INTEREST		1,777
Interest receivable		154
Interest payable	9	0
Other finance costs - unwinding of discount		0
Other finance costs - change in discount rate on provisions		0
SURPLUS / (DEFICIT) FOR THE FINANCIAL PERIOD		1,931
Public Dividend Capital dividends payable		(652)
RETAINED / SURPLUS (DEFICIT) FOR THE PERIOD		**1,279**

BALANCE SHEET AS AT 31ST MARCH 2007

	NOTE	31st March 2006/07 £000s	Opening Balance 1st August 2006 £000s
FIXED ASSETS			
Intangible assets	10	0	0
Tangible assets	11	32,985	29,926
Investments	12	0	0
		32,985	**29,926**
CURRENT ASSETS			
Stocks and work in progess	13	411	359
Debtors	14	2,811	3,830
Investments		0	0
Cash at bank and in hand	19	8,366	5,679
		11,588	**9,868**
CREDITORS: Amount falling due within one year	16	(10,549)	(8,876)
NET CURRENT ASSETS / (LIABILITIES)		**1,039**	**992**
TOTAL ASSETS LESS CURRENT LIABILITIES		**34,024**	**30,918**
CREDITORS: Amounts falling due after more than one year	16	(1,355)	(1,752)
PROVISIONS FOR LIABILITIES AND CHARGES	17	(5)	(172)
TOTAL ASSETS EMPLOYED		**32,664**	**28,994**
FINANCED BY:			
Public dividend capital	18	20,553	17,945
Revaluation reserve	18	5,426	5,729
Donated asset reserve	18	2,158	2,375
Other reserves	18	0	0
Income and expenditure reserve	18	4,527	2,945
TOTAL FUNDS		**32,664**	**28,994**

The Financial Statements on pages 62 to 97 were approved by the Board on 30th May 2007 and signed on its behalf.

Signed  Date: 30th May 2007

A Cannell
Acting Chief Executive

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE 8 MONTHS ENDED 31ST MARCH 2007

	8 Months 2006/07 £ 000s
Surplus / (deficit) for the financial year before dividend payments	1,931
Fixed asset impairment losses	0
Unrealised surplus / (deficit) on fixed asset revaluations / indexation	0
Receipt of donated asset	0
Reductions in the donated asset reserve due to depreciation	(217)
Additions / (reductions) in "other reserves"	0
Other recognised gains and losses	0
Total gains and losses relating to the financial period	1,714
Total gains and losses recognised since last annual report	**1,714**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	NOTE	8 Months 2006/07 £ 000s
OPERATING ACTIVITIES		
Net cash inflow / (outflow) from operating activities	19.1	3,240
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received		154
Interest paid		0
Interest element of finance leases		0
Net cash inflow / (outflow) from returns on investments and servicing of finance		154
Taxation paid / received		
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets		(2,344)
Receipts from sale of tangible fixed assets		7
Payments to acquire intangible fixed assets		0
Receipts from sale of intangible fixed assets		0
Net cash inflow / (outflow) from capital expenditure		(2,337)
DIVIDENDS PAID		(978)
Net cash inflow / (outflow) before management of liquid resources and financing		79
MANAGEMENT OF LIQUID RESOURCES		
Movement in short-term deposits		0
Net cash inflow / (outflow) before financing		79
FINANCING		
Public Dividend Capital received		2,608
Public dividend capital repaid		0
Government Grants received		0
Other capital receipts		0
Capital element of finance lease rental payments		0
Net cash inflow / (outflow) from financing		2,608
Increase / (decrease) in cash		**2,687**

Notes to the accounts

1. Accounting policies and other information

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

1.1 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.

1.2 Acquisitions and discontinued operations
Activities are considered to be 'discontinued' where they meet all of the following conditions:

a. the sale (this may be at nil consideration for activities transferred to another public sector body) or termination is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved;
b. if a termination, the former activities have ceased permanently;
c. the sale or termination has a material effect on the nature and focus of the reporting NHS foundation trust's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular activity or from a material reduction in income in the NHS foundation trust's continuing operations; and
d. the assets, liabilities, results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Activities are considered to be 'acquired' whether or not they are acquired from outside the public sector.

1.3 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 changed the form of its contracts with NHS commissioners to follow the Department of Health's Payment by Results (PBR) methodology, to phase in the impact of PBR. Such income is shown net of transitional relief adjustments, which are calculated by the Department of Health. NHS Foundation Trust contracts may either receive or pay back transitional relief.

