



# Annual

report&accounts

## 2007/08



002/3



# Annual

report&accounts

# 2007/08

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

# 004/5



# Contents

	Page No.
<a href="#">Chairman's Statement</a>	6
<a href="#">Directors Report</a>	7
<a href="#">Our Board of Directors</a>	30
<a href="#">Our Membership Council</a>	32
<a href="#">Our Membership</a>	34
<a href="#">Public Interest Disclosures</a>	37
<a href="#">Remuneration Report</a>	41
<a href="#">Statement on Internal Control</a>	43
<a href="#">Annual Accounts 2006/2007</a>	50-77



# Chairman's Statement

I am delighted to welcome you to our Annual Report for 2007/08, a year which has seen Liverpool Women's going from strength to strength in all areas of our work.

Our key achievements speak for themselves, demonstrating consistently high standards across all of our services and delivered in a year when the national drive has been to further reduce waiting times, when infection control and hygiene have come under significant public scrutiny and when competition from the independent sector and within the NHS has increased.

I would like to take this opportunity, from the perspective of the non-executive directors on the Board, to highlight some of the Trust's major achievements of 2007/08:

- Building on our significant capital investments during the year, we approved a £6m development on our Crown Street site to accommodate improved and expanded Reproductive Medicine and Obstetric services, due to commence on site in June 2008.
- We were awarded the top rating of 'excellent' for both financial management and quality of services by the Healthcare Commission under its Annual Health Check assessment, placing us in the top 5% of NHS organisations nationally.
- We have built on our financial success of previous years by achieving the highest possible Monitor Risk Rating of 5
- We have seen growth in activity across the full range of our services
- We have delivered new and innovative models of care in Gynaecology to deliver improved access for patients
- We have achieved all milestones towards the 18 week target.
- We have retained CNST level 3 in maternity services and NHSLA level 3 for general services, the highest possible ratings for clinical risk management
- We have successfully influenced national tariff for Obstetric services, with changes effective for 2008/09

As well as reflecting on the successes of 2007/08 we have, as we prepared ourselves for the challenges of 2008/09, taken the opportunity to review the current and emerging key drivers and influences facing the Trust.

We are pleased that maternity services continue to be high on the national and local agenda. The Strategic Health Authority commitment to delivering the 'Maternity Matters' policy remains in place and Liverpool Primary Care Trust has published a robust local strategy for maternity services which will support the development of services in the city and which is underpinned by a £1million investment in additional clinical staff. We are fully engaged in this work at all levels, including within our Membership Council which is driving forward the membership and public engagement elements of this strategy, positively utilising the experience and understanding derived from their involvement in the breast cancer issue last year.

The outlook for the Trust has been considered by the Board in the context of the NHS Operating Framework which was published in early 2008 and which gives a blueprint for priorities for the coming year. The emphasis remains on choice, improved access, cleanliness and infection control and patient experience. It is in these areas in particular that we will strive to continue to offer excellence as the competition for market share continues on all fronts; with independent sector and other NHS providers vying for activity. In 2007/08 we have seen competition impact on all our main services and have no reason to believe that 2008/09 will be any different. PCTs are increasing the number of services put out to competitive tender and are firmly committed to the out of hospital agenda. In response, we have already developed partnership arrangements with Knowsley PCT to deliver Gynaecology services 'closer to home' and intend to pursue growth in this area going forward.

We are confident that our current level of performance and success can be sustained, due in no small part to the drive, enthusiasm and commitment of our excellent staff. Most of all, we are delighted that the financial freedoms open to foundation trusts have enabled us to invest our surpluses so tangibly in service improvements for the women and babies of Merseyside in the future.

*Ken Morris*

Ken Morris  
Chairman



# Directors' Report

The Board of Directors is pleased to present its review of the Trust's development and performance during the year 2007/08. In presenting this review the directors have ensured that so far as the directors are aware, there is no relevant audit information of which the auditors are unaware, and directors have taken all of the steps that directors ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## About the Trust

Liverpool Women's NHS Foundation Trust was founded on 1st April 2005 under the Health and Social Care (Community Standards) Act 2003. Operating in its former guise as Liverpool Women's Hospital NHS Trust, the organisation had been created in 1995 when all services for women and babies in Liverpool came together under one roof in a state of the art building in the heart of Toxteth. In 2000 the Trust took over the Aintree Center for Women's Health, which provides services to the women of north Liverpool, Sefton and Knowsley and in so doing became the largest women's hospital in Europe. Each year, the Trust now delivers over 8,000

babies per year, carries out 10,000 gynaecological procedures and cares for 1,000 preterm infants on our Neonatal Unit.

Our clinical services have, in accordance with our mission, been created and developed in response to the specific needs of local women and their families. We manage our services through six directorates, each led by a Clinical Director who is a senior consultant and a Directorate Manager who reports directly to the Chief Executive. Directorate managers, clinical directors and the executive team sit on the Management Executive Board, which has overall responsibility for the operational management and leadership of the Trust and is

accountable to the Board of Directors.

Corporate non-clinical support services are provided by the Finance, Human Resources, Operational Services, Quality and Information Management and Technology teams. The hotel services and security functions of the Trust are carried out by contractors working in partnership with us.

Staff are kept informed of strategic and operational developments through the monthly Team Brief which is delivered by the Chief Executive in the week following the Board meeting and is then cascaded through each directorate and department.

# 2008/09 Directors' Report







## Our Services

### Neonatology

- Neonatal intensive care
- Neonatal high dependency care
- Transitional care (with Obstetrics)
- Newborn hearing screening
- Newborn eye screening

### Obstetrics

- Antenatal care – hospital or community based
- Fetal medicine
- Twin clinic
- Home births
- Midwifery led unit
- Delivery suite
- Infant feeding team
- Link clinics for minority ethnic communities
- Smoking cessation midwives
- Parent education
- Public Health

### Reproductive Medicine

- IVF
- ICSI
- Donor insemination
- Sperm recovery
- Freezing of embryos
- Frozen embryo transfer
- Freezing of sperm
- Ovum donation
- Egg freezing
- Sperm bank

### Genetics

- Clinical Genetics
- Cytogenetics – laboratory based
- Molecular Genetics – laboratory based

### Critical Care

- Theatres and Anaesthesia
- Radiology
- Pharmacy
- Physiotherapy

### Gynaecology

- General gynaecology
- Urogynaecology
- Termination of pregnancy
- Gynaecological cancer
- Family planning
- Recurrent miscarriage clinic
- Emergency Room
- Menopause
- Infertility

## Our Caring and Committed Staff

At the frontline of our work in caring for women, babies and their families are our talented staff. Making sure they feel involved and receive the best possible education, support and development is pivotal if we are to achieve our aim of delivering world class care.

This year we have continued to push forward new initiatives to improve standards, developing our workforce reporting abilities through the NHS Electronic Staff Record System, utilising the Oracle Learning Management element of the system enabling us to provide detailed training records and reports to managers. We implemented a new Human Resources Directorate structure to deliver a more user focussed service, this provides a one stop HR Direct service open extended hours 8am to 6pm, Monday to Friday. We also became the nominated lead employer for the Obstetric and Gynaecological junior doctors rotation in the region, responsible for the recruitment and employment of all junior doctors on the rotational

programme of training.

In the 2007 staff survey, the Trust continued to achieve high scores in relation to the numbers of staff who had received training, learning and development in the previous 12 months and reporting of near misses and incidents. There was a marked improvement in the number of staff reporting that they had had an appraisal with personal development plan agreed as part of this process. Work will continue during 2008 to ensure that the experience staff and managers have through the appraisal process is one of high quality, producing meaningful outcomes which impact on both the ability of the individual to do their job and the patients, relatives and carers of those using our services.

During 2007 any policy revisions took place using the full Impact Assessment tool, which ensures that policies are written in such a way as not to exclude or disadvantage any employees on the basis of race, disability, religious beliefs, sexual orientation and gender. Additional work

continues through the Equality and Diversity and Disability leads in the Equality and Diversity Forum and with individuals to ensure actions identified in the Trust's Single Equality Scheme are continuing to move forward.

Employees are regularly updated on Workforce related matters in the main via Teambrief, team meetings, payslip attachments and 'All Staff' emails. Work has continued to strengthen the support available to Staff Side representatives by putting in place more structure and resources to enable them to be more fully engaged in consultation and communication about changes and developments taking place within the Trust, such as the 'Big Push' project.

During 2007 the Trust took part in the Ambition Health programme, whereby we worked closely with the NHS Academy to provide a range of opportunities across the organisation to help students gain valuable work experience and secure permanent positions with a view to attracting people into the NHS as an employer.

# 010/11 How we performed

The Trust's key achievements in 2007/08 against our six corporate aims are set out below:

## To deliver clinical excellence in all our services

We have...

- Supported the introduction of the interim neonatal transport service for Cheshire and Merseyside, ensuring babies receive the most appropriate clinical care in the most appropriate location
- Achieved CNST level 3 for Maternity Services and NHSLA level 3 for general services
- Achieved CPA unconditional accredited status for semenology laboratories
- Achieved EXCELLENT for quality in the Health-

care Commission ratings 2006/07 and Better Performing in the Maternity Survey 2007

- Significantly reduced the time taken for clinical correspondence to be sent back to referring clinicians; from more than 10 days to less than 5 days with the target of 72 hour turnaround of correspondence achievable in 2008/9
- Agreement of 5 clinical indicators per directorate for regular review at Clinical Governance Committee
- Achieved 100% compliance in Essence of Care

benchmarking led by the Critical Care Network

- Introduced the Picture Archiving and Communications (PACS) system across the Trust, allowing for the timely review and exchange of clinical images, reducing risk and enhancing clinical care
- Successfully transferred the breast surgery service and team from Crown Street to the Royal Liverpool and Broadgreen University Hospital NHS Trust on time and with no disruption to patient care

## To deliver strong financial performance necessary to continually invest in services

We have...

- Delivered a £2.5 million cost improvement programme allowing £1 million investment across services
- Achieved a monitor financial risk rating of 5 – the highest achievable

- Achieved EXCELLENT for use of resources in the Healthcare Commission ratings 2006/07
- Influenced the revision of national tariff for Obstetrics for implementation in 2008/09
- Agreed local prices for one stop diagnostic services with our host Primary Care Trust to

- support service improvement in gynaecology
- Increased theatre productivity by reducing time delays between patients through partnership working with Theatres and Gynaecology

## To ensure all patients have a positive experience in our care

We have...

- Launched 'Baby Link' in Neonates to allow relatives remote access to up to date reports on their baby's development in pictures and text
- Increased the availability of parents' accommodation to support up to six families at any time

- Improved options for food and drinks for patients and visitors out of hours
- Expanded preoperative assessment services across both hospital sites and redesigned to deliver a one stop service and with patients telephoned the night before surgery; a 10% increase in patients being admitted on the day of surgery

- Increased home birth rate from under 1% to 2%
- Seamless transfer of HSSU services to off site facility with no disruption to service
- Introduced 'exit cards' in all areas to record the views of patients on their care; feedback is incorporated into service change and improvement

## To be the provider of 1st choice for women and their families

We have...

- Successfully piloted the introduction of three flexible ITU/HDU neonatal cots to support fluctuations in local and network demand, resulting in an increase in ITU and HDU activity in 2007/08
- Developed new services in reproductive medicine: egg freezing for fertility preservation; an

NHS sperm bank and successfully introduced the 'Women's @' service model for semenology and embryology at Leighton and Countess of Chester

- Introduced streamlined pathways of care and one stop diagnostic clinics in gynaecology; resulting in increased activity and reduced waiting times to a maximum of 18 weeks

from referral to treatment

- Reduced waiting times for all diagnostic tests from 13 weeks to 6 weeks
- Launched the 'Big Push' project to redesign the model of care for obstetrics; outline business case approved and new build agreed. Project continues into 2008/09 and 2009/10



## To promote our status as a premier University Teaching Hospital and Centre for Research

We have...

- Published the Trust wide Clinical Annual Report spanning 2005 and 2006
- Successfully completed a government inspection by Medicines and Healthcare products Regulatory Agency (MHRA)
- Published in excess of 60 articles and chapters in peer reviewed medical journals.

## To deliver our aims with skilled, competent and motivated staff supported by effective leadership

We have...

- Held a fourth Neonatal Directorate Away Day where 48 staff benefited from leadership and team development
- Successfully merged post natal maternity wards to improve staffing and workload issues; resulting in improved staff morale and patient experience
- Taken on 'lead employer' status for Obstetrics and Gynaecology across Cheshire and Merseyside
- Delivered a focused anti bullying strategy and awareness programme across the Trust; resulting in a 50% reduction in incidents of bullying in 12 months
- Put over 100 staff through the 'Leading Empowered Organisations' leadership programme





# 012/13

## How we performed

### Key Performance Indicators

2007/08 has been a good year for the Trust with high levels of performance in all areas. The Trust has made significant progress towards 18 weeks and reduction in diagnostic waiting times.

	2006/07 Position as at 31st March 2007	2007/08 Target Position Monitor Published	2007/08 Position as at 31st March 2008
All Cancers: Two Week Waits	100%	98%	100%
All Cancers: One Month diagnosis to treatment*	100%	98%	100%
All Cancers: Two month GP urgent referrals to treatment*	98.40%	95%	99.56%
Cancelled Operations – last minute cancellations for non clinical reasons/ total No of finished consultant episodes	3.2%	-	0.29%
Cancelled Operations – cancellations for non clinical reasons offered another binding date within 28 days/No of last minute cancellations for non clinical reasons	100%	99%	100%
MRSA bacteraemia – Year on year reduction in reported cases of HAI MRSA	1	Composite of 3 indicators	2
Convenience and Choice Directory of Services Uploaded Information loaded onto Dr Foster %age available slots on Choose & Book	Yes Yes 52%	Not yet released	Yes Yes 88%
- Outpatient Booking	100%	100%	100%
- Elective inpatient booking	100%	100%	100%
Elective patients waiting longer than 20 weeks	0.00%	<0.03%**	0
Outpatients waiting longer than 11 weeks	0.01%	<0.03%**	0
Admitted Patients meeting 18 week pathway		85%	93.30%
Non Admitted Patients meeting 18 week pathway		90%	91.40%
Diagnostics waiting longer than 13 weeks		0	5
Diagnostics waiting longer than 6 weeks		0	58
Total Time in A&E: 4 hour from arrival to admission, transfer or discharge.	99.95%	98%	99.82%

## Key Performance Indicators

### 18 week referral to treatment

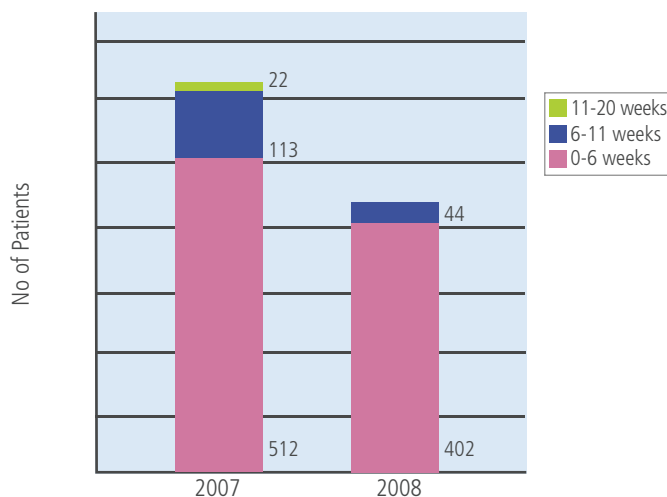
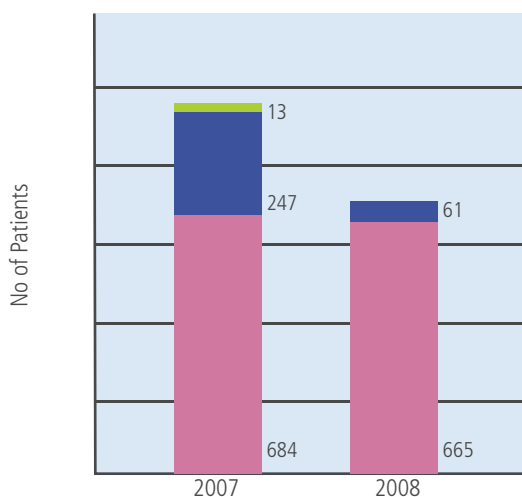
2007/08 has been a landmark year for the Trust. We have reduced waiting times across the full range of gynaecology services to the lowest ever. The Trust has exceeded the national targets for ensuring patients receive their treatment within 18 weeks of referral from their GP.

- 93.3% of our patients who required surgery were

treated within 18 weeks of referral from their GP. The national target was 85%.

- 91.4% of our patients who required outpatient treatment were treated within 18 weeks of referral from their GP. The national target was 90%.

### Waiting Lists and Waiting Times



This means that by March 2008 our patients wait no longer than:-

- 5 weeks for an outpatient appointment
- 6 weeks for diagnostic tests
- 6-8 weeks for surgery

### Cancer Treatments

As a result of a late onward referral of patients from other hospitals, there was only one patient with suspected cancer that the Trust was unable to treat within the national timescales of 62 days. This breach was shared with the referring hospital.

In relation to the 14 day and 31 day cancer target the Trust was able to see 100% of patients within the set timescales.

# 014/15 How we performed

## Patient Quality Indicators

### Smoke Free NHS

The Trust continues to be an active partner in the Smoke Free Liverpool Campaign, having been a smoke free site since January 2006. In particular, the Trust is involved in a great deal of collaborative work around smoking in pregnancy.

