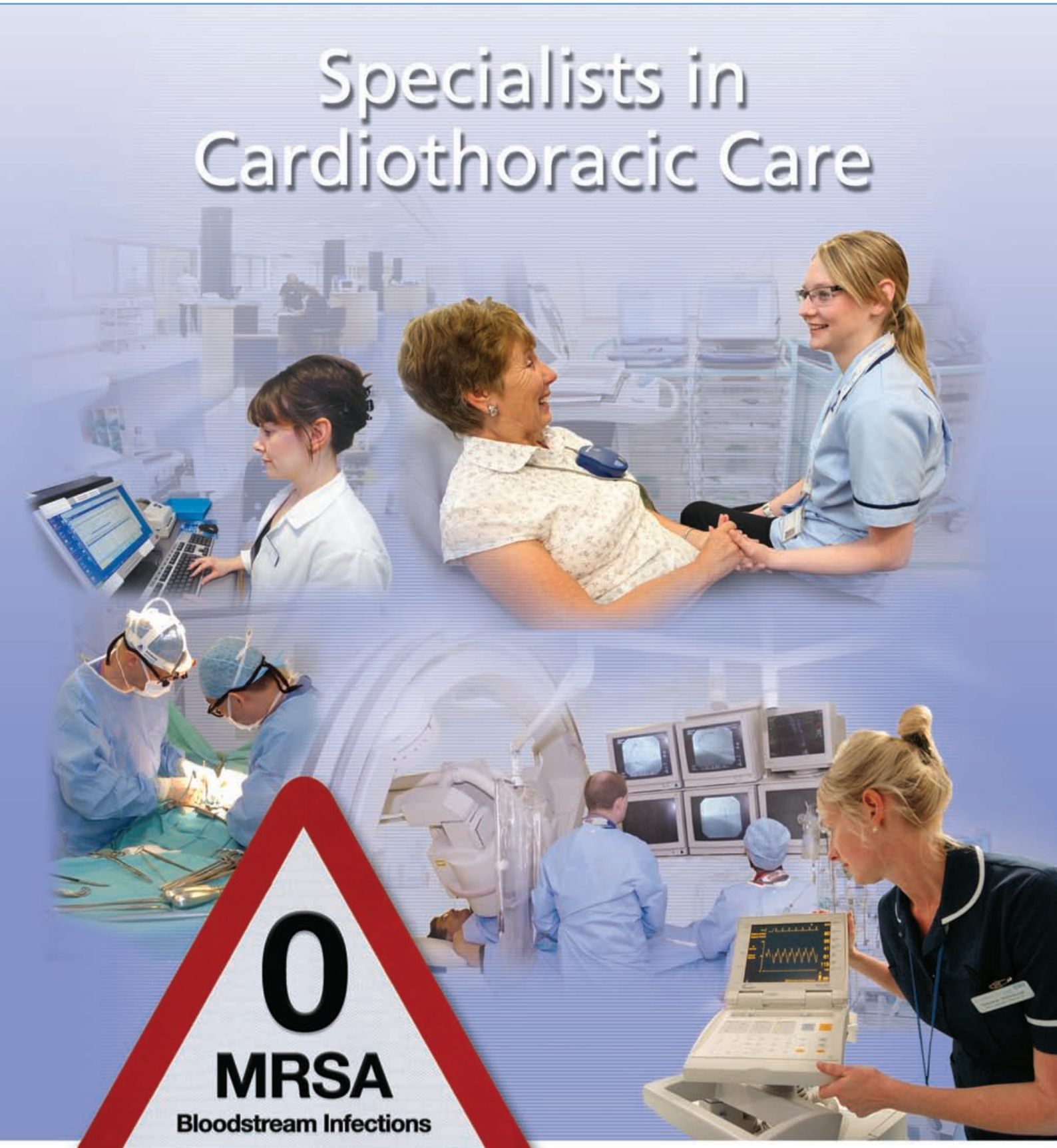
Liverpool Heart and Chest Hospital NHS

NHS Trust

Specialists in Cardiothoracic Care



Annual Report and Accounts 2008 - 2009

Contents

We hope that you find the information contained within our Annual Report useful and thank you for your interest in our hospital. If you have any comments about this annual report then we would like to hear from you.
Please e-mail us at: communications@lhch.nhs.uk

Other Formats:

If you require a copy of this report in another format or language then please write to us at:

PR & Communications Office
Liverpool Heart and Chest Hospital NHS Trust
Thomas Drive,
Liverpool L14 3PE

Tel. 0151 600 1409 or 1410

Browsealoud is available on our website www.lhch.nhs.uk

n.b. Browsealoud helps people who have low literacy and reading skills, mild visual impairement, dyslexia or where English is a second language

Chairman's Welcome Message

I am immensely proud, in my fifth year as Chair of this Trust, to welcome you to Liverpool Heart and Chest Hospital NHS Trust and introduce our Annual Report and Accounts for the financial year 2008-2009.

I hope that this publication will offer you an insight into our activities, our achievements and progress that has culminated in another successful year for this Trust.

One of the most significant moments during my Chairmanship happened on 1st July 2008 when our hospital changed its name from The Cardiothoracic Centre - Liverpool NHS Trust to Liverpool Heart and Chest Hospital NHS Trust. The name change coincided with the 60th Anniversary of the NHS and we were honoured to welcome Alan Johnson, Secretary of State for Health, to the Trust to officially open our hospital site development scheme and to publicly announce our change of name.

As part of our 60th Anniversary celebrations, Liverpool comedian, Mr. Ken Dodd, OBE, planted a tree for prosperity on the same day that we formally recognised our longest serving members of staff in a "Diamond Award" ceremony. We completed the week by launching a very successful public health awareness event called Liverpool Heart and Chest Festival, which was opened by The Lord Mayor of Liverpool, Councillor Steven Rotherham.

We were extremely fortunate in the year that Liverpool reigned as European Capital of Culture that the Lord Mayor chose our Merseybeat Appeal to be one of his charities of the year. An enormous amount of money has been raised from all the events organised throughout the year and, on behalf of the Trust, I would like to thank the Lord Mayor for taking such a personal interest in our hospital. The funds raised will greatly benefit our research into heart disease.

Last November, the Trust Board decided to self-defer its Foundation Trust (FT) application to allow further time to evidence the strength of our business case. In retrospect we now have every faith that we will deliver an extremely strong business case that will entitle us to become licensed as an FT by the end of 2009.

We have seen a dramatic increase in the number of members recruited by the Trust in the past year and, with the election of our Council of Members completed, we are now set to enter the final stage of our application process with confidence.

During the year, there have been some changes at Board level and these changes are reflected in this report on pages 21 - 23 under Trust Board. It would be remiss of me not to thank both Executive and Non Executive Directors, past and present, for their unfailing contribution towards our Trust. Members of our Trust Board continue to provide support and advice to ensure that we deliver services that best meet the needs of our patients and the communities we serve. Their dynamic approach has been critical to the continuing success of our hospital and particularly in our aspirations to become an NHS Foundation Trust.

Finally, in closing I would like to pay tribute to every single member of our staff and volunteer workforce for their contribution to our hospital. Patients only get to meet a few of our staff and volunteers but it takes many hundreds of people to perform the complex range of tasks needed to provide quality healthcare. I am forever grateful for their dedication year on year.

Thank you

Mark Fitzsimmons

Chairman

Chief Executive's Review

Having completed my "first" year as Chief Executive of Liverpool Heart and Chest Hospital, I am delighted to highlight below a number of other "firsts" that have been achieved during what can only be described as a highly significant and successful year for the Trust.

1st	Year as Liverpool Heart and Chest Hospital
1st	World implant of the Altrua pacemaker device
1st	Bard Mesh Ablation procedure in the North West
1st	Year Zero (0) cases of acquired MRSA bacteraemia
1st	National British Institute of Radiology Branch Meeting held in Liverpool hosted by our Trust
1st	24/7 Primary Angioplasty service launched for heart attack patients in the North West
1st	TAVI percutaneous intervention performed in the North West
1st	Monthly staff recognition award scheme launched

I am also pleased to report that the Trust successfully achieved all its key national targets for the financial year 2008/09. However, the results of the 2007/2008 Annual Health Check were disappointing as the Trust scored 'Good' for 'Use of Resources' and only 'Fair' for 'Quality of Services'. This was despite scoring top marks in 57 of the 58 categories equating to 98.3%.

The Trust did not achieve the expected rating of 'Excellent' for 'Quality of Services' because we failed to achieve one target 'Waiting to be seen'. We had too many patients waiting six weeks or more for their diagnostic appointment. This was unacceptable to us and we wish to reassure our patients that we have already dramatically improved this situation.

Summarised alongside is the Healthcare Commission's assessment of our Trust

	Assessment Score
Safety and Cleanliness	13 / 1
Standard of Care	6 / 6
Waiting to be seen	10 / 11
Dignity and respect	10 / 10
Keeping the public healthy	3 / 3
Good management	15 / 15
	57 out of 58

Whist the rating of 'Fair' was obviously a disappointment, our overall performance on this occasion should not be dismissed or forgotten and I wholeheartedly thank our staff for achieving 57 categories, all of which were at a very high standard.

In May 2008 the results of the National Inpatient Survey were published and, for the second year in succession, we were rated the top performing hospital in the country for "overall patient care". To achieve this result once is extraordinary but twice is overwhelming evidence that patient care is at the heart of everything we do and offers a resounding compliment to our staff and volunteers for their hard work. I anticipate this 'title' will be difficult to maintain for a third consecutive year, despite all efforts of our staff.

Quality is another key priority for the Trust and in October 2008 we launched Quality Week embracing good practice with healthcare colleagues across the Northwest of England. Our patients tell us that they want to come into a clean hospital, be treated with respect and dignity and, above all, feel safe and we have a duty to our patients to deliver a service that they deserve.

We have introduced patient safety walkabouts, gauging and identifying potential hazards and ways in which they could be eliminated. Our care bundles provide a structured way of improving the processes of care, patient outcomes, patient safety and ultimately patient satisfaction that have been proven to be necessary to provide the best care. Our national scoring for cleanliness continues to be excellent and the number of patients who have acquired MRSA bacteraemia (blood infections) since February 2008 is Zero (0).

Our Trust participated in an emergency planning day entitled "Exercise Maximus" which involved a number of Trusts across the North West of England undertaking a major incident scenario. The exercise reinforced our plans and preparations should a major incident occur. Such preparedness for major incidents, such as pandemic 'flu, remains a top priority and I am pleased to report that the Trust's Major Incident Plan is fully compliant with the requirements of the NHS Emergency Planning Guidance 2005.

Our staff are rising and adapting well to the challenges of our rapidly expanding services as a result of the introduction of the primary angioplasty service for heart attack patients, combined with the forthcoming increased level of services for patients living in North Wales. The Board and Executive Team appreciate the hard work and efforts of our staff and we are fully committed to ensuring staff satisfaction. I am confident that we can build on this teamwork and further develop our reputation as one of the best hospitals in the NHS.

Raj Jain
Chief Executive

A summary of how we are performing

Performance Overview 2008 / 2009		
Quality of Services (2008 Performance rating)	Good (Estimate)	✓
Use of Resources (2008 Performance rating)	Good (Estimate)	✓
Full compliance for Standards for Better Health		✓
Treating patients with dignity and respect		✓
Patient Environment including cleanliness of the Hospital		✓
No more than 8 MRSA infections per year	0 MRSA infections	✓
No more than 31 cases of Clostridium Difficile (C.diff) per year		✓
Met all patient waiting list targets		✓
The development of assurance systems for reporting compliance with the 'Standards for Better Health' core and developmental standards		✓
Patient satisfaction for National Inpatient Survey		✓
Full Compliance with the Freedom of Information Act 2000		✓

Highlights for the year April 2008 to March 2009

April

Raj Jain commenced as Chief Executive

Aseptic Unit opened in Pharmacy

Public awareness-raising day at Glan Clwyd Hospital

Merseybeat Appeal receives £18,000 from actor Ricky Tomlinson

Zero cases of MRSA recorded

May

All wards and department presented with baskets of fruit as Trust celebrates results of the National Inpatient Survey

Trust celebrates National Nurses Day

Trust publishes its Summary Annual Plan for staff

Trust is first hospital in the country to implant an Altrua Pacemaker

Merseybeat Appeal named one of Lord Mayor's charities of the year

Zero cases of MRSA recorded

June

Introduction of "More than a Workplace" initiative for staff

Zero cases of MRSA recorded

July

Secretary of State for Health officially opens site development

Trust changes name to Liverpool Heart and Chest Hospital

Celebrating the NHS 60th Anniversary:-

- Tree planted by Liverpool comedian Ken Dodd
- Longest serving NHS staff recognised
- Launch of 'Liverpool Heart and Chest Festival' a public health awareness event

Zero cases of MRSA recorded

August

Foundation Trust Membership Recruitment Campaign Commences

Zero cases of MRSA recorded

September

Annual General Meeting

1st Bard Mesh Ablation procedure

Launch of Staff Recognition Awards

Healthy Eating - Hospital Food Project (Nourish) Launched

Achieved NHSLA Level 2

Zero cases of MRSA recorded

October

Launch of "Quality Week"

WRVS shop and dining facility opens in main entrance

Zero cases of MRSA recorded

November

Welsh Community Health Council visit Trust

Trust Board staff engagement sessions commence

Zero cases of MRSA recorded

December

Official Signing for the Skills for Health Pledge

8th Annual Volunteers Day

12th year in succession that 'Father Christmas' visits all wards delivering gifts to all patients on Christmas Day

Zero cases of MRSA recorded

January

Primary Angioplasty PPCI Service launched

New Year New You - Health at Works lifestyle assessment for staff

Participation in 'Exercise Maximus' - Emergency Planning Day for all Trusts across the North West of England

Zero cases of MRSA recorded

February

Ricky Tomlinson launches "Superheartbanana"

Trust links with USA for International Wear Red Day

Rosie Cooper M.P. for West Lancashire visits Trust

Zero cases of MRSA recorded

March

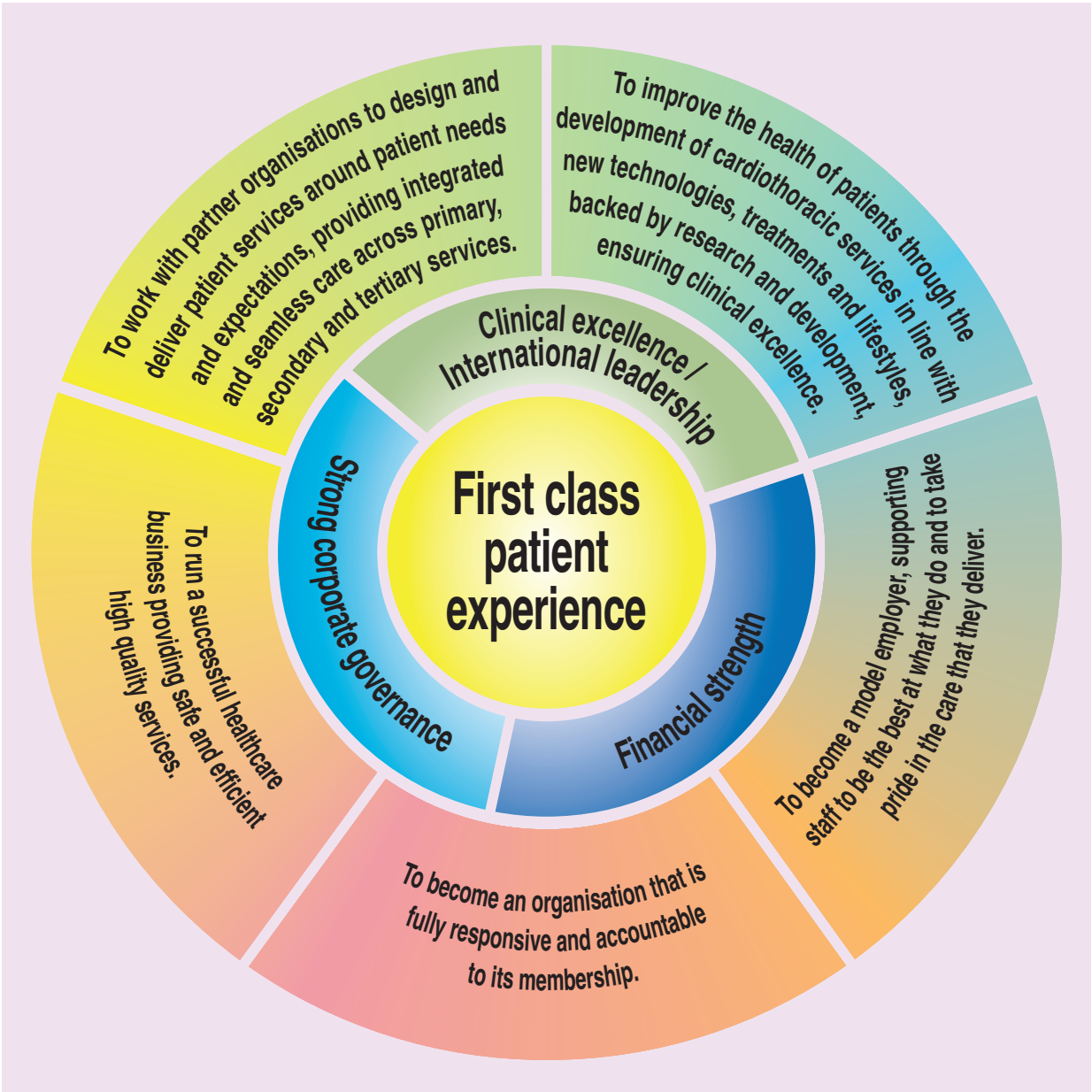
0 cases of MRSA Bacteraemia recorded for year 2008 - 2009

Achieved annual target for clostridium difficile

Our Vision and Strategic Objectives

2008 - 2009

The Trust's vision is to be a national and international leader in cardiothoracic care, delivering clinical excellence and a first class patient experience



Who we are and what we do

Liverpool Heart and Chest Hospital NHS Trust (formerly known as The Cardiothoracic Centre Liverpool NHS Trust) is a specialist hospital based in the Liverpool suburb of Broadgreen. We provide a wide range of cardiothoracic services such as cardiac (heart) and thoracic (lung) surgery, cardiology, respiratory medicine and diagnostic imaging.

The hospital was formed in April 1991 and since that time has grown into one of the largest specialist hospitals in the U.K. gaining an undisputed reputation for innovation in cardiothoracic services, clinical excellence and exceptional patient care.

We are described as a tertiary referral centre which means that, unlike district general hospitals with accident and emergency departments, patients are referred to us directly by other hospitals and GPs. This is because the range of services we provide are highly specialised. However with the onset of Patient Choice, patients are now free to state where and when they would like to be treated.

New facilities and the continual upgrading of state of the art equipment reflects our commitment to providing high quality healthcare to the 2.8 million people who reside within our catchment area of Merseyside, Cheshire, parts of Lancashire, North Wales and the Isle of Man.

We provide adult cardiothoracic (heart and lung) services and our principal activities include:

- Cardiac surgery - such as bypass and valve repair surgery
- Upper Gastro Intestinal surgery
- Cardiology - access to the very latest diagnostic facilities leading the region in electrophysiology, angioplasty and pacemaker services
- Respiratory medicine - specialist centre for the diagnosis and treatment of Pulmonary vascular diseases, adult cystic fibrosis and sleep apnoea
- Radiology and Diagnostic Imaging
- Oncology

Why choose our hospital?

- We are the largest single sited specialist cardiothoracic hospital in the UK
- Our staff are experts in the treatment of heart and lung disease.
- The number of patients who have acquired MRSA within the Trust since February 2008 is zero and the number of patients with Clostridium Difficile has also fallen this year to the lowest levels recorded.
- Cleanliness received an "excellent" rating within Liverpool Heart and Chest Hospital in the Patient Environment Action Team (PEAT) inspections and Healthcare Commission Inpatient Survey. The Trust has always had stringent deep clean controls in place and is completely committed to providing a clean and safe environment for our patients, staff and visitors. In addition to this the Trust continues to deep clean all our clinical areas and met the national deadline for completing the deep clean programme in 2008.
- Following the recent major site development programme, which brought a new state of the art Critical Care Unit with over 40 beds, Outpatients, ECG and Pulmonary Function departments, the Trust continues to upgrade wards and departments throughout the Trust to improve facilities for the benefit of our patients
- The Trust's Radiology department boasts an MRI scanner, sixty-four slice CT scanner and has invested in an electronic Patient Archive System which stores X-Ray images on the computer network, dramatically reducing diagnostic waiting times.
- The Trust has eight operating theatres, one pacing theatre and six cardiac catheter laboratories. This includes one brand new state of the art hybrid theatre used for the treatment of aneurysms of the aorta at the hospital. The operating theatre boasts a Philips FD 20 Allura - an imaging system specifically designed for use in the most complex of procedures. This imaging system is the very first in the UK to be sited within a theatre environment and offers totally sterile conditions.
- Robert Owen House provides hotel style accommodation for the relatives of patients undergoing treatment at the hospital. Relatives interested in staying at Robert Owen House should contact Patient Services on 0151 600 1454.
- There is a two-deck car park which provides an additional 350 spaces on site and a courtesy minibus service transports patients and visitors around the hospital site.

