



'Tomorrow's Healthcare Today'

Annual Report & Summary Accounts 2006/07

A Year of Challenges

Foreword by Trust Chair and Chief Executive

2006/07 has been a year of challenge and progress in the life of University Hospitals Coventry and Warwickshire NHS Trust.

We have strengthened our clinical performance, reducing waiting times and bringing the benefits of medical innovation, research and technology to increasing numbers of patients. We have also continued to develop our role as a leading University Teaching Trust, delivering high quality programmes in education and research.

The University Hospital in Coventry is one of Europe's largest new hospitals, and is a facility where we can provide care that is second to none; we opened on time in July 2006, safely moving across over 600 inpatients, 5,000 staff and 50,000 pieces of equipment. The Hospital of St Cross in Rugby has continued to develop its role, providing a wide range of services to the local community.

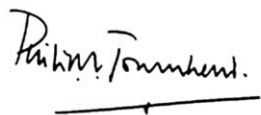
Our Hospitals are committed to evolve to meet the diverse needs of the population of nearly a million that we serve, and determined to provide equality of care for all who need our help. At the heart of this change are our staff, whose unfaltering commitment and expertise form the

bedrock upon which our patients rely.

As the NHS undergoes change, like all NHS organisations we must respond and adapt accordingly. The new hospital has presented us with the twin challenges of making best use of modern equipment and technology to provide care that is effective and efficient, both clinically and financially; in order to achieve these obligations we have well established service and cost improvement programmes.

Throughout the year our clinical performance has been widely commended by independent bodies, and we have specialties that are now recognised for their excellence and innovation both nationally and internationally.

In this report you will find the stories of just some of our staff who have made these achievements possible and also hear first-hand from our patients who give their accounts and opinions on the care they have received. We hope you will agree that our hospitals are moving ever closer towards achieving our purpose as a University Trust, providing the very highest levels of care to patients, supported by the excellence of our education and research.



Philip Townshend
Chairman



Martin Lee
Interim Chief Executive



"Our ambition is to become the best teaching trust in the country. We believe our patients deserve nothing less."

Former Olympic triple jumper gets extra special gift!

A former Olympic triple jumper who suffered from kidney problems for more than 20 years has been given a new lease of life thanks to his sister and the renal team at the University Hospital in Coventry.

University Hospital's Renal Unit is the leading transplantation centre in Europe and has developed a 'Living Donor' kidney transplant procedure using a pioneering plasma exchange programme.

For years, high levels of antibodies prevented Eric McCalla from having the kidney transplant that would transform his life.

But Eric was able to receive a new kidney from his sister Jackie thanks to the revolutionary plasma exchange treatment that washed away the high levels of antibodies in his blood enabling the transplant to go ahead.

Without the treatment his body would have rejected the organ being donated by his sister Jackie. Within days of the operation both Eric and Jackie were able to go home.

Eric is now looking forward to life getting back to normal for the first time since a test shortly after the Los Angeles Olympics in 1984 showed that he was in renal failure.

Eric explains: "Without the expertise of Dr Higgins and his team I would have spent the rest of my life on renal dialysis and for that I am truly thankful.

Jackie has been absolutely fantastic and I can never repay her for the second chance at life that she has given me. I am now looking forward to being able to go on holiday. The operation has given me a new lease of life!"

Dr Rob Higgins, Consultant Nephrologist and an expert in the plasma exchange programme explains: "The Plasma Exchange Programme is making it possible for patients who would otherwise be unable to have a kidney transplant have one which is a marvellous achievement."



"The staff are just wonderful, kind, considerate and make one fully at ease. It's not too dramatic to say that I owe my life to the care I received at Coventry's University Hospital."

January 2008

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Winning the war against MRSA

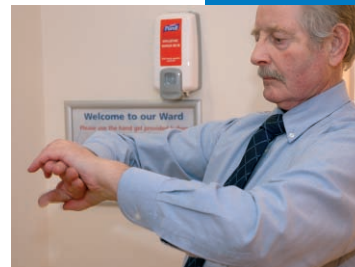
National research tells us that one in eight patients in the UK may acquire an infection as a result of exposure to healthcare. This is why our Trust has taken a zero tolerance approach to the spread of infection.

Over the past two years, we have reduced the number of MRSA bloodstream infections and cases of the antibiotic resistant *Clostridium difficile* by 25% and now have one of the lowest rates of MRSA for a hospital of our type.

But Sharon Stuart, the Trust's Infection Control Nurse Manager explains: "Complacency is not a part of our infection control strategy and we are determined to eradicate hospital acquired infections. We have a zero tolerance approach to bugs.

We have a robust screening programme. Our wards are cleaned several times a day, staff are required to wash their hands with alcohol gel and we isolate patients known or suspected of having an infection."

Jon Cleaver, whose relative was recently a patient at University Hospital commended staff for their approach to tackling MRSA and other infections: "I was very pleased to see that there are gel dispensers at the entrance to every ward and while I was visiting I certainly saw staff washing their hands. I would encourage patients and visitors to support the hospital's efforts by making sure they wash their hands too."



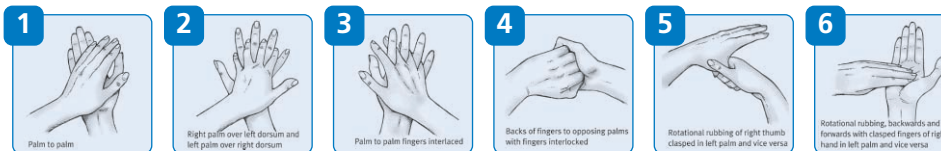
Cutting the number of infections

MRSA bloodstream infections:

2005/06	70
2006/07	52

Clostridium difficile:

2005/06	696
2006/07	684



"Washing your hands is a simple and effective way to stop the spread of infections."