Across the PCT's there are wide variations in smoking rates which were highlighted in the recent Health Equity Audit with direct links to deprivation. Although figures in some areas are high, they represent the number of women who are smoking at booking. Women who would like support to stop smoking are referred to the

smoking cessation team, based on both sites. Once women have set a quit date the success rate is around 50% which gives a reduction in pregnancy of around 4%. Our staff are also able to benefit from smoking cessation services and support.

### Breast feeding

After much hard work, the Trust submitted evidence for Stage 1 of the UK Baby Friendly Award in December 2007. UNICEF committee's report concluded that the staff at Liverpool Women's NHS Foundation Trust are to be highly commended for the standards of documents submitted, and we anticipate that we will successfully achieve this stage early in the new year.

Over the coming year, the team plans to collaborate with local Primary Care Trusts to develop peer support programmes which have been shown to be effective in increasing both the initiation and duration of breastfeeding. This type of initiative is key to reducing health inequalities with a particular emphasis on the more socially disadvantaged groups within our communities.

The development of the infant feeding services at the Trust is ground-breaking and unique within the UK. Women, babies, families and staff benefit from the additional support provided by the team. The team embraces its public health role, aiming to improve the short and long term health and quality of life of the city's population.







## Progress against Service Developments

### Gynaecological Cancer Services

2007/08 was the final year of a three year plan to implement the Improving Outcomes Guidance (IOG) for Gynaecology across the Mersey and Cheshire Cancer Network. Liverpool Women's now accepts and treats all women requiring high risk surgery for gynaecological cancer from the Cancer Units within Cheshire and Merseyside.

In addition, Liverpool Women's also acts as the diagnostic cancer unit for Liverpool, Southport and Ormskirk and Warrington.

2007/08 has seen a significant increase in patients requiring specialist surgical treatment for suspected or confirmed cancer at Liverpool Women's.

### Clinical pathways supporting the delivery of 18 week referral to treatment

The Gynaecology Directorate have led the development of a range of clinical pathways during 2007/08 including; menstrual disorders, infertility, recurrent miscarriage, urogynaecology, sterilisation and suspected cancer. The pathways are designed to ensure patients are directed to the most appropriate clinician,

diagnostic tests and treatment at the most appropriate time. The implementation of these pathways has taken place from October 2007 onwards and has resulted in reduced waiting times at all points of the patient journey and the reduction of the number of visits a patient needs to make to the hospital. The reduction in visits

to the hospital has been achieved through the establishment of a number of one stop clinics. The one stop clinics bring together assessment, diagnostics and agreement of management/ treatment plans in one appointment and have been positively received by patients, staff and commissioners.

### The following one stop clinics have been introduced:-

- One stop infertility
- One stop menstrual disorders
- One stop rapid access for suspected cancer.

### Moving services closer to home

The Directorates of Obstetrics and Gynaecology have been progressing the provision of services closer to the patients' homes in line with national and local priorities. The movement of services into a community setting is fully supported by our commissioners. Gynaecology services have been developed in the following areas:-

- Early medical terminations at our Aintree site – now offering choice of location for women who live in the North of Liverpool.
- First appointment for medical termination in primary care facilities in South Knowsley
- General gynaecology clinics in two primary care facilities in North and South Knowsley.
- Obstetrics have increased access to

community services in the following areas:-

- Low risk midwifery available at Dovecot
- Community obstetrician funding from Liverpool PCT to support the development of high risk antenatal services in the community; particularly targetting hard to reach and vulnerable women.

# 016/17 How we performed

## The reconfiguration of obstetric services – ‘The Big Push’

The ‘Big Push’ aims to reconfigure maternity services within the Trust to ensure that the care delivered to our mothers, babies and their families is of the highest standard. We recognise that the care given should always be evidence based, reflecting our position as a centre of excellence. Care is always women focused, offering her informed choice about the type of care

she is to receive. A core pathway for all women will be adopted with specialist/high risk women receiving additional specialist input. Our estate will be redesigned to create an environment that is modern and fit for the purpose of delivering world class care to the women who chose to use our services.

### The core aims of the ‘Big Push’ are to:-

- Deliver a safe, flexible service in which the women has choice throughout her journey.
- Promote continuity and consistency of evidence based care along a core pathway.
- Ensure efficient use of resources.
- Enhance the Trust reputation.

### The ‘Big Push’ project was launched in May 2007 and established four working groups to concentrate on the following specific areas:-

- Triage and Assessment - covering obstetric day units and assessment room.
- Antenatal and post natal services - covering hospital and community based antenatal services, fetal medical and the in patient areas. Postnatal Community services where also covered by this group.
- Intrapartum Services- covering central delivery suite, the midwifery led unit, critical care area, normal and home births.
- Workforce – covering the resources and skill mix of staff required to support the delivery of the new model of care.

The ‘Big Push’ outline business case was ap-

proved by the Board in January 2008 and the integrated operational plan for 2008/09 identifies significant capital investment to support a new build and refurbishment of existing facilities. A full business case will be presented to the Board for approval in November 2008.

## Introduction of flexible neonatal cots – ITU/HDU

In 2007/08 the Neonatal Directorate agreed a scheme with the Board of Directors to redesign the configuration of its cots. The purpose of this scheme was to accommodate the growth in ITU and HDU activity within the directorate following the move to second stage designation, that is all babies born at 26 weeks gestation to be treated at a level 3 unit and the introduction of the neonatal transport service and team

in 2006/07. As a result of Liverpool Women’s being the level 3 neonatal unit for the Cheshire & Merseyside Neonatal Network, the outline business case identified the need to increase the number of intensive care cots to ensure babies requiring intensive care support were not refused admission to the unit.

The Directorate’s aim was to pilot the introduction of three flexible cots, by upgrading three

HDU cots to ITU cots. This was planned as part of a phased replacement of neonatal ventilators and redecoration of the ITU and HDU nurseries which commenced in December 2007.

The pilot will continue through to November 2008 when a full evaluation will be reviewed by the Trust Board.



### Developing external partnerships for reproductive medicine

The Hewitt Centre for Reproductive Medicine has delivered its highest levels of activity ever in 2007/08 and has seen an impressive reduction in the waiting times for treatment. New services have been agreed and implemented and partnership working with other NHS Trusts has come

to fruition. A business case and associated capital investment of £5.9million has been agreed for the expansion of the Hewitt Centre to cope with increased throughput and to comply with the EU Directive on Tissues and Cells. Work will start on site in June 2008.

### Specifically developments secured by the service include:-

- A new service of egg freezing has been developed and implemented and is expected to develop further during 2008/09.
- Seminology and embryology agreements have been secured with both Leighton Hospital and the Countess of Chester Hospital, paving the way for further outreach opportunities under

the banner "The Women's @..."

- An NHS Sperm Bank has been established with the 1st donor sperm now becoming available for use in treatments.

The Trust's partnership with North West Fertility Ltd (NWF) goes from strength to strength and provides opportunities for the coming year.

NWF has completed its first full year of operation in line with the plan agreed at the outset. Gradual increases in activity are planned in its core work next year, and through the very recent opportunity to significantly expand its operations with a new work stream from Manchester.

### Breast Cancer Services

The Trust had provided Breast Cancer surgery to Liverpool patients for the last ten years and more recently, supporting pre-operative clinics. The main contract for the service is held by the Royal Liverpool University and Broadgreen Hospitals NHS Trust. Liverpool PCT conducted a competitive tendering exercise followed by a

public consultation to select a single provider for the services provided by Liverpool Women's and the outpatient and diagnostic services currently provided by the Royal Liverpool Hospital. After a protracted process the contract was awarded to The Royal Liverpool Hospital. Staff who worked in the service and were employed

by the Trust were transferred under TUPE regulations at the end of February 2008. Whilst this move had been a difficult process for all involved, the final transfer went smoothly with no disruption to patients.

### Risk Management

The Trust has continued to develop and refine its Board Assurance Framework as the main vehicle through which the key risks to the organisation are managed at corporate level.

The framework directly reflects the risk assessment undertaken around the Corporate Aims and the annual Operational Plan. It maps the individual goals that underpin the corporate aims and supporting objectives to the principal risks that threaten the achievement of the goals. In addition, the goals are also mapped to the relevant domains contained within the Health-

care Commission's Standards for Better Health. This has been done in order to support the work required to monitor the Trust's ongoing compliance against the standards going forward. The principal aim of the framework is to provide a tool for the Board of Directors to regularly assess the level of risk for each goal against the degree of control in place to mitigate it and consider the adequacy of assurance that is in place.

During 2007/08 the Board of Directors has continued to operate its established approach

to the regular monitoring of key risks and has used the Assurance Framework to assure itself that all appropriate processes and systems are in place to mitigate or manage the main threats to the business. It has received further assurance from an in depth review undertaken by Mersey Internal Audit Agency to assess the Trust's 'risk maturity' which concluded that 'staff throughout the organisation are aware of the importance and the organisation's response to risk and that an enterprise approach to risk management has been developed and communicated.'



# 018/19 How we performed

## Information Management and Technology

The Department of Information Management & Technology (IM&T) continues its commitment to providing connectivity and access to all information required by the Trust staff to meet the strategic goals of the organisation. IM&T continues to enhance information services at the Trust through active cooperation and mutual support.

IM&T continues to be an early adopter of cutting edge information technologies. The goal remains for IM&T to work to make sure the Trust is a competitive leader in women's health care. The IM&T department is committed to providing quality services to all of our users and has been actively engaged in a Total Quality Management

process since April 2005 to ensure that it delivers quality services. IM&T has accomplished this by helping each department and individual at the Trust obtain the full range of connectivity, application power, and information skills necessary to be productive in the information age.

### During 2007/08 IM&T has focused its energies on:

- Networking and adequate connectivity
- Multimedia communications
- Standardised workstation systems and application environments
- Client/server products
- Medical information management tools
- Integration of medical informatics and information technology in the day-to-day business process at the Trust

### During 2007/08 IM&T has received national and international accolades, as well achieving

- 2007 Computerworld Gold Medal Laureate Winner in Healthcare IT (USA)
- 2007 Effective IT Awards Winner in Public Services & Enterprise Architecture (UK)
- 2007 CNET Public Sector Technology Project of the Year (UK)
- 2007 BCS IT Industry Awards Finalist (UK)
- ISO 9001:2000 accreditation



### To further develop our IT systems to support service delivery

We have...

- Maintained full disaster recovery and business continuity for all clinical and critical information systems and maintained 99.8% uptime
- Redesigned the website with full virtual tours of the Trusts facilities to improve communication with our patients
- Established full electronic access for primary care referrals into the Trust through the Choose & Book system electronically linked to our Patient Administration system and implemented 18 week monitoring software
- Implemented a first of type 4th generation wireless network across the Trust for point of care access to all Trust systems
- Implemented Single Sign On for single user-name / password access to all Trust clinical and critical systems
- Produced reports in accordance with Schedule

- 5 of the Legally Binding Contract and maintained regular reconciliation meetings with PCTs to improve data and contract monitoring. Improvements to data quality have also been achieved through an ongoing programme of Refresher training for all staff
- Maintained 100% coding completion by the 5th calendar day after month end throughout the financial year
- Halved month end reporting timescales for SLAM / Board report from 10 to 5 working days
- Coding accuracy classified as 'Excellent' in the Payment by Results Assurance audit
- OJEU tender completed for records storage
- Deployed Picture Archive & Communication System (PACS)
- Improved the Information Governance toolkit score to 78%

- Implemented Meditech 18 week software:
- 93% admitted patients achieved the 18 week target
- 91.4% non-admitted patients achieved the 18 week target

During 2007/08 the Trust reported no serious untoward incidents involving personal data to the Information Commissioner's Office. There was one "other" personal related data incident during 2007/08 where a CD being sent to an authorised user was lost in transit. The data was anonymised and password protected, however procedures have been reviewed as a consequence.



## Research & Development

The Research and Development (R&D) department during 2007/08 went through a significant period of change, not only in accordance with National R&D changes implemented by the Department of Health, but also in terms of internal R&D staff. The new R&D team have been implementing changes within the department and enhancing working practices with other departments, to ensure the continuation of high quality research across the Trust. During September 2007, the Trust underwent a routine Good Clinical Practice inspection by the Medicines and Healthcare products Regulatory Authority (MHRA), and was one of the first trusts in the region to do so. As the UK Regulatory Authority overseeing the legal conduct of research activity involving human participants, the MHRA closely scrutinised clinical trials of Investigational Medicinal Products being undertaken within the Trust. This was a lengthy and comprehensive exercise, which took a considerable amount of planning and preparation by the department. The R&D team have since been working closely with researchers, the pharmacy & finance department, and the Trust clinical trials support group to address the MHRA findings. The outcome is a comprehensive list of R&D Standard Operating Procedures to ensure all

research conducted is in accordance with legal and ethical requirements. In addition the R&D team are working across departments, building better working relationships and practices to facilitate research of a higher quality, and to streamline and improve research approvals and clinical trial set up. Undergoing an MHRA inspection, and co-ordinating a timely and acceptable response to MHRA findings are not only huge achievements for the Trust but have been an invaluable learning exercise aiding the professional development of all those involved with research.

In addition to inspection by the MHRA, the Trust R&D department were also subject to financial audit at the end of 2007 by the NHS MIAA Audit and Assurance Group. Recommendations from this audit have helped to build better working relationships and processes between R&D and Finance, and have also fed into the Trust R&D Strategy 2008 to enhance financial management of research, thereby minimising financial risk to the Trust.

In line with the Department of Health's Research Strategy, *Best Research for Best Health*, a series of research networks have been established across the UK. These include seven topic specific networks and the UK Comprehensive

Research Network (UKCRN), which consists of a number of regional networks, or Comprehensive Local Research Networks (CLRNs) based upon Strategic Health Authority boundaries. Research funding is now commissioned by the CLRN and will be performance based, applicable to trial recruitment onto UKCRN portfolio trials. Consequently, the Trust R&D department face the challenge of maximising research recruitment to portfolio trials, while continuing to support non-portfolio work, ensuring such work is of high quality, of high relevance to improving client care, and is as cost neutral as possible.

At the end of March 2008, there were 114 research studies actively being conducted (or in start-up phase) across the Trust, and work is currently underway to ensure that those studies which are eligible for support from the CLRN receive that support; and that researchers have the opportunity to collaborate nationally on UKCRN studies, thereby attracting financial support and research kudos.

In 2007 Trust research activity was communicated and disseminated via publications in scientific peer reviewed journals (in excess of 120), national press, and presentations at research conferences and symposiums (in excess of 65).

# Our Future Developments

Over the last year, the Board of Directors has reviewed a number of service development proposals. Those that have been agreed in year form a firm focus for the year ahead and confirm the Trust's ambitions for the development of our specialist services, in particular:-

- The implementation of our obstetric model of care and the reconfiguration of 1st floor estate in response to 'Maternity Matters' and the 'Maternity Strategy for Liverpool'
- The expansion of gynaecology services out of hospital and in partnership with primary care and independent sector
- The expansion of our portfolio of assisted conception services and to improve local access across the North West and North Wales
- The opportunity to actively explore links and partnerships with other providers of aligned NHS services and the private sector

The range and scope of developments to core services in 2008/09 is no less challenging or less ambitious than in previous years. In addition to the major service developments priorities, all clinical directorates have continued to explore opportunities to deliver services in accordance with our corporate strategies and aims. Through the operational planning meetings between Directorates and Executives, the following additional schemes are agreed as priorities for 2008/09. Some schemes remain subject of business case approval by the Board of Directors in the coming year.

- Schemes to support service growth
  - Introduction of flexible neonatal ITU
  - HDU cots to meet demand and allow babies to be cared for in the most appropriate unit.
  - Evaluation and expansion of midwifery led low risk services in the community.
  - Expansion of consultant led services for high risk women in the community.
  - Development of on-site private inpatient and outpatient services.
  - Optimising genetics laboratory capacity and development of new tests.
- Schemes to support productivity and efficiency
  - Review the capacity required to deliver low dependency neonatal care.
  - Implement IM&T strategy and framework in Genetics.
  - Mainstream clinical genetic services.
- Schemes to support world class outcomes
  - Development of clinical business units.
  - Implementation of 24/7 cover in Obstetric Theatres.
  - Evaluate obstetric telephone assessment and triage.
  - Develop a High Dependency Unit (HDU) Business Case.
  - Implement PCT Strategic Review of Maternity

Services ('Maternity Matters') including:-

- Enhanced midwifery teams
- Community Obstetrician
- Expansion of perinatal mental health team
- Enhanced Obstetrician cover on delivery suite
- Appointment of a Consultant Midwife for normal birth

- Service Improvement Schemes  
In addition to the agreed service developments, the Trust is proposing to embark on a number of service improvement and redesign schemes in 2008/09.

## Target areas include:-

- Reconfiguration of the 2nd floor to include inpatient and daycase areas, emergency room and a private patient facility.
- Redesign and transformation of Emergency Room, Early Pregnancy Assessment Unit and Outpatient Services.
- Review and redesign of imaging services.
- Implementation of the Productive Ward and Productive Theatre Projects.
- Redesign and reconfiguration of Pharmacy
- Redesign of administrative processes in reproductive medicine



# Patient Care



## Patient and Public Involvement

The Patient Quality Committee met on four occasions during the year and has extended its membership to six public members, of which two represent the Membership Council. The committee members have provided valuable input to the development and ongoing review of progress of the Patient Quality Strategy action plans. In addition the Committee have met with key personnel with responsibilities for delivering quality care and facili-

ties for patients, and visitors to the Trust. The committee has assisted in the development and review of strategic policies for car parking, use of mobile phones and smoke free site. They will continue to monitor progress of implementation of the policies. The Patient Quality Team has engaged in discussions with patients and members of the public to enhance our knowledge of how the Trust as a whole is viewed. This

information has been collated through focus groups and direct discussion on a one to one basis.