Clinical Governance and Quality

The Trust is actively working towards improving the quality of clinical care provided across all its dimensions. We aim to make the healthcare we deliver more:

- Safe, by minimising risk and harm to service users
- Timely, by ensuring access appropriate to clinical need
- Effective, by using treatments that are proven to work, resulting in improved health outcomes for individuals and communities
- Efficient, by getting the most out of the resources we have
- Equitable, by checking that what we do does not vary in quality because of personal characteristics such as age, gender, ethnicity, race, geographical location of socioeconomic status
- Patient centred, by taking into account the preferences and aspirations of our services users and the culture of their communities

The following milestones were achieved during 2008/2009:

- Implementation of our clinical quality strategy designed to deliver real improvements in health outcomes for patients
- No MRSA infections and very low rates of Clostridium Difficile infections
- Participation in the national in-patient survey where results demonstrate year on year consistently high performance
- The development of patient focus groups designed to really understand the comments and concerns of patients regarding our services so that any necessary improvements may be made
- Routine measurement of patient self reported quality of life, so we can better understand how well our treatments are meeting the health needs of our patients
- Significant changes in clinical practice as a result of clinical incidents reported
- The development of key quality indicators for every part of the service which are regularly monitored so that each may understand their contribution to our improvements in quality
- The implementation of a comprehensive programme of care bundles (elements of care which we know work delivered together in a single package) which demonstrate the delivery of high quality care, every time, in every patient
- The development of a comprehensive clinical quality dashboard which allows senior leaders in the organisation to monitor the results from the Trusts clinical quality improvement work
- The introduction of safety walk-arounds conducted by the Executive Team, which involve the discussion of issues directly with staff that are affecting the delivery of high quality, safe care
- Implementation of Productive Ward, an initiative designed to release valuable nursing time from tasks that do not add value to direct patient care
- Provision of quality improvement support, designed to facilitate staff to develop, redesign and continuously improve the services that the Trust offers
- The inclusion of quality measures in our contracts which provide assurance to our commissioners and the public on the quality of care we provide
- Compliance with those national institute for health and clinical excellence guidelines specific to the Trust's services
- The publication of Consultant specific performance rates following our major treatments for the reassurance of patients and the public
- Participation in two major national patient safety improvement initiatives (Patient Safety First Campaign and Leadership in Improving Patient Safety)
- Continued compliance with the National Service Framework for Coronary Heart Disease
- Implementation of a health promotion strategy which aims to improve the lifestyle of our patients, their carers, visitors and staff. This includes achievement of "Health Promoting Hospital" status, awarded by the World Health Organisation
- Working to achieve compliance with the National Service Frameworks for Older People, Diabetes and Renal services, as well as the Cancer Plan
- Continued development of assurance systems for reporting compliance with the "Standards for Better Health" core standards
- The completion of numerous clinical audits which demonstrate the quality of the services we provide and how we plan to make further improvements
- Full involvement in work conducted by the Cardiac, Cancer and Critical Care Networks for the benefit of all patients with heart and chest disease in Cheshire & Merseyside

Working towards Foundation Trust (FT) Status

During this year the Trust has remained steadfast in its application to become an NHS Foundation Trust. Following approval from the Secretary of State to proceed to the Monitor assessment phase, the Trust requested further time to evidence its business plan and is now aiming to achieve authorisation as a Foundation Trust (FT) by 1st December 2009. The consultation process and initial elections to the Council of Members have been completed.

As an NHS Foundation Trust we will have greater autonomy to manage our financial affairs which, ultimately, will provide us with increased flexibility to identify, design and develop services that accurately reflect and meet the needs of our patient population.

Liverpool Heart and Chest Hospital NHS Foundation Trust will remain fully within the NHS, retaining its commitment to the core principles of providing care according to need and free at the point of delivery.

Membership Recruitment

In creating its membership the Trust has always been clear that its primary aim is to build an active and engaged membership that is representative of its patient population rather than merely adding numbers. The Trust's ambition is to actively use members to inform its patient experience strategy and act as advocates for the specialist services provided by the Trust.

The Trust's membership strategy has been developed to attract members from the constituencies it serves. During the past twelve months the Trust has seen a significant increase in the number of public members following campaigns to achieve geographical representation across the areas it serves.

A number of targeted recruitment activities have taken place including mail shots to new and recently discharged patients. In particular, efforts have focused on increasing membership in Cheshire and North Wales to ensure good representation throughout the Trust's wider catchment areas.

The Trust has worked hard to engage members and attract new members through its programme of 'Medicine for Members' events. Recent events held in Cheshire and North Wales have focused on issues relating to "when your heart rhythm goes wrong" and have included a presentation from one of the Trust's Consultants who specialises in Heart Rhythm. These events have provided an opportunity for the Trust to engage with a wider public audience about the progress of the Foundation Trust application, and have also provided a networking opportunity for members to meet with their elected Council Member representatives. The events have been very well received, with much discussion, providing feedback to the Trust on the public perception of its services, enabling the Trust to deliver public health messages around the impact of lifestyle choices on heart disease.

The recent Medicine for Members Event held in North Wales was filmed to enable the presentation to be shared with a wider audience; we also welcomed two "signers" to interpret the talk for the benefit of members suffering from impaired hearing.

Press articles on membership recruitment and Medicine for Members events have been published in the Daily Post (North Wales), Warrington Guardian and aired on Wire FM and the Liverpool Echo publicised our Get Engaged campaign. Local newspaper Merseymart featured the successful response to our membership campaign.

Further events are planned throughout 2009/10 and consultant led talks will focus on topics such as the latest advances in the treatment of heart attacks and angina.

Public Membership

Public membership is open to everyone living in England and Wales over the age of 16. The Trust operates on an 'opt in' basis. The public constituency is divided into 4 geographical areas to reflect the population our hospital serves.

The areas for the Public Constituency are:

- Merseyside (Districts of Knowsley, Liverpool, Sefton, St Helens and Wirral, including all electoral wards in those Districts)
- Cheshire (Districts of Chester, Congleton, Crewe and Nantwich, Ellesmere Port and Neston, Macclesfield, Vale Royal, Warrington and Halton, including all electoral wards in those Districts)
- North Wales (Districts of Conwy, Denbighshire, Flintshire, Gwynedd, Isle of Anglesey and Wrexham, including all electoral wards in those Districts)
- Rest of England and Wales

Staff Membership

Staff membership is open to any individual who is employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months. The Trust operates on an 'opt out' basis. The staff constituency is divided into 4 classes to reflect its workforce, as follows,

- Qualified nurses and unqualified nurses (being health care assistants or their equivalent and student nurses)
- Non-clinical staff
- Allied healthcare professionals, technical and scientific staff
- Registered medical practitioners

Membership by constituency/class as at 31st March 2009

Constituencies - Public	Number of Public Members
Cheshire	1,510
Merseyside	4,522
North Wales	1,222
Rest of England and Wales	473
Sub total	**7,727**
Class - Staff	**Number of Staff Members**
Allied healthcare professionals, technical and scientific	156
Non-Clinical	380
Qualified nurses and unqualified nurses (being health care assistants or their equivalent and student nurses)	634
Registered medical practitioners	74
Sub total	**1,244**
Total Membership	**8,971**

Future Member Recruitment and Engagement

A group of Council Members is now involved in helping to develop and deliver the membership recruitment and engagement plans, identifying interest groups such as the Chester Heart Support Group and the Halton Let's Go Stroke Club with which the Trust will establish and build communication links. The Council Members group will also assist in the identification of hard to reach groups in order to recruit members and encourage wider interest and involvement in the Trust and the diseases it treats (preventative as well as curative advice and information).

Further Information

For further information on Membership Recruitment, please contact the Membership Office:

Membership Office
Liverpool Heart and Chest Hospital NHS Trust
Thomas Drive
Liverpool
L14 3PE

Tel: 0151 600 1639
Email: membership.office@lhch.nhs.uk

Council Members

The Council of Members will only be established formally when the Trust is licensed as an NHS Foundation Trust but, until then, it has started its non statutory work and meets in shadow form on a quarterly basis, as well as participating in other events and informal / induction sessions. The Trust believes that this interim period has provided a valuable opportunity for Council Members and Board Directors to build relationships and for Council Members to get an understanding of the organisation and their roles and responsibilities in readiness for authorisation.

The Council Members of the Foundation Trust will form an important link between the organisation and its members. The Council Members will be responsible for representing the interests of the local community in general rather than specific groups or interests. They will also be responsible for sharing information about important decisions with other members or, in the case of appointed members, the organisation that appointed them.

The Role of the Council Members

The Trust's policy on the composition of the Council of Members is to aim to ensure that:

- the interests of the communities served by the Trust are appropriately represented
- the level of representation of the classes of the public constituency, the classes of the staff constituency and the appointing organisations strikes an appropriate balance having regard to their legitimate interests in the Trust's affairs

Appointed Council Members

The Appointed Council Members will be from the following partner organisations:

- Liverpool Primary Care Trust
- Liverpool City Council
- North West Specialist Services Commissioning Team
- Health Commissioning North Wales (Specialist Services)
- Liverpool John Moores University
- Cystic Fibrosis Trust
- A voluntary organisation linked to the Isle of Man

Elected Council Members

Voting for the election of Public and Staff Council Members was completed on 27th October 2008. The election was conducted in accordance with the rules set out in the constitution and was administered by an independent electoral body appointed by the Trust - The Association of Electoral Administrators.

14 Public Members from the following areas of Public Constituency:

- Merseyside - 6 Public Council Members
- Cheshire - 4 Public Council Members
- North Wales - 3 Public Council Members
- Rest of England and Wales - 1 Public Council Member

6 Staff Council Members from the following classes:

- Qualified and Unqualified Nurses (being health care assistants or their equivalent and student nurses) - 2 Staff Council Members
- Non-clinical staff - 2 Staff Council Members
- Allied healthcare professionals, technical and scientific - 1 Staff Council Member
- Registered medical practitioners - 1 Staff Council Member

Differential initial tenures of office of 2 and 3 years and will commence on authorisation as an NHS Foundation Trust, in order to ensure continuity of representation. In subsequent elections, all tenures will be for 3 years.

Engaging and involving Council Members

The Trust has introduced a section on its website (www.lhch.nhs.uk) specifically to promote its Council Members. The section includes photographs, contact details and a range of frequently asked questions. This section provides public members with a mechanism to contact and communicate with those Council Members within their particular class.

A number of Council Members are already participating in working groups around 'Membership and Communications', 'Marketing/Brand Development', 'Staff Forum' and 'Patient Experience' and further work is planned to involve Council Members in developing work around quality and patient safety, corporate social responsibility and fundraising.

Register of Interests

All Council Members are asked to declare any interests at the time of their appointment, annually and on re-election. The register is held by the Trust Secretary and is available on request. Anyone who wishes to see the register should do so in writing to the Trust Secretary at the following address:

The Trust Secretary,
Liverpool Heart and Chest Hospital NHS Trust,
Thomas Drive,
Liverpool, L14 3PE

Contacting the Council Members

Council Members can be contacted via the Membership Office:

Tel: 0151 600 1639
Email: membership.office@lhch.nhs.uk

Patient Support Services

The Patient Support Services Department incorporates the following:

- Patient Advice & Liaison Service (PALS)
- Complaints Service
- Patient & Public Involvement
- Production and co-ordination of patient information
- Co-ordination of hospital volunteers

The service has built on good practice currently taking place within the Trust and aims to provide patients, their relatives and carers with an opportunity to influence every level of service delivery.

During the period April 2008 to March 2009 the PALS team received nearly the same number of contacts compared to the previous year.

PALS contacts	868
Formal Complaints Received	54 (a decrease of 24% in comparison to 2007/8)

Patient Information

Over 200 contacts received by the PALS office could have potentially led to a formal complaint but the effective and efficient use of the PALS service in the first instance effectively resolved the concerns before escalating to this level.

Our range of information for patients continues to develop with additional leaflets now available. A selection of information is readily available in audio format, and in different languages. All information continues to be reviewed by the lay-readers group prior to publication and the Patient Support Services team would like to thank the group for their continued help and support.

Patient Engagement

We continue to value the benefits of listening and responding to patients' experiences as part of their journey which acts as a mechanism to help us improve the way services are developed and delivered.

Examples of how the Trust responds proactively to patient involvement:

- Patient Focus Groups
- Matron's Ward Rounds including face to face interviews
- Action plans drawn from complaints and concerns raised
- Patient and Relative Satisfaction audits - we achieve >75% 'always achieve your expectations' rate.
- Outpatient Satisfaction Questionnaire

Our Volunteers

The Trust would like to thank all of our dedicated volunteers who have supported our hospital in various ways throughout 2008/09.

In December, the Trust held its 8th Annual Volunteers Day to acknowledge and thank all of our volunteers for their invaluable contribution to the Trust on a daily basis. This event offered our volunteers with the opportunity to meet with members of our Trust Board, and enjoy a delicious buffet prepared for the occasion.

The Trust continues to recruit new volunteers in various areas of the hospital. If anyone is interested in becoming one of our valued volunteers, then please contact the Trust's Patient Support Services Department on 0151 600 1257.

New Initiatives for 2009:

From 1st April 2009 there will be a new complaints procedure across health and social care in accordance with the new guidance 'The Local Authority Social Services and NHS Complaints Regulations 2009'.

In the new system of dealing with complaints, there will be no distinction between the processing of a concern, informal or formal complaint. The Trust will start to introduce this on 1st April 2009 leading to implementation over the next 12 months. This will give the Trust the opportunity to learn and adjust their processes accordingly.

The guidance has been developed to help complaints professionals improve their listening, responding and learning skills. It aims to help organisations focus on the experience of the patients and carers, rather than the process, and improve the way they deal with complaints in order to make the service more effective, personal and safe.

Our Workforce - A First Class Team

Human Resources and Organisational Development

Committed and motivated staff are an integral part of our Trust, ensuring that every patient receives a first class patient experience. The Trust is committed to ensuring that our staff are supported to be the best that they can be.

Staff Satisfaction

Following the results of the 2007 national staff satisfaction survey the Trust worked closely with staff who told us that they wanted to be:

- Well led and managed
- Valued and recognised for their contribution
- Able to air their views and be listened to
- Able to develop their potential, and
- Have health and well being at work.

As a result of this feedback the Trust developed an initiative called 'More than a Workplace' aimed at improving staff morale and subsequently enhancing our patients' experience.

Some of the actions taken to support "More than a Workplace" included:

- Creation of a monthly staff recognition award
- Executive Team visits to all wards and departments to discuss the annual plan, staff satisfaction and patient safety
- Board engagement sessions to clinical areas
- Introduction of a weekly Chief Executive e-bulletin and revised Team Brief
- Increased investment in Occupational Health services
- Commitment to the Skills Pledge providing development opportunities for staff in Bands 1 - 4
- Introduction of a discount Cycle To Work Scheme
- Created a Staff Physical Activity Group to promote health and wellbeing
- The establishment of a Staff Forum which includes our 6 Staff Council Representatives from our shadow Council of Members and staff volunteers from across a range of professional groups

The 2008 staff survey showed some improvements in staff satisfaction although we know there is more to do. We continue to work with staff to progress our ambition to be an employer of choice, making the Trust more than a workplace.

Future plans include a strengthened management and leadership development programme for key managers and service leads.

Key Performance Indicators against Target for 2008/09

No. of Staff	Sickness Absence	Appraisal Coverage	Mandatory Training	Turnover
1263 WTE 1138.18	5.59%	85%	91%	11.4%
Target	4.6%	85%	85%	11%

Corporate and Social Responsibility

The Trust plays a vital role in its local community, not only as a provider of health care services, but also as a major employer. During 2008 we developed links with Broadgreen International School and this partnership has brought benefits for both parties. In return for providing career advice and training to its students our staff are eligible to have access to recreational and IT facilities at the school free of charge.

In addition our Trust has commenced working with local employment agencies with a view to providing local residents with pre-employment training and work experience aimed at raising aspirations and achievement.

The Trust has implemented a Travel Plan which will be further developed in consultation with staff and patient representatives.

Learning and Development

The Trust has made demonstrable progress in ensuring that our participation in mandatory training helps reduce risks to patients, staff and visitors. This was an important element of our success in achieving NHSLA Level 2 in September 2008.

Our improvement in appraisal and personal development plan coverage will help staff understand how they contribute to the corporate objectives and identify, with their manager, development needs and opportunities.

We have continued to review and refine our internally delivered programmes and have provided opportunities for staff through local and regional networks.

Human Resources (HR) Systems and Processes

In July 2008 the Human Resources Department participated in an Institute of Employment Studies initiative entitled 'Towards World Class HR'. Through working with our managers, we have reviewed the operational support provided by the HR team. This has included more extensive use of NHS Jobs and Electronic Staff Records to improve recruitment processes and the provision of more timely and robust information and interventions to support the management of sickness absence.

Introduction of the Monthly Staff Recognition Award

In September 2008 the Trust launched its monthly Staff Recognition Award scheme which is a way of acknowledging individual members of staff who have contributed to an improvement in service. In particular, the Trust recognises the "unsung heroes" who have made a contribution over and above the expectations of their post.

The winner of the Award receives a signed, framed certificate together with £200.00 worth of vouchers as a way of recognising their efforts.

From September 08 to March 09 the following members of staff have received this Award:-

September 2008	Dave McConnell, Post Person
October 2008	Jeannie Blundell, Day Ward Sister
November 2008	Team from Ward G
December 2008	Paul Wright, Senior Chief Clinical Physiologist
January 2009	Vicky Cleary, Senior Nurse Manager
February 2009	Dot Homan, Clinical Nurse Practitioner
March 2009	Laura Kidman, Housekeeper, Ward A

Equality, Diversity and Human Rights

The Trust is committed to furthering equality, diversity and human rights and reducing inequalities in its provision of healthcare services. In particular, we are committed to:

- reducing inequalities in people's health and to improve their experiences of our healthcare and access to our services through greater respect for human rights and diversity
- ensuring an explicit focus on inequalities, human rights and diversity in our services

The Trust demonstrates our commitment to equality, diversity and human rights in:

- planning and delivering our service programmes
- measuring our service performance
- dealings with our patients and the public
- the recruitment and development of our staff

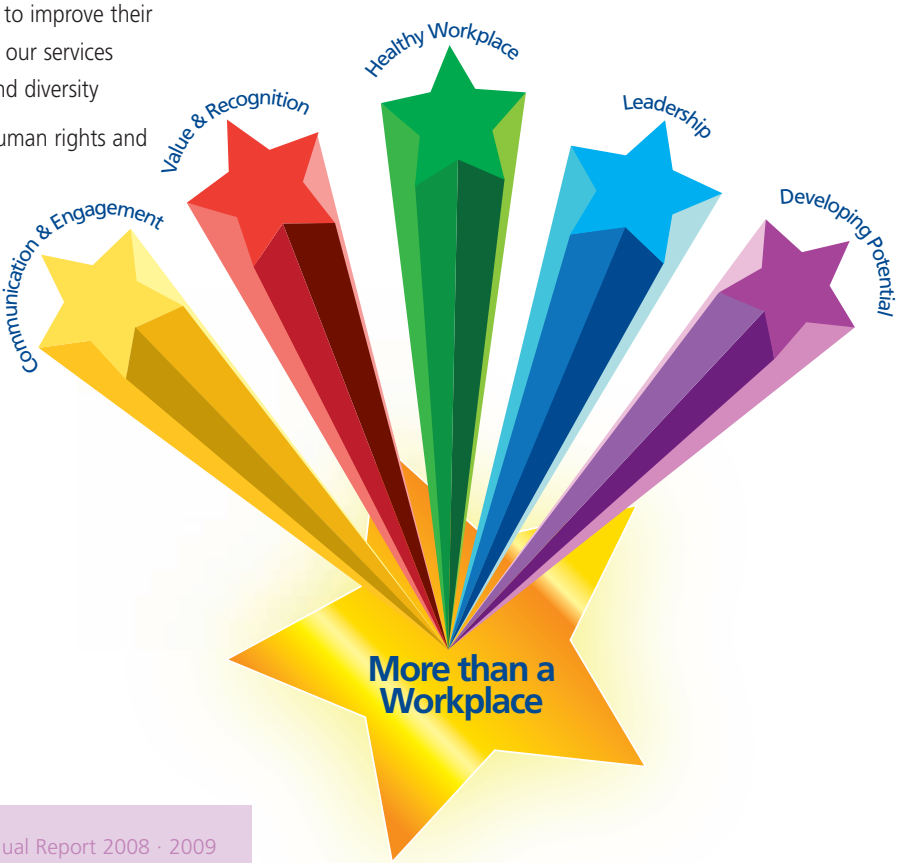
Single Equality Scheme

Liverpool Heart and Chest Hospital will not discriminate against anyone on the basis of race, disability, gender, including transgender, age, sexual orientation, religion, belief, HIV status, caring responsibilities or any other relevant characteristic or need.

The Trust's Single Equality Scheme was published in April 2008 as evidence of the Trust's commitment to ensure that equality and diversity considerations are at the centre of our Trust and the way that it operates.

The contents and action plan have been developed by drawing on current information and with reference to comments received in regard to our earlier scheme. Its preparation has provided the Trust with an opportunity to scrutinise current practice, assess progress in relation to equality and diversity and identify any gaps in provision and practice.

Liverpool Heart and Chest Hospital operates a no smoking policy on site and is a two tick disability employer.



Surgery, Anaesthesia and Critical Care

A significant growth in activity levels has been achieved by the Directorate this year, alongside modernisation work to improve patient experience, resulting in reduced waiting times with the continued achievement of the 18 week 'Referral to Treatment' target through 2008-09.