Rare 'Umbrella' heart surgery saves Daniel's life

49 year old Daniel Kelly owes his life to heart doctors at the University Hospital after they performed a rare 'umbrella' heart procedure to close a hole in his heart the size of a two pence coin.

The dad of three from Nuneaton is one of only 50 people in the UK to have the procedure after two heart attacks resulted in the hole in his heart.

Daniel had been breathless for some time but hadn't realised that he was having a heart attack.

A scan revealed it was a severe attack resulting in a large hole appearing in the muscular wall (septum) which separates the two main chambers of the heart. This was highly unusual and only occurs in about 1 in 100 heart attacks.

Consultant Cardiologist, Dr Martin Been, said; "A device which looks like a double umbrella was passed from a vein in Daniel's neck, through a narrow 2mm wide tube into the heart and guided through the hole. As the device is released through the tube it assumes a double

umbrella shape which then sandwiches itself on either side of the hole, with the central portion containing material to stop abnormal blood flow across it. Daniel's condition improved immediately and because he recovered so quickly we were able to allow him to go home just seven days later."

The Cardiac Unit at University Hospital is a leading centre for the diagnosis, treatment and care of patients with a wide range of heart conditions.

The cardiac team was recently highlighted by the Royal College of Physicians for having some of the best survival rates for heart surgery in the UK and higher than average survival rates for bypass operations.

Our waiting times for bypass operations is now amongst the best in the country.

"I want to thank Dr Been and all of the staff who looked after me. They were really good and very thorough. I owe my life to them."



February 2008

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Our services

University Hospitals Coventry and Warwickshire provides the following clinical services:

General Acute Services		Specialised Services	Diagnostic and Clinical Support Services
A&E and acute medicine	Neurology Neurophysiology	Bone marrow transplantation	Biochemistry
Age related medicine and rehabilitation	Obstetrics	Invasive cardiology	Dietetics
Anaesthetics	Ophthalmology	Cardiothoracic surgery	Echo cardiography
Assisted conception	Optometry	Clinical physics	Endoscopy
Audiology	Orthodontics	Haemophilia	Haematology
Cardiology	Orthoptics	Neonatal intensive care & special care	Histopathology
Critical care	Paediatrics	Neuro imaging	Magnetic Resonance Imaging (MRI) scanning
Dermatology	Pain management	Neurosurgery	Medical physics/nuclear medicine
Diabetes & endocrinology	Plastic surgery	Oncology & Radiotherapy	Microbiology
Ear, nose and throat	Renal medicine	Renal dialysis and transplantation	Neurophysiology
Gastroenterology	Reproductive medicine	Plastic surgery	Occupational therapy
General medicine	Respiratory medicine		Pharmacy
General surgery	Rheumatology		Physiotherapy
Gynaecology	Trauma and orthopaedics		Radiology
Haematology	Urology		Respiratory function testing
Maxillo facial surgery	Vascular surgery		Ultrasound
			Vascular investigation

The following services are provided at the Hospital of St Cross in Rugby:

Ambulatory Care	Urgent Care Centre	Specialist Centres
Day surgery	A&E department	Retinal screening centre
Overnight stay surgery	GP out of hours service	Colorectal cancer screening centre
Outpatient services	Walk In centre	
Acute Medicine	Acute Surgery	Rehabilitation
Magnetic Resonance Imaging (MRI) scanning	Inpatient elective services	Services based on St Cross site, but provided by other organisations
X-ray including ultrasound scanning	Inpatient non-elective services	Myton Hospice
Mammography (breast screening)	Intermediate Care	Mental health unit
Bone density		Social services
Laboratory services		
Endoscopy		
Satellite Renal dialysis unit		



"Our Trust was one of only a few to receive a score of 'excellent' for quality of services in the Healthcare Commission's annual performance ratings. Everyone at our two hospitals works hard every day to provide the best care possible for our patients and I am pleased that these ratings reflect that."

Martin Lee - Interim Chief Executive

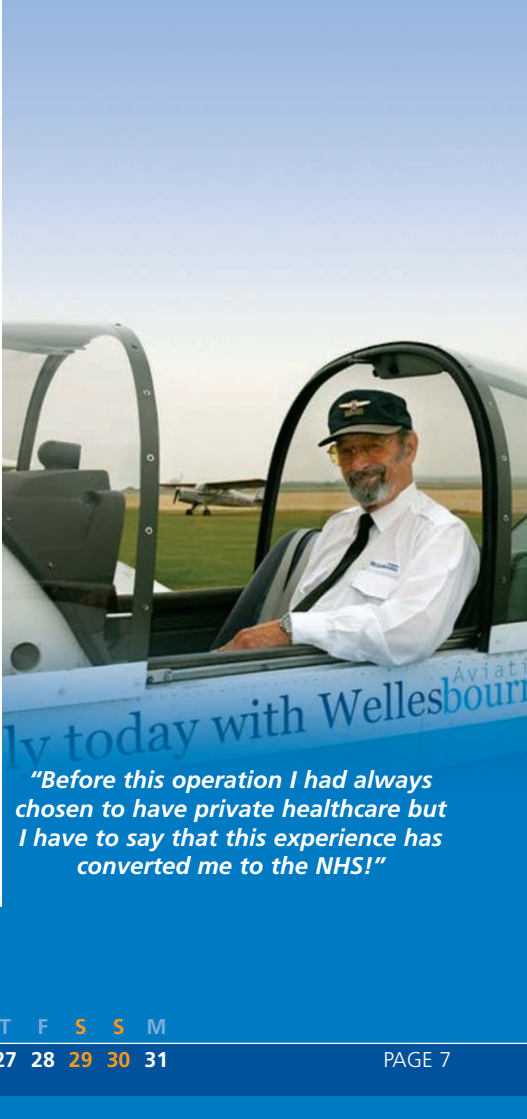
Surgeons help Howard to fly high again

A flying instructor from Warwick has returned to the skies after a life saving operation to rebuild his windpipe.