The exit card return has provided valuable information in relation to what was good about patients' visits and what aspects could have been improved. This information has been disseminated widely throughout the Trust and actions taken as a result displayed on 'You said, we did' notice boards.

## Patient Information

The patient information group have reviewed 25 patient information leaflets during this period. The leaflets have been produced by multidisciplinary teams within the Directorates. The written information has been processed using a rigorous method for ensuring they are easily understood and contain sufficient information by which patients and their families can make an informed decision about the care they receive.

Advice and instruction regarding the production, provision and dissemination of patient information has been

documented in the Trust-wide 'Policy for the production of patient information'. This revised document was reviewed, approved and circulated to staff in October 2006. The findings of a comprehensive audit of the policy assure the Trust that all existing patient information leaflets have been reviewed within an agreed timescale specified and this information is clearly demonstrated on each document. All leaflets explaining clinical treatments contain information about the associated risks and benefits and any alternative treatment to consider.

Requests for information in other languages and formats such as audio version have been processed on request.

Copies of all leaflets are available on the Trust's intranet, these can be printed on request and in large font format if patients have sight impairment.

The Trust is currently developing an information portal which will form part of the web site. Patients will be able to access written information in the different formats directly through the internet.

## Patient Surveys

The Healthcare Commission 2007 Inpatient Survey results were released in February 2008. Postal questionnaires were sent to a random sample of 850 patients who attended the Gynaecology Ward during 2007. Exclusion criteria included women who had undergone a termination of pregnancy, early pregnancy loss and investigations and treatment within the Hewitt Centre for Reproductive Medicine.

- 409 patients completed and returned the questionnaire, giving a response rate of 48.4% which is slightly lower than the national average.
- The benchmarked survey results indicated that the Trust was significantly better than average for 49 questions, significantly worse than average for 6 questions and

results fell in the average range for 26 questions, when compared to other acute and specialist Trusts

The Healthcare Commission 2007 Maternity Survey results were released in August 2008. This was the first occasion that a survey of this nature was carried out. Postal questionnaires were sent to a random sample of 491 women who attended the Trust for care during pregnancy, in labour and the postnatal period. Exclusion criteria included women who had experienced a stillbirth or miscarriage.

- 254 women completed and returned the questionnaire, giving a response rate of 51.7% which is slightly lower than the national average.

- The benchmarked survey results indicated that the Trust was significantly better than average for 15 questions, significantly worse than average for 10 questions and results fell in the average range for 47 questions, when compared to other acute and specialist Trusts.

Areas where improvements can be made have been identified by the both the Gynaecology & Obstetric Directorate staff. In response to the survey findings, action plans have been developed to specifically address these areas. This information has also been incorporated into the Patient Quality Strategy action plan which will be widely discussed and progress reviewed throughout the Trust over the next year.

## Infection Control

Liverpool Women's continues to maintain its excellent record and high standards of performance in respect of infection prevention and control. The rules for reporting cases of Clostridium Difficile have been changed during the year, with all cases now reportable, but despite this the Trust continues to maintain good performance.

- Two cases of MRSA blood infection, both patients had a good outcome after treatment.

- Eleven cases of Clostridium Difficile infection in the year.
- "Excellent" ratings in the PEAT assessment demonstrating the high standards we maintain in cleanliness of the environment.

In addition, our Infection Prevention and Control team have continued to implement improvements and have achieved the following:

- Improved monitoring and reporting at ward level.
- The implementation of comprehensive "Matrons Reports" covering all aspects of Infection Control practice.
- Completed "deep clean" throughout the organisation.
- Improved information for patients and the public
- Isolation guidelines
- Policy relating to using antibiotics appropriately

# Stakeholder Relations

## Hotel Services - Sodexo

The Trust continues to work with Sodexo, delivering cleaning and catering services to the Trust. Joint managerial arrangements have ensured improvement in cleaning practice within the Trust. Catering is providing some cause for

concern, highlighted regularly in feedback from patients. Sodexo has appointed a new catering manager who is working closely with staff and patients to make consistent improvements.

## Primary Care Trusts (PCTs)

### - Host PCT arrangements

Over the course of the previous year, the Trust has developed a strong working relationship with its host, Liverpool PCT. Collaborative working has improved as a result and this in turn has led to better liaison with specialist commissioners. Although the Trust has not moved onto the new model contract for 2008/09, we are working with our host to develop quality indicators and clinician to clinician relationships. Liverpool PCT have represented the Trust well in respect of our other commissioning PCTs through a consortia agreement.

### - Investment in maternity services

The PCT appointment of a commissioning lead for maternity services has also improved partnership working. The PCT and the Trust have

worked together on the publication of a maternity strategy for Liverpool which has been very well received locally. The strategy reflects the national priorities and has led to a significant investment in maternity services in 2008/09 by North Mersey PCTs and Liverpool City Council. Additional funding has supported the establishment of an enhanced team of midwives and maternity support workers who will provide care for the most vulnerable and socially excluded pregnant women and their families. This team of 11 midwives and 7 Midwifery Support Workers will support the community midwives and work in collaboration with children's centres to provide locally accessible, targeted care. Women will also be able to access specialist services in the community with the appointment of a community obstetrician and additional scanning.

In addition the NSPCC have funded a 0.3 WTE midwife to set up a community parenting project which will empower local women to support women through their pregnancy.

### - Moving services closer to home - Knowsley PCT

Partnership working with commissioners at Knowsley PCT has resulted in the Trust being named their principal partner for obstetrics and gynaecology. This has encouraged the development of specialist gynaecology services in the community and to date has seen the opening of three clinics within primary care premises to provide local access to women. There are plans in 2008/09 to further develop local access to services with the focus being on one stop clinics being provided closer to home.

## North West Fertility

The partnership with North West Fertility Ltd and the Trust goes from strength to strength. NWF have completed a very successful first year of trading and have expanded their number of shareholders and their repertoire of services. This expansion of available services has also benefited NHS patients through access to egg freez-

ing, local access to embryology and transport IVF with further potential to offer services closer to home.

In 2008/09, it is expected that the proposed new satellite service for NWF patients from Manchester will be fully operational. This opens up a number of service growth options. The

Centre is also currently investigating the feasibility of offering services to North Staffs populations.

NWF are also firmly committed to the expansion of the Hewitt Centre for Reproductive Medicine through the new capital build.



## Complaints

The Trust responds to all complaints with equal seriousness and attention. Complaints are viewed in a positive manner and are a powerful tool for learning lessons and changing practice and procedures when appropriate. By listening to concerns raised through complaints, the Trust is able to continuously reflect on many aspects of the patients' experience and actively respond to any concerns constructively. A complaint can be made by patients, relatives or visitors, although patient confidentiality is maintained at all times. In the period between April 2007 and March 2008, the Trust received 92 formal complaints, which is a

slight decrease compared to the previous year.

The main themes, which have emerged during this period, were:

- Treatment and care
- Communication
- Facilities
- Attitude of staff

Other themes included:

- Cleanliness of ward
- Provision of food to patients and visitors

We aim to deal with all complaints within 25 days of receiving them and this was achieved in 92% of cases during 2007/08.

Outcome of complaints

57% upheld

35 % not upheld

8% partly upheld

One complaint was referred to the Healthcare Commission during this period. The Trust responded to each recommendation made by the commission and the outcome was shared with the complainant. The Healthcare Commission have not undertaken any full investigations nor held an independent panel during this period. There were no referrals to the Healthservice Ombudsman during the year.

## Meetings with complainants

Meeting the complainant is an excellent opportunity to learn about the experience in more detail and therefore this interaction is encouraged as part of the procedure. Meetings are facilitated by the Patient Quality Team, who provide a transcript of the meeting and when necessary provide any follow up action as a result.

Actions taken as a result of meeting with complainant include:

- Further support throughout their

patient journey

- Referral to Family Support team for counselling or one to one support
- Review of system for assessing patients attending Bedford Unit
- Involvement in patient groups

Action taken as a result of complaints this year:

- Written information regarding bleeding in early pregnancy to be developed
- Review of system to ensure invoice for out-

standing costs are not sent inappropriately

- Midwifery staff to complete postnatal notes at bedside and discuss information with mother
- Review of information advising women about their BMI readings prior to commencing infertility treatment
- Review of facilities in the Gynaecology Outpatients waiting room at Aintree site
- Toilet facilities in Assessment Room changed to female only

## Work in progress

- Review of facilities in ultrasound waiting area
- Development of policy regarding birthing partners entering recovery area following treatment in theatre
- Review of system for ensuring that test results are available when patients return for follow up appointment



# Finance

## Performance

The Board of Directors is pleased to report achievement of an excellent financial performance in its third year of operation as an NHS Foundation Trust. This is summarised in the key financial measures set out below and detailed in full in the annual accounts on pages 50 to 77.

## Measure

	2007/08	2006/07
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	£9.1million	£5.9 million
EBITDA Margin	11%	7.6%
EBITDA Achievement of Plan	153%	117%
Income and Expenditure (I & E) Surplus	£5.9 million	£1.8 million
I & E Surplus Margin	7.1%	2.3%
Return on Assets	13.7%	6.9%
Liquidity	77 days	38 days
Monitor Risk Rating	5	5

The Trust has improved its financial performance significantly from 2006/07 and has exceeded the plan agreed with Monitor at the beginning of the financial year. The key reasons for this improvement are:

- the provision of clinical activity above planned levels within Gynaecology primarily as a result of Commissioner requests to accelerate progress towards meeting the 18 week referral to treatment target and growth in gynaecology oncology work;
- significant increases in Neonatal activity provided to Commissioners outside of Cheshire, Merseyside and Cumbria which increased non contract income;
- continued growth in demand for NHS IVF services;
- the reassessment of building lives which

resulted in a reduction in the depreciation charge to the Income and Expenditure Account;

- maintenance of budgetary control across the organisation.

The surplus generated in this and previous years will provide resources to support capital expenditure in future years to support the enhancement and expansion of services in such areas as IVF and Obstetrics.

The continuing development of the national tariff presents risks to income forecasts but the Trust continues to work actively with both the Department of Health and other Trusts on the development of tariffs related to the services we provide.

The Trust aims to operate all of our services at

costs below tariff and this has been supported during 2007/08 through the establishment of service line reporting which has provided an insight to the relative levels of profitability of the services we provide. The forthcoming year will see the further development of service line reporting and exploration of the Clinical Business Unit model as means by which services can be managed.

The continued national drive to promote and facilitate Patient Choice continues to present a risk to services in particular Gynaecology and Obstetrics. However, we continue to see the Choice agenda as an opportunity to gain market share provided we can make our services as attractive as possible to women both inside and outside of our traditional catchment areas.



## Private Patient Income

Performance against the Private Patient Cap is set out below.

	07/08	06/07
Total patient related income	£70,349,000	£70,815,000
Private patient income	£95,000	£1,037,000
Proportion of private patient income as a percentage	0.13%	1.5%
Private Patient Cap	1.8%	1.8%

Income from private patients is significantly reduced in 2007/08 and was primarily generated from provision of private inpatient and outpatient services to gynaecology patients. The reduction in income reflects the transfer of the private IVF service in October 2006 to North West Fertility Limited, a company set up by a number of Consultant Gynaecologists and the Trust's Scientific Director. The Trust continues to provide staff-

ing, services and accommodation to the company and is remunerated according to the terms of the contract. This income is categorised in the Trust's accounts as "Other Operating Income" consistent with the Financial Reporting Manual issued by Monitor. This is currently under review and the Trust will consider its treatment when any further guidance is issued.

# Finance

## Prudential Borrowing Limit

The Trust had a prudential borrowing limit of £22.2 million in the year of which £17.2 million related to long term borrowing and £5 million to a working capital facility. The Trust has not borrowed against the limit during the year.

### Capital Expenditure

A capital programme of £4.2million was completed during the year. This was financed from a combination of internally generated funds and

earmarked public dividend capital allocations from the Department of Health for specific projects. All capital expenditure related to protected assets providing the Trust's core clinical services. The primary areas of investment continued to be in improving and upgrading the environment for staff and patients and investment in medical and scientific equipment, ensuring the most up to date technology possible is available for the diagnosis, care and treatment of patients.

This included deployment of the PACS (Picture Archiving Communication System) system allowing digital images to be taken and distributed efficiently, and investments in new theatre instrumentation. The financial year 2007/08 also saw preliminary expenditure associated with the design of the Hewitt Centre expansion which will see construction work commence in June 2008.

Details of the capital programme are set out below

	£000	£000
<b>Department of Health Financed Capital</b>		
PACS	848	
Instrumentation and infrastructure to support off-site decontamination service	420	
Neonatal Network Equipment investments	97	
National allocation to maintain defence against c.difficile	131	
Genetics Information technology	81	
Completion of Pathology Modernisation scheme	46	1,623
<b>Internally Financed Capital</b>		
Medical and Scientific Equipment	1,210	
IM&T Infrastructure	280	
Energy Saving Scheme	57	1,547
<b>Building Related</b>		
Hewitt Centre Development	244142	
Parental Accommodation	142	
Aintree Modernisation	94	
Building Infrastructure and Environment	551	1,031
<b>Total Capital Expenditure</b>		4,201

# Going concern

After making enquiries, the directors have a reasonable expectation that Liverpool Women's 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.





# Our Board of Directors

The Trust's constitution provides for a Board of Directors which is comprised of six executive and six non-executive directors including the Chairman. All of these roles have been occupied during 2007/08 in accordance with the policy developed by the Trust in support of the constitution.

The Trust considers that it operates a balanced, complete and unified Board with particular emphasis on achieving the optimum balance of appropriate skills and experience; this is reviewed whenever any vacancy arises.

Since April 2005 non-executive directors have been appointed by the Membership Council at a general meeting, following a selection process undertaken on behalf of the Council by its Nominations Committee. The Membership Council has adopted a standard

term of office of three years for all non-executive appointments. The Chairman and non-executive directors can also be removed by the Membership Council through a process which is described in section 13 of the constitution.

## Ken Morris – Chairman

Ken Morris commenced with the Trust in August 2005; his initial period of appointment is 3 years. Ken has had over 20 years experience of working at Executive and Non Executive Director level in a variety of organisations in the public, private and

not-for-profit healthcare sectors. Immediately prior to joining the Trust he was Chair of a successful PCT. His management consultancy experience has been centred around change and improving overall performance in a variety of health and not for profit

organisations. He has chaired and been a member of a number of national committees. In 2007/08 he was appointed to the board of the Healthcare Purchasing Consortium as a Non Executive Director/Independent Special Advisor.

## Non-Executive Directors

### Hoi Yeung

Hoi Yeung was appointed in March 2005 for a period of 4 years. Hoi is a retired senior chartered accountant who has enjoyed a very successful and varied career with the Littlewoods Group spanning 29 years. He worked his way up through the finance function to the

position of Director of group finance and accounting. From this role Hoi brings particular skills in audit, management and financial accounting, treasury management, tax and risk management. In addition, Hoi has a wealth of experience in public and voluntary

sectors which includes his roles as a Governor of Liverpool Community College, a Trustee of the John Moores Liverpool Exhibition Trust and an observer at the board of the Liverpool Biennial of Contemporary Art. Hoi is the Chair of the Trust's Audit Committee.

### Roy Morris

Roy Morris was appointed in February 2005 for a period of 4 years. Roy was formerly the Chief Executive of Rathbone Brothers Plc and Chairman of the Executive Committee, which manages the day to day affairs of the Group. Roy had been with Rathbones,

involved in investment management throughout his working career. He was a Partner in Rathbone Bros. & Co and in 1988 he became Managing Director. He was appointed as Group Chief Executive in 1997. He retired as Chairman of the Mersey Partnership at the

end of the year but continues to hold a number of non-executive positions with several prominent local businesses, notably as Chairman of Cain's Brewery. Roy is the Chair of the Trust's Finance and Contracts Committee

### Ann McCracken

Ann McCracken first joined the Trust as a non-executive Director in December 2001 and served two terms of office under NHS arrangements. She was re-appointed in 2006 for a further three years under the provisions of the constitution, following a

successful performance appraisal and approval by the Membership Council. A former journalist, she now works as Community Manager for O2 (UK) where she has responsibility for external affairs. Her other commitments include Mersey Common Purpose advisory

group, the Mersey Partnership. Ann is the Trust's Vice Chairman and also chairs the Human Resources Committee. In addition, Ann sits on the Marketing, Charitable Funds and Audit Committees.

### David Carbery

David joined the Board in February 2004 after a long career in the civil service, working in a variety of government departments including social security. He was also the Regional Operations Manager in charge

of the Charity Commission's Liverpool office, dealing with charities in the North West. He is the Senior Independent Director on the Board and chairs the Charitable Funds Committee. He is also a member of

the Audit Committee, Human Resources Committee and Information Governance Committee. In January 2008 he was reappointed for a further period of three years.



### **Yvonne Rankin**

Yvonne joined the Board in July 2006 for a term of three years, bringing with her a successful leadership track record, developed in the service and retail industries having spent 10 years with the Co-operative Group where she was CEO for

Specialist Retail businesses. In September 2007, Yvonne became CEO of the Thresher group which encompasses the Wine Rack, Thresher, Local and Haddows (Scotland) Retail Brands, with 1650 shops across the UK. She is also a

Companion of the Institute of Management. Yvonne chairs the Trust's Marketing Committee and is the non-executive member of the Clinical Governance Committee.