1.4 Expenditure
Expenditure is accounted for applying the accruals convention.

1.5 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. The last asset valuations were undertaken in 2004 as at the prospective valuation date of 1 April 2005.

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

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

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

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

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

Operational equipment (including IT equipment), is carried at depreciated replacement cost. Equipment surplus to requirements is valued at net recoverable amount. Equipment will be valued by a suitably qualified valuer every five years with an interim valuation carried out every third year.

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 the estimated life, which are as follows:

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

1.6 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.

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

1.8 Investments
Investments in subsidiary undertakings, associates and joint ventures are treated as fixed asset investments and valued at market value. Fixed asset investments are reviewed annually for impairments.

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. These assets, and other current assets, are valued at cost less any amounts written off to represent any impairments in value, and are reviewed annually for impairments.

1.9 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.

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

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

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

1.11 Stocks and work-in-progress
Stocks and work-in-progress are valued at the lower of cost and net realisable value. Work-in-progress comprises goods and services in intermediate stages of production.

1.12 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 is 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

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

1.18 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.

1.19 Value Added Tax
Most of the activities of the NHS foundation trust are outside the scope of 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.

1.20 Corporation Tax
The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities, which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum.

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

1.22 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.

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

1.24 Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance.

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

1.25 Financial instruments
The Trust may hold any of the following financial assets and liabilities:

- assets: investments, long-term debtors and accrued income, short-term debtors and accrued income; and
- liabilities: loans and overdrafts, long-term creditors, long-term provisions arising from contractual arrangements, short-term creditors, short-term provisions arising from contractual arrangements

All financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day-to-day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position.

The Trust can borrow within the limits set by Monitor's Prudential Borrowing Code. The Trust's position against its prudential borrowing limit is disclosed in note 16.2. To date the Trust has not utilised any of its available prudential borrowing.

1.26 Losses and Special Payments
Losses and special payments are charged to the relevant functional headings on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure) However, note 29 is compiled directly from the losses and compensations register which is prepared on a cash basis.

2. Segmental Analysis

The Trust considers that all of its activities fall within the single category of the provision of healthcare services.

3. Income from Activities

3.1 Income from activities comprises:

	8 Months 2006/07 £ 000s
Elective income	3,036
Non-elective income	2,808
Outpatient income	3,772
Other types of activity income	22,373
A&E income	0
Total income at full tariff	31,989
PBR claw back	(2,931)
Income from Activities	29,058
Private patients	305
	29,363

The figures quoted for 2006/07are based upon income received in respect of actual activity undertaken within each category.
The Terms of Authorisation set out the mandatory goods and services that the Trust is required to provide (protected services). All of the income from activities shown above is derived from the provision of protected services.

3.2 Income from activities comprises:

	2006/07 £ 000s
Private patient income	305
Total patient related income	29,363
Proportion as a percentage	**1.04%**

Section 43 (7) of the National Health Services 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 (Private Patient Cap). The proportion in 2002/03 was 2.2%. The above note shows that the Trust was compliant for 2006/07.

4. Other Operating Income

	2006/07 £ 000s
Research and Development	0
Education and Training	802
Charitable and other contributions to expenditure	601
Transfers from the donated asset reserve in respect of depreciation of donated assets	217
Other	2,031
Total	**3,651**

Other Income includes R&D Cancer Network £456k,National Cancer Analysis Team £344k and Private Patient drug income £626k.

5.1 Operating expenses comprise

	8 Months 2006/07 £ 000s
Services from NHS Foundation Trusts	21
Services from other NHS Trusts	2,906
Services from other NHS bodies	0
Purchase of healthcare from non NHS bodies	0
Executive Directors' costs	500
Non-Executive Directors' costs	78
Staff costs	13,717
Drugs costs	8,732
Supplies and services - clinical	1,355
Supplies and services - general	131
Establishment	631
Transport	3
Premises	1,023
Bad debts	106
Depreciation and amortisation	1,825
Fixed asset impairments and reversals	0
Audit services - statutory audit	53
Other auditor's remuneration	0
Clinical negligence	38
Exceptional items	0
Other	115
	31,234

5.2 Operating leases

5.2/1 Operating expenses include:

	2006/07 £ 000s
Hire of plant and machinery	112
Other operating lease rentals	0
	112

5.2/2 Annual commitments under non-cancellable operating leases are:

	Land and buildings 2006/07 £ 000s	Other leases 2006/07 £ 000s
Operating leases which expire:		
Within 1 year	**0**	**0**
Between 1 and 5 years	**0**	**0**
After 5 years	**0**	**0**
	0	**0**