75-year-old Howard Ions underwent an operation to remove and rebuild part of his windpipe only two weeks after first being diagnosed with a rare condition called tracheal stenosis which causes the wind pipe to narrow so much that it is almost impossible to breath. Surgeon Joseph Marzouk and his team removed the part of Howard's windpipe that had narrowed and they lengthened the remaining healthy part to give Howard almost instant relief. This is a very rare type of operation that only a handful of surgeons in the UK are able to perform.

Howard said: "I am feeling a million times better which is testament to the skill and expertise of Mr Marzouk and the University Hospital in Coventry. Before this operation I had always chosen to have private healthcare but I have to say that this experience has converted me to the NHS!"

Joseph Marzouk, Consultant Thoracic Surgeon said: "Howard's operation was incredibly complicated and me and my team are delighted it has been such a success. I look forward to seeing him return to the skies."



"Before this operation I had always chosen to have private healthcare but I have to say that this experience has converted me to the NHS!"

March 2008

Tomorrow's Healthcare Today

During the year, Royal College of Surgeons President Bernard Ribeiro officially opened a state of the art Clinical Skills Wing at University Hospital where future healthcare professionals are being trained.

The Clinical Skills Wing, based in the Clinical Sciences Centre, is one of a handful of such sites nationwide which train staff using a variety of training scenarios. A mock operating theatre and ward in the Centre enables doctors, nurses, and allied health professionals to train in a range of skills including resuscitation techniques, surgical skills training, physiotherapy and more.

Mr Ribeiro said: "It is important that the new generation of surgeons can learn from intensive training and access to these facilities will allow them to further develop their skills."

Other facilities in the Clinical Sciences Centre include:

- 250 seat state of the art lecture theatre, IT enabled at each seat position
- Seminar rooms with IT links to the main lecture theatre and other key locations within the hospital
- A full size mock operating theatre and ward to train staff in the latest surgical and medical techniques

- Library with IT connections for over 250 laptops
- National, international conferencing facilities
- Research laboratories



Microsoft choose Coventry for their community conference

Software giant Microsoft has chosen University Hospital to host its Healthcare Community Day with over 100 experts sharing best practice ideas at the super hospital. Microsoft normally holds such prestigious events in their Headquarters but were so impressed by the facilities that they decided to break with tradition.

John Coulthard, Director of Healthcare, from Microsoft said: "University Hospital is one of the most technologically advanced in Europe and we were delighted to be able to hold our event in the superb Clinical Sciences Building."



"Care and treatment is first and foremost in the minds of all the staff I have had the pleasure of meeting."

***Anonymous Patient Quote -
'Impressions' online survey***

Dream come true for new mum Carys

For 10 years Carys Parker travelled to hospitals across the country in search of experts who could make her dream come true, to become a mum.

Carys suffers from a condition which meant she was unable to carry a baby full term because her blood could not penetrate the delicate small blood vessels of her growing baby. Due to this she suffered from multiple miscarriages and 2 strokes.

But after specialist care from the team at University Hospital Carys gave birth to baby Dylan weighing 7lbs 9ozs by caesarean section.

Carys' case was so severe that she was monitored with weekly visits throughout her pregnancy. Her treatment was complex and included low doses of aspirin, clot busting drugs as well as care from a Consultant in respiratory medicine who monitored Carys' lung function. She was also cared for by a Consultant in rheumatology who monitored the impact of her pregnancy on her Lupus.

Consultant Obstetrician, Dr Manu Vatish, an expert in high risk pregnancies said: "We were delighted to help Carys and enable her to have the baby she and her husband so desperately deserved. We monitored her extensively throughout her pregnancy and gave her treatment to thin her blood to ensure that the essential nutrients the unborn baby needed were able to get through the placenta."

Some of Europe's leading fertility specialists are based at the new University Hospital and last year over 800 men and women were helped to conceive

*To find out more visit:
www.uhcw.nhs.uk/crm*



"Everyone involved in my care has been out of this world, from the doctors and midwives to the phlebotomists at the Hospital of St Cross in Rugby. Everyone took such very good care of me."

April 2008

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Nurses say it's a great place to work

We were thrilled when the Nursing Times rated our Trust as one of the top UK Hospital Trusts to work for.

The Trust was also highlighted as an organisation which nurses are proud to work for, where they can be assured of a challenging and rewarding career and where they can feel enabled to giving the very best care to their patients.

Nurse Manager Fiona Wade said: "The Trust is very supportive and encourages nursing staff with their professional development as well as promoting a good work/life balance."

The Trust also received good scores for staff motivation and family friendly working practices. Hundreds of staff, not just nurses have taken the opportunity to attend training courses throughout the year and the Trust continues to offer flexible working hours and good quality child care facilities including a nursery on the hospital site and holiday clubs at University Hospital and the Hospital of St Cross in Rugby. There is also help with childcare costs through a childcare voucher scheme and discounts for out-of-schools clubs.