## **Independence of Non-Executive Directors**

The Board considers all of its current non-executive directors to be independent as all appointments or re-appointments are of recent standing

and the most recent have been made by the Membership Council specifically to meet foundation trust requirements.

### **Louise Shepherd MBA MA CPFA – Chief Executive (until 9th March 2008)**

Louise Shepherd joined the Trust in August 2003 from the Countess of Chester NHS Trust where she was Deputy Chief Executive and Finance Director for five and a half years. During that time, she led the Trust through a major financial recovery programme and, as part of the wider

executive team, into a successful period of high performance and sustained service development. Prior to that, she was Director of Business Development at Birmingham Heartlands and Solihull NHS Trust. She originally trained as an accountant in local government before

spending four years with KPMG in Birmingham as a financial and management consultant to the public sector. She is currently the Vice Chairman of the Royal Liverpool Philharmonic Society and a Trustee of the Royal Liverpool Philharmonic Foundation.

### **Sue Lorimer, ACMA - Director of Finance (Acting Chief Executive from 10th March 2008)**

Sue joined the Trust as Director of Finance in April 2005, shortly after it gained foundation status. She has the lead on ensuring sound financial management and achievement of contract performance targets. Sue has been an NHS Finance Director since 1990 and has worked in a variety of organisations. Before joining us she

worked for Cheshire and Wirral Partnership NHS Trust and for 2 years helped develop systems and consolidate financial performance in the newly formed organisation. Prior to that she worked at Clatterbridge Centre for Oncology NHS Trust for six years during which time the Trust enjoyed a significant expansion of services.

Sue is an Associate Member of the Chartered Institute of Management Accountants and until recently was a Member of its NHS Project Group producing technical guidance and support for NHS members and students.

## **Executive Directors**

### **David Richmond MD FRCOG – Medical Director**

David became Medical Director of the Trust in September 1993 following his appointment as a Consultant to central Liverpool in 1990. During that time he has successfully steered the Trust through innumerable changes and developments, including the amalgamation of the previ-

ous hospitals into a brand new facility in Toxteth in 1995 and the subsequent merger with the Aintree Centre for Women's Health in 2000. His main interests lie in manpower planning (he currently contributes to local and national manpower working parties) and education and

training. He is currently the RCOG Workforce Advisor and RCOG Council representative for the north west. David is also Chair of the Trust's Clinical Governance Committee.

### **Gill Core RGN – Director of Nursing, Midwifery and Patient Quality**

Gill joined the Trust on the 1st of April 2006. She is the professional lead for nurses and midwives in the Trust as well as having wider responsibility for the quality of care delivered through clinical governance and clinical risk management, her remit also extends to estates and facilities. Gill joined the NHS as a nurse in 1981 and enjoyed a successful clinical career in critical care

nursing, attaining a number of post registration clinical qualifications; she followed this with roles in quality management and operations management adding a BA Hons and diplomas in management and education. Since 1999 she has worked as Deputy Director of Nursing in two North West Trusts, most recently at Aintree Hospitals NHS Trust in North Liverpool.

She has a number of professional interests, particularly leadership development and education and has participated in the development of the national Knowledge and Skills Framework (KSF). Gill is a qualified coach and development facilitator but overall she has a passionate commitment to improving the patients' experience of their care.

# Our Board of Directors

## **Kim Doherty, MA, MCIPD, BA (Hons) – Director of Human Resources**

Kim has been the Director of Human Resources at the Trust since September 2003. She is responsible for ensuring the Trust delivers its objectives as a model employer in order that we can recruit and retain a highly skilled and motivated workforce. Kim started her career as

a graduate trainee in NHS Human Resources in the West Midlands where she held a number of posts. Prior to joining the Liverpool Women's Hospital NHS Trust she held the post of Head of Human Resources & Planning at Clatterbridge Centre for Oncology NHS Trust. Kim is a member

of and has previously held roles within both the Chartered Institute of Personnel and Development and the Association of Healthcare Human Resource Management. She is also a mentor and assessor for the National Health Service Management Training Scheme.

## **Rachel Patterson, CIPD – Acting Director of Human Resources (December 2007 – August 2008)**

Rachel joined the Trust in December 2007 to cover Kim Doherty's maternity leave. Rachel started her career in the NHS in Training and Development in Liverpool in 1992. She subse-

quently moved into generalist Human Resources and spent 8 years in large London Teaching Hospitals in a range of senior HR positions. She returned to Liverpool in 2005 working as

Deputy Director of HR for Mersey Care Mental Health Trust. She is currently seconded from Mersey Care Mental Health Trust to Liverpool Women's NHS Foundation Trust.

## **Caroline Salden, MBA, BA (Hons), Dip M – Director of Service Development**

Caroline joined the Trust in April 2004 as its Director of Service Development, a new post created to reflect the need to respond more proactively to the new external environment within which we will operate and to establish stronger links with our local Commissioners and other parties. She takes the lead on the Local Delivery Planning process and the Modernisation Agenda. In addition, Caroline has Executive

responsibilities for Information Management and Technology. Caroline started her career as a Management Trainee in the Mersey Region and has undertaken a range of operational posts in both mental health and acute services in Chester. Latterly, Caroline held the post of Assistant Director of Service Development at Derbyshire Hospitals NHS Foundation Trust where she played a key role in the development

of their Service Strategy and application to become a Wave 1 NHS Foundation Trust. Her management experience has been supported by the attainment of an MBA (Open University) and a Diploma in Marketing. Caroline maintains a close involvement with the Graduate Recruitment process.

## **Board Performance**

The Board of Directors has been mindful of the importance of evaluating its effectiveness

during the year and to that end has reviewed its performance in the following ways:

### **• Corporate Governance Review**

– the Board implemented a variety of structural changes during 2007/08 as a result of the recommendations made by Mersey Internal Audit Agency

following its second governance review, the aim of which was to ensure that the Board's committees and processes were fit

for purpose as a foundation trust. The Board has kept these under review during the year and is satisfied that the current structure is operating effectively.

### **• Non-Executive Directors**

– the appraisal system for non-executive directors agreed by the Remuneration Committee of the Membership Council in April 2006 has continued to operate effectively during the year, providing assurance to the

Membership Council with regard to the contribution of individuals to the performance of the organisation as a whole.

### **• Executive Directors**

– an appraisal system for executive directors, including the Trust Secretary, has been in operation during the year and a report on

individuals' performance presented to the Remuneration Committee of the Board.

A register of interests of each member of the Board of Directors is held by Erica Saunders, Trust Secretary which is accessible to the public through the office of the Trust Secretary at the Trust headquarters, Crown Street, Liverpool.



## Board Operation and Decision-making

The Board of Directors operates to clear terms of reference which underpin the Trust's constitution and which are in turn supported by a Corporate Governance Manual that includes detailed Standing Financial Instructions and Standing Orders, a scheme

of delegation and schedule of matters reserved for the Board.

It is the role of the Board to set the organisation's strategic direction, but in the context of an overall operational planning framework. It is responsible for

all key business decisions but delegates the operationalisation of these to an appropriate committee or project board.

## Board Meetings and Attendance

The Board of Directors met formally nine times during 2006/07. Attendance by directors is reported by exception below:

- April 2007 – apologies from David Carbery
- June 2007 – full attendance
- July 2007 – full attendance

- September 2007 – apologies from Yvonne Rankin
- November 2007 – apologies from David Richmond and Ann McCracken
- December 2007 – full attendance
- January 2008 – full attendance

- February 2008 – apologies from David Carbery and Roy Morris
- March 2008 – apologies from Louise Shepherd

## Audit Committee

The Audit Committee is chaired by Hoi Yeung; other members are David Carbery and Ann McCracken. The Committee met five times during 2007/08. Members' attendance was as follows:

- Hoi Yeung – full attendance
- David Carbery – full attendance
- Ann McCracken – three meetings

The key role of the Committee is to establish the following:

- Assurance Framework is fit for purpose
- Systems for risk management identify and allow for the management of risk

- Organisation has robust governance arrangements
- Organisation has self-assessed against the Standards for Better Health.
- Organisation has robust systems of financial control

The work of the Audit Committee during 2007/08 has been to review the effectiveness of the organisation in the following key areas:

- Internal Control and Risk Management
- Internal Audit
- External Audit
- Financial Reporting

In discharging its duties the Committee meets its responsibilities through self assessment and review, requesting assurances from Trust officers and directing and receiving reports from the auditors and fraud specialists. During the year the Committee have complied with 'good practice' recommended through:-

- Review and updating the Committees terms of reference.
- Agreement and monitoring of an annual work programme.

## Nominations Committees

The Trust has established separate Nominations Committees to oversee the appointment of executive and non-executive directors.

- The Nominations Committee of the Membership Council is responsible for the appointment of non-executive directors. It is chaired by Ken

Morris; other members are Paul Young, Godfrey Mazhindu and Deirdre Wood. The Committee met once during 2007/08 in order to consider the re-appointment of David Carbery as a non-executive director.

- The Nominations Committee of the Board of Directors is responsible for the appointment of

executive directors. It is chaired by Ken Morris; other members are a minimum of three other non-executives as appropriate to the post under consideration. The committee did not meet during 2007/08.



# Our Membership Council

The Membership Council was established on 1st April 2005 and has operated effectively since that time. During 2007/08 the Council matured into its role in terms of its relationship with the Board, in particular its advisory function and its level of involvement and participation in setting Trust strategy. It continues to carry out its functions as set out in the constitution with a pleasing sense of clarity and purpose and understands explicitly that this means that it does not involve itself in operational matters or decisions as these fall within the remit of the Board of Directors. The Council met formally four times during the year; details of individual attendance is contained within appendix 1 to this report.

The Membership Council is comprised of 33 governors under the leadership of Trust Chairman Ken Morris. Angela Douglas has remained as Deputy Chairman of the Council during the year. All Board members have a standing invitation to attend Membership Council meetings and the Chairman also uses the regular non-executive directors' meetings to brief the NEDs on the work of the Council and its committees. Public and staff members of the Membership Council are elected by the membership. Elections are held in accordance with the rules appended to the constitution using a single transferable vote system. The initial elections were held in October 2004, administered by Electoral Reform Services Limited on the Trust's behalf. The Trust's constitution stipulates that all governors serve a three year term of office, however in order to ensure continuity on the Council in its early life, the constitution's transition schedule set out a rolling programme of elections, such that the initial governors were appointed for a period of one, two or three years depending upon the number of votes polled. A third round of elections was held in the summer of 2007, the results of which are indicated in the table below. The turnout for

the public seats was 9% and 40% for staff. The final 'transitional' set of elections will be held over the summer of 2008. The term of office for all appointed Council members is three years. During the year the Membership Council has been actively involved in many areas of the Trust's work. Councillors have been co-opted on to a number of committees and working groups covering a variety of areas including patient quality, Standards for Better Health, arts for health and marketing.

The formal sub-committees of the Membership Council have continued to operate during the year:

- The **Membership Strategy Committee** has been proactive in taking forward the Trust's Membership Strategy and was responsible for organising the successful Trust Open Day and Annual Members' meeting held in September 2007.
- The **Nominations Committee** considered the re-appointment of one of the non-executive directors, David Carbery, in January 2008.
- The **Remuneration Committee** has continued its work to review the appraisals of

non-executive directors and in-year undertook a comprehensive exercise to review non-executive directors' remuneration based upon extensive market research and comparator data.

- The **Public Engagement Committee**, which was established largely in response to the workload generated by the breast cancer services consultation process during 2006, was re-launched during the year with a wider remit to ensure that the views of all stakeholders are considered by the Trust in the context of key strategic decisions and developments.
- The **Citizenship Committee** was set up during 2006/07 as our first joint Membership Council and Board committee to develop the Trust's role as a corporate citizen. During 2007/08 it was agreed that it should become the Trust's **Corporate Social Responsibility Committee** with redefined terms of reference and a wide ranging vision designed to ensure that the Trust is properly playing its part in broad issues affecting the region, for example the impact of Liverpool's status as European Capital of Culture in 2008.



## Composition of the Membership Council

<p><b>Public Governors</b> <b>18 Elected Seats</b></p> <p><b>Central Liverpool</b> Morag Day Shivakuru Selvathurai Betty Stopforth (re-elected 2007) Maggi Williams Anees Paracha (elected 2007) Annette James (elected 2007)</p> <p><b>North Liverpool</b> Angela Parker Brenda McGrath</p> <p><b>South Liverpool</b> Irene Drakeley Janine Wooldridge</p> <p><b>Sefton</b> Patricia Jones Janet Gilbertson Joanna Winter</p> <p><b>Knowsley</b> Ronnie Kehoe Anne Smith (re-elected 2007)</p> <p><b>Rest of England &amp; Wales</b> Sheila Foley Deirdre Wood Vacant pending by – election</p>	<p><b>Staff Governors</b> <b>6 Elected Seats</b> Doctors – Leanne Bricker (elected 2007) Nurses – Gill Murphy Midwives – Dorcas Akeju OBE Scientists &amp; Technical staff – Angela Douglas Non-clinical staff – Helen Gavin &amp; Paul Young</p> <p><b>PCT Governors</b> <b>3 Appointed Seats</b> Dr Margaret Goddard, Medical Director, Liverpool PCT (resigned July 2007) Dr Janet Atherton, Director of Public Health, Sefton PCT Dr Paula Grey, Director of Public Health, Liverpool PCT</p> <p><b>Local Authority Governors</b> <b>2 Appointed Seats</b> Councillor Jane Aston, Knowsley Borough Council Councillor Marilyn Fielding, Liverpool City Council</p> <p><b>University of Liverpool</b> <b>1 Appointed Seat</b> Professor Susan Wray</p> <p><b>Community/Voluntary/Other Partnership Organisations</b> <b>3 Appointed Seats</b> Sue Ryrie, Brook Merseyside Professor Godfrey Mazhindu, Liverpool John Moores University Margaret Hogan, Down's Syndrome Liverpool</p>
--	---

A register of interests of each member of the Membership Council is held by Erica Saunders, the Trust Secretary which is accessible to the public through the office of the Trust Secretary at the Trust headquarters, Crown Street, Liverpool.

# Our Membership

It is important to us that membership is relevant to all sections of the greater Liverpool community and we continue to make every effort to reach all groups within our membership constituencies. We seek to ensure that our membership reflects the social and cultural mix of the Liverpool conurbation.

We also need to ensure that our Membership Council reflects our membership and we aim to address this challenge by encouraging a large, genuine membership from all parts the community served by the Trust.

The membership community of Liverpool Women's NHS Foundation Trust is drawn from our public and staff constituencies which are defined follows:

	Sub-constituencies	Rationale and eligibility
Public	<ul style="list-style-type: none"><li>• Central Liverpool</li><li>• North Liverpool</li><li>• South Liverpool</li><li>• Knowsley</li><li>• Sefton</li><li>• England &amp; Wales</li></ul>	Defined by local authority electoral boundaries 60% of our activity is derived from within Liverpool. A further 31% comes from the boroughs of Knowsley and Sefton. The remaining 9% of activity relates to our specialist services and can bring in patients from across the country. Membership is open to any member of the public over the age of 12 who live within any of the local authority areas described.
Staff	<ul style="list-style-type: none"><li>• Doctors</li><li>• Nurses</li><li>• Midwives</li><li>• Scientists, Technicians &amp; Allied Health Professionals</li><li>• Administrative, Clerical &amp; Managerial staff</li><li>• Clinical Support &amp; Ancillary/ Maintenance staff</li></ul>	Our staff constituency is defined by those who have a permanent employment contract or who have worked for the trust for at least 12 months. Staff who are employed by contractors to the trust or who are based at the trust but employed by another NHS organisation are also eligible for membership.



## Membership Strategy

The Trust's Membership Strategy is led by a committee of the Membership Council called the Membership Strategy Committee. This group has been very active during the year and has continued to refine its approach to how the Trust should develop as a membership organisation in the context of our population and the profile of our members. The Committee is chaired very effectively by Janine Wooldridge, a public governor representing south

Liverpool. During 2007/08 the Committee's chief aim was to re-focus on the development of a work plan to underpin the membership strategy following the lengthy period of time spent on supporting the breast cancer consultation in the previous year. A key part of this re-engagement with members on broader issues centred upon the Annual Members' meeting and Open Day on 8th September 2007. This event was very successful in terms of the

number of members attending and the positive response to the hospital, its staff and services. The main communication method with members has continued to be via Foundation Express, which was published twice during the year, each with a focus on a particular clinical service. The Committee plans to maintain its broad focus during 2008/09 on the principles of the membership strategy set out below.

## Building and sustaining a representative membership

Liverpool Women's NHS Foundation Trust primarily serves local residents in Liverpool, Sefton and Knowsley. Our ongoing focus needs to be on continuing to build and engage with the member-

ship community from these areas. Given the socio-economic structure of the local area, an additional challenge is presented by the need to ensure that under-represented populations, such as

young people, black and ethnic minority groups and those from more disadvantaged backgrounds, are approached and included.

## Membership targets

The public section of the membership community should include as diverse a range as possible and be representative of the local area. The following specific cohorts were our focus during 2007/08:

- 18 – 34 year olds: this is almost the most difficult cohort with which to engage and remain in contact as many are extremely mobile. ONS statistics for Liverpool indicate that people of this age comprise approximately 18% of the

local population.

- Black and Minority Ethnic Groups: again, according to population data, Asian, Black, Chinese and other ethnic groups make up 5.6% of the local population. Again, we seek to ensure that the public constituency is comprised of a similar percentage.
- Men: whilst the services provided by the Trust are primarily aimed at women, it is critical to ensure

that men are also active members of the Foundation Trust community. Therefore, we will seek to attain a balance of 85% women and 15% men.