5.3 Remuneration Report

5.3/1 Salary and Allowances

Name and title	Salary (bands of £5,000)	2006-07 Other remuneration (bands of £5,000)	Benefits in kind (bands of £100)
	£000	£000	£00
Executive Directors			
A Halsall - Chief Executive	60-65		
D Husband - Medical Director	10-15	125-130	
A Cannell - Director of Finance	55-60		
H Porter -Director of Healthcare Governance	45-50		
T Fenech - Director of Performance	45-50		
D Jennings - HR Director	35-40		
J Andrews - Acting Director of Finance	0-5		
Non-Executive Directors			
A White - Chairman	25-30		
G Morris - Non-Executive Director	10-15		
D Buchanan - Non-Executive Director	5-10		
L Martin - Non-Executive Director	5-10		
V Tagart - Non-Executive Director	5-10		
C Eastwood - Non-Executive Director	0-5		
A Spyropoulos - Non-Executive Director	5-10		

1) All board members are appointed by the board on permanent contracts.
2) All Non-Executive Board Members are appointed by the Council of Governors for an initial period of 3 years which is renewable subject to satisfactory performance.

The following changes have occurred since 1st August 2006:-

A Halsall left the board on 28.02.07 as Chief Executive
A Cannell became acting Chief Executive on 01.03.07
J Andrews became acting Director of Finance from 01.03.07
A Spyropoulos left the board on 31.01.07 as Non-Executive Director
C Eastwood joined the board on 01.02.07 as Non-Executive Director

5.3/2 Pension entitlements

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Lump sum at age 60 related to real increase in pension (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2007 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2007 (bands of £5,000) £000
A Halsall Chief Executive until 28.02.07	0-2.5	0-2.5	25-30	80-85
D Husband Medical Director	17.5-20	55-57.5	55-60	165-170
A Cannell Acting Chief Executive from 1.03.07	2.5-5	7.5-10	20-25	65-70
H Porter Director of Healthcare Governance	2.5-5	7.5-10	20-25	60-65
T Fenech Director of Performance & Improvement	0-2.5	5-7.5	10-15	35-40
D Jennings HR Director	0-2.5	0-2.5	0-5	0-5
J Andrews Acting Director of Finance from 1.03.07	0-2.5	0-2.5	0-5	0-5

Name and title	Cash Equivalent Transfer Value at 31 March 2007 £000	Cash Equivalent Transfer Value at 31 July 2006 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension (rounded to nearest £000) £000
A Halsall Chief Executive until 28.02.07	369	348	8	0
D Husband Medical Director	983	627	240	0
A Cannell Acting Chief Executive from 1.03.07	288	239	30	0
H Porter Director of Healthcare Governance	279	231	29	0
T Fenech Director of Performance & Improvement	170	136	21	0
D Jennings HR Director	17	6	8	0
J Andrews Acting Director of Finance from 1.03.07	9	0	1	0

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

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 figure 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 relateto 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.

5.3/3 Remuneration Committee and Terms of Service

The Remuneration Committee is made up of the Chairman and Non-Executive Directors only. Acting in accordanace with Department of Health Guidelines, the committee determines the remuneration of Senior Managers and Executive Directors. The Chief Executive of the Trust joins the Committee when the remuneration of other Executive Directors is being reviewed. The Chief Executive and Executive Directors are employed under permanent contracts of employment and, (apart from the Medical Director),they have been recruited under national advertisements.The position of Medical Director is an internal appointment open to competition between senior medical staff.The employment of Senior Managers and Executive Directors may be terminated with three months notice as a result of a disciplinary process, if the Trust is dissolved as a statutory body, or if they choose to resign.None have contracts of service,and none has a contract that is subject to any performance conditions. The position of Chair and Non-Executive Directors are recruited through national advertisements. Appointments are made on fixed term contracts (normally for three years),which can be renewed on expiry.Terms of appointment and remuneration for Non-Executive Directors are set by the Council of Governors.