We are of course committed to ensuring that all current and potential employees are not disadvantaged by their ethnic origin, gender, age, sexual orientation or disability and during 2005/06 the organisation's equality/diversity policies were reviewed and publicised to raise awareness amongst all staff.

The Trust has in place a policy on the employment of people with disabilities and during the last 12 months has undertaken disability awareness training across all groups of staff.

We continue to be committed to widening employment opportunities for disabled people by ensuring that selection decisions and policies are based on objective criteria and not on unlawful discrimination, prejudice or unfair assumptions, and in retaining staff who become disabled, ensuring that their skills and experience are used to their full potential.



"The Trust constantly strives to inform, motivate and develop its employees."

Fiona Wade - Nurse Manager

Working together to save lives

"I have been a midwife for 13 years and delivered hundreds of babies, but I have never experienced anything so harrowing and emotional as what I saw during my time in Malawi."

Midwife Alison Searle spent three weeks in St Anne's Hospital in Nkhotakota, Malawi sharing her skills with hospital staff who have to take care of pregnant women, children and deliver babies without even the most basic of healthcare equipment like thermometers, soap and bowls.

The Health Link Malawi initiative which has been pioneered by University Hospitals Coventry and Warwickshire NHS Trust was launched in 2006 and is already saving lives.

As well as launching a fundraising appeal to buy a landrover ambulance for St Anne's Hospital, redundant medical equipment, old beds and mattresses have also been sent from the old hospitals in Coventry to Malawi.

Emmanuel Pemba, Hospital Administrator at St Anne's Hospital in Nkhotakota said the shipment



was a massive boost. "Many lives will be saved, especially pregnant women and children who are often admitted for conditions including severe malaria, diarrhoea, and complicated pregnancy conditions."

David Roberts, the University Hospital's former Chief Executive said: "We have the benefit of one of Europe's best-equipped hospitals here in Coventry and it is fantastic that we have been able to donate the redundant equipment from the old hospitals to St Anne's Hospital in Malawi, where it is so desperately needed. We are continuing to fundraise and would urge everyone to spare a small amount to make a very big difference."

If you would like to support Health Link Malawi you can send a cheque payable to Health Link Malawi, Charitable Funds Manager, University Hospital, Clifford Bridge Road, Coventry CV2 2DX

For further information contact: Eileen Burton on the above address or telephone: 02476 968749.



"Money raised by the hospital bought a new ambulance which replaced the pick up truck being used to transport critically ill patients"

May 2008

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Did we get it right?

Our patients are our single biggest supporters as well as our strongest critics. That's why we value our partnership with patients and members of the local community to ensure our services consistently meet their needs and expectations.

In the 2006 NHS national inpatient survey:

- 96 per cent of our patients said they were treated with dignity and respect
- 93 per cent of our patients rated their care as good to excellent

These results show that patients rate our standards highly, however we are not complacent and continue to work to make further improvements to our services.

During the year, we became the first NHS hospital to launch an innovative 'online' patient satisfaction survey called 'Impressions', similar to that used by car dealerships. Impressions gives the Trust real time data which enables us to resolve problems or congratulate staff.

Two significant improvements made as a result of patient comments last year were:

Revision of the Multidisciplinary Discharge Protocol in partnership with Social Services.

The introduction of a Muslim faith worker.

The Trust's Patients' Council continued to provide valuable advice throughout the year and our enthusiastic Youth Council, were integral to the design of the Trust's new adolescent unit.

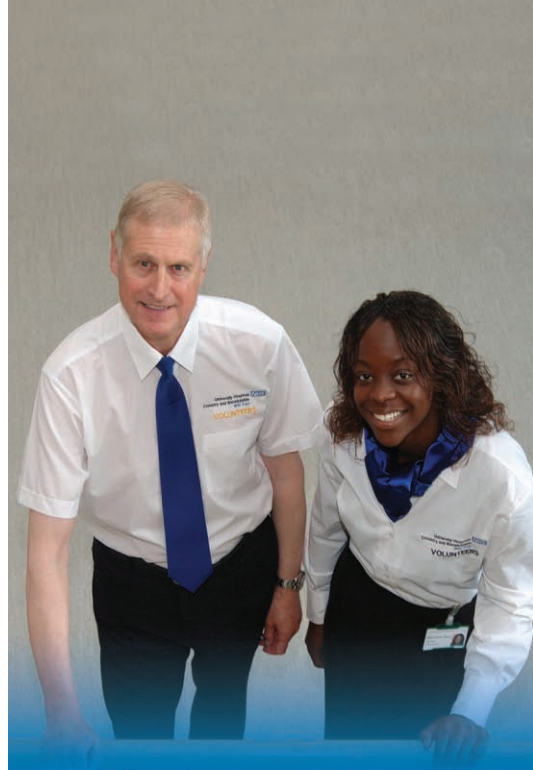
Our Community Engagement Committee which includes representation from Coventry partnership boards and key organisations such as the Coventry Carers Centre, Age Concern and the Alzheimers Society, continues to enhance communications between the Trust, its patients, their carers and the community it serves.

Learning from our patients

690 complaints were received in 2006/7 compared with 432 in 2005/6. The increase was largely due to initial problems experienced with the handling of our health records following the move to the new hospital but the Trust is pleased to report that these abated very quickly.

100% of complaints were acknowledged within the two working days target and 100% of complaints received a formal response within 20 working days up to August 2006 and 100% was achieved following the statutory change to 25 working days effective September 2006.