Patient cancellations have remained a real challenge for the Directorate as activity levels have increased significantly. However, actions that were implemented in October 2008 to improve this situation have proven successful and have resulted in the number of cancellations continuing to decrease since then.

Further modernisation work commenced in March 2009 through the patient flow programme with the aim of improving the patient pathway, focusing on the delivery of high quality and efficient services.

Highlights

- A significant growth in activity has been achieved from 2007-08 with
  - Thoracic Surgery up by 5%
  - Upper Gastro Intestinal Surgery up by 21%
  - Cardiac Surgery up by 11% and
  - Surgical other up by 20%.
- The Directorate developed a new service for the percutaneous replacement of aortic valves utilising the Hybrid theatre opened in 2007
- A number of changes have taken place as a result of root cause analysis of incidents in response to comments and complaints
- Hand hygiene and cleaning audits are regularly undertaken and have shown real improvements through the year
- Infection prevention targets for MRSA and clostridium difficile have been attained
- The coronary care unit has supported the development of the primary angioplasty (PCI) service
- One stop pre-admission clinics have been piloted with 2 cardiac surgeons and this will be further rolled out in 2009/10
- A new process for the transfer of cardiac surgery patients from other Trusts to facilitate earlier transfer has been implemented since July 2008
- An expansion to critical care outreach service has been implemented during the year. This service will improve the support available for patients following discharge from critical care and ensure appropriate and timely care of patients whose condition is deteriorating
- The productive ward programme commenced implementation on Ward G in September 2008 and this is now being rolled out to other surgical wards
- A new admissions ward was opened in September 2008. This will be further expanded in 09/10 to a short stay surgical ward
- A forward waiting area has been set up in theatres to reduce delays in theatre lists.

Cardiology and Chest Medicine

This has been an exciting and challenging year for the directorate and our patients, visitors and staff have benefited from an extensive capital programme which included the upgrade of two existing catheter labs. In addition two wards were refurbished to make one bigger ward significantly improving and modernising the facility.

We have appointed two additional cardiologists whose clinical specialist interests are devices and electrophysiology. This has greatly enhanced the service we offer to patients and across the directorate we have further reduced waiting times in line with the national targets.

Within our diagnostic services we have increased our spirometry service across the local community delivering more testing in local practises nearer the patient's home. A new home oxygen assessment service has also been developed which negates the need for patients to travel to the hospital.

In order to reduce waiting times for magnetic resonance imaging (MRI) the department have increased sessions from two to three. In addition a new reception area within the radiology department has helped improve patient experience efficiency.

The directorate has been keen to see the views of patients and visitors responding proactively to information we have received from matrons' rounds, complaints and patient surveys.

The ward staff continue their work on improving the environment for patients and we have sustained good scores on our inspections. In addition we are in the process of rolling out the productive ward programme. This initiative serves to improve efficiency within the wards giving staff more time to spend with patients.

On the 26th January 2009 we started our primary angioplasty service for Liverpool and Knowsley which was developed working in conjunction with the cardiac network, north west ambulance service and the commissioners and was the culmination of extensive effort from all parties.

The National Service Framework for coronary heart disease sets out the current policy for treatment of heart attack, which is to treat people suffering from a heart attack with thrombolytic (clot busting) drugs within 60 minutes of them calling for professional help.

The use of primary angioplasty (a small balloon catheter inserted into a coronary artery to unblock it) as the initial treatment in place of thrombolytic drugs has been developing in the UK for some time and started to be offered in a small number of cardiac centres from 2002.

Of those patients having reperfusion treatment for heart attacks, 22% now receive primary angioplasty in England, who would have previously been treated with thrombolytic drugs. There is wide consensus that it provides superior outcomes compared with thrombolysis provided that it can be delivered quickly.

The Trust has already treated over fifty patients and anticipates treating somewhere in the region of six hundred and fifty after full roll out for Cheshire and Merseyside residents.

Patient Satisfaction

Best Performing Hospital in the country for "overall patient care"

Service Development

The Trust is committed to continuous development of its services, whether that is the ongoing maintenance of existing estate and medical equipment, or the development of new service offerings that will benefit the communities it serves. In 2008-09 more than £1.6m was spent on capital schemes to fulfil this commitment.

Major schemes of note were:

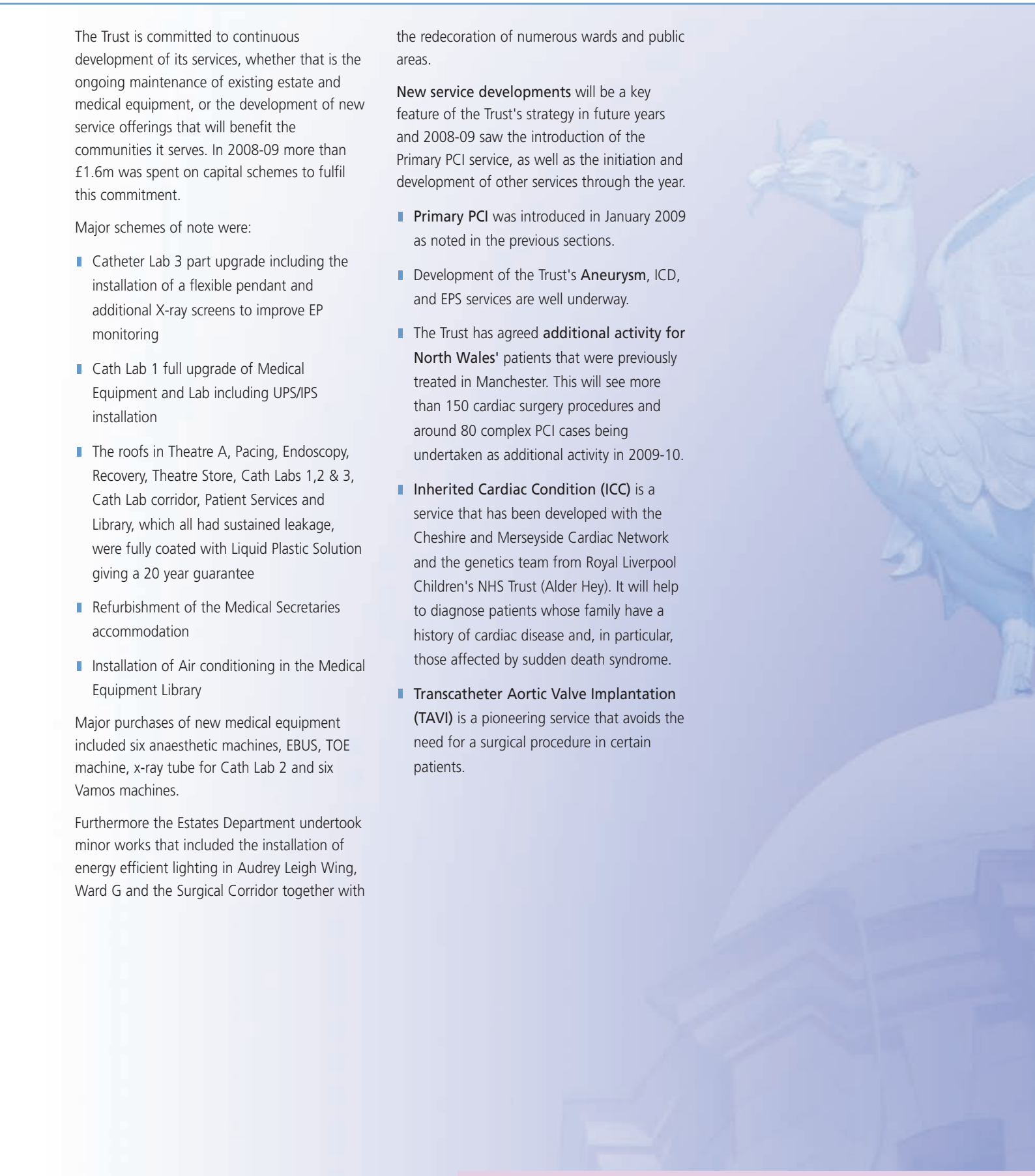
- Catheter Lab 3 part upgrade including the installation of a flexible pendant and additional X-ray screens to improve EP monitoring
- Cath Lab 1 full upgrade of Medical Equipment and Lab including UPS/IPS installation
- The roofs in Theatre A, Pacing, Endoscopy, Recovery, Theatre Store, Cath Labs 1,2 & 3, Cath Lab corridor, Patient Services and Library, which all had sustained leakage, were fully coated with Liquid Plastic Solution giving a 20 year guarantee
- Refurbishment of the Medical Secretaries accommodation
- Installation of Air conditioning in the Medical Equipment Library

Major purchases of new medical equipment included six anaesthetic machines, EBUS, TOE machine, x-ray tube for Cath Lab 2 and six Vamos machines.

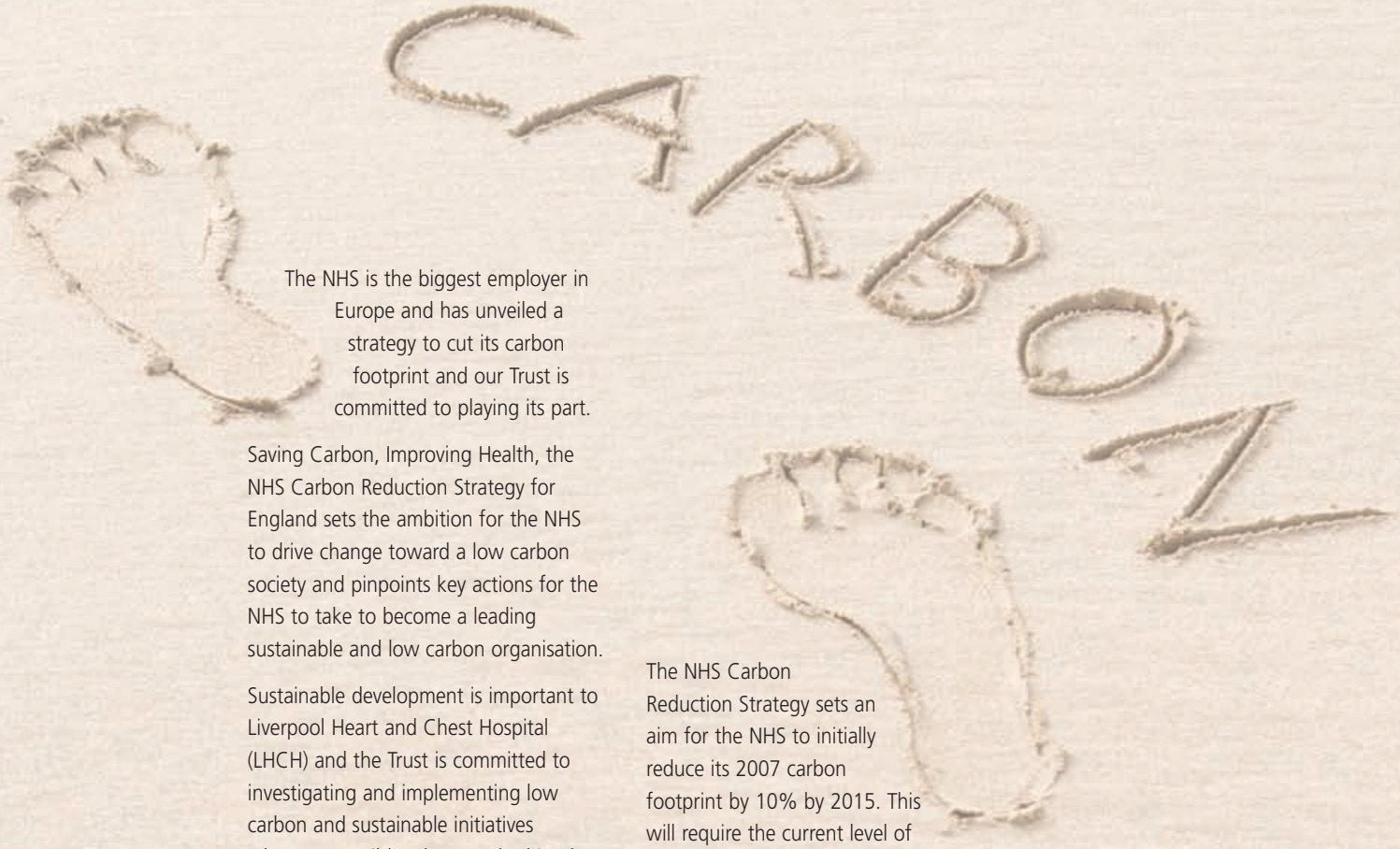
Furthermore the Estates Department undertook minor works that included the installation of energy efficient lighting in Audrey Leigh Wing, Ward G and the Surgical Corridor together with the redecoration of numerous wards and public areas.

New service developments will be a key feature of the Trust's strategy in future years and 2008-09 saw the introduction of the Primary PCI service, as well as the initiation and development of other services through the year.

- **Primary PCI** was introduced in January 2009 as noted in the previous sections.
- Development of the Trust's **Aneurysm**, ICD, and EPS services are well underway.
- The Trust has agreed **additional activity for North Wales'** patients that were previously treated in Manchester. This will see more than 150 cardiac surgery procedures and around 80 complex PCI cases being undertaken as additional activity in 2009-10.
- **Inherited Cardiac Condition (ICC)** is a service that has been developed with the Cheshire and Merseyside Cardiac Network and the genetics team from Royal Liverpool Children's NHS Trust (Alder Hey). It will help to diagnose patients whose family have a history of cardiac disease and, in particular, those affected by sudden death syndrome.
- **Transcatheter Aortic Valve Implantation (TAVI)** is a pioneering service that avoids the need for a surgical procedure in certain patients.



Reducing our Carbon Footprint



The NHS is the biggest employer in Europe and has unveiled a strategy to cut its carbon footprint and our Trust is committed to playing its part.

Saving Carbon, Improving Health, the NHS Carbon Reduction Strategy for England sets the ambition for the NHS to drive change toward a low carbon society and pinpoints key actions for the NHS to take to become a leading sustainable and low carbon organisation.

Sustainable development is important to Liverpool Heart and Chest Hospital (LHCH) and the Trust is committed to investigating and implementing low carbon and sustainable initiatives wherever possible. The Trust had in place an Energy Strategy, which followed an assessment by the Carbon Trust and the Trust has also signed up to a Good Corporate Citizen Assessment Model (www.corporatecitizen.nhs.uk). A Sustainable Development Management Plan has also been put in place and reported at Board level which includes recycling initiatives and new facilities designed to improve energy efficiency.

The NHS has a carbon footprint of 18 million tonnes of Carbon Dioxide per year and is the largest public sector contributor to climate change in Europe. This strategy will help the NHS achieve an enormous cut in carbon emissions, a reduction of at least 80% by 2050, ensuring it is leading low carbon and sustainable organisation and meets the Climate Change Act requirements.

The NHS Carbon Reduction Strategy sets an aim for the NHS to initially reduce its 2007 carbon footprint by 10% by 2015. This will require the current level of growth of emissions to not only be curbed, but the trend to be reversed and absolute emissions reduced.

All members of staff within the NHS and in particular Liverpool Heart and Chest Hospital should be thinking about reducing their carbon footprint as part of their day to day work.

Ways you can reduce your Carbon Footprint

- Turn off electrical items when not in use e.g. computer, lights and television
- Fill the kettle with only as much water as you need
- For short journeys either walk or cycle (or join the Trust's Cycle to Work Scheme)
- Purchase low energy light bulbs instead of standard ones

Research and Development (R&D)

The Trust continues to give R&D high priority as a means of maintaining and developing its position as a centre of excellence for the treatment of the diseases of the heart and chest. It remains fully committed to both the commissioning and conduct of research that gives way to new and innovative services, consequently resulting in the improvement of the quality of care for our patients. We are firm believers in "today's research is tomorrow's care".

Much was accomplished during the year in advancing the Trust's strategy for R&D. Notable achievements included:

- The approval of a new research strategy, which has seen the development of two Consultant led research teams, with a third to follow soon into 2009/10
- The award of funding to take forward two new major research trials which will be testing strategies to improve patient care and minimise complications whilst receiving treatment
- A tripling in the number of research trials which are nationally approved
- The continued development of two research programmes in cardiovascular disease that the Trust has the lead for on behalf of other hospitals in the Merseyside and Cheshire area
- £170K in non commercial grants awarded to researchers at the Trust with four studies awaiting external funding decisions
- The development of meaningful research collaborations with other Hospitals and Universities
- Publication of our work in respected medical journals
- Continued implementation of the research governance framework
- Further development of mechanisms to secure the involvement of patients as service users in the planning and conduct of our research. We now support a research project created entirely by our service users, and have become a lead organisation nationally for user involvement in research
- Continuation of the Johnson Foundation Research Fellowship in Interventional Cardiology from a large donation to the Merseybeat Appeal
- Continued development of research in interventional cardiology, cardiothoracic surgery and anaesthesia, thoracic medicine, nursing, professions allied to medicine and radiology
- The conduct of a number of research projects in association with commercial partners
- Continued work with our commissioners and the Cheshire & Merseyside Cardiac Network in the conduct of research relevant to local health needs which results in new services or improved delivery
- Active encouragement of all health care professional staff to undertake their own research through the availability of in-house support and the provision of specific R&D methods courses

Fundraising

Fundraising

The Trust's Merseybeat Appeal has once again been privileged to receive support from a wide range of people and events for which we are ever grateful.

Of particular merit during the past twelve months is that the Lord Mayor of Liverpool, Councillor Steve Rotherham, chose our Merseybeat Appeal to be one of his charities of the year. An enormous amount of money has been raised by the Lord Mayor's Charity, thanks largely to the Superlambanana auction, one of the events organised to celebrate Liverpool's reign as European Capital of Culture. The auction raised over £500,000 in one evening (£100,000 of which was donated anonymously).

All four charities are guaranteed to receive in excess of £110,000 each and the Trust would like to take this opportunity to publicly thank the Lord Mayor for his personal interest in our Appeal and for helping us to raise our profile and provide us with much needed funds for research into heart disease.

Our annual events continue with growing popularity. Our Golf Day goes from strength to strength as does our Hope Mountain Hike event which saw over 60 people joining in the 10 mile hike in Flintshire. Forthcoming fundraising events can be found on our Trust website www.lhch.nhs.uk

Liverpool Actor and comedian Ricky Tomlinson continues to support the hospital and our Appeal following his major heart surgery in 2007 and has already provided the Trust with over £20,000 from two charity shows held at Liverpool Empire.

Ricky also helped us launch our uniquely designed "Superheartbanana" statue in February. So successful was the launch that our initial stock sold out within 24 hours.

The Chairman of our Appeal, Alan Birchall, continues to strive endlessly to raise funds for the Appeal, following his daughter's heart surgery in 1999. Alan's emotional tribute to our hospital is relayed on a short film clip which can be viewed via our Trust website http://www.lhch.nhs.uk/about-us/fundraising.asp

The Trust Board, on behalf of everyone at Liverpool Heart and Chest Hospital, would like to publicly thank Alan for his commitment and sterling efforts to raise funds for our Appeal and subsequent promotion of our hospital.

mersey beat appeal

Research

The third year of a four year programme of committed support from Peter Johnson, Chairman of the Johnson Foundation, continues. The research project compares two alternative methods of improving blood supply to the heart in patients with narrowed arteries and the Trust would like to acknowledge the generous contribution of the Johnson Foundation towards our Appeal

Legacy

The Merseybeat Appeal received a much welcomed surprise this year - over £120,000 has been received from legacies. This income will now allow us to plan vital research and fund a number of important research studies that will hopefully save people's lives in the future and benefit our patients, their families and the communities we serve for generations to come.

In the Community

We are often astounded by the generosity shown to the Appeal from our patients, their friends and families who continue to organise their own fundraising events to say "thank you" to the hospital for the care they have received.

Our Thanks

Thank you to everyone for all the support they have given the Appeal over the past twelve months. With your help we are tackling some of the more difficult challenges facing cardiovascular medicine today, helping to prevent heart disease and to improve treatments for patients of the future.

More details on the Trust's Merseybeat Appeal, forthcoming fundraising events and how you can make a donation can be found on the Trust's website http://www.lhch.nhs.uk/about-us/fundraising.asp

Trust Board

All Directors of the Trust have a corporate responsibility for the following issues:

- To set the strategic direction for the Trust
- To ensure that there is a system of effective financial stewardship through financial control
- To promote quality in all aspects of service and promoting the development of clinical governance
- To agree annual business plans

Trust Board meetings are held in public on a quarterly basis and everyone is welcome to attend.
A schedule of meetings and full details of the Trust Board and the committees on which they serve can be viewed on the Trust Board section of the Trust website www.lhch.nhs.uk.
Paper and minutes of public meetings are also published on our website

The following Trust Board members have declared the following interests. All other members of the Trust Board have declared that they do not have any interests which are material to the affairs of the Trust.

A register of interests of the Directors and all senior staff is available for inspection at the offices of the Trust.