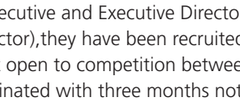
Details of the remaining terms of the Chair and Non-Executive Directors are as follows:

Name	First Appointed	To	Extended To
Alan White	23.08.1999	30.11.2002	31.07.2010
Douglas Buchanan	01.12.1995	30.11.1997	01.01.2008
Graham Morris	01.12.2005	30.11.2009	
Louise Martin	01.04.2001	31.03.2005	30.11.2007
Andrea Spyropoulos	01.12.1997	30.11.2000	3.11.2007 (resigned with effect from 31.01.2007)
Vicky Tagart	01.12.2000	30.11.2003	30.11.2007
Carol Eastwood	01.02.2007	31.01.2010	

The Remuneration Committee will be responsible for agreeing remuneration and terms of employment for the Chief Executive and other Directors in accordance with:

1) Legal requirements
2) The principles of probity
3) Good people management practice
4) Proper corporate governance

The membership of the Remuneration Committee, number of meetings held and attendance can be found on pages 44 and 45 of the Annual Report.

Signed  Date: 30th May 2007

A Cannell
Acting Chief Executive

6. Staff Costs and Numbers

6.1 Staff costs

	2006/07 £ 000s
Salaries and wages	11,771
Social Security costs	856
Employer contributions to NHSPA	1,356
Other Pension Costs	0
Agency and contract staff	234
	14,217

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

6.2 Average number of persons employed

	Permanently employed Number	Agency, temporary and contract staff Number	2006/07 Total Number
Medical and dental	52	0	52
Ambulance staff	0	0	0
Administration and estates	136	1	137
Healthcare assistants & other support staff	50	0	50
Nursing, midwifery & health visiting staff	112	1	113
Nursing, midwifery & health visiting learners	0	0	0
Scientific, therapeutic and technical staff	181	5	186
Social care staff	0	0	0
Bank and agency staff	0	0	0
Other	19	0	19
Total	**550**	**7**	**557**

6.3 Employee Benefits

	2006/07 £ 000s
	0
	0

6.4 Retirements due to ill-health

During 2006/07 there was one early retirement from the Trust agreed on the grounds of ill health. The estimated additional pension liabilities of these ill-health retirements will be £6,940.The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

6.5 Management costs

	2006/07 £000
Management costs	**1,153**
Income	**33,014**
Management costs as % of Income	**3.5%**

Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en.

7. Better Payment Practice Code

7.1 Better Payment Practice Code – measure of compliance

	Number	8 Months 2006/07 £000
Total Non-NHS trade invoices paid in the year	5,122	6,976
Total Non NHS trade invoices paid within target	4,715	6,554
Percentage of Non-NHS trade invoices paid within target	92.1%	94.0%
Total NHS trade invoices paid in the year	828	23,300
Total NHS trade invoices paid within target	743	21,891
Percentage of NHS trade invoices paid within target	89.7%	94.0%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

7.2 The late payment of commercial debts (interest) Act 1998:

	2006/07 £ 000s
Amounts included within other interest payable arising from claims made under this legislation	0
Compensation paid to cover debt recovery costs under this legislation	0

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

	2006/07 £ 000s
Profit on disposal of tangible fixed assets	0
(Loss) on disposal of tangible fixed assets	(3)
	(3)

9. Interest Payable

	2006/07 £ 000s
Overdrafts	0
Finance Leases	0
Other	0
	0

No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2006/07 or 2005/06.

10. Intangible Fixed Assets

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

	Software Licenses £ 000s	Licenses and Trademarks £ 000s	Patents £ 000s	Development Expenditure £ 000s	Goodwill £ 000s	Other £ 000s	Total £ 000s
Cost or valuation at 1st August 2006	13	0	0	0	0	0	13
Impairments	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Other in year revaluation	0	0	0	0	0	0	0
Additions – purchased	0	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 2007	**13**	**0**	**0**	**0**	**0**	**0**	**13**
Amortisation @ 1st August 2006	13	0	0	0	0	0	13
Provided during the year	0	0	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 in year revaluation	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Accumulated depreciation at 31st March 2007	**13**	**0**	**0**	**0**	**0**	**0**	**13**
Net book value							
- Purchased at 1st August 2006	0	0	0	0	0	0	0
- Donated at 1st August 2006	0	0	0	0	0	0	0
Total at 1st April 2006	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- Purchased at 31st March 2007	0	0	0	0	0	0	0
- Donated at 31st March 2007	0	0	0	0	0	0	0
Total at 31st March 2007	**0**	**0**	**0**	**0**	**0**	**0**	**0**

