Salford Royal Hospitals NHS
NHS Trust

SALFORD ROYAL HOSPITALS NHS TRUST

REPORT AND ACCOUNTS OF SALFORD ROYAL HOSPITALS NHS TRUST FROM APRIL 1st TO JULY 31st 2006

Published February 2007

On 1st August 2006 Salford Royal Hospitals NHS Trust achieved Foundation Trust (FT) status. For the first four months of 2006/07 Salford Royal Hospitals operated as an NHS Trust.

The operating and financial requirements of Foundation Trusts differ from those of non-Foundation Trusts and separate accounts and financial statements are required for each. This document provides a report and accounts for the period April to July 2006 prior to authorisation as an NHS Foundation Trust.

A separate document, with accounts, will be produced covering the remainder of the financial year. A comprehensive narrative on the Trust's performance and achievements for 2006/07 will be found in the report covering this latter period.

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Section 1: Foreword

1.1 Salford Royal Hospitals NHS Trust submitted its application to be a Foundation Trust in December 2005 and was authorised to operate as an NHS Foundation Trust from August 1st 2006. This report therefore covers the period from 1st April to 31st July in the financial year 2006/07, when it was still an NHS Trust.

1.2 The Trust is one of three Teaching Trusts in Greater Manchester, providing a comprehensive range of acute services to a local Salford population of 216,000, as well as more specialist services to the populations of Greater Manchester and beyond. Our specialist services include:

- Neurosciences
- Renal Medicine
- Intestinal Failure
- Complex Spines
- Specialist Cancer
- Specialist Dermatology
- Specialist Neonatal Care

1.3 The Trust employs over 4,200 staff and in the period covered by this report (April to July 2006) had an income of £75 million. Our contracted clinical activity delivery in the same time period can be summarised as follows:

Point of Delivery	**Outturn to July 2006**
Day Case Spells	6,857
In-patient Elective Spells	3,017
Non Elective Spells	12,074
First Out-patient Attendances	20,742
Follow Up Out-patient Attendances	71,210

1.4 As an NHS Trust the Trust Board set the strategic direction for the Trust and was statutorily responsible for the organisation's activities on behalf of the Secretary of State. The Executive Board was responsible for the overall performance of the Trust and the delivery of its strategic and operational activities during this period.

1.5 The Trust Board modified its governance arrangements as part of its becoming a Foundation Trust and is now referred to as the Board of Directors.

Section 2: Chief Executive's and Chairman's Introduction

2.1 The early part of 2006/07 was a very exciting time for the Trust as we looked forward to achieving our goal of becoming a Foundation Trust (FT). The Trust was delighted to be authorised to operate as a Foundation Trust from 1st August 2006.

2.2 We believe that being a Foundation Trust has provided us with the freedoms to enable us to develop our services to satisfy the needs and expectations of our patients and the populations we serve.

2.3 Alongside these greater freedoms came increased responsibilities. To succeed as a Foundation Trust the organisation has had to pay far greater attention to how it plans for its future. In April 2006 the Trust completed its Service Development Strategy (SDS), which described our strategic and service objectives over a five year period and our financial plans for a ten year period.

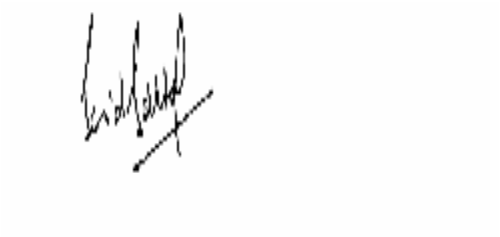
2.4 The SDS was the key driver in developing our 2006/07 Annual Plan, describing how we planned to take services forward within the financial year. Progress against our 2006/07 Annual Plan will be described in greater detail in our first Report as a Foundation Trust, due to be published in the summer of 2007.