- Social class: there is a social class correlation with regard to community engagement, which in turn correlates with health disadvantage. This makes it particularly important that we ensure that the Trust membership properly reflects the socio-economic strata of the local area.

## Membership Profile

	Public	Staff	Total
Number at year start (1st April 2007)	9,080	678	9,758
Members joining	178	1,040	1,218
Members leaving	816	353	1,169
Number at year end (31st March 2008)	8,442	1,36	9,807



# Our Membership

Public membership numbers again fell slightly during the year. We continue to find this disappointing; investigations have confirmed that the problem is due to the mobile nature of certain sections of our population who moved house without notifying the Trust of their new address. The Membership Strategy Committee is mindful of needing to find an effective way to address this problem to minimise 'churn' of this nature on an ongoing basis. After much debate within the Membership Strategy Committee, the wider Membership Council and with the Trust staff side, the decision was taken during the year to introduce an 'opt out' scheme for staff. This was implemented in response to feedback that staff generally expected to become a member once the Trust had gained foundation status and did not understand that they were required to

actively join. As a consequence all staff received a letter which advised them that they would be automatically made Trust members unless they decided to opt out of membership. At the close of the exercise only ten members of staff opted out of the membership scheme.

In terms of our diversity targets we have maintained just over 20% of members aged between 18 and 34. We maintained around 5.4% of members from black and minority ethnic communities which is slightly below target and our gender balance was steady at 17% men and 83% women.

Geographically, membership in our public constituencies is broadly reflective of our activity profile:

- 62% of our members are resident in Liverpool
- 13% of our members are resident in Knowsley

- 14% of our members are resident in Sefton
- 11% of our members are from other parts of England and Wales

In the coming year therefore we will aim to recruit and retain more members from the younger segments of our population, specifically those under 21 and from our local black and minority ethnic communities, however we do not intend to grow large numbers of additional members until the committee is satisfied with the level of engagement with our existing cohort.



## Members can contact governors and directors by the following routes:

- In writing care of the Foundation Trust Team, Liverpool Women's NHS Foundation Trust, Crown Street, Liverpool L8 7SS
- By telephone on 0800 073 0825 (FREE)
- By email at [yourviews.LWH@nhs.net](mailto:yourviews.LWH@nhs.net)

# Public Interest Disclosures

## About our Staff

### Anti-Bullying Campaign

Following feedback from staff and the results of two staff surveys focussing on bullying, a significant Anti-Bullying Campaign was launched in the Autumn with the establishment of a Task Force to develop and

deliver recommendations for action. This has been hugely successful with high levels of interest displayed across the Trust and the agreement of behavioural standards for all staff. Formal evaluation of the cam-

paign will take place at the end early 2008/09 taking into account the results from the 2007 Staff Survey. This will inform the next phase of actions going into the new financial year.

### Employment Partnership is Revitalised

Working relationships between managers and Staff Side representatives have been strengthened thanks to the "Partnership for Patients" initiative. This has led to the introduction of a Partnership Agreement

with detailed action plans to continue delivering improvements in partnership working for the benefit of staff and patients alike. Work has taken place early in 2008 with staff side representatives to identify a

more structured approach to providing facilitated time off for staff side related activities, which will continue to build upon the progress already made in improving consultation, engagement and involvement of staff.

### The Trust promotes Equality & Human Rights

The Trust has been part of a Department of Health pilot scheme to develop a Single Equality Scheme since June 2006. Formal consultation on the scheme was launched to over 3000 Foundation Trust members (includes staff, patients and the public) in March 2007. The final version of the Single Equality Scheme was produced and posted on the Trust's website in the summer, with action plans for each area being drawn up with key leads. The Single Equality Scheme incorporates the requirements of the current Race Equality Scheme, the Disability Scheme (from December 2006)

and the introduction of a Gender Equality Scheme (from April 2007). Monitoring and progression of actions outlined in local plans take place through the quarterly meetings of the Equality and Diversity Task Group.

The Trust's recruitment and selection process is designed to minimise potential bias, through exclusion of personal data at short listing and the use of selection panels for all interviews. Good practice in recruitment and selection is promoted through provision of educational sessions for staff.

Employees developing disabilities during employment are supported in line with the Trust's Rehabilitation and Redeployment policy which ensures compliance with Disability Discrimination Act (DDA) obligations on employers.

Access to Work grants have been sourced for employees to ensure that they are able to continue in their job role, and the Trust's Disability Adviser Midwife is on hand to provide advice in individual cases.

### Recognising Excellence

The Trust held its third annual 'Focussing on Excellence' Awards in 2007/08, which are aimed at celebrating the efforts and innovations of staff in finding new ways to improve patient care and the patient experience. Entries are invited from categories including:

- Supporting workforce development and welfare

- Implementing best practice
- Working in partnership
- Supporting healthcare through technological change
- Improving the patient experience

There is also an overall award – the 'Foundation Award'

– which is in the gift of the Membership Council for outstanding achievements in care. In 2007/08 this was won by our Matron for Patient Centred Care, Ann Bridson for her work on developing standards for behaviour and attitude at work.

### The Staff Award Scheme - A Big Thank You to our Committed Staff

Each year the Trust pays tribute to staff who have made an exceptional contribution or "gone the extra mile" for colleagues or patients. Award winners in 2007/08 were drawn from across the organisation and

included porters, domestic staff, nurses and midwives – they were all united by the manner in which they had especially touched the lives of individual patients at a moment of great joy or sadness.

As a first in 2007, all staff received a £50 voucher in December in recognition of their contribution to the achievement of the double 'Excellent' Healthcare Commission rating.

# Public Interest Disclosures

## Volunteers

The Trust is indebted to the tremendous support it receives from the volunteer scheme which has over 100 volunteers who provide invaluable and much appreciated services to our patients.

Recruitment of volunteers continues via local Councils for Voluntary Service, community groups, Universities of Liverpool, existing volunteers, staff and former patients and carers. All our volunteers are supported by a full induction programme and training opportunities.

The total number of recorded hours of voluntary work coordinated by the Voluntary Services Manager this year was 8590 hours. This figure, for the Volunteer Team only, excludes the independent organisations. In

financial terms, if volunteer time is costed at the NHS theoretical minimum wage their gross annual contribution to the Trust is £55,516.

Throughout the year volunteers have supported a number of Trust and public events including: The Volunteer Scheme Re-Launch, the Trust's Open Day and members' meeting, the Princes Park Event, Focusing on Excellence Awards ceremony, Love your Community Event, Open Days at Liverpool University, the Annual Nursing and Midwifery Conference and Adult Learners Events. Volunteers are actively encouraged to participate in Trust group/meetings including Patient Information Groups, Patient Quality Meetings, Chaplaincy Meetings and the

Garden Design Group.

Volunteers support fundraising activities including monthly Bric-a-Brac Sales and Raffle Prize Draws. Last year they helped raise over £1,450 for the Liverpool Women's Charitable Trust Fund.

There are now 24 different volunteer roles providing a wide range of activities and requiring considerable complexity in terms of organisation, co-ordination and management. The role of Trust staff should also be acknowledged for delivering appropriate support, suitable training and supervision to volunteers.

## Blair Bell Conference Centre – Part of the Community

The Blair bell Education Centre is a multi-disciplinary conference and educational facility housed within the Liverpool Women's Hospital. It has recently been considerably extended and upgraded to include a state of the art clinical skills laboratory, library and

IT training facilities, so that the Trust is now able to offer it out as a venue to a wide variety of local organisations and partners as well as for internal training and development purposes. Some examples of this include: the NSPCC, Mersey Region

Group for Family Planning Training, The Advocacy Project, Learning Partnerships and Integrated Radiological Services.

## Health and Safety

Continuous improvement in Health and Safety performance across the Trust has been achieved through the comprehensive reporting structure. This includes health and safety risk assessments, audits action planning and ongoing monitoring and review. This ensure that risks are effectively addressed and escalated appropriately.

A key objective has been to continue the development, review and implementation of health and

safety policies in order meet both internal and external requirements including the standards set in the Trust Risk management Strategy, the NHSLA standards Level 3, the Standards for Better Health and the Health and Safety Executive Standards. A comprehensive plan was implemented in terms of policy review, updating and ratification. This included policies relating to Slips Trips and Falls, Manual Handling, Zero Tolerance of violence and

aggression toward staff.

To assess the level of compliance with Trust policies in respect of the Slip Trip & Fall policy, Manual Handling policy, Zero Tolerance Policy, Security Policy and Lone Workers, Trust wide audits took place during January 2008 within each directorate/department to identify deficiencies and develop action plans to prioritise and initiate policy changes accordingly.

## Stress Audit

In addition a Trust wide work related stress audit was carried out to ascertain the Trust's performance against the Health & Safety Executive's Stress Management Standards. The aim of the audit was to provide a broad indication on how staff rate the Trust's performance in managing risks associated with work related stress. The report on results,

recommendations and action plan will be published in May 2008.

Furthermore, work to continually improve health and safety performance and awareness throughout the Trust has also been achieved through systematic review and revision of the health & safety risk register and the implementation of mandatory health

& safety training for all staff groups commencing at corporate induction which is updated every 3 years. Notably in the past year the Trust has achieved all the policy standards in terms of training and development in Health and Safety.



## Zero Tolerance and Conflict Resolution

The health & safety department in conjunction with IM&T department is working towards implementing more robust procedures and systems to better protect staff from violence and aggression especially lone workers.

The Trust funded three members of staff to attend

‘train the trainer’ in conflict resolution training in 2007. Following on from completing the training a comprehensive training programme and schedule of training has been commenced. The purpose being to ensure all staff in the Trust are facilitated with the knowledge and skills to address any situation of

conflict they may encounter while working for the Trust. To this end all front line staff have been given priority to attend training with all remaining staff being given the opportunity when this is complete.

## Security Management

Following an intensive five week course in Security Management the Trust Health & Safety Manager was accredited Local Security Management Specialist (LSMS) Status by the NHS Counter Fraud Security Management Services. This enables the specialist to carry out the Secretary of State for Health Directions on NHS Security Management Measures. The overall objective of the LSMS is to work on behalf of the Trust to deliver an environment that is safe and secure so that the highest standards of clinical care can be made available to patients. The LSMS will provide a comprehensive, inclusive and professional security management service for the Trust working towards the creation of the Trust’s pro-security culture.

The LSMS has and continues to develop both proactive and reactive initiatives with all groups of staff in relation to security management work across the whole of the generic range of action summarised below:

- Creating a pro-security culture amongst staff, other professionals and the public – to engender a culture where the responsibility for security is accepted by all and the actions of the minority

who breach security are not tolerated;

- Deterring those who may breach security – using publicity to raise awareness of what the consequences of their intended actions could be, both personally and to the Trust;
- Preventing security incidents or breaches from occurring, wherever possible, or minimising the risk of them occurring by learning from experience about previous incidents, using technology wisely and sharing best practice;
- Detecting security incidents or breaches and ensuring these are reported so that trends and risks can be analysed, allowing this data to inform the development of preventative measures or the revision of policies and procedures;
- Investigating security incidents or breaches in a fair, objective and professional manner, to ensure those responsible for such incidents are held to account for their actions, and that the causes of such incidents or breaches are fully examined and fed into prevention work to minimise the risk of them occurring again;
- Applying a wide range of sanctions against those responsible for security incidents and breaches, involving a combination of procedural, disciplin-

ary, civil and criminal action as appropriate;

- Seeking redress through the criminal and civil justice systems against those whose actions lead to loss of resources, through security breaches or incidents, and ensuring that those who are the victims of violence within the Trust are supported to seek appropriate compensation from offenders for loss of earning or for the effects of injuries sustained.

In line with the security principles stated above the Trust undertook a comprehensive Trust wide security risk assessment of premises, assets and people in February 2007. This resulted in an extensive action plan which has been continuously monitored through the Health and Safety committee and the Trust Risk Management Committee. Consequently the plan is on target for completion within defined timescales thus ensuring the security and safety of patients, staff and others.

## Counter Fraud Activities

The Trust obtains effective support in this area from the NHS Counter Fraud and Security Management Service with local counter fraud specialists being part of our internal audit service. The Trust’s policies

are set out in our Standing Financial Instructions and we also operate a ‘Raising Concerns’ policy via our Senior Independent Director, David Carbery



# Working with our partners

## Environmental Issues

The Trust has continued throughout the year to develop its environmental initiatives. We have invested approximately £100,000 in an "Invest to save" programme designed at reducing the carbon emissions from the Liverpool Women's Hospital site, and have committed a further £100,000 in the coming financial year. Specific targets have been set around the reduction of electricity consumption; the actual consumption of electricity reduced by 14% from the outturn figure at the end of March 2007.

The Trust Environmental Management group formed in 2007 will continue to lead this work in the coming year and progress against all environmental issues will be monitored. In December 2007 the Trust awarded a new three year Waste Management contract. One of the defining influences to this contract was the ability of the chosen provider to offer a complete recycling option for all its domestic Waste streams that ensure compliance with all Legislative changes. The Waste management provider

will also work with the trust in the coming year to increase the amount of waste recycled and thus not sent to landfill.

The Trust has also committed significant resources into developing the Green Travel Plan. In the latter part of the year the Trust conducted a Travel survey of staff, patients and visitors and will use this to develop its travel plan initiative in the coming year.

## Consultations

During 2007/08 we have again undertaken consultation with local partners in relation to the declaration required by the Healthcare Commission as part of its Annual Health Check assessment. The Trust submitted information for consultation with the Overview and Scrutiny Committees of Liverpool City Council, Knowsley Borough Council and Sefton Borough Council. In addition, the Trust undertook a more detailed consultation on the standards with its Patient

and Public Involvement Forum and with a task group established by the Membership Council whereby the evidence portfolio was scrutinised by those individuals in order that the Trust's position of full compliance could be objectively tested.

In the coming year the Trust plans to undertake an extensive consultation exercise to support the re-design of our maternity services, the 'Big Push' project. In order to ensure that the design

of both the clinical pathway and the new environment are future-proofed and fit for purpose it is proposed to discuss our proposals with three key groups of stakeholders: our patients, our members and the general public. The results of this process will be fed into the Business Case. The Trust's Membership Council are committed to leading the consultation process with members and the public.

# Remuneration Report

The Remuneration Committee of the Board of Directors is chaired by the Chairman, Ken Morris and comprises all non-executive directors namely, David Carbery, Hoi Yeung, Roy Morris Ann McCracken and Yvonne Rankin.

This Committee is responsible for determining the remuneration and terms and conditions of the Chief Executive, Executive Directors and Trust Secretary, taking into account the results of the annual appraisal process. The Chairman undertakes the annual appraisal of the Chief Executive; who in turn is responsible for assessing the performance of the Executive Directors and Trust Secretary. The Committee met twice during 2007/08 and all non-executives were in attendance.

The Remuneration Committee of the Membership Council comprises two public, one staff and one appointed members. This Committee is responsible for determining the remuneration of the Chairman and Non Executive Directors, taking into account the results of the annual appraisal process. The Committee met once during 2007/08 and all members were in attendance. The Chairman is responsible for assessing the performance of the non-executive directors.

The Chairman's appraisal is undertaken by the Remuneration Committee in accordance with their policy which has been developed to reflect best practice nationally.

Executive Directors and the Chief Executive are employed on permanent contracts of employment, subject to three months notice on either side.

Rates of pay for all senior managers are based on job size, market intelligence (including published remuneration surveys) and performance. Chief Executive and Executive Director remuneration packages comprise annual basic salary and normal NHS pension contributions plus a non consolidated performance related payment as agreed by the Remuneration Committee of up to 5% of basic salary, based on the Trust's achievement of a double excellent rating and achievement of individual and team objectives. For non-executive directors comparative data was provided to the Remuneration Committee

from other Foundation Trusts, mutual organisations and the private sector.

The remuneration and retirement benefits of all directors are set out within notes 5.4.1 and 5.4.2 of the annual accounts.

Signed

*Sue Lorimer*

Sue Lorimer  
Acting Chief Executive  
13 th June 2008

# Statement of Accounting Officer's responsibilities as the accounting officer of Liverpool Women's NHS Foundation Trust

The National Health Service Act 2006 (The Act) states that the Chief Executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of accounting officers 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 Act, Monitor has directed the Liverpool Women's 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 Liverpool Women's NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- Observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a

consistent basis;

- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS foundation trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The accounting officer is also

responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed

*Sue Lorimer*

Sue Lorimer  
Acting Chief Executive  
13th June 2008

# Statement on Internal Control

## Scope of responsibility

As Accounting Officer and Chief Executive, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accor-

dance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

## The purpose of the system of internal control

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

- identify and prioritise the risks to the achievement of the policies, aims and objectives of Liverpool Women's NHS Foundation Trust;
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically

The principal mechanisms for this is the Board Assurance Framework and risk registers generated at Directorate and Department level, which address the totality of strategic and operational risks to the organisation. During 2007/08 the Trust's responsibilities for internal control have been considered in the quarterly monitoring returns and discussions with Monitor. Monitor utilises a risk based approach across the key areas of finance, governance and mandatory services in accordance with the compliance framework criteria.

The system of internal control has been in place at Liverpool Women's NHS Foundation Trust for

the year ended 31st March 2008 and up to the date of approval of the annual report and accounts.

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



# 044/45 Statement of Internal Control

## Capacity to handle risk

The Trust's Risk Management Strategy sets out the responsibility and role of the Chief Executive in relation to risk management. During the year 2007/08, delegated responsibility operated through the Clinical Governance Committee and the Board of Directors, which together provide the Trust with a formal structure for addressing risk at the corporate level, embracing strategic risk issues, implementation of the Standards for Better Health, the Board Assurance Framework and key risk performance indicators. The Trust's committee structure is based upon principles of integrated governance and is designed to better support the Trust's operation as an NHS Foundation Trust.