11. Tangible Fixed Assets

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

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Cost / valuation at 1st August 2006	3,119	18,032	0	0	20,029	0	955	53	42,312
Additions – purchased	0	687	0	124	2,138	0	14	0	4,896
Additions – donated	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	43	0	(43)	0	0	0	0	0
Other in year revaluation	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(1,395)	0	(41)	0	(1,436)
At 31st March 2007	**3,119**	**18,762**	**0**	**2,138**	**20,772**	**0**	**928**	**53**	**45,772**
Accumulated depreciation at 1st August 2006	0	230	0	0	11,452	0	651	53	12,386
Provided during the year	0	477	0	0	1,316	0	32	0	1,825
Impairments	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Other in year revaluation	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(1,383)	0	(41)	0	(1,424)
Accumulated depreciation at 31st March 2007	**0**	**707**	**0**	**0**	**11,385**	**0**	**642**	**53**	**12,787**
Net book value									
- Purchased at 1st August 2006	3,119	16,129	0	124	7,875	0	304	0	27,551
- Donated at 1st August 2006	0	1,673	0	0	702	0	0	0	2,375
Total at 1st August 2006	**3,119**	**17,802**	**0**	**124**	**8,577**	**0**	**304**	**0**	**29,926**
- Purchased at 31st March 2007	3,119	16,427	0	2,138	8,856	0	286	0	30,826
- Donated at 31st March 2007	0	1,628	0	0	531	0	0	0	2,159
Total at 31st March 2007	**3,119**	**18,055**	**0**	**2,138**	**9,387**	**0**	**286**	**0**	**32,985**

11.2 Analysis of Tangible fixed assets

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Net book value									
- Protected assets at 31st March 2007	3,119	18,055	0	0	0	0	0	0	21,174
- Unprotected assets at 31st March 2007	0	0	0	2,138	9,387	0	286	0	11,811
Total at 31st March 2007	3,119	18,055	0	2,138	9,387	0	286	0	32,985

11.3

Of the totals at 31st March 2007, £ nil related to land valued at open market value and £nil related to buildings valued at open market value £nil related to dwellings valued at open market value.

11.4

No assets were held under finance leases and hire purchase contracts at the balance sheet date.

11.4/1

No depreciation was charged to the income and expenditure account in respect of assets held under finance leases and hire purchase contracts.

11.5

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

	31st March2007 £ 000s	31st March2007 £ 000s Protected	31st March2007 £ 000s Unprotected
Freehold	**21,174**	21,174	0

12. Fixed Asset Investments

There are no fixed asset investments.

13. Stocks and Work in Progress

	31st March 2007	1st August 2006
Raw materials and consumables	**411**	359
Work-in-Progress	**0**	0
Finished Goods	**0**	0
Total	**411**	**359**

14. Debtors

	31st March 2007 £ 000s	1st August 2006 £ 000s
Amounts falling due within one year:		
NHS debtors	**942**	2,759
Provision for irrecoverable debts	**(153)**	-60
Other prepayments and accrued income	**1,232**	499
Other debtors	**790**	632
Sub Total	**2,811**	3,830
Amounts falling due after more than one year:		
NHS debtors	**0**	0
Provision for irrecoverable debts	**0**	0
Other prepayments and accrued income	**0**	0
Other debtors	**0**	0
Sub Total	**0**	0
Total Debtors	**2,811**	**3,830**

15. Current Asset Investments

There are no current asset investments.

16.1. Creditors

	31st March 2007 £ 000s	1st August 2006 £ 000s
Amounts falling due within one year:		
Bank overdrafts	**0**	0
Payments received on account	**280**	228
NHS creditors	**3,485**	3,500
Taxation and Social Security	**414**	449
Obligations under finance leases and HP contracts	**0**	0
Other creditors	**3,833**	1,200
Accruals and deferred income	**2,537**	3,499
Sub Total	**10,549**	**8,876**
Amounts falling due after more than one year:		
Obligations under finance leases and HP contracts	**0**	0
NHS creditors	**0**	0
Other	**1,355**	1,752
Sub Total	**1,355**	1,752
Total Creditors	**11,904**	**10,628**

Other Creditors include:
- £236,000 outstanding pension contributions at 31st March 2007

Accruals and deferred income include:
Funding of £1,752,000 has been received from the Big Lottery Fund, of which £1,355,000 is due after more than one year. The funding was used to fund capital expenditure on 3 Linear Accelerators and an MRI Scanner.This fund will be released to the income and expenditure account over the life of the asset on a basis consistent with the depreciation charge for that asset.

16.2. Prudential Borrowing Limit

	31st March 2007 £ 000s
Total long term borrowing limit set by Monitor	11,300
Working capital facility	4,000
TOTAL PRUDENTIAL BORROWING LIMIT	15,300
Actual borrowing in year – long term	0
Actual borrowing in year – working capital	0

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.