2.5 Being a Foundation Trust has also provided us with the opportunity to work much more closely with the public we serve and our partner organisations. Ensuring that we met the needs and expectations of our patients, the public and membership will be the key to our future success. We actively encourage our patients and the public to become involved in our organisation through membership of the FT. Information on becoming a member of the FT can be obtained by contacting the Trust Executive or accessing the Trust website **www.srht.nhs.uk.**

2.6 During the first four months of 2006/07 the Trust worked hard to develop its membership and establish a Council of Governors that we hope will provide considerable support to the Trust in ensuring that we continue to understand and meet the needs of those we serve.

2.7 Notwithstanding the considerable effort required to achieve Foundation Trust status, the Trust has continued to focus on our core purpose of providing the highest quality of care to its patients and continues to perform well against a wide range of Healthcare Commission standards.

2.8 The Board of Directors is immensely proud of the Trust's achievements and recognises the immeasurable contribution made by our staff in this regard. The Board of Directors extend their full appreciation of the continued dedication, professionalism and hard work displayed by all of our staff.



Chief Executive

Dated 2nd February 2007

Chairman

Dated 2nd February 2007

Section 3: Operating and Financial Review

3.1. Review April-July 2006

3.1.1 The Trust continues to perform well in key target areas. In the reporting period (April-July 2006) the Trust made good progress towards achieving a year end performance of meeting or exceeding the following key targets:

- **Total Time in A&E**: 98% or more of patients attending A&E were seen, treated, admitted or discharged within four hours of arrival.
- **Two week Cancer Wait**: All patients referred with suspected cancers were seen within two weeks of referral.
- **Waiting Times for Rapid Access Chest Pain Clinic (RACPC)**: All patients with new onset chest pain were seen in the RACPC within 2 weeks of referral.
- **Cancer 1 Month Target**: All patients diagnosed with cancer were treated within 31 days of their definitive diagnosis.
- **Outpatient waiting times**: No patient waited more than 13 weeks for a first outpatient appointment.
- **Inpatient waiting Times**: No patients waited more than 6 months for an elective treatment.
- **Delayed Transfer of Care**: 1.07% of patients that could have been discharged remained in a hospital bed longer than necessary for their care. The target is that no more than 3% of patients should remain in hospital longer than necessary.
- **Cancelled Operations**: 0.65% of patients who have their operation cancelled at short notice (on the day of their operation) did not receive the offer of a definitive date to come in within 28 days of the cancellation.
- **Thrombolysis Treatment Time**: 77.78% of eligible patients suffering from a heart attack received appropriate treatment within 1 hour of calling for help. .

3.1.2 The Trust also made good progress in the following:

- **Cancer 2 Month Wait**: 95% of patients with cancer must receive their treatment within 2 months of their referral. In quarter 1 of 2006/07 the Trust achieved 91%. Meeting the 95% depends on close working between NHS providers to ensure all patients are seen on time. A key reason for the Trust not meeting this target concerns delays in access to

radiotherapy services at other NHS Trusts. The Trust has worked with these partner organisations to ensure that we meet the 95% target over 2006/07 as a whole.

- **MRSA**: During the four months to July 2006 there were 16 patients found to be carrying MRSA. Whilst this constitutes a significant improvement when compared to the same period in the previous year the figure is still slightly higher than the target set by the Department of Health. The Trust will continue to improve its performance over the remaining months of 2006/07 to ensure that levels can be reduced in order that we deliver our targets.

3.1.3 The Healthcare Commission extended the range of national targets for Acute Trusts in 2006/07. Further guidance on measures to be used in assessing these targets was published in December 2006. The Trust's Report, covering August 2006-March 2007 will provide details on our performance against these new targets.

3.2 Summary Developments April – July 2006

3.2.1 The Trust has continued to develop services and make investment where necessary. During the first four months of the financial year the Trust increased its consultant staffing levels with appointments in cardiology, renal, paediatrics and anaesthetics.

3.2.2 These investments helped to improve access to a wide range of services for patients and supported the development of our plans for the future.