Dr. Glenn Russell
- Chairman of the Mersey School of Anaesthesia and Perioperative Medicine (Charity under the umbrella of the Trust)

Mark Fitzsimmons
- Wife employed by the Liverpool Women's NHS Foundation Trust
- Daughter employed by Clatterbridge NHS Foundation Trust

Patricia Firby
- Lay member of the oversight Sub-Committee for Human Embryonic Stem Cell Research at the University of Liverpool

John Brown
- Paul Brown (son) is a GP in practice in West Kirby

Neil Large
- Trustee at Tarporley Cottage Hospital (voluntary)
- Chester University - external advisor Audit and Risk Management Committee (voluntary)
- Business & Financial Consultant (part-time)

Mike Hewitt
- Director of Carnoy Limited

Judith Craske
- Trustee member (Board) Chartered Management Institute (voluntary)
- Compromise agreement (Sept 05) with Sodexho

Changes to the Board

Board Appointments	Date
Appointment of Raj Jain, Chief Executive	April 2008
Re-appointment of Mark Fitzsimmons, Chair	May 2008
Appointment of Hazel Holmes, Director of Nursing	September 2008
Appointment of Judith Craske, Non Executive Director	September 2008
Appointment of Aaron Cummins, Acting Director of Finance	February 2009
Re-appointment of Pat Firby, Deputy Chair	March 2009
Board Resignations/Retirement	**Date**
Resignation of Ken Halligan, Non Executive Director	May 2008
Resignation of Jan Walters, Director of Nursing	August 2008
Resignation of Melanie Simmonds, Director of Finance	February 2009
Resignation of Judith Craske, Non Executive Director	February 2009
Resignation of John Brown, Non Executive Director	February 2009

A profile of our Trust Board

Non-Executive Directors

Mark Fitzsimmons
Chairman
Appointed May 2004

Experience
- Associate for Health Improvement/ Healthcare Commission
- Manager (part-time) for OC PLUS
- Former Deputy Chairperson, Central Liverpool Primary Care Trust
- Former Project Manager, Youth at Risk, Liverpool City Council

Qualifications
- National Qualified CNAA Youth and Community Work
- Healthcare Commission - Qualified Reviewer
- Certificate in Managing Staff Performance
- Nationally Qualified DANOS Alcohol and Young People
- Nationally Qualified DANOS Substance Misuse Models of Care

Patricia Firby
Non Executive Director
(Deputy Chair)
Reappointed March 2009

Experience
- Lay member - Stem Cell Research Committee, University of Liverpool
- Conducting Education Clinical Audit for Liverpool John Moores University
  Former Director: School of Nursing and Primary Care Practice, Liverpool John Moores University
- Former Assistant Director, Pre-registration Programmes, Liverpool John Moores University
- Former Academic Sub Dean, School of Health Sciences, University of Liverpool
- Former Lecturer, Department of Nursing, University of Liverpool

Qualifications
- MSc Social Research Methods
- Certificate in Counselling
- Diploma of Education
- Diploma in Nursing
- Registered General Nurse

Neil Large
Non Executive Director
Appointed October 2007

Experience
- Director of Finance & ICT Cheshire & Merseyside SHA (2002-2006)
- Prior to that 15 years NHS Board Level experience
  (South Cheshire H.A. /Chester H.A.) with a range of portfolios including:
  - Chief Executive
  - Director of Finance
  - Director of Contracting
  - Director of Information
  - Director of Strategy & Commissioning
- Member of the NHS National Foundation Trust
  Pilot Diagnostic Board
- Project Director C&M SHA Foundation Trust Diagnostic & Northern
  Roll-Out
- Member of National Finance Staff Development Board

Qualifications
- Accountant - C.I.P.F.A.
- Member British Computer Society
- Business Mentor - South Cheshire Chamber of Commerce

Executive Directors

Raj Jain
Chief Executive
Appointed April 2008

Experience
- Former Executive Director at Salford Royal Foundation Trust since January 2003 - responsible for Workforce and Service Improvement
- Former FT Project Director at Salford Royal Foundation Trust

Qualifications
- BA (Hons) Management Accounting and Economics
- Diploma in Management Studies
- CBA Management

Dr Glenn Russell
Medical Director
Appointed July 2006

Experience
- Consultant Anaesthetist and Honorary Lecturer, University of Liverpool
- Former Clinical/ Research Fellow in Cardiac Anaesthesia, University of Ottawa Heart Institute, Canada
- Former Senior Registrar in Anaesthesia
- Former Clinical Lecturer in Cardiothoracic Anaesthesia, University of Liverpool

Qualifications
- M.B/Ch.B July 1980
- FFARCS
- Member of Liverpool Society of Anaesthetist, BMA, Association of Cardiothoracic Anaesthetists of Great Britain,
- European Association of Cardiothoracic Anaesthesiologists (EACTA), Society of Cardiovascular Anaesthesiologists (USA) and International Anaesthetic Research Society

Hazel Holmes
Director of Nursing
Appointed September 2008

Experience
- Deputy Director of Nursing & Governance, Salford Royal NHS Foundation Trust
- Acting Director or Nursing, Royal Liverpool and Broadgreen University NHS Trust
- Divisional Nurse Director, Royal Liverpool and Broadgreen University NHS Trust
- Directorate Manager, Royal Liverpool and Broadgreen University NHS Trust

Qualifications
- MA (Distinction) Health Services Management (2005)
- ENB N17 Therapeutic Aspects of Nursing (2001)
- BSc (Hons) Professional Health Studies (2000)
- Advanced Award in Palliative Care (1999)
- Dip HE Renal Nursing (1996)
- Registered General Nurse (1992)

NB. Jan Walters resigned as Director of Nursing in August 2008

Judith Craske
Non Executive Director
Appointed September 2008

Experience

- Transition Manager (Strategic HR Business Partner) Wylfa Power Station, Anglesey
- Board of Trustee Member - Chartered Management Institute
- Former Head of Communications - Universal Sodexho Corporate HQ (Based in Paris)
- Former Commercial Marketing & Bid Centre Director - Universal Sodexho
- Former Strategy & Marketing Director - Universal Sodexho
- Former Strategic Development Manager - Universal Sodexho
- Former Project Manager –Universal Sodexho
- Former Site Director, General Services Management Contract, Shell Expo, Aberdeen - Universal Sodexho
- Former Squadron Leader (RAF)

Qualifications

- BSc (Hons) Catering Systems
- Master's in Business Administration (Open University)
- Chartered Manager
- Chartered Member of the Institute of Personnel & Development
- Certified Management Consultant
- Managing Safely (Institution of Occupation Safety & Health)

Aaron Cummins
Acting Director of Finance & Information
Appointed February 2009

Experience

- Deputy Director of Finance, Liverpool Heart and Chest Hospital
- Deputy Director of Finance at The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Trust
- 5 years as a senior finance manager in the NHS

Qualifications

- Ba (Hons) Law and Business Studies
- C.I.P.F.A Chartered Institute of Public Finance and Accountancy

NB. Melanie Simmonds resigned as Director of Finance and Information in February 2009

John Brown
Non Executive Director
Appointed March 2005

Experience

- Non Executive Director since 2005 at The Cardiothoracic Centre, Liverpool NHS Trust
- Deputy Chairman of Governors at St Anselm's College, Birkenhead
- Trustee, The Royal School for the Blind, Wavertree, Liverpool
- Treasurer Hoylake and District Remembrance Sunday Committee
- Former Associate Convener, Royal Liverpool and Broadgreen University Hospital Trust
- Former Manager, Midland Bank
- Former Treasurer, Hoylake Sea Cadets
- Former Treasurer, West Kirby Council of Churches
- Former Chairman, Into Business Ltd
- Former Director of Merseyside TECH Ltd and Chairman of Audit Committee
- Former Director of Business Link Merseyside Ltd

Qualifications

- Associate of the Chartered Institute of Bankers

Michael Hewitt
Non Executive Director
Appointed March 2007

Experience

- Managing Director of CARNOY Group
- Former Corporate Development Director - Bruntwood Estates
- Former Strategic Planning Director - My Travel Group PLC
- Former Managing Consultant - Airtours Holidays Ltd
- Former Managing Consultant - Anderson Consulting
- Governor - Culcheth High School
- Former Governor - Newchurch CPS

Qualifications

- BSc (Hons) Computer Science

Useful Links

Liverpool Heart and Chest Hospital NHS Trust	www.lhch.nhs.uk
NHS Choices	www.nhs.uk
NHS Direct	www.nhsdirect.nhs.uk
National Institute for Innovation and Improvement	www.institute.nhs.u
Patient Safety First	www.patientsafetyfirst.nhs.u
National Institute for Health and Clinical Excellence	www.nice.org.u
Department of Health	www.dh.gov.uk
Care Quality Commission	www.cqc.org.uk
Patient Opinion	www.patientopinion.org.uk
Equality and Human Rights Commission	www.equalityhumanrights.com
NHS Counter Fraud Service	www.nhscounterfraud.nhs.uk

Useful Publications

High Quality Care for All - NHS Next Step Review Lord Darzi	Department of Health www.dh.gov.uk
NHS Constitution	Department of Health
NHS 60 The Operating Framework - High Quality Care for All	Department of Health
Healthier Horizons for the North West	NHS North West www.northwest.nhs.uk
A New Health Service	Liverpool Primary Care Trust www.liverpoolpct.nhs.uk

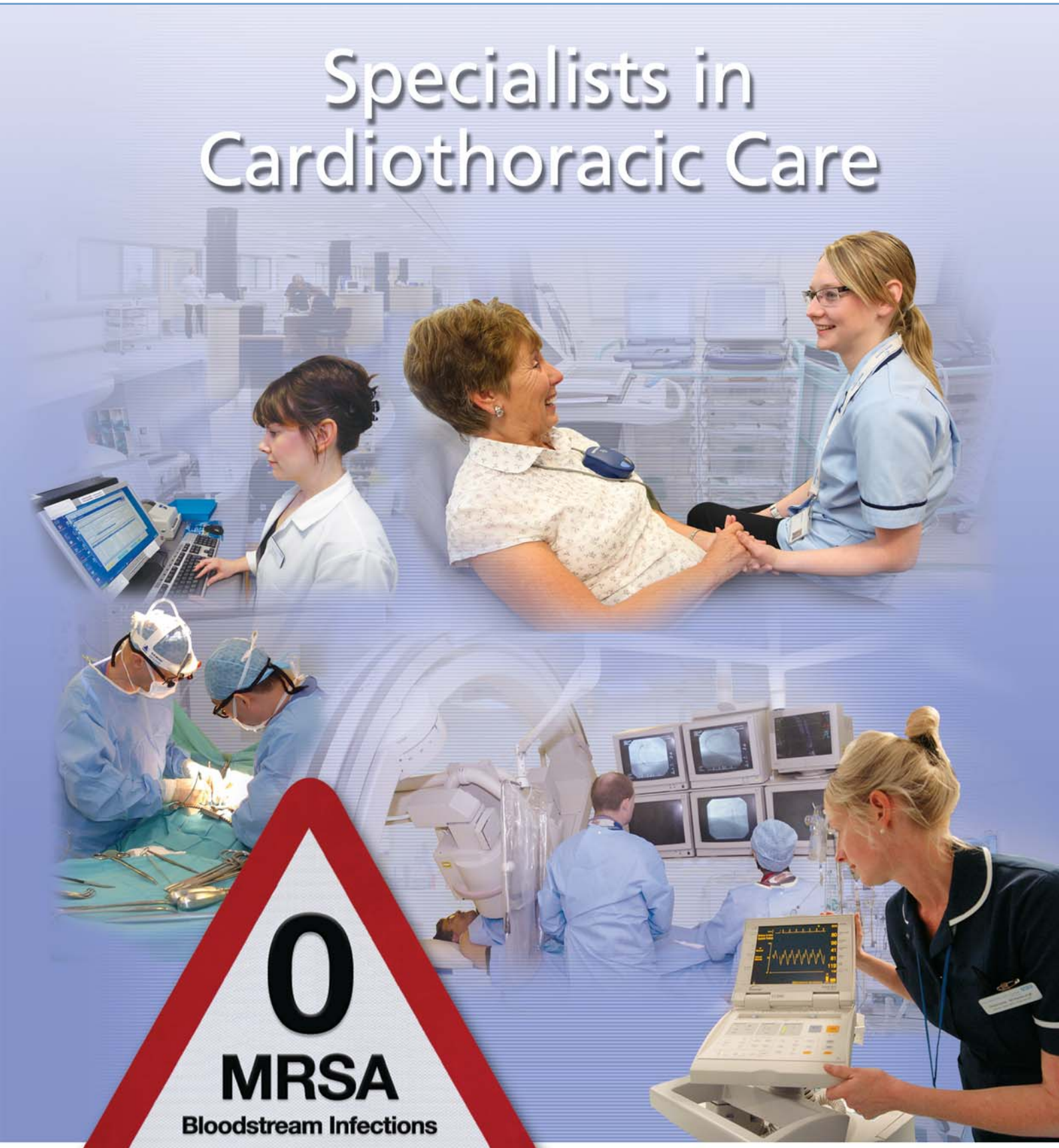
Glossary of Terms

AF	Atrial Fibrilation - an irregular heart rhythm
Aneurysm	A cardiovascular disease characterised by a saclike widening of an artery resulting from weakening of the artery wall
CABG	Coronary Artery Bypass Graft
CIP	Cost Improvement Programme
CRL	Capital Resource Limit
CTC	Cardiothoracic Centre
DoH	Department of Health
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EFL	External Finance Limit
EPS	Electro Physiological Study
HIP	Health Improvement Programme
IBP	Integrated Business Plan
IFRS	International Financial Reporting Standard
HRG	Healthcare Resource Group
I&E	Income and Expenditure
IBP	Integrated Business Plan
LDP	Local Delivery Plan
LTFM	Long Term Financial Model
MDCR	Maximum Debt to Capital Ratio
MFF	Market Forces Factor
Monitor	Independent Regulator of Foundation Trusts
NHS	National Health Service
NHSFT	National Health Service Foundation Trust
PBC	Prudential Borrowing Code
PbR	Payment by Results
PBL	Prudential Borrowing Limit
PCI	Percutaneous Coronary Intervention
PDC	Public Dividend Capital
POD	Point Of Delivery
PGO	Paymaster General Office
RAG	Red, Amber,Green Performance Indicators
SDS	Service Development Strategy
SFIs	Standing Financial Instructions
SLA	Service Level Agreement
STRGL	Statement of Total and Losses
WCF	Working Capital Facility

Liverpool Heart and Chest Hospital NHS

NHS Trust

Specialists in Cardiothoracic Care



Operating and Financial Review 2008 - 2009

Operating and Financial Review

2008 - 2009

Foreword to the Accounts

These accounts for the year ended 31st March 2009 have been prepared by Liverpool Heart and Chest Hospital NHS Trust (formerly The Cardiothoracic Centre - Liverpool NHS Trust) under Section 98(2), schedule 2 of The National Health Service Act 1977 (as amended by section 24(2), scheduled 2 of The National Health Service and Community Care Act 1990) in the form which the Secretary of State has, with the approval of the Treasury, directed.

Operating and Financial Review

The organisation has delivered its financial objectives for 2008/09 - it has now met its key statutory financial duties for an 18th successive year. The surplus delivered this year has been achieved against the backdrop of challenging clinical and activity targets, the first full year of the new site development being fully operational and the delivery of a £2.7m Cost Improvement Programme.

Driving improvements in clinical quality remained a key theme in 2008/09, with a continued focus on the patient experience and clinical outcomes. This has been reflected again in the Trust's performance in the NHS National Inpatient Survey, where it has been classified as amongst the best hospitals in the country for the delivery of 'overall patient care' for the second year in a row.

The Trust overall delivered 5.4% more inpatient activity in 2008/09 than in 2007/08, whilst maintaining excellent performance across corporate and national targets - in particular maintaining a low length of stay for patients and some of the lowest infection rates in the country.

Performance against statutory financial targets is summarised in the table below.

Statutory Target	Outcome
To demonstrate at least a break-even Income and Expenditure position	The Trust achieved a surplus of £4,337k which compares to a planned surplus of £4,036k.
To achieve a capital cost absorption rate of 3.5%	Return of 3.9% achieved which is within the Department of Health's tolerance range of 3 - 4%
To operate within an agreed External Financing Limit (EFL) of -£5.373m	Target achieved.
To operate within a Capital Resource Limit (CRL) of £1.626m	Target achieved.
Performance against Better Payments Practice Code	94% of invoices paid within 30 days

Trends in Income and Expenditure

The first year that the organisation is operating at full capacity following the site redevelopment has seen a significant increase in demand for its services from the previous year.

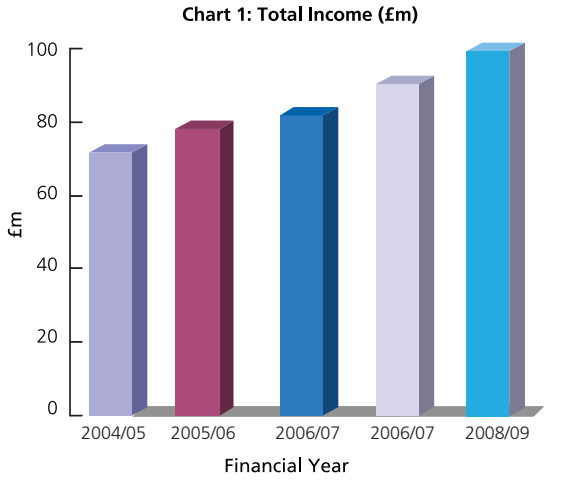
The main areas of this service increase have been in its specialist procedures, such as EP studies, Thoracic and Upper Gastro-Intestinal surgical cases. The Primary Angioplasty (PCI) service began in January 2009 in line with commissioner intentions which contributed to the overall increase in activity and the demand for this service is expected to increase over the coming years.

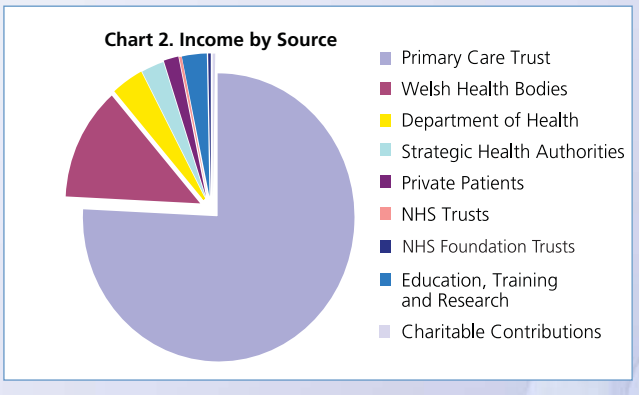
Successful delivery of the Trust's £2.7m Cost Improvement Programme has lead to an overall reduction in the operating costs of the hospital. As a result, the Trust remains on target to achieve an adjusted Reference Cost Index (RCI) of 100 by 2010/11 - an important step in ensuring ongoing financial viability. These savings have been delivered whilst maintaining high levels of quality care to our patients.

As a result of recent changes in the financial climate, the Trust will be required to deliver even greater efficiencies in future years. This, coupled with the changes in the National Tariff structures and limited funding for growth, could see the Trust entering a potentially difficult financial period. However, with the track record of delivering financial targets within a challenging environment, the organisation is well prepared to deal with these potential risks should they arise.

Income Trends

The charts below summarise the organisations main sources of income and how this income has grown over the last few years.





The achievement of local and national waiting time targets, coupled with an underlying growth in demand, has significantly increased the activity delivered by the Trust in 2008/09. NHS inpatient activity has increased by 6.4% between 2007-08 and 2008-09, with Welsh activity also increasing by 2.9%. The demand for private cases has reduced from the previous year by 6.8%, with one of the main contributory factors being the reduction in NHS waiting times.

The Trust has received additional income from both English and Welsh Commissioners as a result of this increased activity, with increased investment of £7.5m and £2.0m respectively. The removal of transitional relief from the Department of Health in 2008/09 has been offset by the return of brokerage monies given back to the Department in 2007/08. This will cease in 2009/10.

The Trust has fed directly into the national development groups for HRG v4 and, as a result, the risks posed by its introduction have largely been mitigated against. This involvement on a national level continues, with the Trust playing a key role on the Expert Working Groups for the formulation of Cystic Fibrosis, Devices, Respiratory and Critical Care tariffs in the future.

Expenditure Trends

The charts below summarise the organisations main areas of expenditure and how this expenditure has grown in line with activity and income over recent years.

Chart 3: Operating Expenditure (£m)

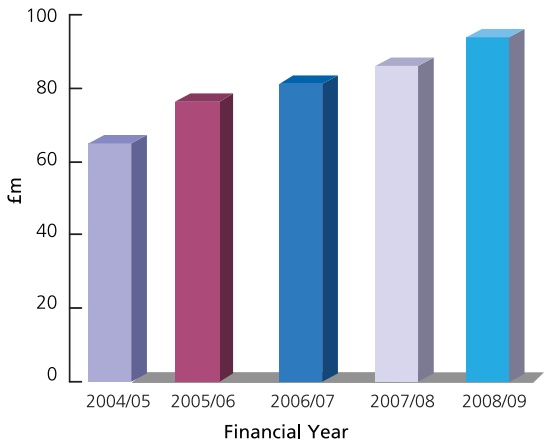
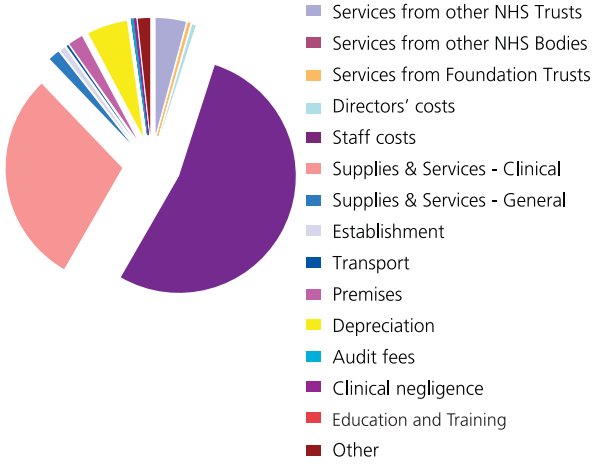


Chart 4: Expenditure by Category



Operating expenditure (excluding depreciation) has continued to grow due to the links to increasing activity and a continually evolving case mix, such as an increase in complex surgical procedures - with an overall increase of 4.39% in 2008/09.