The Trust had a maximum long term borrowing limit of £11,300,000. The Trust has borrowed £nil in 2006/07.

	2006/07		2005/06	
	Actual	**Approved**	Actual	Approved
Financial Ratios				
Maximum debt / capital	**nil**	**<25%**	n/a	n/a
Minimum dividend cover	**6**	**>1**	n/a	n/a
Minimum interest cover	**n/a**	**>3**	n/a	n/a
Minimum debt service cover	**n/a**	**>2**	n/a	n/a
Maximum debt service to revenue	**nil**	**<3%**	n/a	n/a

Until such time as the Trust draws down a loan only the minimum dividend cover ratio is relevant.

The Trust has £4.0 million of approved working capital facility. The Trust did not draw down any amounts under its working capital facility in 2006/07.

17. Provisions for Liabilities and Charges

	Pensions relating to former directors £ 000s	Pensions relating to other staff £ 000s	Legal claims £ 000s	Other £ 000s	Other £ 000s	**Total £ 000s**
At 1st August 2006	0	0	5	0	168	173
Change in the discount rate	0	0	0	0	0	0
Arising during the year – other	0	0	0	0	0	0
Utilised during the year	0	0	0	0	(168)	168
Reversed unused	0	0	0	0	0	0
Unwinding of discount	0	0	0	0	0	0
At 31st March 2007	0	0	5	0	0	5
Expected timing of cashflows:						
Within 1 year	0	0	5	0	0	5
1 - 5 years	0	0	0	0	0	0
Over 5 years	0	0	0	0	0	0
Total	0	0	5	0	0	5

Legal claims consist of amounts due as a result of third party and employee liability claims.
The values are based on information provided by the NHS Litigation Authority.

As at 31st March 2007 £NIL is included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the Trust. Other provisions principally represent amounts in relation to back pay under Agenda for Change.

18.1. Movements in Taxpayers Equity

	2006/07 £ 000s
Taxpayers' equity at 1st August 2006	**28,994**
Surplus / (deficit) for the financial year	**1,931**
Public Dividend Capital dividends	**(652)**
Fixed Asset Impairments	**0**
	30,273
Surplus/(deficit) from revaluations of fixed assets and current asset investments	**0**
New Public Dividend Capital	**2,608**
Public dividend capital repaid in year	**0**
Additions/(reductions) in donated asset reserve	**(217)**
Additions/(reductions) in other reserves (revaluation reserve)	**0**
Taxpayers Equity at 31st March 2007	**32,664**

18.2 Movements in public dividend capital:

Public dividend capital at start of period for new FT's	**17,945**
New public dividend capital received	**2,608**
Public dividend capital repaid in year	**0**
Public dividend capital repayable (creditor)	**0**
Public dividend capital at 31 March 2007	**20,553**

18.3 Movements on Reserves

	Revaluation reserve £ 000s	Donated asset reserve £ 000s	Other reserves £ 000s	Income and expenditure reserve £ 000s	Total £ 000s
At 1st August 2006	5,729	2,375	0	2,945	11,049
Transfer from the income and expenditure account	0	0	0	1,279	1,279
Fixed Asset Impairments	0	0	0	0	0
Surplus on other revaluations / indexation of fixed assets	0	0	0	0	0
Transfer of realised profits / (losses) to the income and expenditure reserve	0	0	0	0	0
Receipt of donated assets	0	0	0	0	0
Transfers to the income and expenditure account for depreciation, impairment and disposal of donated assets	0	(217)	0	0	(217)
Other transfers between reserves	(303)	0	0	303	0
At 31st March 2007	**5,426**	**2,158**	**0**	**4,527**	**12,111**

19. Notes to the Cash Flow Statement

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

	8 Months 2006/07 £ 000s
Total operating surplus / (deficit)	**1,780**
Depreciation and amortisation charge	**1,825**
Fixed Asset impairments	**0**
Transfer from donated asset reserve	**(217)**
Other movements	**0**
(Increase) / decrease in stocks	**(52)**
(Increase) / decrease in debtors	**1,019**
Increase / (decrease) in creditors	**(947)**
Increase / (decrease) in provisions	**(168)**
Net cash inflow from operating activities	**3,240**

19.2 Reconciliation of net cash flow to movement in net debt

	2006/07 £ 000s
Increase / (decrease) in cash in the period	2,687
Cash inflow from new debt	0
Cash outflow from debt repaid and finance lease capital payments	0
Cash (inflow) / outflow from (decrease) / increase in liquid resources	0
Change in net debt resulting from cashflows	**2,687**
Non-cash changes in debt	0
Net debt at 1st April 2006	0
Net funds / (debt) at start of period for new FT's	5,679
Net debt at 31st March 2007	**8,366**