3.2.3 Whilst this report covers only a third of the financial year, a summary of capital expenditure and plans for the full year is included in Section 3.10.20

3.3 Emergency Planning

3.3.1 The Trust has a well-developed Major Incident Plan that ensures our emergency services are able to respond effectively to a range of potential major incidents and/or emergencies which might result in excessive numbers of patients, including train crashes, bombings or a flu pandemic.

3.3.2 The Trust continually reviews and tests its plans using scenario - based table top exercises. The Trust also undertakes regular communication and live exercises that test the capacity of our staff to respond. The Major Incident Plan is accessible to staff through the Trust's internal website.

3.3.3 The Trust has formally planned to ensure 'business continuity under some of the circumstances described above, such as flu pandemic and incidents which may take sections of the hospital estate or major items of equipment out of use for extended periods.

3.4 Our Plans for the Future

3.4.1 In April 2006 the Trust completed the development of its Service Development Strategy (SDS). The SDS describes our strategic, clinical and financial intentions for the next five years.

3.4.2 The SDS is the key driver for the Trusts Annual Plan. The Annual Plan for 2006/07 can be found on the Trust's website at http://www.srht.nhs.uk

3.5 Developing Our Staff

3.5.1 The Trust recognises the contribution of its staff in our continuing success and is proud of its reputation as a good employer.

3.5.2 The Trust seeks to maintain a motivated workforce through promoting a positive developmental environment within which staff are treated ethically and with equality. The Trust aims to foster a culture that welcomes diversity, within which all staff are treated with dignity and respect.

3.5.3 In preparation for Foundation Trust status all sections of the hospital were invited to elect a staff governor to represent their views on the new Council of Governors.

3.5.4 Trust staff benefit from having access to on-site Occupational Health Services, including a counseling service. There is also a range of on-site and off-site training and education opportunities to ensure staff remain skilled to contemporary standards.

3.5.5 Outside of work, our staff have access to a range of benefits, from discounts to childcare vouchers.

3.5.6 The Human Resources Directorate supports the Trust in its objectives through ensuring compliance with all statutory obligations, mandatory policy and regulatory requirements.

3.5.7 The Human Resources Directorate leads the Trust by example through ensuring the Continuous Professional Development of its own staff monitored on a regular basis though appraisal and "one to one" interviews.

3.5.8 All senior managers in Human Resources are members of the Chartered Institute of Personnel and Development and as such are bound by the Institute's Code of Practice

3.6 Communication and Engagement

3.6.1 The Trust communicates and engages with its staff, the local population and its healthcare partners through a range of media.

3.6.2 The Trust has a well developed internal website known as “Synapse” which is regularly updated with news, alongside information on policies procedures and guidelines. The Trust also produces a regular monthly newsletter called “The Gen”.

3.6.3 The Trust executive team runs a monthly Team Brief for senior managers and clinicians. The Team Brief provides the Chief Executive with an opportunity to provide an update on key issues facing the Trust. The “Team Brief” is followed by a 'Managers Forum' that supports two way communication between senior staff and the executive team on some of the key issues raised.

3.6.4 Managers are required to cascade the key messages from the Team Brief to clinical and management teams within 48 hours. A summary of the Team Brief and copies of the associated presentation are available via the Trust’s intranet website.

3.6.5 Externally the Trust maintains a close relationship with its local healthcare partners through the Salford Health Investment For Tomorrow (SHIFT) Programme. The SHIFT Programme consists of a range of capital and service redesign projects focused on transforming the way that services will be provided in the future.

3.6.6 The Trust seeks every opportunity to engage its patients and the public in helping to shape the development of its services. The Trust actively encourages patient and public involvement (PPI) with many staff acting as PPI Champions leading on a range of PPI initiatives. The Trust also participates in the national programme of patient surveys and uses the outcomes to target areas for service improvement.