The largest category of expenditure is pay costs of £48.8m, which represents 53.8% of all operating expenses. However, given the specialist nature of this Trust, Clinical Supplies & Services make up a substantial 29.6% of all operating expenses at £26.9m.

The Trust is committed to implementing further cost reduction programmes in the forthcoming year. These schemes, combined with the results from the Trust's newly implemented Patient Level Costing and Information System will help to address its higher than average RCI and allow the planned target to be achieved within prescribed timescales.

Trust Assets and Capital Investment

The Trust committed £1.6m to its Capital Programme in 2008/09, a significant reduction from the previous year, allowing the organisation to retain cash reserves to support the next phase of extensive capital investment in 2010/11. The majority of the programme was committed to the replacement of medical equipment, with other schemes including the refurbishment of one of the Catheter Laboratories, which supported the planned introduction of the Primary PCI service in the year.

The Trust has an increased focus on investing in IT as part of its £2.7m Capital Programme approved for 2009/10 - in particular the introduction of Electronic Prescribing and Medicines Administration System and E-Rostering.

Liquidity and Balance Sheet

Average cash balances held on account by the Trust have enabled £247k to be generated in interest.

To meet its EFL target the Trust was required to deliver a cash balance of £5.479m at the 31st of March which has been achieved through the return of the previous years brokerage monies of £4.5m from the Strategic Health Authority (StHA) and the proactive management of the Trust's creditors and debtors.

Net Assets have increased slightly from £76.6m to £76.9m. This has been due to an increase in cash of £5.4m, due to the return of the lodgement from the StHA, the reduction in the value of the fixed asset base due to reduced levels of capital investment in the year and the reduction in the stock levels held. The Trust's creditors have also reduced by £2.0m due to the proactive management of outstanding debt.

Further, the revaluation reserve has decreased by £4.0m overall due to the impact of negative movements in prospective indexation.

Preparedness for International Financial Reporting Standards

The Trust has an action plan in place that has been approved by the Audit Committee. Regular meetings are held between key finance staff to ensure progress against the plan for successful IFRS implementation.

During 2008/09, the Trust engaged Deloitte to assist with the review of the accounts, the impact for IFRS and the restatement of the opening 2008/09 Balance Sheet. Following which a report was produced that formed the basis of the restated balance sheet and actions necessary to converge to IFRS.

The opening restated balance sheet was submitted to the Department of Health in December 2008. Draft IFRS Accounting policies have also been approved by the Audit Committee to support the restated balance sheet under IFRS.

The Trust is on course to prepare restated comparative figures from the 2008/09 accounts by Sept 09, and to prepare IFRS based accounts in 2009/10.

Financial Outlook

The Trust has approved detailed financial plans for the 2 year period 2009/10 and 2010/11 indicating a surplus of £1.4m and £2.6m respectively. These plans are based on the notified inflationary uplifts from the 2009/10 Operating Framework, an assessment of the impact of the new National Tariff, identification of re-current 3% efficiency plans and commissioner support for activity growth assumptions.

The organisation is utilising this investment to improve patient services, particularly focusing on the patient pathway and improving the Trust's estate. In addition investment in IT systems to improve quality and efficiency forms part of the core strategic objectives of the organisation. Looking further forward the Trust is engaging with clinical leads and commissioning colleagues in an ongoing review of our clinical service portfolio which will underpin future financial plans and associated capital investments.

This focus on the future will ensure plans are in place that will satisfy commissioner requirements, whilst maintaining investment in front-line services. It is important to recognise that the financial environment is changing and the Trust remains confident that appropriate steps are being taken to ensure sustainable financial viability throughout what is likely to be a financially challenging period.

Aaron Cummins

Acting Director of Finance

Remuneration Report

The Remuneration and Succession Committee has delegated authority from the Trust Board to decide on all matters relating to the terms of employment and remuneration for Executive Directors within the Trust and to make recommendations for terms of employment and remuneration for Associate Directors. In addition the Committee makes recommendations to the Board on matters relating to succession planning.

All Non Executive Directors are members of the committee (one of whom is appointed by the Committee as Chairman), including the Chairman of the Trust.

The Chief Executive attends the Committee but is not present for discussions about his/her own remuneration and terms of service. The Associate Director of HR acts as secretary of the Committee providing administrative support and professional advice.

Three Non Executive Directors form a quorum.

The Committee meets at least once during each financial year.

The Remuneration Committee decides on changes to the remuneration of the Chief Executive on the advice of the Trust Board Chairman. Account is taken of any advice issued by the Department of Health on the increase in remuneration for senior NHS managers. The Chief Executive makes recommendations to the Committee on changes to the remuneration of other Executive Directors and Associate Directors. No changes are made to the remuneration of Executive Directors without such changes being agreed by the Committee.

The Chairman of the Trust agrees annual personal objectives with the Chief Executive and monitors progress in meeting objectives throughout the year. The Chief Executive in turn agrees objectives for Executive and Associate Directors. An assessment on how each Executive Director has performed in meeting their objectives is discussed at the Committee when considering changes to the officer's remuneration.

The Committee receives benchmarking information on NHS remuneration and at its own discretion makes whatever enquiries it may feel appropriate from other organisations.

Liverpool Heart and Chest Hospital NHS Trust does not have a performance related pay component of its remuneration package for senior managers or any other employee of the Trust. The only additional benefit that has been agreed for Executive Directors is an allowance towards the cost of a lease car. The value of the allowance is reviewed at the discretion of the Committee.

The Committee may decide to increase a Director's remuneration above the average increase for other based on the outcome of annual performance reviews and changes in levels of responsibility.

All Executive and Associate Directors are given substantive contracts on appointment. The starting salary is set in accordance with the above process for considering revisions to remuneration.

The notice period for an Executive or Associate Director is 6 months on either side. Should the Trust decide to terminate the contract of employment of an Executive or Associate Director the minimum payment that would be made would be equivalent to the remuneration for the notice period, including where appropriate any lease car allowance. The Committee at its discretion can decide to pay an increased termination payment to an Executive Director where this is considered appropriate considering any particular circumstances that may apply in each case. Appropriate legal and audit advice must be obtained in such circumstances including SHA and Treasury approval where necessary.

Note 1. Management and Administration Costs

The Management costs of the Trust were £4,868,908 (£4,423,218 in 2007/08) and amounted to 5% of Trust Income (4.95% in 2007/08).

Note 2. Salary and other remuneration of Senior Managers

Name and Title 2008/2009	Salary (bands of £5000)	Other Remuneration (bands of £5000)	Benefits in kind (Rounded to the nearest £100)
R Jain - Chief Executive*	110-115	0-5	2800
G Russell - Medical Director	20-25	175-180	0
M Simmonds - Director of Finance**	75-80	0-5	0
A Cummins - Acting Director of Finance***	5-10	0-5	0
J Walters - Director of Nursing****	20-25	0-5	0
H Holmes - Director of Nursing*****	45-50	0-5	0
M Fitzsimmons - Chairman	25-30	0-5	0
J Brown - Non Executive Director******	5-10	0-5	0
P Firby - Non Executive Director	5-10	0-5	0
M Hewitt - Non Executive Director	5-10	0-5	0
P N Large - Non Executive Director	5-10	0-5	0
J Craske - Non - Executive Director*******	0-5	0-5	0
K Halligan - Non Executive Director********	0-5	0-5	0

*R Jain commenced in April 2008
**M Simmonds left post in February 2009
***A Cummins Acting Director of Finance from February 2009
****J Walters left post in August 2008
*****H Holmes commenced in September 2008
******J Brown left post in February 2009
*******J Craske commenced in September 2008 and left in February 2009
********K Halligan left post in May 2008

Name and Title 2007/2008	Salary	Other Remuneration	Benefits in kind (bands of £5000)
M Bone - Chief Executive*	60-65	0-5	0
R Chadwick - Interim Chief Executive**	20-25	0-5	0
G Russell - Medical Director	20-25	155 - 160	0
R Page - Deputy Medical Director	10-15	150 - 155	0
M Simmonds - Director of Finance	85-90	0-5	0
J Walters - Director of Nursing	70-75	0-5	0
B Barrow - Director of HR	65-70	0-5	0
A Oates - Acting Director of HR***	5-10	0-5	0
M Fitzsimmons - Chairman	15-20	0-5	0
J Brown - Non - Executive Director	5-10	0-5	0
P Firby - Non - Executive Director	5-10	0-5	0
M Hewitt - Non - Executive Director	5-10	0-5	0
K Halligan - Non - Executive Director	5-10	0-5	0
P N Large - Associate Director	5-10	0-5	0

* Michael Bone - left post in October
** Robert Chadwick - Interim Chief Executive from October 2007 for 3 months
*** Amanda Oates - Acting Director of HR from 14th January 2008

Pension Benefits

Name and title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2008 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2008 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2008	Cash Equivalent Transfer Value at 31 March 2007	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£00
R Jain	2.5-5	7.5-10	20-25	65-70	374	254	80	0
G Russell	2.5-5	10-12.5	45-50	135-140	919	645	180	0
M Simmonds*	0-2.5	0-2.5	30-35	90-95	564	432	74	0
A Cummins**	0-2.5	2.5-5	0-5	10-15	54	34	2	0
J Walters***	0-2.5	0-2.5	20-25	60-65	344	261	18	0
H Holmes****	0-2.5	0-2.5	15-20	50-55	225	180	24	0

Calculations for the real increase in pension, lump sum and CETV are based on the increase accrued for the full year from 1st April 2008 to 31st March 2009.

Please note that the following staff were not in Senior Manager posts for the full 12 months of the year

*M Simmonds left post in February 2009
**A Cummins Acting Director of Finance from February 2009
***J Walters left post in August 2008
****H Holmes commenced in September 2008

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

Cash Equivalent Transfer Value

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 members 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 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.

Statement on Internal Control

April 2008 to March 2009

1. Scope of responsibility

The Board is accountable for internal control. As Accounting Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS 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 Trust Accounting Officer Memorandum.

I carry out my accountability role:

- with commissioning bodies though service agreements;
- with local partners and wider communities through holding public meetings, publishing business plans, an annual report and accounts, and through compliance with the Code of Practice on Openness in the NHS;
- with patients through management of standards of care;
- to the Secretary of State and Strategic Health Authority Chief Executive for performance and statutory financial duties.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Liverpool Heart and Chest Hospital NHS Trust for the year ended 31st March 2009 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

As Chief Executive and supported by Board Members I have responsibility for the introduction and implementation of the risk management processes within the Trust. The Audit Committee scrutinises these risk management processes and the Trust's systems of internal control.

In order to ensure that risk management becomes integrated into all practices and procedures carried out by staff, the Trust provides training and procedures which:

- Increase the awareness of staff to report all Adverse incidents and near misses;
- Facilitate proactive self assessment of risks throughout the Trust;
- Develop systems and processes which have the capability to reduce risk;
- Improve procedures for reporting and feedback mechanism;
- Continue to ensure compliance with policies and professional standards;
- Provide consistency in the management of risks;
- Ensure compliance with professional registration requirements;
- Ensure compliance with professional codes of practice;
- Promote continuing personal and professional development that meets the needs of individuals and the business needs of the Trust;
- Enable staff appraisal to focus on improvements in performance related to adverse incidents/near misses, concerns and complaints received.

4. The risk and control framework

Risk management requires participation, commitment and collaboration from all staff. The process starts with the systematic identification of risks throughout the organisation and these are documented on 'risk registers'. These risks are then analysed in order to determine their relative importance using a risk scoring matrix.

Low scoring risks are managed by the area in which they are found while higher scoring risk are managed at progressively higher levels within the organisation.

Achieving control of the highest scoring risk is given priority over low scoring risks. Risk control measures are identified and taken to reduce the risk's potential for harm. Some risk control measures do not require extra funding and these are implemented as soon as practically possible. However, where risk control requires extra funding then a risk funding process determines how best to use the organisation's financial resources to control that risk. Risk funding can direct funds to further risk control measures or it may decide to transfer the risk to others such as NHS insurance schemes or sharing the risk in the contracts drawn up with others. The whole process is a continual iterative process.

Information governance risks are managed as part of this process and assessed using the Information Governance Toolkit. During the year there has also been a detailed review of storage and transfer of information. A detailed action plan based on guidance provided by Connecting for Health is currently being implemented. The risk register is up to date with the currently identified information risks.

In order to provide evidence in support of the Statement on Internal Control the Trust has a Board Assurance Framework which is based on six key elements:

- Clearly defined principal objectives agreed with stakeholders together with clear lines of responsibility and accountability;
- Clearly defined principal risks to the achievement of these objectives together with an assessment of their potential impact and likelihood;
- Key controls by which these risks can be managed, this includes involvement of stakeholders in agreeing controls where risks impact on them;
- Management and independent assurances that the risks are being managed effectively;
- Board reports identifying that risks are being reasonably managed and objectives being met, together with gaps in assurances and gaps in risk control;
- Board action plans which ensure the delivery of objectives, control of risk and improvements in assurances.

The Trust has a robust, systematic process for the assessment of compliance with core standards for better health. The Trust is fully compliant with the core standards for better health.

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

Control measures are in place to ensure that all the organisations obligations under equality, diversity and human rights legislation are complied with.

5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the systems of internal control provide me with assurance.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the work of the internal auditors and the executive managers within the NHS 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.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work, through reviews by the standing committees and the Audit Committee.

The Assurance Framework/Risk Register is reviewed by the Trust Board three times a year and it provides me and the Board with evidence of the effectiveness of controls in place to manage risks to achieving the organisation's principal objectives. My review is also informed by: External Audit, audit by the National Health Service Litigation Authority and periodic audits of compliance with its standards by the Healthcare Commission and other external inspections, accreditation and reviews.

I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, Risk Management Committee and the other standing committees of the Trust Board. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Processes are well established and ensure regular review of systems and action plans on the effectiveness of the systems of internal control through:

- Trust Board review of Board Assurance Framework, risk register and action plans;
- Audit committee scrutiny of controls in place;
- Review of serious incidents and learning by the standing committees, including those for Risk Management and Clinical Quality;
- Review of progress in meeting the Standards of the Healthcare Commission's Standards for Better Health by the standing committees;
- Internal Audits of effectiveness of systems of internal control.

No significant control issues were identified during the year April 2008 to March 2009, however, the following control issues, not amounting to significant control issues, were identified:

- Sickness absence rates are higher than expected, but recent management action has led to some improvement;
- Weaknesses in waiting list administration procedures have been closed;
- Cancer access and 18 week targets were difficult to maintain, but system improvement has led to robustness;
- Operations cancelled on the day of the procedure were too high, but plans are being put in place to improve.

Action to improve the control of all of the above risks has been progressing throughout 2008/09 and the effectiveness of these improvements has been reviewed by the Trust Board.

Signed Raj Jain
Chief Executive Officer
(on behalf of the Board)

13th March 2009

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an accountable officer.

Signed Raj Jain
Chief Executive
Date: 11th June 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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

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

By order of the Board

Chief Executive Raj Jain
Date: 11th June 2009

Finance Director Aaron Cummins
Date: 11th June 2009

Quality Accounts

Current View of the Trust's Position and Status for Quality

The Trust has in place a comprehensive clinical quality strategy that has been implemented throughout 2008/09 by the Clinical Quality Committee. Major achievements for the year include:

- No hospital acquired MRSA bloodstream infections
- A low number of hospital acquired Clostridium Difficile infections, placing our performance well under the target set by our local Primary Care Trust
- Low waiting times for treatment, reflected in 18 of every 20 patients receiving their procedure within 18 weeks of being referred by their general practitioner
- For procedures which are have not been performed as an emergency, one death in every 10 has been prevented as a result of our safety work (a 10% reduction in an already low mortality rate, equivalent to 7 deaths this year)
- The right care, at the right time being given to the right patients, reflected in high rates of consistency in the application of treatment that has been proven to work (care bundles)
- Some of the lowest lengths of stay in the country, ensuring the patient returns to their home surroundings as quickly as possible
- Almost nine of every ten patients reporting that the Hospital is meeting their expectations all of the time
- Full compliance with all standards as specified by the independent health regulator, the Healthcare Commission
- All minimum standards of care met as defined by the Department of Health

Despite this excellent performance, we remain ambitious to improve. This report provides detail of what aspects of clinical care the Trust has prioritised for improvement in the following twelve months.

Overview of Organisational Effectiveness Initiatives

The Trust has a series of ongoing initiatives to improve organisational effectiveness in quality. Examples include:

- Since September 2008, the Trust has participated in the Patient Safety First Campaign, which has seen the Trust adopt patient safety as a top priority.
- Between September 2008 and April 2009, the Trust participated in the leadership for improving patient safety (LIPS) which has equipped Executives and senior staff with the skills necessary to lead and implement quality improvement methodology.
- With effect from January 2009, the Trust Board have included Quality as a major component of their agenda which includes the report of a patient story, review of performance in quality and dedicated training.
- The Trust has a track record of using Patient Reported Outcome Measures (PROMS) routinely which places it ahead of the national rollout planned from 2009/10.
- The Trust has implemented an integrated approach to learning from the patients' experience, which includes the conduct of focus groups, monthly satisfaction surveys, and regular Matron's rounds, the results of which are reported to the Patients Experience Committee, a newly established sub-committee of the Trust Board.

How have we prioritised our Quality Improvement Initiatives?

Following Trust Board consultation, we have confirmed our top five quality priorities to be:

1. Death in-hospital (Mortality)
2. Surgical site infections
3. Non-clinical cancellations
4. Improve the outcomes of care in heart attack, heart failure and bypass grafting patients (Advancing Quality)
5. Improve the experience of care for our patients

These have been signed off by Mr Raj Jain, Chief Executive and Dr Glenn Russell, Medical Director.

These priorities were identified from a detailed discussion amongst the membership of the Clinical Quality Committee, which has representation from the Executive Directors and Directorate senior clinical leaders. These priorities were discussed further and agreed at the Trust Board.

Our Selected Priorities and Proposed Initiatives

Each of the priorities above, together with our proposed initiatives for 2009/10 is described in detail below:

Priority One:
Reduce the number of deaths in-hospital

Description of issue and rationale for prioritising

We were successful this year in reducing the number of deaths in-hospital following an elective procedure by 10%, but we wish to go further.

We have very recently introduced a new service called primary angioplasty. This sees the admission of patients in the throws of a heart attack, which is a high risk condition. As such, we predict that the number of deaths in-hospital will rise this year. We need to see how this new procedure affects the number of deaths, and then plan work to reduce it.

As a consequence of the amount of cardiac surgery we perform, death following coronary artery bypass is the single biggest contributor to the total number of deaths in-hospital. This year we saw an increase which we are keen to reverse.

Aim

To reduce the number of deaths in-hospital by 10% by the end of 2009/10

Identified areas for improvement

1. Improve the consistency (reliability) of all elements of the sepsis care bundle
2. Introduce a regular multidisciplinary team (MDT) discussion for cardiac surgical cases where the benefit of the operation is questionable
3. Evaluate the benefit of CT angiography for identification of poor blood supply to the bowel
4. Improve the escalation of the Modified Early Warning Score (MEWS) for patients who are showing signs of clinical deterioration

Board Sponsor

Dr Glenn Russell, Medical Director

Implementation Lead

Mr Brian Fabri, Clinical Lead - Cardiac Surgery

Programme Manager

Dr Mark Jackson, Associate Director - Quality Improvement

Priority Two: Reduce the number of surgical site infections

Description of Issue and Rationale for Prioritising

An internal review of our compliance with recently issued guidance from the National Institute for Clinical Excellence entitled "Surgical Site Infection: prevention and Treatment of surgical site infection (2008)" has revealed opportunities for improving our infection prevention practice.

Aim

To reduce our rate of surgical site infections by 20% by the end of 2009/10

Identified Areas for Improvement

1. Implement the surgical site infection care bundle
2. Improve the discipline of staff working in the theatre areas in order to minimise unnecessary movement in and out of the theatre, ensure strict adherence to the theatre clothing policy, and excellence in hand hygiene practice
3. Introduce a new pre-operative skin preparation proven to reduce infections (2% chlorhexidine)
4. Improve use of the non-touch technique for wound dressing and cleaning

Board Sponsor

Mrs Hazel Holmes, Director of Nursing & Infection Prevention

Implementation Lead

Mr Richard Page, Associate Medical Director - Surgery, Anaesthesia and Critical Care

Programme Manager

Mrs Nicola Best, Infection Prevention Nurse

Priority Three: Reduce the Number of Non-Clinical Cancellations for Elective Procedures

Description of Issue and Rationale for Prioritising

Following admission to hospital, the patient expects that the procedure they need will be undertaken on the date scheduled. However, on occasion, the procedure is cancelled for reasons of administration rather than clinical necessity. Cancellation is both inconvenient and distressing for patients.