19.3 Analysis of changes in net debt

	At 31st March 2007	Non-cash changes in year	Cash changes in year	Cash at start of Period new FTs
	£ 000s	£ 000s	£ 000s	£ 000s
Commercial cash at bank and in hand	53	0	(5)	58
OPG cash at bank	8,313	0	2,692	5,621
Bank overdrafts	0	0	0	0
Debt due within one year	0	0	0	0
Debt due after one year	0	0	0	0
Finance leases	0	0	0	0
Current asset investments	0	0	0	0
Total	**8,366**	0	2,687	5,679

Third party assets held by the Trust were £nil.

Cash at bank at 31st March 2007 includes an amount of £8,313,000 held in accounts with the Office of HM Paymaster General.

20. Contractual Capital Commitments

Commitments under capital expenditure contracts at the balance sheet date were £ Nil.

21.Post Balance Sheet Events

The Trust are planning for a professional valuation on Land and Buildings for the period ending 31st March 2008.

22.Contingent Assets and Liabilities

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

23. Related Party Transactions

Clatterbridge Centre fo Oncology NHS Foundation Trust is a public interest body authorised by Monitor, the Independent Regulator for NHS Foundation Trusts.

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 Clatterbridge Centre for Oncology NHS Foundation Trust.

The Register of Interests for the Board of Governors for 2006/07 has been compiled in accordance with the requirements of the Constitution of Clatterbridge Centre for Oncology NHS Foundation Trust.

The Department of Health is regarded as a related party. During the year Clatterbridge Centre for Oncology NHS Foundation Trust has had a number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with HM Revenue & Customs, Health Commission Wales (on behalf of the Welsh Assembly) and National Service Division (on behalf of the Scottish Assembly). The Trust has also received revenue payments from a charitable fund, all of the Trustees for which are also members of the NHS Trust Board.

The Trust has also had a number of material transactions with the Clatterbridge Cancer Research Trust (CCRT), which is a recognised charity supporting Cancer research.

24.1. PFI schemes deemed to be off-balance sheet

	2006/07 £000
Amounts included within operating expenses in respect of PFI transactions deemed to be off-balance sheet – gross	**336**
Amortisation of PFI deferred asset	**0**
Net charge to operating expenses	**336**

The NHS Trust is committed to make the following payments during the next year.

PFI scheme which expires; 6th to 10th years (inclusive)	**0**

	£000
Estimated capital value of the PFI scheme	1,590
Contract Start date:	21/03/2002
Contract End date:	20/03/2012

Description of the scheme:
Provision of a Trust wide clinical information system

25. Financial Instruments

FRS13, Accounting for Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Clatterbridge Centre for Oncology NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the Trust neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

As allowed by FRS 13, debtors and creditors that are due to mature or become payable within 12 months from the balance sheet date have been omitted from all disclosures other than the currency profile.

Liquidity risk

The Trust's net operating costs are incurred under three year agency purchase 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 a National / Local Tariff unit cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are periodic corrections made to adjust for the actual income due under the contract. The Trust has put in place a £4.0 million working capital facility, which to date, due to careful cash management, it has yet to draw on. The working capital facility expires on 31st July 2008 by which time a suitable replacement facility will be in place.

The Trust presently finances its capital expenditure from internally generated funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the Trust can borrow, both from the Department of Health Financing Facility and commercially to finance capital schemes. Financing is drawn down to match the spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area.

Interest rate risk

The only asset or liability subject to fluctuation of interest rates are cash holdings at the OPG and a UK high street bank. Clatterbridge Centre for Oncology NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk. Note 25.1 and note 25.2 show the interest rate profiles of the Trust's financial assets and liabilities.

Foreign currency risk

The Trust has negligible foreign currency income, expenditure, assets or liabilities.