The Healthcare Commission requested information on 30 complaints last year with 13 relating to complaints registered in the period April 2006 to March 2007.



***Tell us what you think about
our services by visiting
www.uhcw.nhs.uk***

A new era in healthcare as super hospital opens

A new era in healthcare began in July 2006 when 600 patients and nearly 5,000 staff moved into the new University 'super' hospital. Equipped with technology, much of which is not currently available anywhere else in the NHS, the new facilities are now home to over 250 specialists in cancer, diabetes, cardiac, kidney transplantation and maternity.

At the touch of a button

During the year a handheld Patient Monitoring System was initiated where doctors have small handheld computers which enables them to access patients data and test results at the touch of a button at their bedside.

Filmless hospital gets results in seconds

The University Hospital was one of the first in the UK to become completely 'filmless'. All x-rays and scans are now available digitally on computers across the hospital, bringing an end to waiting for brown envelopes, x-ray and lightboxes. Doctors now have patients results in seconds.



June 2008

Among the best for patient care

Our hospitals have continued to perform well against all the key NHS performance targets, including waiting times for outpatient appointments, MRSA levels, surgery, cancer treatments and emergency care.

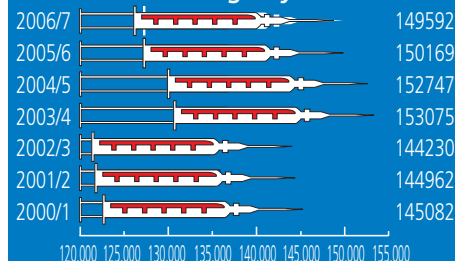
During 2006/07 our hospitals treated more patients than ever before:

- 149,592 patients treated in A&E
- 483,432 outpatient appointments
- 27,418 day case procedures
- 5,244 babies delivered
- 175,708 X-rays; 32,118 ultrasounds and 14,782 MRI scans
- 99,643 inpatients admitted

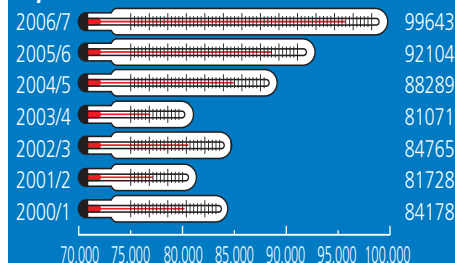
We have met all the national waiting time targets:

- No one waits longer than 13 weeks for their first outpatient appointment.
- No one waits more than 6 months for surgery.
- We were the first Trust in the UK to meet the national heart surgery target and reduce our revascularisation waiting list to less than 3 months.
- From January 2006, 98% of cancer patients did not wait longer than 31 days from diagnosis to treatment and 95% of patients waited longer than 62 days from GP referral to treatment.
- 100% target for all elective inpatient bookings, day case and outpatient GP referrals were successfully met for 'Choose and Book,' the national programme to give patients more choice of when and where they go for treatment.
- 98% of all A&E patients were seen in four hours for all but one quarter of the year. Unprecedented levels of A&E attendance and an outbreak of a winter vomiting virus in the local community forced us one per cent below target to 97%. This dip below target was short-lived. Quick action taken by the Trust and the effectiveness of our infection control strategy soon returned us back above target.

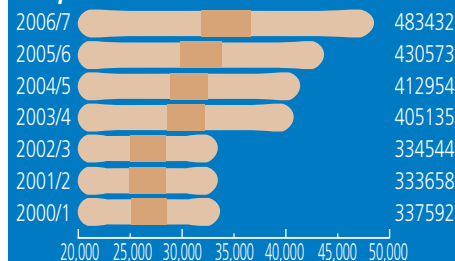
Accident and Emergency attendances:



Inpatient admissions:



Outpatient attendances:



I've been given my world back!

66-year-old breast cancer patient, June Holt, says she has been 'given her world back' after surgeons removed and then reconstructed a new breast in just one operation.

During the 8-hour operation Consultant Plastic Surgeon Alan Park used microscopic techniques to remove a flap of skin containing tissue and fat from June Holt's abdomen to mould into the shape of a new breast.

Previously patients would wait until they had recovered from their operation to remove their breast called a mastectomy before they could have a breast reconstruction but now surgeons at the University Hospital have the expertise to combine both operations.

June said: 'I am incredibly grateful to Mr Park and his team. I had always thought that there would be signs of breast cancer such as a lump but that wasn't the case for me. My cancer was only detected after a routine breast screening and so I hope that what happened to me

encourages more women to have regular checks. My whole experience at University Hospital has been wonderful, I couldn't have had better treatment if I had gone private."

Mr Park said: "I am delighted with June's progress and hope that she goes on to make a full recovery.

The option of breast reconstruction for women at the new University Hospital in Coventry is something that we are very proud of. It often spares a woman some of the emotional and physical trauma associated with undergoing a breast removal."

University Hospital is regarded as a national leader in the field of breast care and has been rated as having one of the top screening units in the country.



"My whole experience here has been wonderful, I couldn't have had better treatment if I had gone private."

July 2008

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About our hospitals

University Hospitals Coventry and Warwickshire NHS Trust is now one of the UK's premier healthcare providers with a reputation for innovation, delivery of NHS targets, teaching and research and high quality patient care.

The Trust is amongst the top five percent most improved hospitals in the country and it is the principal teaching hospital for the University of Warwick. The Trust works in close partnership with Warwick Medical School and Coventry University to develop innovative medical education programmes and clinical research.