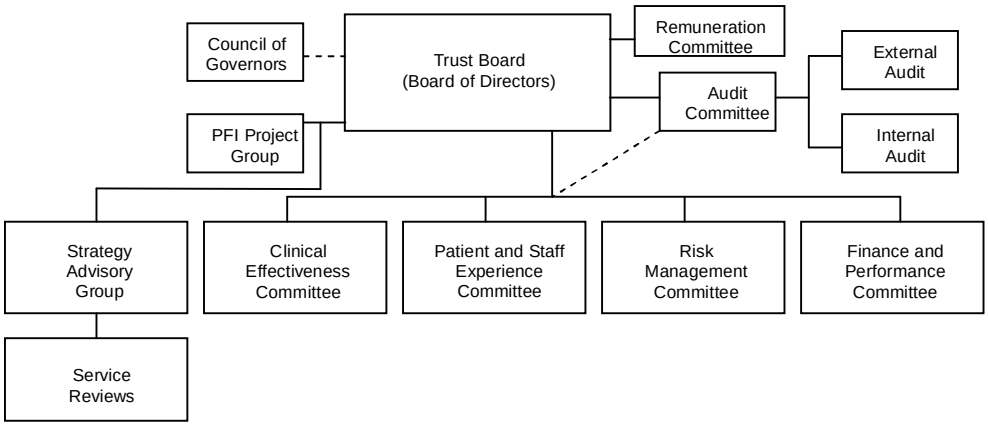
3.6.7 As part of our plans to become a Foundation Trust (FT) the Trust developed a Membership Strategy. Prior to our approval as an FT 4,000 members of the public had signed-up as potential members indicating the significant degree of local interest in becoming involved with the Trust. All Trust staff are registered as FT members (unless they choose to opt out), to ensure that they are active stakeholders in the organisation and have every opportunity to influence the organisation’s future.

3.6.8 A Foundation Trust “Council of Governors” has been established in preparation for becoming a Foundation Trust who will lead on positive engagement with our patients and the public, overseeing the FT Membership Strategy.

3.7 Our Management

3.7.1 As an established and experienced team, the Trust Board has continued to deliver high performance standards and major reform initiatives over the period of this report.

3.7.2 The corporate governance structure adopted by the Trust Board in 2005 has been maintained as Foundation status was anticipated. This structure is shown diagrammatically below:



3.7.3 The structure has four ***Executive Governance Committees***, which each focus on a critical area of governance and carry out the detailed work of assurance reporting to the Trust Board. The Committees are:

- Clinical Effectiveness
- Patient and Staff Experience
- Risk Management
- Finance and Performance

3.7.4 The broader remit of these committees, on behalf of the Trust Board, is as follows:

- contribute to the development of the Annual Plan.
- scrutinise reports on the management of risk, the delivery of the Annual Plan and compliance with Standards for Better Health.
- give the Trust Board confidence that the systems, policies and people they have put in place to deliver the Annual Plan are operating in compliance with Standards for Better Health, are effective, are focused on key risks and are driving the delivery of the Trust's objectives.
- recommend to the Trust Board the level of assurance required, the source of assurance required and how the reporting of assurances will be managed and coordinated.
- provide the Board with the evidence required of the effectiveness of controls in order to be able to sign the annual Statement of Internal Control and the Declaration of Compliance with Standards for Better Health.
- scrutinise reports and evidence of assurances provided by clinicians, managers, Trust committees and independent assurance on the status of the Trust's internal controls.
- ensure that unacceptable levels of assurance and risks are reported to the Trust Board for their consideration.
- review the management of incidents and risks with a risk profile score of 10 and above, and report on all risks with a risk profile score of 12 and above to the Trust Board, in order to assure the Trust Board that these are being managed effectively and lessons learnt implemented.

3.7.5 The ***Audit Committee*** supports the Trust's non-executive directors in their ability to effectively challenge and assure themselves that the Trust is being run effectively, efficiently and economically.

3.7.6 The ***Remuneration Committee*** reviews the terms and conditions of employment of the Executive team, assesses performance and recommends salary changes.

3.7.7 The ***Strategy Advisory Group*** has the purpose of ensuring that the Board of Directors remains pivotal in determining the strategy of the Trust. The Strategy Advisory Group includes representation from a wide range of clinical and managerial staff.