Over the last few years, the Trust has only just managed to keep the number of non-clinical cancellations under control. We recognise the upset being cancelled so close to their operation causes to our patients, and wish to radically improve our performance.

Aim

Reduce the number of cancellations for non-clinical reasons by 30% by the end of 2009/10

Identified Areas for Improvement

1. Improve the planning and scheduling of pacemaker and bypass grafting procedures
2. Ensure efficiency of practices on the day of the procedure
3. Improve the delivery of care from procedure through to discharge

Board Sponsor

Dr Glenn Russell, Medical Director

Implementation Lead

Mrs Ann Parker-Clements, General Manager - Surgery, Anaesthesia and Critical Care

Programme Manager

Mrs Tracy Rawlings, Assistant General Manager - Surgery, Anaesthesia & Critical Care

Priority Four:
Improve the outcomes of care in heart attack, heart failure and bypass grafting patients (Advancing Quality)

Description of Issue and Rationale for Prioritising

Patients with heart attack, heart failure and those receiving coronary artery bypass grafting make up a substantial proportion of the number of patients we treat. Having good processes of care will ensure that the outcomes (that is the results of the care) are excellent.

We have begun a programme of deployment of care bundles, which are a number of processes (treatments) which have been proven to work "bundled" together. Individual bundle elements have been shown to interact, such that the benefit is greater than the sum of the parts. Our ambition is for every appropriate patient to receive all elements of the bundle when they are required.

This work is part of the Advancing Quality programme, being led by the NHS North West Strategic Health Authority.

Aim

Ensure all appropriate patients receive all elements of the relevant care bundles by the end of 2009/10

Identified Areas for Improvement

1. Improve the provision of smoking cessation advice
2. Ensure all patients with heart failure receive the necessary self care and lifestyle advice and receive an evaluation of their heart function
3. Ensure all patients who have suffered a heart attack receive the appropriate medication
4. Widen our programme of measuring the patients own reported assessment (PROM) of the benefits derived from their treatment, and act on the results

Board Sponsor
Mr Raj Jain, Chief Executive

Implementation Lead
Dr Raphael Perry, Associate Medical Director - Cardiology & Chest Medicine

Programme Manager
Dr Mark Jackson, Associate Director - Quality Improvement

Priority Five:
Improve the experience of care for our patients

Description of issue and rationale for prioritising

The patients we treat are often facing life threatening illness of illness that substantially reduces their quality of life. As care givers, we want to deliver technically excellent care that either extends life or dramatically reduces the burden of symptoms. However, from talking to patients, we know this is not the be all and end all of care delivery. Patients want to be treated with dignity and respect, have their views listened to and acted upon, not be harmed as a consequence of the healthcare delivery and receive care in a comfortable, clean and friendly environment in addition to many other things. Collectively, these issues make up the experience of the patient, which as a Trust we are keen to improve.

Aim

Develop and begin the implementation of a comprehensive patient experience strategy within 2009/10

Identified Areas for Improvement

The patient experience strategy will:

oIntroduce the Customer Service Excellence model (a unique improvement tool to help us put patients, carers and relatives at the core of what we do), to at least one major area of the Trusts activities

- Explore and develop a number of different methods of capturing feedback from the users of our services, and act on the results
- Implement the Nursing Assessment and Accreditation system which assesses clinical standards that includes the delivery of person centred care

Board Sponsor
Mrs Hazel Holmes, Director of Nursing & Infection Prevention

Implementation Lead
Mrs Jane Brooks, Deputy Director of Nursing

Programme Manager
Vacancy, Matron for Corporate Services

Response to Regulators

The Liverpool Heart & Chest Hospital NHS Trust has declared compliance with all core standards for better health for the year 2008/09.

This year, the Trust has also:

- Achieved level 2 of the prescribed risk management and patient safety standards published by the NHS Litigation Authority
- Received a report from the Mersey Internal Audit Agency that provided significant assurance against our statement of compliance with core standards C3 (NICE Interventional Procedures), C12 (Research Governance) and C22a/c (Public Health Partnerships).

Additionally, we have taken the following action to respond to concerns raised by our external regulators:

1. In 2008/09, we did not achieve compliance with the Healthcare Commission diagnostic waiting times target published as part of the annual health check. This was due unclear accountability for this target and resulted in major changes to our governance arrangements for performance management.
2. In November 2008, implementation of the hygiene code was inspected by the Healthcare Commission which revealed deficiencies in compliance with duties 2d3, 4a and 4f. Since then, we have implemented a comprehensive action plan which includes improved cleaning and inspection regimes, improvements in policies for the environment and strengthened arrangements for decontamination of endoscopes. These actions have satisfied the Healthcare Commission who has now awarded full compliance.

Response to LINKs and to feedback from Members and Governors

Examples of feedback from patients and the public (considering comments from our LINKs representative, Members and Governors) included:

- Continued high rates of satisfaction reported from in-patients, out-patients, carers and families
- A reduction in patient satisfaction with the quality of food compared to previous years
- Scope for additional improvement with the discharge process
- Concerns over breakdowns in communication leading to delays or sub-optimal treatment
- Frequent reports over being discharged "too early"

We will consider the appropriate initiatives to deal with these concerns, and continue to ask the necessary questions to identify the processes of care that require improvement.

Quality Overview

Performance of the Trust against selected metrics

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

Measured Reported	LHCH 2008/09	LHCH 2007/08	Most Recent National	Most Recent Peer Group
Safety				
Harm as measured by the Global Trigger Tool (events per 1000 bed days)	63	Not available	Not available	Not available
LHCH Acquired MRSA bacteraemia - cases (rate per 1000 bed days)	0 (0)	7 (0.16)	(0.12)	(0.07)
LHCH Acquired Clostridium Difficile - cases (rate per 1000 bed days)	18 (0.36)	21 (0.42)	(0.91)	(0.33)
Incidents reported - total (average number per month)	1078	1140	Not useful	Not useful
Effectiveness				
In base Hospital Mortality (% all patients)	1.2%	1.2%	Not useful	1.1%
Average score from national in-patient survey for the discharge process	73%	69%	65%	78%
Readmission to Hospital within 28 days of discharge from LHCH (% patients discharged)	7.0%	7.3%	8.2%	6.4%
Average perfect care score for patients receiving the Advancing Quality Care Bundles	74%	Not available	Not available	Not available
Written medication and hospital stay summary received by the General Practitioner within 72 hours of discharge (% discharges)	55%	Not available	Not available	Not available
Patient Experience				
Score from national in-patient survey for mixed sex accommodation on admission	29%	22%	Not available	Not available
In-patients reporting that expectations are met all of the time (% patients discharged)	86%	77%	Not available	Not available
Score from national in-patient survey for overall quality of care	92%	90%	78%	89%

Notes to the Accounts

Notes on Recommended Metrics

1. Harm as measured by the Global Trigger Tool (events per 1000 bed days) - This measure is derived from a systematic review of a sample of patient case notes and is a key measure of the Patient Safety First Campaign.
2. LHCH Acquired MRSA bacteraemia - cases (rate per 1000 bed days). This measure describes the number of patients with MRSA which was attributable to LHCH. The rate per 1000 bed days is useful to compare with national and peer group rates. We are pleased to report no cases this year.
3. LHCH Acquired Clostridium Difficile - cases (rate per 1000 bed days). This measure describes the number of patients with Clostridium Difficile which was attributable to LHCH. The rate per 1000 bed days is useful to compare with national and peer group rates. We have performed well against the local target set.
4. Incidents reported - total. This result is the total number of incidents reported for the year, and includes near misses. There is no comparator as the number of incidents reported in influenced by the size of the Hospital. The number of incidents reported has fallen. We are actively promoting incident reporting and improving the systems used to report to make it easier to use.
5. In-base Hospital Mortality (% all patients). The number of patients who die within our Trust following admission. Whilst our rates are comparable with our peer group, we anticipate an increase in deaths this year as a result of the new primary angioplasty service. We need to set a new baseline and then improve. National comparators are not useful as our casemix is very different from most other Hospitals.
6. Average score from national in-patient survey for discharge process - this is the average of all question responses for the categories excellent and very good asked in the national in-patient survey. Patients included are those receiving care in June and July in the respective year. The discharge process is our weakest area of performance in the survey, and is linked to performance in other areas such as readmissions. Improvements in timeliness of the availability of medications and the provision of advice are planned.
7. Readmission to Hospital within 28 days of discharge from LHCH (% patients discharged) - Patients may be readmitted to other hospitals closer to their home. These readmissions are included in this calculation for English Trusts only. Reducing readmissions is a project we are taking forward with the local Primary Care Trust this year.
8. Perfect care score for patients receiving the Advancing Quality Care Bundles - Perfect care is deemed to have occurred when all elements of the care bundle have been used for appropriate patients. Missing one element of the bundle results in no score awarded, even if all other elements of care have been delivered to the patient. This result is the average of perfect care scores from the three bundles.
9. Medication and hospital stay summary received by the General Practitioner within 72 hours of discharge (% discharges). This result has been calculated from a small sample of patients drawn from general practice by Liverpool Primary Care Trust. Improving the timeliness of hospital summaries is a project we are taking forward with the local Primary Care Trust this year.
10. Score from national in-patient survey for mixed sex accommodation on admission - This result describes the percentage of patients who minded being first admitted to a mixed sex sleeping area. Reducing mixed sex accommodation is a project we are taking forward with the local Primary Care Trust this year.
11. In-patients reporting that expectations are met all of the time (% patients discharged) - This result has been calculated from the opinion of 50 patients sampled every month and averaged across the year.
12. Score from national in-patient survey for overall quality of care - Percentage of patients reporting Excellent or very good quality of care from the national in-patient survey

Metrics against Department of Health National Priorities and Performance against Healthcare Commission National Core Standards

National Targets and Regulatory Requirements	2008/09	2007/08	Target
Healthcare Commission core standards and national targets met	24/24	24/24	24
Clostridium Difficile - year on year reduction	18	21	31
MRSA - maintaining MRSA levels at less than half the 2003/04 level	0	7	<=8
Maximum wait time of 31 days - Decision to treat to start of treatment - All cancer treatments	99.8%	100%	98%
Maximum waiting time of 62 days from all referrals to treatment - All cancers	97.5%	95.2%	95%
Maximum waiting time of 2 weeks from urgent General Practitioner referral to first outpatient appointment for all urgent suspect cancer referrals	100%	100%	98%
18-week maximum wait - Admitted patients - Point of referral to treatment	91%	80%	85%
18-week maximum wait - Non-Admitted patients - Point of referral to treatment	95%	95%	90%
Cancelled operations for non-clinical reasons	1.3%	1.0%	1.5%+
NHS staff satisfaction	3.32	3.18	3.53*

Notes on Regulatory Requirements and National Targets

Please see:
http://www.cqc.org.uk/guidanceforprofessionals/healthcare/nhsstaff/annualhealthcheck2008/09/qualityofservices/exis/acuteandspecialisttrusts.cfm for an explanation of the above metrics.

+Scores between 0.8% and 1.5% represent underachievement

*This is not a target, but the average score for NHS Trusts.

Useful Links

Liverpool Heart and Chest Hospital NHS Trust	www.lhch.nhs.uk
NHS Choices	www.nhs.uk
NHS Direct	www.nhsdirect.nhs.uk
National Institute for Innovation and Improvement	www.institute.nhs.u
Patient Safety First	www.patientsafetyfirst.nhs.u
National Institute for Health and Clinical Excellence	www.nice.org.u
Department of Health	www.dh.gov.uk
Care Quality Commission	www.cqc.org.uk
Patient Opinion	www.patientopinion.org.uk
Equality and Human Rights Commission	www.equalityhumanrights.com
NHS Counter Fraud Service	www.nhscounterfraud.nhs.uk

Useful Publications

High Quality Care for All - NHS Next Step Review Lord Darzi	Department of Health	www.dh.gov.uk
NHS Constitution	Department of Health	
NHS 60 The Operating Framework - High Quality Care for All	Department of Health	
Healthier Horizons for the North West	NHS North West	www.northwest.nhs.uk
A New Health Service	Liverpool Primary Care Trust	www.liverpoolpct.nhs.uk

Glossary of Terms

AF	Atrial Fibrilation - an irregular heart rhythm
Aneurysm	A cardiovascular disease characterised by a saclike widening of an artery resulting from weakening of the artery wall
CABG	Coronary Artery Bypass Graft
CIP	Cost Improvement Programme
CRL	Capital Resource Limit
CTC	Cardiothoracic Centre
DoH	Department of Health
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EFL	External Finance Limit
EPS	Electro Physiological Study
HIP	Health Improvement Programme
IBP	Integrated Business Plan
IFRS	International Financial Reporting Standard
HRG	Healthcare Resource Group
I&E	Income and Expenditure
IBP	Integrated Business Plan
LDP	Local Delivery Plan
LTFM	Long Term Financial Model
MDCR	Maximum Debt to Capital Ratio
MFF	Market Forces Factor
Monitor	Independent Regulator of Foundation Trusts
NHS	National Health Service
NHSFT	National Health Service Foundation Trust
PBC	Prudential Borrowing Code
PbR	Payment by Results
PBL	Prudential Borrowing Limit
PCI	Percutaneous Coronary Intervention
PDC	Public Dividend Capital
POD	Point Of Delivery
PGO	Paymaster General Office
RAG	Red, Amber,Green Performance Indicators
SDS	Service Development Strategy
SFIs	Standing Financial Instructions
SLA	Service Level Agreement
STRGL	Statement of Total and Losses
WCF	Working Capital Facility

Statutory Audited Final Accounts

2008 - 2009

Independent auditor's report to the Board of Directors of NHS Trust

Opinion on the financial statements

I have audited the financial statements of Liverpool Heart and Chest NHS Trust for the year ended 31 March 2009 under the Audit Commission Act 1998. The financial statements comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service set out within them. I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Board of Directors of Liverpool Heart and Chest NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of Directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England. I report whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England. I also report to you whether, in my opinion, the information which comprises the commentary on the nancial performance included within the Operational and Financial Review included in the Annual Report, is consistent with the financial statements.

I review whether the directors' Statement on Internal Control reflects compliance with the Department of Health's requirements, set out in 'Guidance on Completing the Statement on Internal Control 2008/09' issued 25 February 2009. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the directors' Statement on Internal Control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises [the Foreword, the unaudited part of the Remuneration Report, the Chairman's Statement and the remaining elements of the Operating and Financial Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

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

- the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 31 March 2009 and of its income and expenditure for the year then ended;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England; and
- information which comprises the commentary on the financial performance included within the Operational and Financial Review included within the Annual Report is consistent with the financial statements.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Directors' Responsibilities

The directors are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Trust for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to the criteria for NHS bodies specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Trust has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for NHS bodies specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Liverpool Heart and Chest NHS Trust made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Julian Farmer

Julian Farmer
Officer of the Audit Commission
Audit Commission
1st Floor, Block 4,
The Heath Business and Technical Park
The Heath
Runcorn
WA7 4QF
11 June 2009

Foreword to the Accounts

These accounts for the year ended 31 March 2009 have been prepared by Liverpool Heart and Chest Hospital NHS Trust under section 98(2) of the National Health Service Act 1977 (as amended by section 24(2), schedule 2 of the National Health Service and Community Care Act1990) in the form which the Secretary of State has, with the approval of the Treasury, directed.

Income and Expenditure Account for the Year Ended 31 March 2009

	NOTE	2008/09 £000	Restated 2007/08 £000
Income from activities	3	**94,614**	88,526
Other operating income	4	**3,108**	845
Operating expenses	5-7	**(90,825)**	(87,036)
OPERATING SURPLUS/(DEFICIT)		**6,897**	2,335
Cost of fundamental reorganisation/restructuring		**0**	0
Profit/(loss) on disposal of fixed assets	8	**0**	0
SURPLUS/(DEFICIT) BEFORE INTEREST		**6,897**	2,335
Interest receivable		**247**	299
Interest payable	9	**0**	0
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		**7,144**	**2,634**
Public Dividend Capital dividends payable		**(2,807)**	(2,607)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		**4,337**	27

The notes on pages 24 to 44 form part of these accounts.

All income and expenditure is derived from continuing operations.

Balance Sheet as at 31 March 2009

	NOTE	31 March 2009 £000	Restated 31 March 2008 £000
FIXED ASSETS			
Intangible assets	10	**66**	107
Tangible assets	11	**70,701**	77,951
Investments assets	13	**0**	0
TOTAL FIXED ASSETS		**70,767**	78,058
CURRENT ASSETS			
Stocks and work in progress	12	**3,279**	3,650
Debtors	13	**4,766**	4,158
Investments		**0**	0
Other financial assets	14	**0**	0
Cash at bank and in hand	19.2	**5,479**	106
TOTAL CURRENT ASSETS		**13,524**	7,914
CREDITORS:			
Amounts falling due within one year	15.1	**(6,403)**	(8,437)
Financial liabilities	16.0	**0**	0
NET CURRENT ASSETS/(LIABILITIES)		**7,121**	(523)
TOTAL ASSETS LESS CURRENT LIABILITIES		**77,888**	77,535
CREDITORS:			
Amounts falling due after more than one year	15.1	**0**	0
Financial liabilities	16.0	**0**	0
PROVISIONS FOR LIABILITIES AND CHARGES	17	**(1,005)**	(920)
TOTAL ASSETS EMPLOYED		**76,883**	76,615
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	23	**62,799**	62,799
Revaluation reserve	18	**13,138**	17,103
Donated asset reserve	18	**1,769**	1,873
Government grant reserve	18	**0**	0
Other reserves*	18	**0**	0
Income and expenditure reserve	18	**(823)**	(5,160)
TOTAL TAXPAYERS' EQUITY		**76,883**	76,615

The financial statements on pages 22 to 44 were approved by the Board on 11th June 2009 and signed on its behalf by:

Signed: Raj Jain

Chief Executive

Date: 11th June 2009

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2009

	2008/09	Restated 2007/08
	£000	£000
Surplus/(deficit) for the financial year before dividend payments	**7,144**	2,634
Fixed asset impairment losses	**0**	0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	**(4,000)**	2,452
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**91**	92
Defined benefit scheme actuarial gains/(losses)		0
Additions/(reductions) in "other reserves"	**0**	0
Total recognised gains and losses for the financial year	**3,235**	5,178
Prior period adjustment	**0**	0
Total gains and losses recognised in the financial year	**3,235**	5,178

Cash Flow Statement for the Year Ended 31 March 2009

	NOTE	2008/09	Restated 2007/08
		£000	£000
OPERATING ACTIVITIES			
Net cash inflow/(outflow) from operating activities	19.1	**9,739**	7,423
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		**247**	299
Interest paid		**0**	(2)
Interest element of finance leases		**0**	0
Net cash inflow/(outflow) from returns on investments and servicing of finance		**247**	297
CAPITAL EXPENDITURE			
(Payments) to acquire tangible fixed assets		**(1,801)**	(9,333)
Receipts from sale of tangible fixed assets		**0**	0
(Payments) to acquire intangible assets		**(5)**	(23)
Receipts from sale of intangible assets		**0**	0
(Payments to acquire)/receipts from sale of fixed asset investments		**0**	0
(Payments to acquire)/receipts from sale of financial instruments		**0**	0
Net cash inflow/(outflow) from capital expenditure		**(1,806)**	(9,356)
DIVIDENDS PAID		**(2,807)**	(2,607)
Net cash inflow/(outflow) before management of liquid resources and financing		**5,373**	(4,243)
MANAGEMENT OF LIQUID RESOURCES			
(Purchase) of investments with DH		**0**	0
(Purchase) of other current asset investments		**0**	0
Sale of investments with DH		**0**	0
Sale of other current asset investments		**0**	0
Net cash inflow/(outflow) from management of liquid resources		**0**	0
Net cash inflow/(outflow) before financing		**5,373**	(4,243)
FINANCING			
Public dividend capital received		**0**	4,243
Public dividend capital repaid (not previously accrued)		**0**	0
Public dividend capital repaid (accrued in prior period)		**0**	0
Loans received from DH		**0**	0
Other loans received		**0**	0
Loans repaid to DH		**0**	0
Other loans repaid		**0**	0
Other capital receipts		**0**	0
Capital element of finance lease rental payments		**0**	0
Cash transferred (to)/from other NHS bodies*		**0**	0
Net cash inflow/(outflow) from financing		**0**	4,243
Increase/(decrease) in cash		**5,373**	0

Notes to the Accounts

1 ACCOUNTING POLICIES

The Secretary of State for Health has directed that the financial statements of NHS Trusts shall meet the accounting requirements of the NHS Trust Manual for Accounts which shall be agreed with HM Treasury. The accounting policies contained in that manual follow UK Generally Accepted Accounting Practice and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to the NHS. 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 fixed assets at their value to the business by reference to their current costs. NHS Trusts are not required to provide a reconciliation between current cost and historical cost surpluses and deficits.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are acquired from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Income Recognition

Income is accounted for applying the accruals convention. The main source of income for the Trust is from commissioners in respect of healthcare services provided under local agreements. 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.

1.4 Partially Completed Patient Spells

Following changes to SSAP 9 and FRS 5 (Reporting the Substance of Transactions, Application note G Revenue Recognition) NHS Trusts and Primary Care Trusts are required to agree the value of part completed spells for 2008/09 and to reflect this in their respective accounts. Trusts and PCTs are also required to account for this as a prior period adjustment. The Trust has calculated the value of part completed spells at the end of 2008/09 to be £72k.