The Trust, which was established in 1998 and granted University status in October 2000, provides district general hospital services to 800,000 people and tertiary services to 1 million. The Trust balances its specialised services with providing local acute services to the populations of Coventry and Rugby. We have a revenue budget of £409 million in 2006/07, approximately 5000 staff, 1250 beds and 27 operating theatres and currently operate from 2 sites:

- University Hospital
- Hospital of St Cross

The Coventry and Warwickshire Hospital remains part of the Trust's estate but is currently being partially leased to Coventry Primary Care Trust.

In July 2006 the Trust opened the £400 million PFI University Hospital and has subsequently demolished the old Walsgrave Hospital building. The new University Hospital is one of the most modern healthcare facilities in Western Europe. It signifies the beginning of a new era in healthcare for the health economy with our communities benefiting from £200 million of new medical and research equipment and a hospital that is at the forefront of digital imaging technology.

Our clinical services have been developed to meet the specific needs of our local population. They are managed through four clinical directorates, supported by a corporate directorate. Each directorate is led by a Head of Division (clinician) supported by a Director of Operations and a senior nurse. The Hospital Management Board has the overall responsibility for the operational management and leadership of the hospital and is accountable to the Trust Board.



UHCW is committed to making a positive difference to our environment. As part of the planning process for the University Hospital the Trust worked with Coventry City Council to produce a Green Travel Plan which aims to minimise the impact of travel on the environment by helping to reduce emissions of greenhouse gases, improve local air quality, minimise health risks and reduce congestion, noise, dirt and fumes and includes measures to promote sustainable travel to and from the Trust.

Smiling again after cancer scare

When Jenny Paley couldn't shake a sore throat she thought it was because she was a little run down because she had just given birth to her first child.

She'd never suffered particularly with her throat before and wasn't unduly worried until when looking in the mirror she noticed a small black lump in her throat.

"I thought it was tonsillitis or something like that and the doctor would just prescribe me with antibiotics and that would be it. But the doctor wasn't sure what the problem was and referred me to a consultant at another local hospital." Jenny was then referred to the specialist cancer centre at University Hospital. Further examinations, scans and a biopsy were arranged. The results showed Jenny needed an operation because she had a malignant tumour.

Maxillo-facial consultant Gary Walton had to inform Jenny that not only did she have cancer of the salivary glands but she would need further surgery. Mr Walton said: "Jenny had cancer of the salivary glands and we had two

options she could either have a straight-forward operation going through her mouth, almost like a tonsillectomy, or a larger procedure which carried risks of scarring and facial paralysis."

"I was getting married in July. I just wanted to get things over and done with. The whole situation was very scary but I decided I just needed to take things one step at a time. I told the doctors I wanted to go ahead with the smaller operation. But I thought if the small surgery didn't work then I could always go for the bigger operation later.

Thankfully the consultant discovered the tumour had been completely eradicated. I was unlucky to have cancer but lucky that it was caught early and was removed without the need for major surgery or chemotherapy.

My message would be if you find something suspicious get it checked out with the doctor. I was never an excessive drinker or smoker which is often what you associate with mouth cancer. It can happen to anyone, don't be ignorant to the risk."



"My message would be if you find something suspicious get it checked out with the doctor. It can happen to anyone, don't be ignorant to the risk."

August 2008

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Our vision

Our corporate objectives 2007/08

Financial Health

To achieve financial balance by March 2008 and surplus by March 2009.

Patient Confidence and Safety

Deliver safe, clinically effective services that minimise all avoidable harm to patients and reduce hospital acquired infection. Ensure compliance with national healthcare standards and delivery of all performance targets.

Technology, Training Research and Development

Fully exploit technology to maximise efficiency within the organisation and support the delivery of the best quality of care further enhancing the reputation of University Hospital as a world class teaching Hospital. Maximise research productivity in our focused themes in order to improve clinical care, grant income and research output. To harness the potential provided by recent initiatives to increase clinical research leading to improved patient management.

Integrated Healthcare Delivery System

Optimise service provision by providing systematic care to improve outcomes (SCIO) through partnerships, avoiding duplication of service provision, rationalising the contributions of service providers and vertical integration.

Organisational Values

To embed the values of the organisation within an environment where staff are valued, motivated and developed to achieve their full potential.

Corporate Citizen

As a community asset we will improve the health and well being of the local population and will bring investment to the local economy through local, national and international partnerships and alliances.



Our vision is to develop an integrated healthcare delivery system for Coventry and Warwickshire, capable of meeting the needs of the community served today and in the future.

UHCW aims to deliver safe, effective care to all our patients and ensure rigorous adherence to national healthcare standards to ensure patients have confidence in the quality of services they receive.

UHCW aims to be the Hospital of choice for its local population's general healthcare and to use the state of the art new hospital to care for the complex health needs of Coventry, Warwickshire and beyond. This will be achieved by maximising the full potential of its staff, new technology and world class facilities.

iDream delivers 'gold standard' care for diabetics

iDREAM, a pioneering 5 year diabetes care programme which delivers 'gold standard' care to diabetes sufferers has been launched at the Warwickshire Institute of Diabetes, Endocrinology & Metabolism (WISDEM) within University Hospital.

The pioneering programme brings together health and social care professionals to give seamless high quality care to over half a million people.

iDream is also a centre for ground breaking national and international research into diabetes.

Former Health Minister Lord Hunt of Selly Oak, who officially opened the Wisdem Institute said: "iDream is an inspirational programme which will revolutionise diabetes care in the UK. I look forward to it being taken up around the country.

Helping patients with a life changing condition

Grandmother Annette Green has become the first Diabetes UK 'patient buddy' for people who are newly diagnosed with diabetes.