3.8 Statement of Internal Control

3.8.1 The Trust Board (now Board of Directors) is accountable for internal control. The Trust's Chief Executive is responsible for maintaining, on behalf of the Board, a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives.

3.8.2 The Chief Executive also has responsibility for safeguarding public funds and the organisation's assets, as set out in the Accountable Officer Memorandum.

3.8.3 The Chief Executive is required to provide a signed declaration to the effect that the appropriate systems, structures and processes are in place that ensure the delivery of these objectives. This is called a Statement of Internal Control

3.8.4 A copy of the Trust's Statement of Internal Control is included in the Trust's Accounts for the report period, reproduced in full in Appendix 1 to this report.

3.9 Register of Declared Interests

3.9.1 The Directors of the Trust are required to declare any interests they may have which are relevant and material to their membership of the Board.

3.9.2 Below are the last declarations by Trust Board members for the period April – July 2006:

Name	Interests Declared
Peter Barnes Executive Medical Director	§ None
David Dalton Chief Executive	§ None
Martin Hyman Non-Executive Director	§ Managing Director and Shareholder of MKH Business Limited § Managing Director and Shareholder of Seekers and Seers Limited § Regional Business Adviser - Aerospace [Northwest Regional Development Agency/Business Link Lancashire Limited] § Director and shareholder in Engaero Limited
Elaine Inglesby Executive Nurse Director	§ None
Raj Jain Director of Workforce and Corporate Affairs	§ None
Margaret Morris Chair	§ Member of Labour Party § Elected member (Councillor), City of Salford § Executive support member, Development Planning Department, Salford City Council § Governor, Barton Moss Primary School § Chair of Sarah Lane Trust § Director, Fergal Raj Trust § Life member (retired) of Unison (trade union) § Board Member, New Prospect Housing § Daughter employed by Trust
Mark Monaghan Non-Executive Director	§ Chief Operating Officer for Reebok in Europe, the Middle East and Africa
Hugh Mullen Director of Operations	§ None
Simon Neville Director of Strategy & Development	§ None
Katharine Perera Non-Executive Director	§ Emeritus Professor, University of Manchester § Non-Executive Director, Teachers' TV
Jim Potter Deputy Chair & Non-Executive Director	§ Director and shareholder in Lasersoft Holdings UK Limited § Director of Harland Machine Systems Limited § Gerant (owner) of Harland France SARL § Executive Vice President of Harland America § Executive Director of Harland China (Shanghai) Company Limited
David Thompson Non-Executive Director	§ Employee of the University of Manchester
Tony Whitfield Director of Finance	§ None

3.9.3 The Register of Interests is reviewed annually and is available to the public via the Trust's external website. It is also available for inspection at the Reception of the Trust Executive Offices.

3.10 Financial Reports

Director of Finance Report

3.10.1 This financial report covers the period 1st April 2006 to 31st July 2006 i.e. the period as a non-Foundation Trust. A separate Annual Report and Annual Accounts will be available for the remainder of the 2006/07 financial year as a Foundation Trust.

3.10.2 The Trust's financial results for the first four months of 2006-07 have been very good with a reported surplus of income over expenditure of £828k.

3.10.3 The NHS Trust has been successful in developing and delivering its financial plans in line with the requirements of the Independent Regulator of Foundation Trusts (Monitor). Monitor expects prospective Foundation Trusts to demonstrate an ability to deliver financial surpluses in the present to enable developments of services in future with the protection of a financial surplus to mitigate risk.

3.10.4 The reported financial position reflects the Trust's ongoing positive implementation of Payment by Results with additional activity generating additional income.

3.10.5 The following sections set out the Trust's achievement of the NHS Trust's financial duties, a commentary on the Trust's income and expenditure during the first four months of the year and a forward look to the remainder of the 2006-07 financial year.

Achievement of financial duties

3.10.6 A copy of the Trust's Four Month Accounts is included in Appendix 1 of this report. Because the Accounts report a four month position, the Trust is not able to demonstrate achievement of all financial duties as these are normally full year measures that apply to a full twelve-month set of accounts. Performance against the targets to 31st July 2006 is set out below and can be seen in notes 20.1, 20.2 and 20.3 of the Accounts on pages 27 and 28.