The outcome of the Trust's second review of internal governance arrangements which took place at the end of 2006/07 resulted in the creation of a Trust Risk Committee which has run effectively for the whole of the year 2007/08 and underpins the corporate arrangements by undertaking the following functions:

- Provide support, direction and training for directorate and departmental risk leads
- Ensure consistent and appropriate risk systems and processes are established and evaluated throughout the Trust
- Evaluate and further develop the Trust's Risk Management Strategy
- Report progress in managing risk and imple-

menting the Trust's Risk Management Strategy

- Monitor the implementation of the Directorate Risk Management strategies and the effectiveness of risk management in Directorates and non clinical departments
- Provide assurance that Directorates and departments are meeting national standards and are prepared for assessment e.g. Healthcare Commission, NHS Litigation Authority
- Ensure that training in risk management is implemented and evaluated in the Trust

The Trust built upon and developed its Board Assurance Framework during 2007/08, contributing towards the achievement of an overall rating of 'significant assurance', confirmed by the Director of Internal Audit Opinion for the year. The NHS Counter Fraud and Security Management Service published for the first time in March 2008 Compound Indicators for 2006/07 which assessed the Trust at Level 1 "inadequate performance". This feedback has been utilised to inform increased investment in the 2008/09 Counter Fraud Plan.

Ward, departmental and directorate risk registers have been in place for the full year and continue to be promulgated by robust systems for ensuring effective management of operational risks across all areas of the organisation.

Significant work was undertaken during the year on the development of the operational risk register, to ensure that risks are being identified, scored and treated in a consistent and systematic way throughout the Trust.

There is an escalation process whereby risks that cannot be managed locally are reviewed at the appropriate level within the organisation to ensure that reasonable measures are taken. This is a continuous process that assists with the development of an organisation-wide risk-aware culture, sharing of lessons learned and enables risk management decision making to occur as near as practicable to the risk source.

In 2007/08 the Trust was successful in gaining re-accreditation at CNST Level 3 for maternity standards and in securing Level 3 against the new, more broadly based general NHS Litigation Authority standards which have now replaced the CNST general scheme. These are the highest possible levels of accreditation for risk management nationally.

Risk management, risk assessment and incident reporting is included in core induction and within the Trust's mandatory training programme. This approach will be continued during 2008/09 with specific emphasis on maintaining the exceptional standards of training required for CNST/NHSLA level 3 across all staff groups.



## The risk and control framework

The risk management framework is set out in the Risk Management Strategy and is underpinned by the policies and procedures for risk management, which have been approved by the Board of Directors.

### The key elements of the strategy include:

- A statement of the purpose of the strategy document
- A definition of risk management
- The Trust's policy statement and organisational philosophy in relation to risk management as an integral part of our corporate objectives, goals and management systems
- Strategic vision for risk management across the organisation
- Acceptable levels of risk and the levels of delegated authority to act
- Roles, responsibilities and accountabilities
- The risk management process, including risk identification, risk assessment and risk treatment
- Governance structures in place to support risk management, including terms of reference
- Planning, resourcing and prioritisation
- Implementation plan

The Board Assurance Framework, which focuses on identifying the principal risks at corporate level has been embedded within the foundation

trust and is regularly reviewed and updated. The Assurance Framework has been reviewed by the Board five times during the year and covers the following:

- Corporate objectives and goals.
- Identification of the principal risks to the achievement of objectives and goals, mapped to the relevant Standards for Better Health
- Identification and description of mechanisms of internal control in place to manage the risks
- Identification and description of the review and assurance mechanisms which relate to the effectiveness of the system of internal control
- Records the actions taken by the Trust to address control and assurance gaps, with progress identified through the year

In terms of the Healthcare Commission's Standards for Better Health, the Trust submitted a position of full compliance against the core standards in its Declaration in May 2007. The

Trust also declared 'excellent progress' against the developmental standards.

In addition, the Trust has in place a range of control mechanisms which support the risk management and assurance agenda:

- Ward, department and directorate risk assessments which are formally updated on an annual basis
- The Ulysses system, a software package for risk management is used to support an integrated risk management system across the Trust and enable direct reporting to the National Patient Safety Agency
- Education and training programmes throughout the organisation
- Policy approval and ratification by appropriate committees of the Board in support of the integrated governance framework
- A timetable of directorate progress reports to the Clinical Governance Committee
- Risk assessment inbuilt within all new projects

# 046/47 Statement of Internal Control

## Review of economy, efficiency and effectiveness of the use of resources

As Accounting Officer, I am responsible for ensuring that the organisation has arrangements in place for securing value for money in the use of its resources. To do this I have implemented systems to:

- Set, review and implement strategic and operational objectives
- Engage with patients, members and other stakeholders to ensure key messages about services are received and acted upon
- Monitor and review organisational performance
- Deliver efficiency gains and savings targets

Annually, the Trust produces a service strategy which incorporates a supporting financial plan for approval by the Board of Directors. This informs the annual detailed operational plan and budget which is also approved by the Board. Views of the Trust's 10,000 members are gained through their representatives on the Trust's Membership Council. In 2006/07 members of the Membership Council were involved in the development of the Trust's clinical service strategy through participation in the facilitated workshops which were held with each clinical directorate. The resulting plan informs the Trust's corporate objectives and provides the basis for quarterly performance reviews at directorate level. The Board of Directors monitors perfor-

mance monthly through the corporate report which provides integrated information on financial performance, achievement of savings targets, contract activity, human resource indicators and key service performance indicators. The Finance and Contracts Committee of the Board also meets monthly to provide dedicated time to review financial and contract performance in detail prior to Board meetings. Reports on specific issues relating to economy, efficiency and effectiveness are commissioned by the Audit Committee within the Internal Audit plan and the implementation of recommendations made by Internal Audit is overseen by the Audit Committee. Within the 2007/08 risk based Internal Audit Plan specific resource has been utilised in evaluating the effectiveness of committee structures and governance arrangements within the Trust, both at Board level and within the clinical directorates. During 2007/08 the Healthcare Commission reported nationally on maternity services recording the Trust as "better performing". The Trust was also subject to the national PbR Data Assurance Framework Audit of its clinical coding systems which identified a number of areas of good practice.

Specific management reviews have also been identified by the Board of Directors, Executive

Directors and Directorate Management as a result of risks to performance identified from the performance management system.

These reviews have included:

- Continuing the review of services required to be provided from the Aintree site
- The development of service line reports to better understand the financial and service performance of Trust activities
- Participation in a national benchmarking exercise in relation to the development of the tariff for Obstetric services
- A review of Obstetrics pathways resulting in the development of a business case to enhance further the service model for maternity services
- Participation in national projects relating to temporary staffing which is intended to support future revision of systems and procedures relating to this group of staff
- Development of "one stop" clinics to support the delivery of waiting time targets and enhance services to patients
- A review of all Gynaecology pathways to support the achievement of the 18 week target



## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors and a plan to address weaknesses and ensure continuous improvement of the system is in place. The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes the following elements:

- The Board of Directors provides active leadership of the Trust within a framework of prudent and effective controls that enable risk to be assessed and managed
- The Audit Committee, as part of an integrated governance structure, is pivotal in advising the Board on the effectiveness of the system of internal control
- The Committees of the Board are key components by which I am able to assess the effectiveness and assure the Board of risk management generally and clinical risk
- Internal Audit provides quarterly reports to the Audit Committee and full reports to the Director of Finance and other Trust Officers. The Audit

Committee also receives details of actions that remain outstanding following any follow up of previous audit work. The Director of Finance also meets regularly with the Audit Manager

- Other explicit review and assurance mechanisms include Directorate assurance frameworks linked to the Operational Plan and a range of independent assessments against key areas of control, as set out in the Assurance Framework.

Any significant internal control issues would be reported to the Board via the appropriate Committee. There have been no significant internal control issues identified during 2007/08. All significant risks identified within the Board Assurance Framework have been regularly reviewed in-year by the Board and appropriate control measures put in place.

Independent assessment has been provided by the NHS Litigation Authority assessors who awarded the Trust Level 3 for general standards in March 2008 and re-accreditation at CNST Level 3 for maternity standards in February 2008. The Trust performed well in a bench-marking exercise undertaken in relation to the Healthcare Commission's Standards for Better Health undertaken by Mersey Internal Audit Agency and continues to declare compliance with all core standards. During the year continued progress has been made with the action plan to manage the risk of hospital-acquired infection, led by the Director of Infection Prevention and Control. Major initiatives have included the Deep Clean initiative, the Clean Your Hands Campaign and the Winning Ways

Action Plan. I receive reports from the Royal Colleges and following Deanery visits. In addition, there are a range of other independent assessments against key areas of control, for example:

- Healthcare Commission's Annual Health Check 2006/07 (reported in October 2007) resulted in ratings of 'excellent' for use of resources and 'excellent' for quality of services, placing the Trust in the top 5% of NHS organisations nationally.
- Achievement of 'excellent' category in PEAT assessment
- Successful joint inspection by the Healthcare Commission and the Human Embryology and Fertilisation Authority of the Hewitt Centre for Reproductive Medicine in March 2008
- A rating of excellent from the external clinical coding audit undertaken at the as part of the Audit Commission's Payment by Results Data Assurance Framework in 2007/08

The Board of Directors is committed to continuous improvement and development of the systems of internal control.

Signed

*Sue Lorimer*

Sue Lorimer  
Acting Chief Executive  
13th June 2008

# Appendix

## Appendix 1

### Attendance at Membership Council meetings 2007/08

Attendance at meetings marked with ✓

	18th April 2007	18th July 2007	17th October 2007	23rd January 2008
<b>Public members</b>				
Roberta Chidlow (until Sept 07)		✓		
Morag Day		✓	✓	✓
Irene Drakeley	✓	✓	✓	✓
Sheila Foley		✓		✓
Janet Gilbertson				
Annette James (from Sept 07)			✓	✓
Patricia Jones				✓
Ronnie Kehoe	✓	✓	✓	✓
Brenda McGrath			✓	✓
Anees Paracha (from Sept 07)			✓	✓
Angela Parker			✓	
Shivakuru Selvathurai	✓	✓		
Anne Smith	✓	✓		
Betty Stopforth				✓
Maggi Williams	✓	✓	✓	✓
Joanna Winter			✓	
Deirdre Wood	✓	✓	✓	✓
Janine Wooldridge	✓	✓	✓	✓





	18th April 2007	18th July 2007	17th October 2007	23rd January 2008
<b>Staff members</b>				
Dorcas Akeju OBE	✓	✓	✓	✓
Leanne Bricker (from Sept 07)				✓
Angela Douglas		✓	✓	
Helen Gavin	✓		✓	✓
Jonathan Herod (until Sept 07)				
Gill Murphy	✓	✓	✓	
Paul Young	✓	✓	✓	✓
<b>Appointed members</b>				
Jane Aston (from January 08)				
Janet Atherton	✓			
Marilyn Fielding (from July 07)				
Margaret Goddard (until July 07)				
Paula Grey				
Margaret Hogan	✓	✓		
Godfrey Mazhindu	✓			
Sue Ryrie	✓	✓	✓	✓
Susan Wray			✓	

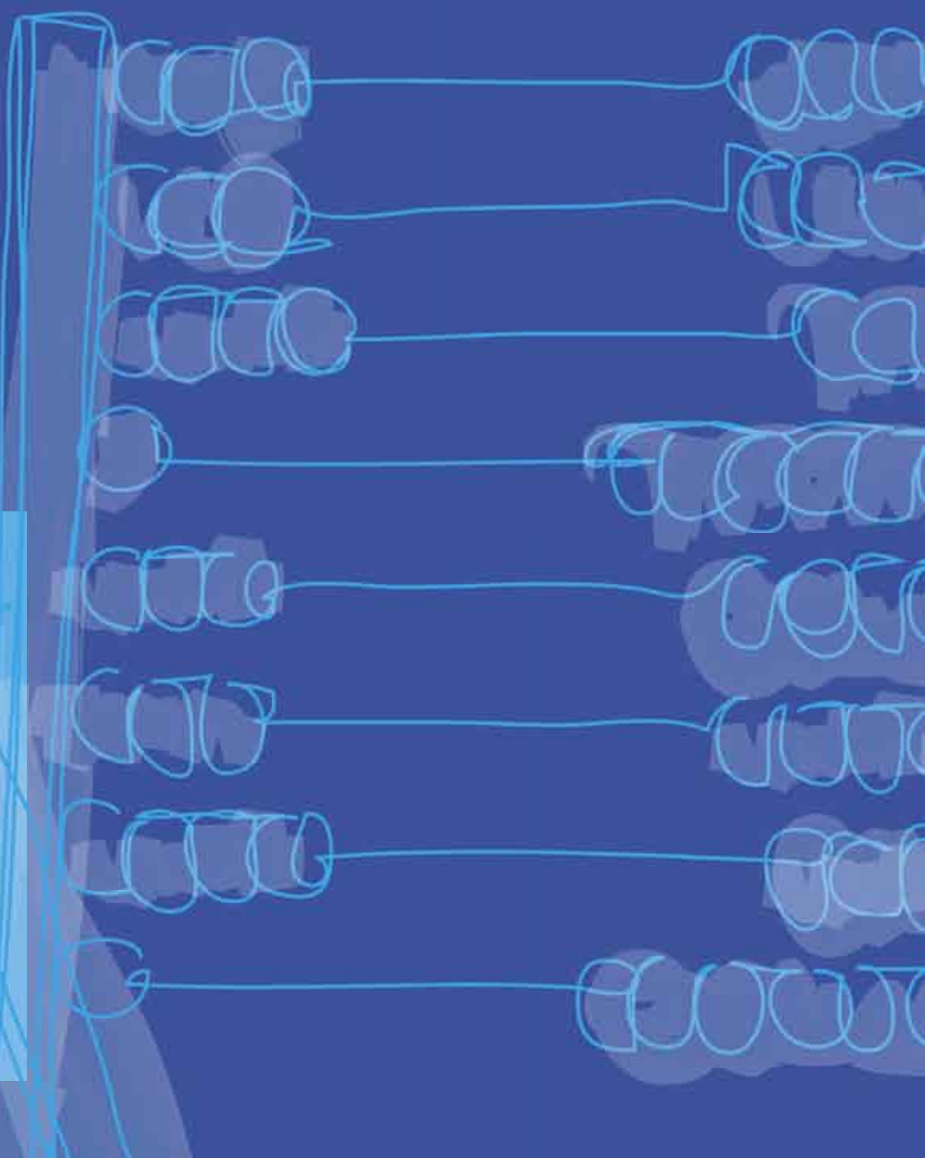
# Annual Accounts 2007/2008

## Foreword To The Accounts

These accounts for the year-ended 31st March 2008 have been prepared by the Liverpool Women's NHS Foundation Trust under schedule 7 sections 24 and 25 of the National Health Service Act 2006 in the form which Monitor, the Independent Regulator of NHS Foundation Trusts has, with the approval of the Treasury directed.

*Sue Lorimer*

Sue Lorimer  
Acting Chief Executive  
13th June 2008



# Accounts

## Income and Expenditure Account for the financial year ended 31st March 2008

	Note	2007/08 £000	2006/07 £000
<b>Income from activities</b>	3.1 - 3.3	<b>73,049</b>	70,815
<b>Other operating income</b>	4.1	<b>9,417</b>	7,360
<b>Operating expenses</b>	5.1	<b>(75,481)</b>	(74,960)
<b>OPERATING SURPLUS</b>		<b>6,985</b>	3,215
Profit/(Loss) on disposal of fixed assets	7.1	<b>7</b>	(35)
<b>SURPLUS BEFORE INTEREST</b>		<b>6,992</b>	3,180
Interest receivable		<b>646</b>	329
Interest payable	8.1	<b>(7)</b>	(1)
Other finance costs – unwinding of discount	8.1	<b>(23)</b>	(22)
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>7,608</b>	3,486
Public Dividend Capital (PDC) dividends payable		<b>(1,721)</b>	(1,714)
<b>RETAINED SURPLUS FOR THE YEAR</b>		<b>5,887</b>	1,772

# Accounts

## Balance Sheet for the financial year ended 31st March 2008

	Note	31st March 2008 £000	31st March 2007 £000
<b>FIXED ASSETS</b>			
Intangible assets	11.1	78	131
Tangible assets	11.2	51,931	50,547
<b>TOTAL FIXED ASSETS</b>		<b>52,009</b>	50,678
<b>CURRENT ASSETS</b>			
Stocks and work in progress	12.1	491	437
Debtors	13.1	3,813	3,341
Current Asset Investments		2,500	2,500
Cash at bank and in hand		12,440	6,177
<b>TOTAL CURRENT ASSETS</b>		<b>19,244</b>	12,455
<b>CREDITORS</b>			
Amounts falling due within one year	14.1	(9,937)	(9,295)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>9,307</b>	3,160
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>61,316</b>	53,838
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15.1	<b>(2,185)</b>	(2,075)
<b>TOTAL ASSETS EMPLOYED</b>		<b>59,131</b>	51,763
<b>FINANCED BY TAXPAYERS' EQUITY</b>	21.1		
Public dividend capital	21.2	35,333	33,133
Revaluation reserve	16.1	15,616	16,324
Donated asset reserve		196	207
Income and expenditure reserve		7,986	2,099
<b>TOTAL TAXPAYERS' EQUITY</b>		<b>59,131</b>	51,763

The financial statements were approved by the Board of Directors on 13th June 2008 and are signed on its behalf by:

*Sue Lorimer*

Sue Lorimer  
Acting Chief Executive

## Statement of total recognised gains and losses for the financial year ended 31st March 2008

	2007/08 £000	2006/07 £000
Surplus for the financial year before dividend payments	7,608	3,486
Unrealised Surplus on Fixed Asset revaluations	(702)	0
Increase in the donated asset reserve due to receipt of donated assets	0	11
Reductions in the donated asset reserve due to depreciation, impairment, and/or disposal of donated assets	(17)	(28)
<b>TOTAL RECOGNISED GAINS AND LOSSES FOR THE FINANCIAL YEAR</b>	<b>6,889</b>	<b>3,469</b>



# Accounts

## Cash flow statement for the financial year ended 31st March 2008

	Note	2007/08 £000	2007/08 £000	2006/07 £000
<b>Operating Activities</b>				
Net cash inflow from operating activities	18.1		<b>8,290</b>	8,113
<b>Returns on Investments and Servicing of Finance</b>				
Interest received		<b>620</b>		314
Interest paid		<b>(7)</b>		0
<b>Net Cash inflow from returns on investments and servicing of finance</b>			<b>613</b>	314
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets		<b>(3,135)</b>		(2,948)
Receipts from sale of tangible fixed assets		<b>16</b>		0
<b>Net cash outflow from capital expenditure</b>			<b>(3,119)</b>	(2,948)
<b>DIVIDENDS PAID</b>			<b>(1,721)</b>	(1,714)
<b>Net cash outflow before financing</b>			<b>4,063</b>	3,765
<b>MANAGEMENT OF LIQUID RESOURCES</b>				
Movement in short-term deposits			<b>0</b>	(2,500)
<b>Net cash outflow from management of liquid deposits</b>			<b>0</b>	(2,500)
<b>Net cash inflow before financing</b>			<b>4,063</b>	1,265
<b>FINANCING</b>				
Public dividend capital received		<b>2,200</b>		760
<b>Net cash inflow from financing</b>			<b>2,200</b>	760
<b>Movement in cash</b>			<b>6,263</b>	2,025



## 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

2007/08 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 com-

ply with the FRS 3 requirements to report "earnings per share" or historical profits and losses.