She explains: "The doctors and nurses sometimes can't know what it's like to have diabetes. They don't know how it feels to have to inject yourself four times a day with insulin. I give people the chance to ask simple questions and talk about their fears before they see the Consultants. I support people by chatting to them, giving them leaflets and just letting them know that they are not alone. I was diagnosed in 1991 and I must admit it was quite a shock. You have this condition that you have to live with for the rest of your life and you're told there is no cure."



Lord Hunt officially opens the Wisdem Institute



"You are told you have this condition that you have to live with for the rest of your life and you're told there is no cure."

September 2008

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Our pledge to you

The Trust continues to set itself a challenging agenda of development and change over the next year and looks forward to building on its achievements to date and continuing to deliver excellent services to the people of Coventry and Warwickshire and beyond.

The Trust's future direction is set out in its 2007/8 Corporate Business Plan and maximises the opportunities afforded by the state of the art University Hospital and focuses on partnership working to best deliver health services across the health economy.

The NHS Operating Framework for 2007/08 sets the national priorities for the NHS by focusing on four key areas. The Trust's Corporate Business Plan addresses its approach to meeting each of these challenges.

- **Achieving a maximum of 18 weeks from GP referral to start of treatment;**
- **Reducing rates of MRSA and other healthcare associated infections;**
- **Reducing health inequalities and promoting health and well being;**
- **Achieving financial health.**

Another key theme of our plan is to build on the work we have been doing with local partner

agencies through the Provider Strategy Board to review how health services are provided across Coventry and Warwickshire to ensure that they are delivered safely and cost effectively as close to the patients home as possible. This may mean some services will expand within the Trust to incorporate a countywide service whilst others may reduce or cease to be provided by the Trust as they can be more appropriately provided in primary care or by other local acute providers.

The Trust is also building strong relationships with new partners in the statutory, private and independent sector in order to expand the scope and range of services traditionally provided in a hospital environment.

Always prepared

The threat of a terrorist attack or major incident is now more evident than ever before, and at University Hospitals Coventry and Warwickshire NHS Trust we practice to perfect our response to such an emergency - and we practice hard. We regularly hold major incident drills to test the speed and alertness of our reactions. Once declared our staff respond quickly and calmly, immediately closing the hospital to all non-urgent admissions, caring for the patients on our wards and readying our beds, theatres and resources for the arrival of casualties.



"Our pledge is to provide health services safely and cost effectively as close to the patient's home as possible."

Edna's passionate about science

There is an army of support behind the scenes in hospitals without which doctors and nurses would not be able to do their jobs.

One of those roles is biomedical scientists. Without biomedical scientists, hospital departments such as accident and emergency and operating theatres could not function.

The biomedical scientist's role includes tests for emergency blood transfusions and blood grouping as well as tests on samples from patients who may have overdosed, or may have leukemia or are suspected of having a heart attack.

Cancer, diabetes, toxicological study, blood transfusion, anaemia, meningitis, hepatitis and AIDS are just some of the medical conditions that are investigated by biomedical scientists. They also perform a key role in screening cervical smears, identify viruses and monitor the effects of medication and other treatments.

Edna Ikpeamagheze is a passionate member of the biochemistry team at University Hospital Edna, who joined the Trust as a laboratory assistant, was encouraged by the Trust to undertake the necessary training, including her Masters Degree, to become a fully qualified biomedical scientist and Edna wants to encourage more people to look at the many professions that provide a vital service behind the scenes at hospitals saying: "I always had an interest in science at school and knew that I wanted to work in laboratories. It is an important role that helps doctors and nurses to do their jobs. Pathology is a really good profession which needs to be promoted more, so that more people are aware of what there is and what you can do."

For information about vacancies at University Hospitals Coventry and Warwickshire NHS Trust visit www.uhcw.nhs.uk



"Biochemists provide a 24 hour service 7 days a week, 365 days of the year dealing with 2,500 patients and 14,000 tests a day."

October 2008

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Healthcare Commission rates our services as excellent

The dramatic reduction in waiting times and the evolution of practice based commissioning, patient's choice, plurality of provision and payment by results requires strong, effective clinical and managerial leadership to ensure that University Hospitals Coventry and Warwickshire NHS Trusts continues to deliver and be recognised as a leading provider of high quality care.

These factors will require the Trust to implement a new model for business planning during 2007/08 which takes a more commercial approach to the planning and delivery of healthcare. It will include a detailed clinical strategy and robust marketing plan so that the Trust can review its place in the market and focus on the core services it needs and wants to provide both within the NHS and commercially.

The most significant achievement during 2006/07 was the successful move of all clinical and support services from the Walsgrave and Coventry and Warwickshire sites into the new University Hospital facility. The Trust continued to achieve all the key national targets despite the challenges of moving services to the new hospital.

During 2006/07 as part of the Annual Health check the Trust received a rating of 'excellent' for quality of service and 'fair' for use of resources from the Healthcare Commission. The Trust was one of the handful in the UK to gain the top 'excellent' rating.

The Information, Communication and Technology agenda moved forward significantly in 2006/07 as a result of the move to the new hospital and access to the most advanced medical technology. The following initiatives have been implemented enabling UHCW to be at the forefront of medical technology advances thereby significantly improving the efficiency and quality of care provided at UHCW:

- Fully digital and filmless service for imaging
- Theatre management system (OPERA)
- Cardiac traces available on Clinical Results Reporting System
- Availability of PCs has doubled
- Clinical IT system for monitoring patients in the Intensive Care Unit
- 250 remote monitored beds
- Electronic Pharmacy system



"All the staff were wonderful, from the receptionist to the ward staff. The named nurse was more like a friend and made us feel very relaxed - keep up the good work."