Financial Duty	Description	Performance
The break-even duty	To ensure that income is sufficient to cover the Trust's outgoings and that the Trust can live within its means	£828k surplus to July 2006 ü achieved
Capital cost absorption rate	NHS Trusts that obtain Foundation Trust status during a financial year are not required to report this performance as it is an annual measure	n/a
The Capital Resource Limit (CRL)	This is set by the Department of Health and is a limit placed on the amount of expenditure that Trust can make on capital items during the period. NHS Trusts becoming Foundation Trusts during the year have this target set to equal their audited accounts.	ü achieved (target set to actual)
The External Finance Limit (EFL)	This is a limit on the amount of cash that the Trust can spend. NHS Trusts becoming Foundation Trusts during the year have this target set to equal their audited accounts	ü achieved (target set to actual)

Other Financial Performance Information

3.10.7 The Trust is required to meet the Better Payments Practice Code and to pay 95% of non-NHS suppliers within 30 days of receiving a valid invoice. In the first four months of the financial year, the Trust paid 99% of suppliers within 30 days, meeting the requirements of the Code.

3.10.8 The Trust is required to provide details of the salary and pension costs of its senior managers. These costs are shown in Section 4 of this report including a note describing the policies adopted to determine these pension liabilities.

3.10.9 Senior managers' pay is determined through the Trust's Remuneration, Appointments and Terms of Service Committee. Membership of this Committee includes the Chairman, Chief Executive (unless it is the Chief Executive's remuneration or terms of service under discussion) and all Trust Non-Executive Directors.

3.10.10 The Trust's external audit service is provided by the Audit Commission. Their fee for the work provided in respect of the first four months of the year was £82k including VAT, all of which was for providing statutory audit services.

3.10.11 During the first four months of the year, no changes to accounting policies were made.

Trust 2006-07 Income and Expenditure for the period to 31st July 2006

Income

3.10.12 The Trust's turnover for the four months of the financial year was £75,344k against which a surplus of £828k (1.1%) was reported.

3.10.13 Most of the Trust's income is earned from delivering clinical services to NHS commissioners including specialist commissioners who purchase clinical activity from the Trust on behalf of patients. The Trust received £64,754k in the first four months of the year for delivering clinical activity. This total includes additional income above that earned in 2005-06 for expanded services provided in renal medicine with the continuing development of an off-site haemodialysis service in Wigan.

3.10.14 The Trust is an established teaching hospital and, as such, received £5,532k during the first four months of the year to support the costs of providing education and training for medical undergraduates, post-graduate medical education and non-medical education. The Trust also received £1,107k during the period to fund the costs of undertaking clinical research and development in partnership with the Universities of Salford and Manchester.

Expenditure

3.10.15 The income received during the first four months of the year has been used to fund the Trust's day-to-day operational expenditure. Total expenditure for the period amounted to £72,955k.

3.10.16 The Trust's biggest costs are pay costs which account for £46,296k (63%) of the Trust's total expenditure.

3.10.17 As described earlier, the Trust receives a significant amount of income for providing education and training services. The Trust's pay costs include the costs of post-graduate medical staff in training and the costs of additional staff needed to ensure that the Trust provides high quality education to under-graduate medical students.

3.10.18 In the first four months of the year, the Trust has been successful in delivering a cost efficiency programme that has reduced costs by £2,135k during the period to enable re-investment in modern, flexible and responsive patient care services.

Trust 2006-07 Capital Expenditure for the period to 31st July 2006

3.10.19 During the first four months of the year, the Trust has continued to invest both in developing and improving the estate and purchasing new equipment. The biggest single scheme completed during the first four

months of the year was to install a new magnetic resonance image scanner to increase the Trust's imaging capacity.