25.1 Financial assets

					Fixed rate		*Non-interest bearing*
	Total	**Floating Rate**	**Fixed rate**	**Non-interest bearing**	**Weighted average interest rate**	**Weighted average period for which fixed**	**Weighted average term**
Currency							
	£ 000s	**£ 000s**	**£ 000s**	**£ 000s**	**%**	**Years**	**Years**
At 31st March 2007							
Sterling	8,366	8,328	0	38	0	0	0
Other	0	0	0	0	0	0	0
Gross financial assets	8,366	8,328	0	38			
At 1st August 2006							
Sterling	5,679	5,679	0	0	0	0	0
Other	0	0	0	0	0	0	0
Gross financial assets	5,679	5,679	0	0			

25.2 Financial liabilities

					Fixed rate		*Non-interest bearing*
	Total	**Floating Rate**	**Fixed rate**	**Non-interest bearing**	**Weighted average interest rate**	**Weighted average period for which fixed**	**Weighted average term**
Currency							
	£ 000s	**£ 000s**	**£ 000s**	**£ 000s**	**%**	**Years**	**Years**
At 31st March 2007							
Sterling	(20,553)	0	0	(20,553)	0	0	0
Other	0	0	0	0	0	0	0
Gross financial Liabilities	(20,553)	0	0	(20,553)			
At 1st August 2006							
Sterling	(17,945)	0	0	(17,945)	0	0	0
Other	0	0	0	0	0	0	0
Gross financial Liabilities	(17,945)	0	0	(17,945)			

Note:
The non-interest bearing financial liability represents Public Dividend Capital (PDC) and so is of unlimited term. However, the Secretary of State can require repayment of PDC at any time. In addition, although not classified as interest, the Trust must pay a PDC dividend as disclosed in note 18.2. This dividend is payable, based on relevant net assets, at a rate that is fixed each year in advance. For 2006/07 the rate was 3.5%.

The interest rate used for determining the book value of fixed rate financial liabilities is dictated by the Financial Reporting Advisory Board for public sector bodies. The rate for 2006/07 is 2.2%. Future rate changes beyond 2006/07 are not known and therefore the period for which the rate is fixed is not determinable.

25.3 Fair Values

Set out below is a comparison, by category, of book values and fair values of the Trust's financial assets and liabilities as at 31st March 2007.

	Book value	Fair value	Basis of fair valuation
	£ 000s	£ 000s	
Financial assets			
Cash	8,366	8,366	a)
Debtors over 1 year:	0	0	
Investments	0	0	
Total	**8,366**	**8,366**	
Financial liabilities			
Overdraft	0	0	
Creditors over 1 year:			
- Early retirements	0	0	
- Finance leases	0	0	
Provisions under contract	0	0	
Loans	0	0	
Public Dividend Capital*	20,553	20,553	a)
Total	**20,553**	**20,553**	

Notes:
a) This figure is the full value of PDC and cash in the balance sheet.

26. Third Party Assets

The Trust held £NIL cash at bank and in hand at 31st March 2007 which relates to monies held by Trust on behalf of patients.

27. Intra-Government and Other Balances (FTC 20)

	Debtors: amounts falling due within one year	Debtors: amounts falling due after more than one year	Creditors: amounts falling due within one year	Creditors: amounts falling due after more than one year
NHS and other WGA Debtors and Creditors	**£000**	**£000**	**£000**	**£000**
Due within one year				
English NHS Foundation Trusts	7	0	104	0
English NHS Trusts	103	0	1,652	0
Department of Health	0	0	23	0
English Strategic Health Authorities	151	0	1	0
English Primary Care Trusts	681	0	1,704	0
RAB Special Health Authorities	0	0	1	0
NHS CGA bodies	0	0	0	0
Total NHS debtors / creditors	942	0	3,485	0
Other WGA bodies	47	0	650	0
TOTAL DUE WITHIN ONE YEAR	**989**	**0**	**4,135**	**0**
Analysis of NHS and Other WGA Debtors and Due within one year				
Total NHS debtors / creditors	942	0	3,485	0
Less amounts included in other categories:	0	0	0	0
Loans	0	0	0	0
Other (please specify)				
	0	0	0	0
	0	0	0	0
Total NHS debtors / creditors	942	0	3,485	0
Add back: amounts included in other categories	0	0	0	0
Analysis of other WGA bodies				
Loans	0	0	0	0
Corporation tax receivable / payable	0	0	0	0
Other tax and social security costs	0	0	414	0
Other debtors / creditors	47	0	236	0
Other (please specify)				
	0	0	0	0
	0	0	0	0
TOTAL DUE WITHIN ONE YEAR	**989**	**0**	**4,135**	**0**

28. Losses and Special Payments

There were 5 cases of losses and special payments totalling £10,921 paid during 2006/07.
There were no cases exceeding £250,000 in either year.

Note: The total costs included in this note are on a cash basis and will not reconcile to the amounts in the notes to accounts which are prepared on an accruals basis.

Registered Charity Number 1051727

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NHS Foundation Trust