The value of these spells was derived by grouping current inpatients and assessing the percentage completed by analysing the length of stay against the mean for that HRG. If a spell had a length of stay greater than the mean this was assessed as being 60% complete. An adjustment was made for the spell ratio and because of a Health Authority agreement only non North West patients were valued.

1.5 Intangible fixed assets

Intangible assets are capitalised when they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000."
Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate indexed figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred. They are amortised over the shorter of the term of the licence and their useful economic lives.

1.6 Tangible fixed assets

Capitalisation
Borrowing costs associated with the construction of new assets are not capitalised.
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
-collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.
The Trust purchases implantable cardioverter defibrillator (ICDs), stents and pacemakers which individually cost over £5,000 but are treated as revenue expenditure.

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. 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.

All land and buildings are restated to current value using professional valuations in accordance with FRS15 every five years and in the intervening years by the use of indices. All tangible fixed asset indices have been prepared by the valuation office - Public Expenditure System (PES data).

The land and building index has been calculated by the Valuation Office with consideration to the previous 1989-1993 property market downturn. Accordingly, not until 2013 does the index start to return to growth in values.

Office furniture and equipment has been indexed in 2008/09, these indices from the Valuation Office have been calculated on the replacement of computers etc, to existing specification on the assumption that it is still available and not the cost of replacing with modern (higher specification) equivalent actually available.

Professional valuations are carried out by the District Valuers of the Revenue and Customs Government Department. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury. In accordance with the requirements of the Department of Health, the last asset valuations were undertaken in 2004 as at the prospective valuation date of 1 April 2005 and were applied on the 31 March 2005.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Gains arising from indexation and revaluations are taken to the Revaluation Reserve. Losses arising from revaluation are recognised as impairments and are charged to the revaluation reserve to the extent that a balance exists in relation to the revalued asset. Losses in excess of that amount are charged to the current year's Income and Expenditure account, unless it can be demonstrated that the recoverable amount is greater than the revalued amount in which case the impairment is taken to the revaluation reserve. Diminutions in value when newly constructed assets are brought into use are charged in full to the Income and Expenditure account. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Operational equipment is carried at current value. Where assets are of low value, and/or have short useful economic lives, these are carried at depreciated historic costs as a proxy for current value. Equipment surplus to requirements is valued at net recoverable amount.

Depreciation, amortisation and impairments

In 2008-09, the accounting policy in respect of the recognition of impairments on new-build assets (and subsequent expenditure) has changed. In line with the financial reporting manual (FReM) and NHS Foundation Trusts policy, such impairments (typically the write-down of a new asset or enhancement from cost to DRC) will be taken to the Income and expenditure (I&E) account and not to the revaluation reserve. It follows that a prior period adjustment is required where, in the past, material impairments have been posted to the revaluation reserve (and which would, at the time, have created a negative reserve in respect of the individual asset). The prior period adjustment transaction this year is to debit the I&E reserve and credit the revaluation reserve. A special provision for the disclosure of this transaction has been made in the trust final accounts.

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land and assets surplus to requirements.

Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Where the useful economic life of an asset is reduced from that initially estimated due to the revaluation of an asset for sale, depreciation is charged to bring the value of the asset to its value at the point of sale.

Where, under Financial Reporting Standard 11, a fixed asset impairment is charged to the Income and Expenditure Account, offsetting income may be paid by the Trust's main commissioner using funding provided by the NHS Bank.

The following table discloses the range of economic lives of various assets

Economic lives of fixed assets	Min life Years	Max life Years
Software Licences	2	5
Licences and trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Buildings exc dwellings	25	35
Dwellings	25	35
Plant & Machinery	2	15
Transport Equipment	0	0
Information Technology	5	8
Furniture and Fittings	5	15

1.7 Donated fixed assets

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

1.8 Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.9 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;
-its resulting in a product or service which will eventually be brought into use;

-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. The amortisation charge is calculated on the same basis as used for depreciation i.e. on a quarterly basis. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. NHS Trusts are unable to disclose the total amount of research and development expenditure charged in the income and expenditure account because some research and development activity cannot be separated from patient care activity.

Fixed assets acquired for use in research and development are amortised over the life of the associated project.

1.10 Provisions

The 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 material, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 2.2% in real terms.

Note 15 provides further analysis of the movements of provisions, liabilities and charges. Specific provisions have been made for Rates liabilities associated with newly commissioned parts of the new joint Site Development. Liabilities to third party legal claims and to issues associated with Agenda for Change.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS 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 Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 16.

Since financial responsibility for clinical negligence cases transferred to the NHSLA at 1 April 2002, the only charge to operating expenditure in relation to clinical negligence in 2008/09 relates to the Trust's contribution to the Clinical Negligence Scheme for Trusts.

Non-clinical risk pooling

The 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 as and when they become due.

1.11 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. 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. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five year valuation cycle), and a FRS17 accounting valuation every year. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

b) FRS17 Accounting valuation

In accordance with FRS17, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued

The valuation of the Scheme liability as at 31 March 2009, is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2009 with summary global member and accounting data.

The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

Scheme Provisions as at 31 March 2009

The scheme is a 'final salary' scheme.
For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time the Trust commits itself to the retirement, regardless of the method of payment.

The Scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made. From 1 April 2008 a voluntary additional pension facility becomes available, under which members may purchase up to £5,000 per annum of additional pension at a cost determined by the actuary from time-to-time.

Early payment of a pension is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement, is payable.

Existing members at 1 April 2008

Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. From 1 April 2008 there is the opportunity of giving up some of the pension to increase the retirement lump sum. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse or eligible unmarried partner.

New entrants from 1 April 2008

Annual pensions for new entrants from 1 April 2008 will be based on 1/60th of the best three-year average of pensionable earnings in the ten years before retirement. Members wishing to obtain a retirement lump sum may give up some of this pension to obtain a retirement lump of up to 25% of the total value of their retirement benefits. Survivor pensions will be available to married and unmarried partners and will be equal to 37.5% of the member's pension.

1.12 Liquid resources

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cashflow statement. The Trust does not hold any investments with maturity dates exceeding one year from the date of purchase.

1.13 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.14 Foreign Exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Income and Expenditure Account.

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 Trust has no beneficial interest in them. Details of third party assets are given in Note 29 to the accounts.

1.16 Leases

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

The Trust's equipment leases have been evaluated against the 90% test (whereby the Present Value of the minimum lease payments over the period of the lease amounts to substantially all i.e. over 90%) of the fair value of the asset, and continue to be classified as operating leases on the basis of being below 90%.

1.17 Public Dividend Capital (PDC) and PDC Dividend

Public Dividend Capital represents the outstanding public debt of an NHS Trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the NHS Trust.

A charge, reflecting the forecast cost of capital utilised by the NHS Trust, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the forecast average carrying amount of all assets less liabilities, except for donated assets and cash with the Office of the Paymaster General. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets. A note to the accounts discloses the rate that the dividend represents as a percentage of the actual average carrying amount of assets less liabilities in the year.

1.18 Losses and Special Payments

Losses and Special Payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and Special Payments are charged to the relevant functional headings in the Income and Expenditure Account on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.19 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are accounted for as Government Granted Other Current Asset, valued at open market value. As the Trust makes emissions a provision is recognised, with an offsetting transfer from the Government Grant Reserve. The provision is settled on surrender of the allowances. The current asset, provision and Government Grant Reserve are valued at current market value at the Balance Sheet date.

Liverpool Heart and Chest Hospital NHS Trust is not a member of this trading scheme.

1.20 Financial Instruments

Financial assets

Financial assets are recognised on the balance sheet when the Trust becomes party to the financial instrument contract or, in the

case of trade debtors, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.
Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Income and Expenditure Account. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets
Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the Revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the Income and Expenditure Account on de-recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques in accordance with FRS26 AG 74 and following paragraphs.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the balance sheet date, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised 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 cash flows 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, or through a provision for impairment of debtors.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Income and Expenditure Account to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities
Financial liabilities are recognised on the balance sheet when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade creditors, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other financial liabilities.

Financial liabilities at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Income and Expenditure Account. The net gain or loss incorporates any interest earned on the financial asset.

Other financial liabilities
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

2. Segmental Analysis

The Trust is not a lead body for any consortium and as such, segmental reporting does not apply.

3. Income from Activities

	2008/09 £000	2007/08 £000
Strategic Health Authorities***	**43**	5,472
NHS Trusts	**1,721**	1,256
Primary Care Trusts*	**73,878**	62,406
Foundation Trusts	**119**	17
Local Authorities	**9**	21
Department of Health***	**3,480**	6,426
NHS Other	**0**	0
Non NHS:		
Private patients	**2,496**	2,605
Overseas patients (non-reciprocal)	**0**	17
Injury cost recovery	**0**	6
Other**	**12,868**	10,300
	94,614	88,526

* Included in Income from Primary Trusts is the return of £4.5m of funding from North West Specialist Commissioning Team associated with the revenue consequences of the New Site Development.

** Other Income includes £12.845m income from Health Commission Wales and Welsh trusts.

*** Strategic Health Authorities Income for 2007/08 includes £3m revenue consequences of the New Site development, for 08/09 this has transferred to the North West Specialist Commissioning Team (please refer to comment above). The SHA Income for 2007/08 also included Workforce development monies - this has been reclassified in accordance with Manual for accounts guidelines in 2008/09 to 'Other Income - Education, training and research'.

**** Department of Health Income for 2007/08 included £2.973m MFF income. This now comes directly from commissioning PCT's.

4. Other Operating Income

	2008/09 £000	2007/08 £000
Patient transport services	**0**	0
Education, training and research**	**2,794**	399
Charitable and other contributions to expenditure	**126**	230
Transfers from Donated Asset Reserve	**160**	78
Transfers from Government Grant Reserve	**0**	0
Non-patient care services to other bodies	**0**	0
Rental income from finance leases	**0**	0
Rental income from operating leases	**0**	0
Income Generation	**0**	0
Other income	**28**	138
	3,108	845

*Other Income is income from companies for various studies.

** Education, training and research income includes £2.607m from the workforce development. This has been reclassified in 2008/09 in accordance with the manual for accounts. This was classified under SHA Income for 2007/08

5. Operating Expenses

5.1 Operating expenses comprise:

	2008/09 £000	2007/08 £000
Services from other NHS Trusts	**3,730**	3,711
Services from other PCTs	**0**	0
Services from other NHS bodies	**48**	50
Services from Foundation Trusts	**254**	46
Purchase of healthcare from non NHS bodies	**0**	0
Directors' costs	**561**	494
Staff costs	**48,284**	45,899
Supplies and services - clinical	**26,888**	26,573
Supplies and services - general	**1,419**	1,262
Consultancy services	**0**	0
Establishment	**731**	692
Transport	**41**	8
Premises	**1,795**	2,223
Bad debts	**490**	0
Depreciation	**4,976**	4,397
Amortisation	**32**	40
Tangible fixed asset impairments and reversals	**0**	0
Intangible fixed asset impairments and reversals	**0**	0
Impairments and reversals of financial assets (by class)	**0**	0
Change in the fair value of financial instruments	**0**	0
Audit fees	**116**	116
Other auditor's remuneration	**0**	0
Clinical negligence	**214**	310
Redundancy costs	**0**	28
Education and training	**184**	226
Other	**1,062**	961
	90,825	87,036

Included within Other expenditure is legal and Professional charges of £465k, External Consultancy charges of £159k, Insurances charges of £49k

5.2. Operating leases

5.2/1 Operating expenses include:

	2008/09	2007/08
	£000	£000
Hire of plant and machinery	**0**	0
Other operating lease rentals	**445**	707
	445	707

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

	Land and buildings		Other leases	
	2008/09	2007/08	2008/09	2007/08
	£000	£000	£000	£000
Operating leases expire:				
Within 1 year	**0**	0	**6**	446
Between 1 and 5 years	**0**	0	**428**	261
After 5 years	**0**	0	**0**	0
	0	0	**434**	707

6 Staff costs and numbers

6.1 Staff costs

	2008/09		20007/08	
	Total	Permanently Employed	Other	Number
	£000	£000	£000	£000
Salaries and wages	**41,723**	40,200	1,523	39,779
Social Security Costs	**3,116**	2,965	151	2,831
Employer contributions to NHS Pension Scheme	**3,974**	3,974	0	3,783
Other pension costs	**0**	0	0	0
	48,813	47,139	1,674	46,393

6.2 Average number of persons employed

	2008/09			2007/08
	Total	Permanently Employed	Other	
	Number	Number	Number	Number
Medical and dental	**116**	115	1	122
Ambulance staff	**0**	0	0	0
Administration and estates	**239**	223	16	194
Healthcare assistants and other support staff	**196**	196	0	209
Nursing, midwifery and health visiting staff	**508**	472	36	455
Nursing, midwifery and health visiting learners	**0**	0	0	3
Scientific, therapeutic and technical staff	**176**	172	4	196
Social care staff	**3**	0	3	0
Other	**5**	5	0	37
Total	**1,243**	**1,183**	**60**	**1,216**

6.3 Employee benefits

	2008/09	2007/08
	£000	£000
There were no employee benefits	**0**	0
	0	0

6.4 Management costs

	2008/09	2007/08
	£000	£000
Management costs	**4,869**	4,423
Income	**97,722**	89,371

6.5 Retirements due to ill-health

During 2008/09 there were nil (2007/08,1) early retirement from the NHS Trust on the grounds of ill-health.
The estimated additional pension liability of this ill-health retirement will be nil (2007/08 £29k). The cost of these ill-health retirement will be borne by the NHS Business Services Authority - Pensions Division.

7. Better Payment Practice Code

7.1 Better Payment Practice Code - measure of compliance

	2008/09	
	Number	£000
Total Non-NHS trade invoices paid in the year	**28,521**	**36,922**
Total Non NHS trade invoices paid within target	**26,978**	**33,811**
Percentage of Non-NHS trade invoices paid within target	**95%**	**92%**
Total NHS trade invoices paid in the year	**932**	**11,361**
Total NHS trade invoices paid within target	**801**	**8,192**
Percentage of NHS trade invoices paid within target	**86%**	**72%**

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

7.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2008/09 £000	2007/08 £000
Amounts included within Interest Payable (Note 9) arising from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**0**	0

8. Other gains and losses

	2008/09 £000	2007/08 £000
Gain on disposal of fixed asset investments	0	0
(Loss) on disposal of fixed asset investments	0	0
Gain on disposal of intangible fixed assets	0	0
(Loss) on disposal of intangible fixed assets	0	0
Gain on disposal of land and buildings	0	0
(Loss) on disposal of land and buildings	0	0
Gains on disposal of plant and equipment	0	0
(Loss) on disposal of plant and equipment	0	0
Gain/loss) on foreign exchange	0	0
Change in fair value of financial assets carried at fair value through profit and loss	0	0
Change in fair value of financial liabilities carried at fair value through profit and loss	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
	0	0

9. Finance and Costs & Interest receivable

	2008/09 £000	2007/08 £000
Finance Costs	**0**	0
Late payment of commercial debt	**0**	0
Loans	**0**	0
Bank loans and overdrafts	**0**	0
Other interest and finance costs	**0**	0
Total	**0**	0
Interest Receivable	**247**	299
Bank Account	**0**	0
Impaired financial assets	**0**	0
Other financial assets	**0**	0
Total	**247**	299

10. Intangible Fixed Assets

	Software licences	Licenses and trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000
Gross cost at 1 April 2008	228	0	0	0	228
Indexation				0	0
Impairments	0	0	0	0	0
Reclassifications	0	0	0	0	0
Revaluation	(30)	0	0	0	(30)
Additions purchased	5	0	0	0	5
Additions donated	0	0	0	0	0
Additions government granted	0	0	0	0	0
Disposals	0	0	0	0	0
Gross cost at 31 March 2009	**203**	**0**	**0**	**0**	**203**
Amortisation at 1 April 2008	121	0	0	0	121
Indexation				0	0
Impairments	0	0	0	0	0
Reversal of impairments	0	0	0	0	0
Reclassifications	0	0	0	0	0
Revaluation	(16)	0	0	0	(16)
Charged during the year	32	0	0	0	32
Disposals	0	0	0	0	0
Amortisation at 31 March 2009	**137**	**0**	**0**	**0**	**137**
Net book value					
- Purchased at 1 April 2008	107	0	0	0	107
- Donated at 1 April 2008	0	0	0	0	0
- Government granted at 1 April 2008	0	0	0	0	0
- Total at 1 April 2008	**107**	**0**	**0**	**0**	**107**
- Purchased at 31 March 2009	66	0	0	0	66
- Donated at 31 March 2009	0	0	0	0	0
- Government granted at 31 March 2009	0	0	0	0	0
- Total at 31 March 2009	**66**	**0**	**0**	**0**	**66**

11. Tangible Fixed Assets

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

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account*	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2008	3,844	58,420	907	2,269	18,812	0	3,864	1,895	90,011
Additions purchased	0	484	0	0	1,117	0	20	0	1,621
Additions donated	0	9	6	0	76	0	0	0	91
Additions government granted	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	2,064	0	(2,178)	64	0	0	50	0
Indexation	(1,117)	(3,369)	(45)	(91)	367	0	0	50	(4,205)
Revaluation	0	0	0	0	0	0	(502)	0	(502)
Disposals	0	0	0	0	(1,233)	0	0	0	(1,233)
Cost or Valuation at 31 March 2009	**2,727**	**57,608**	**868**	**0**	**19,203**	**0**	**3,382**	**1,995**	**85,783**
Depreciation at 1 April 2008					9,325	0	1,934	801	12,060
Charged during the year	0	2,122	30		2,060	0	584	180	4,976
Impairments	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	38	3	0	(40)	0	0	(1)	0
Indexation	0	(670)	(3)	0	182	0	0	21	(470)
Revaluation	0	0	0	0	0	0	(251)	0	(251)
Disposals	0	0	0	0	(1,233)	0	0	0	(1,233)
Depreciation at 31 March 2009	**0**	**1,490**	**30**	**0**	**10,294**	**0**	**2,267**	**1,001**	**15,082**
Net book value									
- Purchased at 1 April 2008	3,844	57,879	353	2,269	8,768	0	1,930	1,035	76,078
- Donated at 1 April 2008	0	541	554	0	719	0	0	59	1,873
- Government granted at 1 April 2008	0	0	0	0	0	0	0	0	0
- Total at 1 April 2008	**3,844**	**58,420**	**907**	**2,269**	**9,487**	**0**	**1,930**	**1,094**	**77,951**
- Purchased at 31 March 2009	2,727	55,608	326	0	8,207	0	1,115	949	68,932
- Donated at 31 March 2009	0	510	512	0	702	0	0	45	1,769
- Government granted at 31 March 2009	0	0	0	0	0	0	0	0	0
- Total at 31 March 2009	**2,727**	**56,118**	**838**	**0**	**8,909**	**0**	**1,115**	**994**	**70,701**

Of the totals at 31 March 2009, £NIL related to land valued at open market value and £NIL related to buildings valued at open market value and £NIL related to dwellings valued at open market value.

11.2 Asset Financing

The net book value of assets held under finance leases and hire purchase contracts at the balance sheet date are as follows:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value 31 March 2009									
Owned	2,727	56,118	838	0	8,909	0	1,115	994	**70,701**
Finance Leased	0	0	0	0	0	0	0	0	**0**
On balance sheet PFI contracts	0	0	0	0	0	0	0	0	**0**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
Total 31 March 2009	2,727	56,118	838	0	8,909	0	1,115	994	**70.701**
Net book value 31 March 2008									
Owned	3,844	58,420	907	2,269	9,487	0	1,930	1,094	**77,951**
Finance Leased									**0**
On balance sheet PFI contracts									**0**
PFI residual interests									**0**
Total 31 March 2009	3,844	58,420	907	2,269	9,487	0	1,930	1,094	**77,951**

11.3 The total amount of depreciation charged to the income and expenditure in respect of assets held under finance leases and hire purchase contracts:

	£000	£000	£000	£000	£000	£000	£000	£000	£000
Depreciation 31 March 2009	0	0	0	0	0	0	0	0	**0**
Depreciation 31 March 2008	0	0	0	0	0	0	0	0	**0**

11.4 The net book value of land, buildings and dwellings at 31 March 2009 comprises:

	2008/09	2007/08
	£000	£000
Freehold	**59,587**	63,027
Long leasehold	**0**	0
Short leasehold	**96**	144
TOTAL	**59,683**	63,171

12. Stocks and Work in Progress

	2008/09	2007/08
	£000	£000
Raw materials and consumables	**3,279**	3,650
Work-in-progress	**0**	0
Finished goods	**0**	0
TOTAL	**3,279**	3,650

13. Debtors

13.1 Debtors at the balance sheet date are made up of:

	2008/09	2007/08
	£000	£000
Amounts falling due within one year:		
NHS debtors	**2,682**	2,581
Non NHS trade debtors	**1,752**	839
Provision for irrecoverable debts	**(594)**	(104)
Other prepayments and accrued income	**737**	599
Current part of PFI payment	**0**	0
Other debtors	**189**	243
Sub Total	**4,766**	4,158
Amounts falling due after more than one year:		
NHS debtors	**0**	0
Provision for irrecoverable debts	**0**	0
Other prepayments and accrued income	**0**	0
Other debtors	**0**	0
Sub Total	**0**	0
TOTAL	**4,766**	4,158

13.2 Provision for impairment of debtors

	31 March 2009
	£000
Balance at 1 April	**104**
Amount written off during the year	**0**
Amount recovered during the year	**0**
(Increase)/decrease in debtors impaired	**490**
Balance at 31 March	**594**

13.3 Debtors past due date but not impaired

	31 March 2009
	£000
By up to 3 months	**978**
By 3 to 6 months	**97**
By more than 6 months	**420**
Balance at 31 March 2008	**1,495**

14. Other Financial Assets

	Current financial assets	Fixed financial assets
	31 March 2009	31 March 2009
	£000	£000
Financial assets carried at fair value through profit and loss	**0**	0
Held to maturity investments at amortised cost	**0**	0
Available for sale financial assets carried at fair value	**0**	0
Loans carried at amortised cost	**0**	0
Total	**0**	0

15. Creditors

15.1 Creditors at the balance sheet date are made up of:

	31 March 2009	31 March 2008
	£000	£000
Amounts falling due within one year:		
Bank overdrafts	**0**	0
Current installments due on loans	**0**	0
Interest payable	**0**	0
Payments received on account	**5**	0
NHS creditors	**789**	882
Non - NHS trade creditors - revenue	**1,588**	1,220
Non - NHS trade creditors - capital	**65**	245
Tax	**7**	69
VAT	**40**	39
Social security costs	**22**	232
Obligations under finance leases and hire purchase contracts	**0**	0
Other creditors	**521**	258
Accruals and deferred income	**3,366**	5,492
Current part of finance leases element of on balance sheet PFI contracts	**0**	0
Sub Total	**6,403**	8,437

Movements between NHS Creditors and Accruals and deferred income are due to reclassifications in accordance with financial coding within the general ledger system.