3.10.20 Details of the expenditure made on capital items during the first four months of the year are shown below:

Scheme description	Expenditure £000s
Purchase new magnetic resonance image scanner	1,238
Purchase the Pain and Dermatology Building (formerly leased)	600
Refurbish the Microbiology Laboratory	423
Commence work on schemes to upgrade junior doctors accommodation and facilities	135
Commence work on new operating theatres	132
Other minor works	318
Total	2,846

Trust Cashflow

3.10.21 At the balance sheet date, the Trust had £7,500k invested with the National Loans Fund. This sum represented a short term operating cash surplus and was placed on deposit for a period of 18 days with the National Loans Fund which is a government deposit facility that pays a higher rate of interest than the Trust's current account. This is in line with the Trust's policy to invest any surplus cash on a short-term basis with a government institution.

3.10.22 The Trust is developing a Foundation Trust Treasury Management Policy to enable surplus operating cash to be invested with a wider range of low-risk financial institutions.

3.10.23 During the first four months of the year, the Trust earned £190k in interest payments from investing surplus cash and earning interest on any cash balances remaining in the Trust's interest bearing current account.

Outlook for the Remainder of the Financial Year

3.10.24 The focus of Trust developments during the forthcoming months and beyond will be to progress the hospital re-development where the hospital site will be substantially re-built to provide new and modernised facilities.

3.10.25 Further enabling schemes will also be completed during 2006/07 to provide facilities and access to the contractors who, in 2007/08, will begin work on a £134 million hospital re-development that will be funded by a private finance initiative.

3.10.26 While the Trust was able to fund its own capital expenditure programme during the first four months of 2006/07, it will receive additional funds from

the Department of Health to pay for specific capital developments linked to the hospital re-development as described above.

3.10.27 The range of capital schemes, to be funded using the government provided public dividend capital, will begin later this year in support of the Trust's long term redevelopment plans. Schemes include:

- New operating theatre capacity due for completion by March 2008;
- A new heartcare unit due for completion by March 2008;
- A new Paediatric Observation and Assessment Unit in the Accident and Emergency Department due to complete by December 2007.

3.10.28 Other developments that will be completed in 2006/07 include:

- The implementation of a digital picture archiving and communication system (PACS) in the Radiology Department to allow diagnostic images to be stored electronically rather than on film which will improve quality of and access to important clinical information;
- The implementation of a robot system in the hospital pharmacy to improve efficiency and reduce wastage.

Financial position of the Trust

3.10.29 The Trust receives both revenue income (income received to support the day-to-day running costs of the Trust e.g. pay costs, drug costs, clinical supplies costs, energy costs) and capital funds (income to fund investment in Trust assets e.g. buildings and equipment).

3.10.30 Revenue income is largely earned by the Trust in delivering clinical activity to NHS commissioners.

3.10.31 Trust capital funding for schemes completed during the first four months of the year came from Trust internally generated resources i.e. money that the Trust has set aside each year (called depreciation) to enable replacement, repair or purchase of assets.

3.10.32 At the balance sheet date, approximately 50% of the Trust's total fixed assets have been funded by the government holding a stake in the Trust. The government's contribution towards the costs of the Trust's total assets is called Public Dividend Capital and totalled £79.5 million at the end of July 2006.

Section 4: Remuneration Report

4.1 The Trust is required to disclose the remuneration of all those senior managers that have authority or responsibility for directing or controlling the major activities of the NHS body. The following report provides details of both the salaries and pension entitlement of the Trusts Board of Directors

4.2 Remuneration for executive directors is determined by the Remuneration Committee of the Trust Board. The Remuneration Committee membership consists of the Trust Chairman, Chief Executive and the Non-Executive Directors. The Trust's Director of Workforce and Corporate Affairs acts as secretary to the committee.

4.3 Remuneration for Non-Executive Directors is determined using a national scale.

4.4 The Executive Directors are appointed by the Trust Board and have a non fixed contract which may be terminated by either party.