#### 1.2 Acquisitions and discontinued operations

Activities are considered as 'discontinued' where they meet all of the following conditions:

- 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;
- if a termination, the former activities have

ceased permanently;

- 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
- 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 as '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 in 2005/06. To manage the financial impact of this change on the NHS foundation trust and its commissioners PbR is being phased in. The Trust therefore accounts for its income from Commissioners at full tariff with an adjustment levied by the Department of Health (DoH) to either clawback the benefit or provide relief from the shortfall arising from the introduction of PbR. In both 2007/08 (£503,000) and 2006/07 (£982,000) the adjust-

ment levied by the DoH provided relief and the Trust received money from the DoH in accordance with national policy on this issue. The Trust will receive no further relief with effect from the 1st April 2008.

#### Expenditure

Expenditure is accounted for applying the accruals convention.

#### 1.4 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 simultane-

ous 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.

# Accounts

## Valuation

Tangible fixed assets are stated at the latest revaluation amount or in the case of newly acquired assets, at cost. 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 2008 as at the prospective valuation date of 1 April 2008. The revaluation undertaken at that date was accounted for on 31st March 2008.

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.

## 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

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.

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at net recoverable amount.

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.

An asset 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 which has been assessed by the trust's professional valuers DTZ. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life utilising the following lives:

	Years
Medical equipment and engineering plant and equipment	5 to 15
Furniture	10
Mainframe information technology installations	8
Soft Furnishings	7
Office and information technology equipment	5

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.

dedicate the carrying value may not be recoverable. Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.



## Donated fixed assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also

taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the

income and expenditure account is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the Income and Expenditure Reserve.

## 1.5 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.

## 1.6 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, and grants from the Big Lottery Fund, are accounted for as Government

grants. 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. There have been no such transactions during 2007/08.

## 1.7 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 owner-

ship 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. There have been no such transactions during 2007/08.

## 1.8 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.

## 1.9 Cash, bank and overdrafts

Cash, bank and overdraft balances are recorded at the current values of these balances in the NHS foundation trust's cashbook. 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.

# Accounts

## 1.10 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 that 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.

## 1.11 Provisions

The NHS foundation trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the

effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms.

## Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed as a note 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 as note unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

Possible obligations arising from past events whose existence will be confirmed only by the

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

## Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk-pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all

clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust.

The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 15.1.

## 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. The Trust has also taken out "top up" property insurance via a commercial insurer with premiums charged to operating expenses.





## Pension costs

The provisions of the NHS Pensions Scheme cover past and present employees. 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

### 1.12 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

### 1.13 Corporation Tax

The Trust has determined that it has no corporation tax liability having reviewed "Guidance on the tax treatment of non core health care commercial activities of NHS Foundation Trusts"

### 1.14 Foreign Exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the trans-

### 1.15 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

### 1.16 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 dis-

### 1.17 Public Dividend Capital (PDC)

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities i.e. the net assets of a public benefit corporation.

A charge, reflecting the forecast cost of capital utilised by the NHS foundation trust, is paid over

### 1.18 Liquid Resources

Deposits and other investments that are readily convertible into known amounts of cash at or

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

purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of

issued by HM Revenue and Customs supplemented by access to specific specialist advice when necessary.

actions. Resulting exchange gains and losses are taken to the Income and Expenditure account.

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

counted 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.

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

close to their carrying amounts are treated as liquid resources in the cashflow statement.

the retirement, regardless of the method of payment.

Employer contribution rates are reviewed every four years following the scheme valuation. At the last valuation on which contribution rates were rebased (March 1999) employer contribution rates from 2003/04 were set at 14% of pensionable pay.

fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

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.

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.

# Accounts

## 1.19 Financial Instruments and Financial Liabilities

### Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's

normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

### De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the Trust has transferred substantially

all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### Classification and Measurement

Financial assets are categorised as Loans and receivables Financial liabilities are classified as 'Other Financial liabilities'.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: current investments, cash at bank and in hand, NHS debtors, accrued income and 'other debtors'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a

shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the income and expenditure account.

### Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through

the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the balance sheet date, which are classified as

long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to the income and expenditure account.

### Impairment of financial assets

At the balance sheet date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' is impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset

and which has an impact on the estimated future cashflows of the asset. For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in

the income and expenditure account and the carrying amount of the asset is reduced directly. 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.

## Segmental Reporting

2.1 The Liverpool Women's NHS Foundation Trust (The Trust) is not required to complete

a segmental analysis of its accounts as the totality of its operations relate to Healthcare.

## Income from Activities

### 3.1 Income from Activities comprises

	2007/08 £000	2006/07 £000
Elective income	11,191	10,576
Non elective income	21,408	21,072
Outpatient income	13,329	13,297
Other type of activity income	25,029	22,530
Accident and Emergency income	1,494	1,321
<b>Total Income</b>	<b>72,451</b>	68,796
PbR relief or (clawback)	503	982
<b>Income from Activities (before private patient income)</b>	<b>72,954</b>	69,778
Private patient income	95	1,037
<b>TOTAL INCOME FROM ACTIVITIES</b>	<b>73,049</b>	70,815

	2007/08 £000	2006/07 £000
Income from mandatory services	71,795	68,796
Income from non mandatory services	1,254	2,019
<b>Total Income from Activities</b>	<b>73,049</b>	70,815

### 3.2 Private Patient Income

	2007/08 £000	Base Year 2002/03 £000	2006/07 £000
Private patient income	95	939	1,037
Total patient related income	73,049	52,145	70,815
Proportion of private patient income as a percentage	0.13%	1.8%	1.5%

Section 44 of the National Health Service Act 2006 requires that the proportion of private patient income to the total patient related income of NHS Foundation Trusts

should not exceed its proportion whilst the body was an NHS Trust in 2002/03. The Trust was compliant with this requirement in 2007/08.

# Accounts

## 3.3 Income from Activities comprises

	2007/08 £000	2006/07 £000
NHS Foundation Trusts	331	216
NHS Trusts	2,192	2,119
Primary Care Trusts	65,153	61,750
Department of Health – other	3,840	4,357
NHS other	1,336	1,252
Non NHS – Private patients	95	1,037
Non NHS – Overseas patients (non reciprocal)	6	2
Road Traffic Act (RTA)	12	13
Non NHS – other	84	69
<b>TOTAL INCOME FROM ACTIVITIES</b>	<b>73,049</b>	<b>70,815</b>

## Other Operating Income

### 4.1 Other operating income comprises

	2007/08 £000	2006/07 £000
Research and development	528	613
Education and training	4,536	4,089
Transfers from the donated asset reserve	17	28
Other	4,336	2,630
<b>TOTAL OTHER OPERATING INCOME</b>	<b>9,417</b>	<b>7,360</b>

The Education and Training income arises from the provision of mandatory education and training set out in the Trust Terms of Authorisation. All other operating income is non protected and includes:

	2007/08 £000	2006/07 £000
Provision of clinical support services to North West Fertility Ltd	1,798	857
LIS Monies	603	202
Car Parking Income	321	316
Provision of Laboratory Services	138	211
Catering	151	140
Perinatal Audit	268	169
Deep Clean Monies	131	0

## Operating Expenses

### 5.1 Operating expenses comprise:

	2007/08 £000	2006/07 £000
Services from NHS Foundation Trusts	2,916	2,896
Services from NHS Trusts	3,707	3,634
Services from other NHS bodies	124	69
Purchase of healthcare from non NHS bodies	14	0
Executive director costs	645	718
Non-executive director costs	106	67
Staff costs	48,032	47,236
Drug costs	2,504	2,331
Supplies and Services – clinical (excluding drug costs)	3,371	3,055
Supplies and Services – general	2,768	2,556
Establishment	1,009	940
Research and development*	0	0
Transport	61	125
Premises	2,653	2,538
Bad debts	0	221
Depreciation and amortisation	2,082	2,557
Fixed asset impairments and reversals	75	163
Audit fees	41	58
Clinical negligence	2,996	3,590
Other	2,377	2,206
<b>TOTAL OPERATING EXPENSES</b>	<b>75,481</b>	<b>74,960</b>

\* Research and development expenditure is not separately disclosed above as it cannot be identified separately from Trust patient care activity.



# Accounts

## 5.2 Operating Leases:

### 5.2.1 Operating expenses include:

	2007/08 £000	2006/07 £000
Hire of plant and machinery	26	25
Other operating lease rentals	28	28
Total operating lease rentals	54	53

### 5.2.2 Annual commitments under non-cancellable operating leases are:

Operating leases which expire:	Other Leases 2007/08 £000	Other Leases 2006/07 £000
Within 1 year	2	17
Between 1 and 5 years	18	11
After 5 years	0	0
<b>TOTAL OPERATING LEASE RENTALS</b>	20	28

The Trust held no operating leases in respect of land and buildings during both 2007/08 and 2006/07

## 5.3 Audit fees comprise:

	2007/08 £000	2006/07 £000
Audit services – statutory audit	41	39
Audit services – audit-related regulatory reporting	0	0
Other auditors remuneration further assurance services	0	0
Other auditors remuneration other services	0	19
<b>TOTAL AUDIT FEES</b>		
Audit Services provided by Baker Tilly UK Audit LLP	41	58

## 5.4 Salary and Pension Entitlements of Senior Managers:

### 5.4.1 Salary entitlements:

Name and position held		Salary (bands of £5,000) 2007/08 £000	Other Remunera- tion (bands of £5,000) 2007/08 £000	Salary (bands of £5,000) 2006/07 £000	Other Remuneration (bands of £5,000) 2006/07 £000
Louise Shepherd	Chief Executive Left 9th March 2008	115 - 120	0	110 - 115	0
Sue Lorimer	Acting Chief Executive With effect from 10th March 2008 Director of Finance	90 - 95	0	85 - 90	0
David Richmond	Medical Director	40 - 45	157 - 160	40 - 45	145 - 150
Gill Core	Director of Nursing Midwifery and Patient Quality	75 - 80	0	65 - 70	0
Caroline Salden	Director of Service Development	70 - 75	0	65 - 70	0
Kim Doherty	Director of Human Resources	50 - 55	0	50 - 55	0
David Renouf	Acting Director of Finance With effect from 10th March 2008	0 - 5	0	0	0
Ken Morris	Chair	30 - 35	0	20 - 25	0 - 5
David Carbery	Non executive director	10 - 15	0	5 - 10	0
Roy Morris	Non executive director	10 - 15	0	5 - 10	0
Hoi Yeung	Non executive director	10 - 15	0	5 - 10	0
Ann McCracken	Non executive director	10 - 15	0	5 - 10	0
Yvonne Rankin	Non executive director	10 - 15	0	5 - 10	0

#### Note:

\* The Director of Human resources commenced maternity leave wef 12th December 2007. The post has been covered from this date by Rachel Patterson on secondment from Mersey Care NHS Trust. The Trust has paid £27,070 to this organisation.

There were no benefits in kind payable to senior managers, and there were no compensation payments for loss of office.

# Accounts

## 5.4.2 Pension entitlements:

		Real increase in pension and related lump sum at age 60 (bands of £2,500)	Total accrued pension and related lump sum at age 60 31st March 2008 (bands of £2,500)	Real increase in CETV £000	(CETV) at 31st March 2008 £000	Cash Equivalent Transfer Value (CETV) at 31st March 2007 £000
<b>Executive Directors</b>		2.5 - 5	115 - 117.5	18	374	337
David Richmond	Medical Director	30 - 32.5	247.5 - 250	108	1,077	899
Sue Lorimer	Director of Finance	0 - 2.5	92.5 - 95	10	361	338
Gill Core	Director of Nursing Midwifery and Patient Quality	7.5 - 10	102.5 - 105	30	351	300
Caroline Salden	Director of Service Development	5 - 7.5	50 - 52.5	13	143	122
Kim Doherty	Director of Human Resources	0 - 2.5	40 - 42.5	7	111	99

As non executive directors do not receive pensionable remuneration there are no entries in respect of pensions for non executive directors. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued

are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes

account of the increase in accrued pension due to inflation contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Staff Costs and Numbers

### 6.1 Staff costs including director costs:

	2007/08 £000	2006/07 £000
Salaries and wages	<b>40,896</b>	40,313
Social Security costs	<b>2,741</b>	2,782
Employer contributions to the NHS pensions agency	<b>4,396</b>	4,401
Agency and Contract staff	<b>644</b>	458
Seconded-in staff	<b>0</b>	0
<b>TOTAL STAFF COSTS</b>	<b>48,677</b>	47,954

## 6.2 Average number of persons employed:

	<b>TOTAL 2007/08 Number</b>	<b>Senior Managers Number</b>	<b>Others Number</b>	<b>Staff on Inward Second- ment</b>	<b>Agency, Temporary and Contract staff Number</b>	<b>TOTAL 2006/07 Number</b>
Medical and Dental	<b>137</b>	1	136			127
Administration & Estates	<b>259</b>	5	249		5	246
Healthcare Assistants & Other Support staff	<b>122</b>		115		7	117
Nursing, Midwifery & Health visiting staff	<b>658</b>		623		35	671
Nursing, Midwifery, & Health visiting learners	<b>0</b>		0			0
Scientific, Therapeutic & Technical staff	<b>97</b>		97			112
<b>TOTAL</b>	<b>1273</b>	<b>6</b>	<b>1220</b>	<b>0</b>	<b>47</b>	<b>1,273</b>

## 6.3 Employee benefits:

There were no employee benefits attributable to individual employees during 2007/08 (2006/07 nil)

## 6.4 Retirements due to ill-health:

This note discloses the number and additional pension costs for individuals who retired early on

ill-health grounds during the year. There were 7 (2006/07 2) retirements at an additional cost of

£71,563.31 (£102,807.67). This information has been provided by NHS Pensions.

## 6.5 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 the Secretary of State, in England and Wales. As a consequence it is not possible for the Trust to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme in the accounting period.

The Scheme is subject to a full valuation by the Government Actuary every four years which is

followed by a review of the employer contribution rates. The last valuation took place as at 31st March 2003 and has yet to be finalised. The last published valuation covered the period 1st April 1994 to 31st March 1999 between valuations the Government Actuary provides an update of the scheme liabilities on an annual basis.

The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions Agency website at [www.nhspa.gov.uk](http://www.nhspa.gov.uk). Copies can also be obtained

from the Stationery Office.

The conclusion of the 1999 valuation was that the scheme continues to operate on a sound financial basis and the notional surplus of the scheme is £1.1 billion. It was recommended that employers' contributions remain at 7% of pensionable pay until 31st March 2003 and then be increased to 14% of pensionable pay with effect from 1st April 2003. On advice from the actuary the contribution may be varied from time to time to reflect changes in the scheme's liabilities. Employees pay contributions of 6% (manual staff 5%) of their pensionable pay.

# Accounts

## Disposal of Fixed Assets

### 7.1 Profit and (Loss) on disposal of fixed assets comprises:

	2007/08 £000	2006/07 £000
Profit on disposal of other tangible fixed assets (equipment)	13	0
Loss on disposal of other tangible fixed assets (equipment)	(6)	(35)
<b>TOTAL PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS</b>	<b>7</b>	<b>(35)</b>

Assets disposed of were unprotected there being no disposals of protected assets in the period.