Amounts falling due after more than one year:		
Long - term loans	**0**	0
Obligations under finance leases and hire purchase contracts	**0**	0
NHS creditors	**0**	0
Other	**0**	0
Sub Total	**0**	0
TOTAL	**6,403**	8,437

15.2 Loans (and any other long-term financial liabilities)

	Department of Health	Other	31 March 2009	31 March 2008
	£000	£000	£000	£000
Amounts falling due:				
In one year or less	0	0	**0**	0
Between one and two years	0	0	**0**	0
Between two and five years	0	0	**0**	0
Over 5 years	0	0	**0**	0
TOTAL	0	0	**0**	0
Wholly repayable within five years	0	0	**0**	0
Wholly repayable after five years, not by installments	0	0	**0**	0
Wholly or partially repayable after five years, by installments	0	0	**0**	0
TOTAL	0	0	**0**	0

Loans and long-term financial liabilities wholly or partially repayable after five years

	Interest rate	31 March 2009 value outstanding	31 March 2008 value outstanding
	%	£000	£000
Terms of payment		**0**	0

15.3 Finance Lease obligations

	31 March 2009	31 March 2008
	£000	£000
Payable:		
In one year or on demand	**0**	0
In more than 1 year but no longer than 2	**0**	0
In more than 2 years but no longer than 5	**0**	0
In more than 5 years	**0**	0
	0	0
Less finance charges allocated to future periods	**0**	0
	0	0

15.4 Finance Lease Commitments

Liverpool Heart and Chest Hospital NHS Trust has no Finance Lease Commitments

16 Other Financial Liabilities

	Due within one year 31 March 2009	Due within one year 31 March 2008
	£000	£000
Financial liabilities carried at fair value through profit and loss	**0**	0

17. Provisions for liabilities and charges

	Pensions relating to former directors	Pensions relating to other staff	Legal claims	Restructuring	Others	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2008	0	0	80	0	840	**920**
Arising during the year	0	0	25	0	108	**133**
Utilised during the year	0	0	(48)	0	0	**(48)**
Reversed unused	0	0	0	0	0	**0**
Unwinding of discount	0	0	0	0	0	**0**
At 31 March 2009	**0**	**0**	**57**	**0**	**948**	**1,005**
Expected timing of cashflows:						
Within one year	0	0	45	0	412	**457**
Between one and five years	0	0	12	0	536	**548**
After five years	0	0	0	0	0	0

Other Provisions includes £598k for amounts associated with Agenda for Change
In addition 350k has been provided for a backdated Business Rates Liability arising from the commissioning of the New Site Development

£1.097m is included in the provisions of the NHS Litigation Authority at 31 March 2009 in respect of Clinical Negligence Liabilities of the NHS Trust (31 March 2008 £579k).

18. Movements on Reserve

	Revaluation Reserve	Donated Asset Reserve	Government Grant Reserve	Other Reserves	Income and Expend Reserve	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2008 as previously stated	9,328	1,873	0	0	2,615	**13,816**
PPA: other	0	0	0	0	0	**0**
PPA: elimination of negative revaluation reserves in respect of change in policy on impairments	7,775	0	0	0	(7,775)	**0**
At 1 April 2008 as restated	17,103	1,873	0	0	(5,160)	**13,816**
Transfer from the income and expenditure account					4,337	**4,337**
Fixed asset impairments	0	0	0	0	0	**0**
Surplus/(deficit) on other revaluations/indexation of fixed/current assets	(3,965)	(35)	0	0	0	**(4,000)**
Transfer of realised profits/(losses) to the income and expenditure reserve	0	0	0	0	0	**0**
Receipt of donated/government granted assets	0	91	0	0	0	**91**
Transfers to the income and expenditure account for depreciation, impairment, and disposal of donated/government granted assets	0	(160)	0	0	0	**(160)**
Other transfers between reserves	0	0	0	0	0	**0**
Other movements on reserves	0	0	0	0	0	**0**
Reserves eliminated on dissolution	0	0	0	0	0	**0**
At 31 March 2009	**13,138**	**1,769**	**0**	**0**	**(823)**	**14,084**

A prior period adjustment of £7.775m has been posted to the Income and Expenditure Reserve in 2007/08 to reflect a change in accounting policy in 2008/09.

This consists of excess downward revaluations of newly commissioned blocks within the new site development of £8.962m in 2006/07 and £2.689m in 2007/08 and the balance of £3.876m on the revaluation reserve of these assets is charged to the income and expenditure reserve.

19. Notes to cash flow Statement

19.1 Reconciliation of operating surplus to net cash flow from operating activities:

	2008/09 £000	2007/08 £000
Total operating surplus/(deficit)	**6,897**	2,335
Depreciation and amortisation charge	**5,008**	4,437
Fixed asset impairments and reversals	**0**	0
Transfer from donated asset reserve	**(160)**	(78)
Transfer from the government grant reserve	**0**	0
(Increase)/decrease in stocks	**371**	(748)
(Increase)/decrease in debtors	**(608)**	2,201
Increase/(decrease) in creditors	**(1,854)**	(1,138)
Increase/(decrease) in provisions	**85**	414
Net cash inflow/(outflow) from operating activities before restructuring costs	**9,739**	7,423
Payments in respect of fundamental reorganisation/restructuring	**0**	0
Net cash inflow from operating activities	**9,739**	7,423

19.2 Reconciliation of operating surplus to net cash flow from operating activities:

	2008/09 £000	2007/08 £000
Increase/(decrease) in cash in the period	**5,373**	0
Cash (inflow) from new debt	**0**	0
Cash outflow from debt repaid and finance lease capital payments	**0**	0
Cash (inflow)/outflow from (decrease)/increase in liquid resources	**0**	0
Change in net debt resulting from cash flows	**5,373**	0
Non - cash changes in debt	**0**	0
Net debt at 1 April 2007	**106**	106
Net debt at 31 March 2009	**5,479**	106

19.3 Analysis of changes in net debt

	At 1 April 2008 £000	Cash Transferred (to)/from other NHS bodies £000	Other cash changes in year £000	Non-cash changes in year £000	At 31 March 2009 £000
OPG Cash at Bank	**102**	0	5,372	0	5,474
Commercial cash at bank and in hand	**4**	0	1	0	5
Bank overdraft	**0**	0	0	0	**0**
Loan from DH due within one year	**0**	0	0	0	**0**
Other debt due within one year	**0**	0	0	0	**0**
Loan from DH due after one year	**0**	0	0	0	**0**
Other debt due after one year	**0**	0	0	0	**0**
Finance leases	**0**	0	0	0	**0**
Current asset investments	**0**	0	0	0	**0**
	106	**0**	**5,373**	**0**	**5,479**

20. Capital Commitments

Commitments under capital expenditure contracts at 31 March 2009 were £37K (31 March 2008 £60k)

This relates to the completion of capital schemes which were started in 2008/09 and will be completed early in 2009/10

21. Post Balance Sheet Events

The Trust is hoping to achieve Foundation Trust status during 2009/10.
In addition the Trust will be revaluing its Land and Buildings in the first quarter of 2009/10

22. Contingencies

	2008/09 £000	2007/08 £000
Contingent liabilities	**(32)**	(46)
Amounts recoverable against contingent liabilities	**0**	0
Net value of contingent liabilities	**(32)**	(46)
Contingent Assets	**0**	0

The contingent liability relates to legal claims advised to the Trust by the NHS Litigation Authority.
There is a balance included within provisions of £57k which relates to the legal claims included in the contingent liability above.

23. Movement in Public Dividend Capital

	2008/09 £000	2007/08 £000
Public Dividend Capital as at 1 April 2008	**62,799**	58,556
New Public Dividend Capital received (including transfers from dissolved NHS Trusts)	**0**	4,243
Public Dividend Capital repaid in year	**0**	0
Public Dividend Capital written off	**0**	0
Other movements in Public Dividend Capital in year	**0**	0
Public Dividend Capital as at 31 March 2008	**62,799**	**62,799**

24 Financial Performance Targets

24.1 Breakeven Performance

The Trust's break even performance for 2008/09 is as follows:

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	£000	£000	£000	£000	£000	£000
Turnover	62,306	71,056	77,807	82,922	89,371	97,722
Retained surplus/(deficit) for the year	0	0	0	27	27	4,337
Adjustment for:						
- Use of pre - 1.4.97 surpluses [FDL(97)24 Agreements]	0	0	0	0	0	0
- 2004/05 Prior Period Adjustment (relating to 1997/98 and 2003/04)	0	0	0	0	0	0
- 2005/06 Prior Period Adjustment (relating to 1997/98 to 2004/05)	0	0	0	0	0	0
- 2006/07 Prior Period Adjustment (relating to 1997/98 to 2005/06)	0	0	0	0	0	0
- 2007/08 Prior Period adjustment (relating to 1997/98 to 2006/07)	0	0	0	0	0	0
- 2009/09 Prior Period adjustment (relating to 1997/98 to 2007/08)	0	0	0	0	0	0
Break-even in-year position	0	0	0	27	27	4,337
Break-even cumulative position	172	172	172	199	226	4.563
Materiality test (I.e. is it equal to or less than 0.5%):						
- Break-even in-year position as a percentage of turnover	0.00	0.00	0.00	0.03	0.03	4.44
- Break-even cumulative position as a percentage of turnover	0.28	0.24	0.22	0.24	0.25	4.67

In 2008-09, the accounting policy in respect of the recognition of impairments on ""new build"" assets (and subsequent expenditure) has changed.

As a consequence there is an enforced Prior Period Adjustment to transfer revaluation losses in excess of previous prospective indexation gains on the New Site Development to the Income and Expenditure Reserve from the Revaluation Reserve.

The value of this Prior Period Adjustment is £7.775m. This adjustment is not reflected in the Breakeven Performance Disclosure as there would be a contra entry to remove this within the "Other agreed adjustments" line so that the net effect of the adjustment on breakeven is zero.

24.2 Capital cost absorption rate

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital, totalling £2.807m, bears to the average relevant net assets of £72.140m, that is 3.9%.

24.3 External financing

The Trust is given an external financing limit which it is permitted to overshoot

		2008/09	2007/08
	£000	£000	£000
External financing limit		**(4,213)**	4,243
Cash flow financing	(5,373)		4,243
Finance leases taken out in the year	0		0
Other capital receipts	0		0
External financing requirement		**(5,373)**	4,243
Undershoot/(overshoot)		**1,160**	0

The Trust has achieved its planned External Financing Limit of -£5.373m. However the Trust was offered Public Dividend Capital of £1.16m in respect of Decontamination Joint Venture monies which under new Capital Accounting rules it was not able to draw down. All internally generated depreciation must be expended before additional Public Dividend Capital can be drawn down. This was not possible because the Trust had a comparatively small Capital Programme of £1.626m but had depreciation of £5.0m in 2008/09.

24.4 Capital Resource Limit

The Trust is given a capital resource limit which it is not permitted to overspend

	2008/09	2007/08
	£000	£000
Gross capital expenditure	**1,171**	8,907
Less: book value of assets disposed of	**0**	0
Plus: loss on disposal of donated assets	**0**	0
Less: capital grants	**0**	0
Less: donations towards the acquisition of fixed assets	**(91)**	(92)
Charge against the capital resource limit	**1,626**	8,815
Capital resource limit	**2,786**	8,815
(Over)/Underspend against the capital resource limit	**1,160**	0

The Trust has achieved its planned Capital Resource Limit of £1.626m. However the Trust was offered Public Dividend Capital of £1.16m in respect of Decontamination Joint Venture monies which under new Capital Accounting rules it was not able to draw down for the reasons outlined above.

25. Related Party Transactions

Liverpool Heart and Chest Hospital NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Liverpool Heart and Chest Hospital NHS Trust. One of our associate directors is married to a director of Halton & St Helens PCT. The income from this PCT totals £38k in 2008/09. Neither party has had any involvement in the commissioning process.

The Department of Health is regarded as a related party. During the year Liverpool Heart and Chest Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

A Strategic Health Authority

North West SHA

B Primary Care Trust

Ashton Leigh & Wigan PCT, Birmingham East & North PCT, Blackpool PCT, Central Lancashire PCT, East Lancs PCT, Halton & St Helens PCT, Kirklees PCT, Liverpool PCT, North Lancashire PCT, Salford PCT, Sefton PCT, South Staffs PCT, Telford & Wrekin PCT, Walsall Teaching PCT, Warrington PCT, Western Cheshire PCT, Wirral PCT

C NHS Trust

Merseycare NHS Trust, North West Ambulance Service NHS Trust,
Royal Liverpool and Broadgreen University Hospital NHS Trust,
Royal Liverpool Children's NHS Trust (to 31/7/08),
Southport & Ormskirk Hospital NHS Trust,
St Helens & Knowsley Hospitals NHS Trust,
The Walton Centre for Neurology and Neurosurgery NHS Trust.

D Foundation Trust

Alder Hey Childrens NHS Foundation Trust (From 1/8/2008),
Aintree University Hospitals NHS Foundation Trust,
Blackpool Fylde & Wyre NHS Foundation Trust,
Countess of Chester Hospital NHS Foundation Trust,
Salford Royal NHS Foundation Trust,
University Hospitals Bristol NHS Foundation Trust (From 1/6/2008),
University Hospital of South Manchester NHS Foundation Trust,
Warrington & Halton Hospitals NHS Foundation Trust (From 1/12/2008)
Wirral University Teaching Hospital NHS Foundation Trust.

NHS Business Services Authority

NHS Litigation Authority

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies, for example Liverpool City Council.

The Trust has also received revenue and capital payments from a number of charitable funds. Some of these Trustees are also members of the NHS Trust Board.

The Cardiothoracic Centre Liverpool Charity is an umbrella charity made up of 37 funds with a combined balance at 31st March 2009 of £1.5m.

The Charity is to be renamed to Liverpool Heart and Chest Hospital Charity in the first quarter of 2009/10

The Trust has benefited during the year from donations from Charitable Funds Material transactions during the year included:-

A contribution to Research and Development from Merseybeat of £119,000.
A donation from TB Research Fund to pay for additional clinical staff sessions £34,000.
Purchase of a Portable Ultrasound System and Probe from the Heart Appeal £27,000.
Purchase of 3 Picco Cardiac Output Monitors from the Heart Appeal and Surgical ITU fund £25,000.
Purchase of a Rapid Infusion System from the Aneurysm Project £12,000.
Payment for a replacement floor covering within the Amanda Unit from their own fund £9,000.
The Mersey School of Anaesthesia continued to provide training in Critical Care and Anaesthesia.

The Cardiothoracic Centre Liverpool Charity will be filing a Trustees Report and Full Accounts for 2008/09 with the Charities Commission.

26 Financial Instruments

Financial Reporting Standard 29 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Primary Care Trusts and the way those Primary Care Trusts are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-today operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest-rate risk

The Trust borrows from Government for capital expenditure subject to affordability as confirmed by the Strategic Health Authority. The borrowings are for 1-25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because of the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposure as at 31 March 2009 are in receivables form customers, as disclosed in the debtors note.

Liquidity risk

The Trust's new operating costs are incurred under contract with Primary Care Trusts, which are financed from resources voted annually by Parliament. The trust funds it capital expenditure from funds obtained within it Prudential Borrowing Limit. The Trust is not, therefore, exposed to significant liquidity

26.1 Financial Assets

					Fixed rate		
	Total	Floating rate	Fixed rate	Non-interest bearing	Weighted average interest rate	Weighted average period for which fixed	Non-interest bearing weighted average term
Currency	£000	£000	£000	£000	%	Years	Years
At 31 March 2009							
Sterling	**5,479**	5,479	0	0	3.88	0	0
Other	**0**	0	0	0	0	0	0
Gross financial liabilities	**5,479**	**5,479**	**0**	**0**			
At 31 March 2008							
Sterling	106	106	0	0	5.30	0	0
Other	0	0	0	0	0	0	0
Gross financial liabilities	**106**	**106**	**0**	**0**			

26.2 Financial Liabilities

	Total	Floating rate	Fixed rate	Non-interest bearing	Fixed rate: Weighted average interest rate	Fixed rate: Weighted average period for which fixed	Fixed rate: Non-interest bearing weighted average term
Currency	£000	£000	£000	£000	%	Years	Years
At 31 March 2009							
Sterling	**0**	0	0	0	0	0	0
Other	**0**	0	0	0	0	0	0
Gross financial liabilities	**(0)**	**0**	**0**	**0**			
At 31 March 2007							
Sterling	**(62,799)**	0	0	(62,799)	0	0	0
Other	**0**	0	0	0	0	0	0
Gross financial liabilities	**(62,799)**	**0**	**0**	**(62,799)**			

HM Treasury has concluded, with the agreement of FRAB, that PDC is not a financial instrument within the scope of FRS 25. It should continue to be presented within 'Taxpayer's Equity' in the balance sheet.

As per the NHS Trusts Manual for Accounts:
FRS 29 provides an option to exclude from the interest-rate risk and fair values disclosures, financial assets and liabilities which are due within one year and are entered in the accounts under the following headings:

- Debtors
- Prepayments and accrued income
- Creditors: amounts falling due within one year- other than debenture loans and bank loans
- Provisions for liabilities and charges
- Accruals and deferred income

The Trust has exercised this option

26.3 Financial Assets

	At 'Fair through profit and loss	Loans and receivables	Available for sale	Total
	£000	£000	£000	£000
Embedded derivates	**0**	0	0	0
NHS debtors	**0**	0	0	0
Non NHS debtors	**0**	0	0	0
Cash at bank and in hand	**0**	5,479	0	5,479
Other financial assets				
Total at 31 march 2009	**0**	**5,479**	**0**	**5,479**

26.4 Financial Liabilities

	At 'Fair through profit and loss	Other	Total
	£000	£000	£000
Embedded derivates	0	0	**0**
NHS creditors	0	0	**0**
Non NHS creditors	0	0	**0**
Borrowings			
Private Finance Initiative and financial lease obligations	0	0	**0**
Other financial assets	0	0	**0**
Total at 31 march 2009	**0**	**0**	**0**

As per the NHS Trusts Manual for Accounts:

FRS 29 provides an option to exclude from the interest-rate risk and fair values disclosures, financial assets and liabilities which are due within one year and are entered in the accounts under the following headings:

- Debtors
- Prepayments and accrued income
- Creditors: amounts falling due within one year- other than debenture loans and bank loans
- Provisions for liabilities and charges
- Accruals and deferred income

The Trust has exercised this option

27. Third Party Assets

The Trust held £397 cash at bank and in hand at 31 March 2009 (£223 - at 31 March 2008) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

28. Intra Government and Other Balances

	Debtors: amounts falling due within one year	Debtors: amounts falling due after more than one year	Creditors: amounts falling due within one year	Creditors: amounts falling due after more than one year
	£000	£000	£000	£000
Balances with other Central Government Bodies	1,915	0	627	0
Balances with Local Authorities	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	930	0	678	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Intra Government balances	2,845	0	1,305	0
Balances with bodies external to government	1,921	0	5,098	0
At 31 March 2009	**4,766**	**0**	**6,403**	**0**
Balances with other Central Government Bodies	822	0	137	0
Balances with Local Authorities	243	0	21	0
Balances with NHS Trusts and Foundation Trusts	1,716	0	1,824	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Intra Government balances	2,781	0	1,982	0
Balances with bodies external to government	1,377	0	6,455	0
At 31 March 2008	**4,158**	**0**	**8,437**	**0**

29. Losses and Special Payments

There were 34 cases of losses and special payments (2007/08: 21 cases) totalling £202,831 (2007/08: £97,066) paid during 2007/08.

Copies of the full accounts for the yera ending 31 March 2009 are available on request from Christine Bell - PR & Communications Manager, telephone (0151) 600 1409

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Liverpool Heart and Chest Hospital NHS

NHS Trust