Remuneration (audited report)

Name and Title	Four months to July 2006			Year to 31 March 2006		
	Salary (bands of £5,000) £000	Other Remunera-tion (bands of £5,000) £000	Benefits in Kind (rounded to nearest £100) £	Salary (bands of £5,000) £000	Other Remunera-tion (bands of £5,000) £000	Benefits in Kind (rounded to nearest £100) £
P C Barnes Medical Director	5-10	50-55	0	20-25	145-150	0
D N Dalton Chief Executive	45-50	0	3,200	145-150	0	9,600
T A Whitfield Director of Finance	30-35	0	1,700	90-95	0	5,700
E Inglesby Executive Nurse	30-35	0	0	90-95	0	0
H J Mullen Director of Operations	30-35	0	0	90-95	0	0
M A Morris Chair	5-10	0	0	20-25	0	0
K Perera Non-Executive	0-5	0	0	5-10	0	0
J Potter Non-Executive	0-5	0	0	5-10	0	0
M Hyman Non-Executive	0-5	0	0	0-5	0	0

Name and Title	Four months to July 2006			Year to 31 March 2006		
	Salary (bands of £5,000) £000	Other Remunera-tion (bands of £5,000) £000	Benefits in Kind (rounded to nearest £100) £	Salary (bands of £5,000) £000	Other Remunera-tion (bands of £5,000) £000	Benefits in Kind (rounded to nearest £100) £
D G Thompson Non-Executive	0-5	0	0	0-5	0	0
M Monaghan Non-Executive	0-5	0	0	0	0	0
S H G Neville Director of Strategy & Development	25-30	0	2,800	85-90	0	8,300
R K Jain Director of Workforce & Corporate Affairs	25-30	0	1,800	85-90	0	3,900

Notes:

M Hyman held office as a Non-Executive Director for the period 1.4.2006 to 30.6.2006

M Monaghan was appointed as a Non-Executive Director on 27.07.2006

P C Barnes retired as Medical Director on 31.07.2006

All benefits in kind were for lease car benefits.

Pension (audited report)

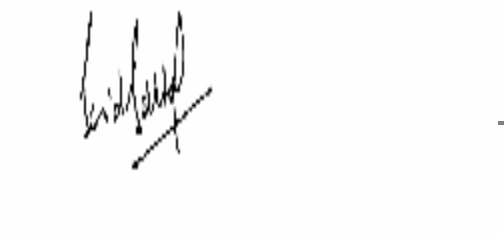
	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in lump sum at age 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31st July 2006 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31st July 2006 (bands of £2,500) £000	Cash equivale-nt transfer value at 31st July 2006 £000	Cash equivale-nt transfer value at 31st March 2006 £000	Real increase in cash equivale-nt transfer value £000	Employ ers contribu-tion to stakehol-der pension To nearest £100 £000
P C Barnes Medical Director	0.0-2.5	2.5-5.0	65-70	205.0-207.5	0	0	0	0
D N Dalton Chief Executive	0.0-2.5	0.0-2.5	45-50	142.5-145.0	629	621	2	0
T A Whitfield Director of Finance	0.0-2.5	0.0-2.5	30-35	95.0-97.5	482	462	12	0

	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in lump sum at age 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31st July 2006 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31st July 2006 (bands of £2,500) £000	Cash equivale-nt transfer value at 31st July 2006 £000	Cash equivale-nt transfer value at 31st March 2006 £000	Real increase in cash equivale-nt transfer value £000	Employ ers contribu-tion to stakehol-der pension To nearest £100 £000
E Inglesby Executive Nurse	0.0-2.5	0.0-2.5	30-35	92.5-95.0	434	417	10	0
H J Mullen Director of Operations	0.0-2.5	0.0-2.5	25-30	75.0-77.5	351	335	9	0
S H G Neville Director of Strategy & Development	0.0-2.5	0.0-2.5	25-30	75.0-77.5	324	320	1	0
R K Jain Director of Workforce and Corporate Affairs	0.0-2.5	0.0-2.5	10-15	40.0-42.5	175	164	7	0

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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



Signed Chief Executive Date 2nd February 2007

Appendix 1

Trust Accounts for the Four Month Period to 31 July 2006