## Interest Payable and Similar Charges

### 8.1 Interest payable:

	2007/08 £000	2006/07 £000
Overdrafts	0	0
Finance leases	0	0
Other		
- other interest payable	(7)	(1)
- unwinding of discount	(23)	(22)
<b>TOTAL INTEREST PAYABLE</b>	<b>(30)</b>	<b>(23)</b>

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

	2007/08 £000	2006/07 £000
Amounts included within other interest payable arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0



## Public Dividend Capital Dividend

9.1 The Trust is required to pay a dividend to the Department of Health at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that dividends paid on PDC, totalling £1,721,000 (2006/07

£1,714,000) bears to the average relevant net assets of £46,086,978 (2006/07 £44,996,949) that is 3.7% (2006/07 3.8%).

## Losses and Special Payments

10.1 NHS Foundation Trusts are required to record cash payments and other adjustments that arise as a result of losses and special payments. In the year 2007/08 the Trust had 115 (2006/07 137) separate losses

and special payments, totalling £49,828 (2006/07 £100,814). The bulk of these were in relation to the write-off of bad debts and claims abandoned.

## Fixed Assets

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

	Software Licences £000
<b>Gross Cost at 1st April 2007</b>	<b>332</b>
Additions – purchased	0
<b>Cost or Valuation at 31st March 2008</b>	<b>332</b>
Amortisation at 1st April 2007	201
Provided during year	53
<b>Amortisation at 31st March 2008</b>	<b>254</b>
<b>Net book value:</b>	
<b>Total Purchased at 1st April 2007</b>	<b>131</b>
<b>Total Purchased at 31st March 2008</b>	<b>78</b>

# Accounts

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

	Land £000	Buildings ex dwell- ings £000	Dwell- ing £000	Assets under construction £000	Plant & Machin- ery £000	Informa- tion Technol- ogy £000	Furniture & Fittings £000	Total £000
<b>Cost or Valuation at 1st April 2007</b>	<b>8,055</b>	<b>38,250</b>	<b>259</b>	<b>773</b>	<b>12,590</b>	<b>1,664</b>	<b>215</b>	<b>61,806</b>
Additions – purchased	0	798	142	1,011	1,230	1,015	5	<b>4,201</b>
Additions – donated	0	0	0	0	0	0	0	<b>0</b>
Impairments	0	0	0	0	(75)	0	0	<b>(75)</b>
Reclassifications	0	144	0	(144)	0	0	0	<b>0</b>
Other Revaluations	(3,690)	(114)	19	0	903	0	12	<b>(2,870)</b>
Disposals	0	0	0	0	(17)	0	0	<b>(17)</b>
<b>Cost or Valuation at 31st March 2008</b>	<b>4,365</b>	<b>39,078</b>	<b>420</b>	<b>1,640</b>	<b>14,631</b>	<b>2,679</b>	<b>232</b>	<b>63,045</b>
Accumulated depreciation at 1st April 2007	0	2,262	6	0	8,347	557	87	<b>11,259</b>
Provided during year	0	485	4	0	1,113	389	38	<b>2,029</b>
Impairments	0	0	0	0	0	0	0	<b>0</b>
Other Revaluations	0	(2,747)	(10)	0	584	0	5	<b>(2,168)</b>
Disposals	0	0	0	0	(6)	0	0	<b>(6)</b>
<b>Accumulated depreciation at 31st March 2008</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,038</b>	<b>946</b>	<b>130</b>	<b>11,114</b>
Net book value								
Purchased at 1st April 2007	8,055	35,866	253	773	4,168	1,107	118	<b>50,340</b>
Donated at 1st April 2007	0	122	0	0	75	0	10	<b>207</b>
<b>Total as at 1st April 2007</b>	<b>8,055</b>	<b>35,988</b>	<b>253</b>	<b>773</b>	<b>4,243</b>	<b>1,107</b>	<b>128</b>	<b>50,547</b>
Purchased at 31st March 2008	4,365	38,958	420	1,640	4,524	1,733	95	<b>51,735</b>
Donated at 31st March 2008	0	120	0	0	69	0	7	<b>196</b>
<b>Total at 31st March 2008</b>	<b>4,365</b>	<b>39,078</b>	<b>420</b>	<b>1,640</b>	<b>4,593</b>	<b>1,733</b>	<b>102</b>	<b>51,931</b>

There are no restrictions on the use of donated assets

### 11.3 The net book value of land, buildings, and dwellings at 31st March 2008 comprises:

	2007/08 £000	2006/07 £000
Freehold	43,443	44,043
Long Leasehold	420	253
Total	43,863	44,296

The assets are used in the provision of mandatory services and are therefore classified as protected

## Stocks and Work in Progress

### 12.1 Stocks and work in progress comprise:

	2007/08 £000	2006/07 £000
Raw materials and consumables	491	437

## Debtors

### 13.1 Debtors comprise:

	2007/08 £000	2006/07 £000
<b>Amounts falling due within one year:</b>		
NHS Debtors	2,127	2,173
Amounts recoverable on contracts	193	182
Provision for irrecoverable debts	(231)	(250)
Other Debtors	1,565	1,091
Other Prepayments and Accrued Income	159	145
<b>TOTAL DEBTORS</b>	<b>3,813</b>	<b>3,341</b>

## Creditors

### 14.1 Creditors comprise:

	2007/08 £000	2006/07 £000
<b>Amounts falling due within one year:</b>		
NHS creditors	1,233	2,229
Tax and Social Security	1,460	1,486
Other creditors	4,760	3,511
Accruals and deferred income	2,484	2,069
<b>TOTAL CREDITORS</b>	<b>9,937</b>	<b>9,295</b>

# Accounts

## Provisions for Liabilities and Charges

### 15.1 Provisions for liabilities and charges comprise:

	TOTAL £000	Pensions Other Staff £000	Other Legal Claims £000	Other £000	TOTAL 31st March 2007 £000
As at 1st April 2007	2,075	1,101	33	941	1,172
Arising during the year	236	13	69	154	1,075
Utilised during the year	(70)	(59)	(1)	(10)	(118)
Transfer to accruals	0	0	0	0	0
Reversed unused	(79)	(3)	(22)	(54)	(76)
Unwinding of discount	23	23	0	0	22
<b>As at 31st March 2008</b>	<b>2,185</b>	<b>1,075</b>	<b>79</b>	<b>1,031</b>	<b>2,075</b>
<b>Expected timing of cashflows:</b>					
- within one year	388	55	79	254	189
- between one and five years	997	220	0	777	1,065
- after five years	800	800	0	0	821

Pensions relating to other staff are for early retirements and reflect actuarial forecasts in respect of the duration of payments. Other Legal Claims comprises amounts due as a result of third party and employee liability claims. The values are informed by information provided by the Trust's insurer the NHS Litigation Authority.

Other provisions comprise amounts provided for legal claims for back pay from the implementation of Agenda for Change. £44,958,510 is included within the provisions of the NHS Litigation Authority as at the 31st March 2008 in respect of the clinical negligence liabilities of the Trust. (31st March 2007 £29,851,134)

### 15.2 Contingent Liability

The Trust has a contingent liability of £27,806 at the 31st March 2008 in respect of liabilities to third parties claims for which no provision has been made.

## Movement on Reserves

### 16.1 Movements on reserves in the year comprise:

	Re-valuation Reserve £000	Donated Asset Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000	TOTAL £000
As at 1st April 2007	16,324	207	0	2,099	18,630
Transfer from the income and expenditure account	0	0	0	5,887	5,887
Surplus on other revaluations	(708)	6	0	0	(702)
Transfers to the Income and Expenditure Account for depreciation, impairment and disposal of donated assets	0	(17)	0	0	(17)
<b>As at 31st March 2008</b>	<b>15,616</b>	<b>196</b>	<b>0</b>	<b>7,986</b>	<b>23,798</b>

## Prudential Borrowing Limit

17.1 The Liverpool Women's NHS Foundation Trust is required to comply and remain within a Prudential Borrowing Limit (PBL). This is made-up of two elements:

a) the maximum cumulative amount of long term borrowing. This is set by reference to five ratio tests set out in Monitor's Prudential

Borrowing Code further details of which can be found on the website of Monitor;  
b) the amount of any working capital facility approved by Monitor.

The Trust had a prudential borrowing limit (PBL) of £22.2million (£22.2million in 2006/07) of

which £17.2m (£17.2m) related to long-term borrowing and £5m (£5m) to a working capital facility. The Trust has not yet borrowed against this limit and thus the only ratio of relevance is that of the Minimum Dividend Cover. The table below confirms that the Trust was within the approved ratios.

	2007/08 Actual Ratio	2007/08 Approved Ratio	2005/06 Actual Ratio	2005/06 Approved Ratio
Maximum Debt/Capital Ratio	-	25%	-	25%
Minimum Dividend Cover	5.6	1	3.6	1
Minimum Interest Cover	-	3	-	3
Minimum Debt Service Cover	-	2	-	2
Maximum Debt Service to Revenue	-	3%	-	3%

On 31st March 2008 the Trust had in place an actual working capital facility of £5million.



# Accounts

## Notes to the Cash Flow Statement

### 18.1 Reconciliation of operating surplus to net cash flow from operating activities

	2007/08 £000	2006/07 £000
Total Operating Surplus	6,985	3,215
Depreciation and amortisation	2,082	2,557
Fixed asset impairments	75	163
Transfer from donated asset reserve	(17)	(28)
Other Movements	0	0
(Increase)/Decrease in Stocks	(53)	134
(Increase)/Decrease in Debtors	(446)	464
Increase/(Decrease) in Creditors	(423)	729
Increase/(Decrease) in Provisions	87	879
<b>Net Cash inflow from operating activities</b>	<b>8,290</b>	<b>8,113</b>

### 18.2 Reconciliation of net cash flow to movement in cash and liquid resources

	2007/08 £000	2006/07 £000
Increase in cash in the year	6,263	2,025
Cash used to increase liquid resources	0	2,500
Cash and Liquid resources 1st April 2007	8,677	4,152
<b>Cash and Liquid Resources 31st March 2008</b>	<b>14,940</b>	<b>8,677</b>

### 18.3 Analysis of changes in cash and liquid resources

	As at 31st March 2008 £000	Cash Changes in Year £000	As at 31st March 2007 £000
Cash at bank and in hand	12,440	6,263	6,177
Liquid resources	2,500	0	2,500
<b>Total</b>	<b>14,940</b>	<b>6,263</b>	<b>8,677</b>

Liquid resources comprise short term deposits with the National Loans Fund.

## Capital Commitments

19.1 At the balance sheet date of 31st March 2008 the Trust had capital commitments of £406,837 (2006/07 £1,032,049)

## Post Balance Sheet Events

20.1 There are no disclosable post balance sheet events.

## Movements in Taxpayers' Equity

### 21.1 Movement in taxpayers' equity comprises:

	2007/08 £000
<b>Taxpayers' equity at 1st April 2007</b>	<b>51,763</b>
Surplus for the financial year	<b>7,608</b>
Public Dividend capital dividends	<b>(1,721)</b>
Gains from revaluation/indexation of purchased fixed assets	<b>(702)</b>
New Public Dividend Capital received	<b>2,200</b>
Movement on Donated Asset reserve	<b>(17)</b>
<b>Taxpayers equity at 31st March 2008</b>	<b>59,131</b>

### 21.2 Movement in Public dividend capital comprises:

	2007/08 £000
Public dividend capital at 1st April 2007	33,133
Public dividend capital received in year	2,200
<b>Public dividend capital at 31st March 2008</b>	<b>35,333</b>

## Related Party Transactions

22.1 The Liverpool Women's NHS Foundation Trust is a public interest body authorised by Monitor, the Independent Regulator for NHS

Foundation Trusts. During the year the Trust has undertaken the following material transactions with North

West Fertility Limited with whom senior clinical and scientific managers within the Trust hold directorships and shareholdings:

	Income £000	Expenditure £000
Provision of clinical support services to North West Fertility Limited	1,799	28

Non material transactions were also undertaken with the Liverpool John Moores University, and Mace and Jones Solicitors as part of the normal day to day running of the Trust with whom a non executive director of the Trust holds a directorship and

chairmanship respectively. As NHS Foundation Trusts are independent bodies, not controlled by the Secretary of State, the Trust does not automatically deem other Government departments to be related parties.

The Trust has also received a number of non material revenue payments reimbursing staff expenditure from a number of charitable funds for which the Trust acts as Corporate Trustee.

### 22.2 At the 31st March 2008 the following balances were held by the Trust in respect of related parties:

	Debtors £000	Creditors £000
North West Fertility Ltd.	49	5

# Accounts

## Financial Instruments

23.1 FRS 25 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.

### Liquidity Risk

The Liverpool Women's NHS Foundation Trust net operating costs are incurred under legally binding contracts with local Primary Care Trusts. The Trust receives regular monthly payments from PCTs based on an agreed contract value

with adjustments made for actual services provided. The availability of a working capital facility with the Trust's bankers mitigates the risk arising from potential variations in income arising from delivery of patient care services.

The Trust finances its capital expenditure from internally generated funds or Public Dividend Capital made available by the Department of Health. The Trust is therefore not exposed to significant liquidity risks.

### Interest Rate Risk

All of the Trust's financial assets carry nil or fixed rates of interest. The Trust is not exposed to significant interest rate risk.

### Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure.

## 23.2 Financial Assets

	TOTAL £000	Float- ing Rate £000	Fixed Rate £000	Non Interest Bearing £000	Fixed Rate	
					Weighted Average inter- est rate %	Weighted average period for which fixed
At 31st March 2008						
Sterling	14,940	14,691	0	249		
<b>Gross financial Assets</b>	<b>14,940</b>	<b>14,691</b>	<b>0</b>	<b>249</b>		
At 31st March 2007						
Sterling	8,677	8,623	0	54		
Gross financial Assets	8,677	8,623	0	54		

### 23.3 Financial Liabilities

	TOTAL £000	Float- ing Rate £000	Fixed Rate £000	Non Inter- est Bearing £000	Fixed Rate	
					Weighted Average interest rate %	Weighted average period for which fixed
At 31st March 2008						
Sterling	(37,408)	0	(1,075)	(35,333)	2.2%	indeterminate
<b>Gross financial Liabilities</b>	<b>(37,408)</b>	0	(1,075)	(35,333)		
At 31st March 2007						
Sterling	(34,234)	0	(1,101)	(33,133)	2.2%	indeterminate
<b>Gross financial Liabilities</b>	<b>(34,234)</b>	0	(1,101)	(33,133)		

The non-interest bearing financial liability relates to PDC and so is of unlimited term although the Secretary of State can require repayment of PDC at any time.

### 23.4 Fair values

	Book Value £000	Fair Value £000	Basis of fair valuation
<b>Financial Assets</b>			
Cash	12,440	12,440	
Investments	2,500	2,500	
<b>Total</b>	<b>14,940</b>	<b>14,940</b>	
<b>Financial Liabilities</b>			
Provisions under contract	(1,075)	(1,075)	a)
Public Dividend Capital	(35,333)	(35,333)	
<b>Total</b>	<b>(36,408)</b>	<b>(36,408)</b>	

a) Fair value is not significantly different from book value since in the calculation of book values the expected cashflows have been discounted by the treasury discount rate of 2.2%

## Third Party Assets

24.1 The Trust held no cash or other assets on behalf of patients at the 31st March 2008.

# Auditors Report

## Independent auditors' report to the Membership Council of Liverpool Women's NHS Foundation Trust

We have audited the financial statements of Liverpool Women's NHS Foundation Trust, which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes.

This report is made solely to the Membership Council of Liverpool Women's NHS Foundation Trust ("the Trust"), as a body, in accordance with the National Health Services Act 2006. Our audit work has been undertaken so that we might state to the Trust those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not, in giving our opinion, accept or assume responsibility to anyone other than the Trust, as a body, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and Auditors

The Chief Executive's responsibilities for preparing the financial statements in accordance with directions issued by Monitor and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Accounting Officer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) and to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with directions issued under paragraph 25(2) of Schedule 7 of the National Health Service Act 2006 and whether the accounts comply with the requirements of all other provisions contained in, or having an effect under, any enactments which are applicable to the accounts.

In addition, we report to you if, in our opinion, the Trust has not observed proper accounting practices in the compilation of the accounts, the information given in the Annual Report is not consistent with the financial statements, the Trust has not kept proper accounting records, we have not received all of the information and explanation we require for our audit, if informa-

tion specified by law regarding director's remuneration and other transactions is not disclosed or if we cannot conclude that the trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We review whether the Statement on Internal Control is misleading or inconsistent with other information we are aware of from our audit of the financial statements and our knowledge of the Trust. We are not required to consider, nor have we considered, whether the Statement on Internal Control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures. We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements.

The other information comprises only the Chair's Statement, the Directors' Report, the sections on the Board of Directors, the Membership Council, Membership and Public Interest Disclosures and the Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code for NHS Foundation Trusts issued by Monitor. An audit includes the 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 Chief Executive 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.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstate-

ment, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of Liverpool Women's NHS Foundation Trust's affairs as at 31st March 2008 and of its surplus for the year then ended and have been properly prepared in accordance with the direction issued by Monitor on 17th January 2008 under the National Health Service Act 2006.

### Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP  
Chartered Accountants  
Brazenose House  
Lincoln Square  
Manchester  
M2 5BL

13th June 2008

## Independent Auditors' Report to monitor on Liverpool Women's NHS Foundation Trust Consolidation Schedules

We have examined the consolidation schedules (FTC's) of Liverpool Women's NHS Foundation Trust for the year ended 31st March 2008.  
This report is made solely to Monitor in accordance with the Audit code for Foundation Trusts.  
In our opinion these consolidation schedules are consistent with the audited accounts.

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP  
Chartered Accountants  
Brazennose House  
Lincoln Square  
Manchester  
M2 5BL

13th June 2008