Anonymous patient quote - 'Impressions' online survey

Hospital saved my leg with maggots

Grandmother Rosemary Barnett was delighted when nurses at University Hospital turned to the age-old remedy of maggots to save her leg.

The small white wriggley maggots were used to save Rosemary's left leg after she knocked it at home and then the wound became infected. Minor surgery was performed first to help improve the blood flow in her leg and this was then followed by the maggot therapy. Quite simply the maggots ate all the dead flesh and cleaned the wound up. They can be more precise than surgeons because they don't harm the living flesh but seek out every last bit of the dead flesh. They are not just any old maggots though - they are specially bred sterile maggots which cost £50 per hundred.

Rosemary explains: "If by talking about the treatment I had, it helps one other person to have it done, then I have achieved something. The nurses were marvellous, the treatment worked and I can't thank them enough."

Nurse Consultant Fiona Burton has been using maggot therapy for about six years to treat infected ulcerated wounds. She treats patients, who, like Mrs Barnett, need to be in hospital, whilst other patients can have the treatment in their own home.

Fiona explains "Sterile maggots are particularly effective because they use an enzyme to breakdown the dead tissue and then they suck up the liquidised matter. They don't have teeth or claws so don't do any harm to healthy tissue and can get into very small areas of the wound which would otherwise be difficult to clean out."



"The nurses were marvellous, the treatment worked and I can't thank them enough."

November 2008

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Clinical Governance - putting patient safety first

Patient safety is a key priority for the Trust and a great deal of work surrounds the local clinical adverse event reporting system.

The reports are analysed to ensure appropriate measures can be put in place to reduce the risks to patients.

The Trust is linked to the National Patient Safety Agency's national reporting and learning system providing anonymised data on clinical adverse events to the national database.

Patient falls continue to be the most frequently reported incidents and a falls risk assessment tool has been introduced, along with a series of measures to improve the quality of data relating to falls. This improved information allows the Trust to detect trends and direct resources more accurately - already measures taken have led to a 12.5% reduction in the number of falls reported in 2006/7.

The Trust retained its general CNST level 1 status and achieved level 2 in Maternity Services this year.

Clinical Audit

The Trust regularly assesses itself and reports progress to a number of Trust Board committees, including the Health Standards Board.

The Trust Clinical Audit Forward Plan is developed annually and ensures that clinical audit activity focuses upon key priority areas to include compliance with NICE Guidance, National Service Frameworks, the Healthcare Commission Clinical Audit and Outcomes Programme and the National Confidential Enquiry Programme.



Surgeons remove tumour the size of a baby

Richard Alcock from Rugby was delighted to go home in time for Christmas following an emergency operation last December to remove one of the largest tumours surgeons have ever seen.

He was unable to eat or drink and found it almost impossible to breathe prior to the four hour operation to remove an 8lb tumour that was so large it had completely collapsed one of Richard's lungs.

Richard said: "The first thing I knew about this was when I became breathless whilst on holiday in Ireland. After having scans and tests at the Hospital of St Cross in Rugby I came to the University Hospital in Coventry for the operation. Mr Marzouk and his team are fantastic, and I was so pleased to be able to go home in time for Christmas - it really is a miracle and I cannot praise University Hospital and the NHS enough."

Mr Joseph Marzouk, Consultant Thoracic Surgeon said: "This type of operation is incredibly rare and Richard was very lucky that we were able to remove it in one piece. I am pleased to say that the operation did go very smoothly and I am delighted that he is feeling so much better. It is not just about the surgeons, it is as much about the fantastic nurses, theatre team and rehabilitation specialists who work tirelessly to provide such a high standard of care."



"I was so pleased to be go home in time for Christmas - it really is a miracle and I can not praise University Hospital and the NHS enough"

December 2008

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Operating and Financial Review 2006/07

2006/07 Financial Performance

The year ended 31st March 2007 has been a particularly challenging year and I am pleased to report that once again the Trust has met its key financial duty to break-even on its income and expenditure delivering a small surplus of £54,000. This achievement is especially pleasing in a year which has seen the Trust deliver against all of its key activity and access targets at the same time as opening the new University Hospital.

However, whilst the Trust's performance against its key financial duties is commendable, the delivery of this position has been made possible only through the receipt of significant financial support and therefore it is important to understand some of the key factors underpinning the Trust's performance.

The new hospital

The single most significant challenge faced by the Trust in 2006/07 was undoubtedly the opening of the new University Hospital which replaced the Coventry and Warwickshire Hospital and Walsgrave Hospital in July 2006 to provide one the most up to date hospitals in Europe. However, the provision of these new state of the art facilities comes with an annual cost in excess of £54 million and although when first approved, the business case for the new hospital clearly identified sources of funding to meet these costs, the NHS financial regime in which the Trust operates has changed significantly and a number of these funding sources are no longer available.

Prior to the start of 2006/07, the Trust had been negotiating a non-recurrent support package to replace these funding sources which would buy time for the Trust to settle into its new facilities and to begin to develop new and more efficient and effective ways of working which would generate sufficient savings to meet the costs of the new hospital. This funding support amounted to £27 million in 2006/07. In 2007/08 the Trust is working on a programme to achieve £30 million of cost savings and meet the full costs of

the new hospital from its own resources from 2008/09 onwards.

In addition, during 2006/07 the Trust received £20 million of short-term cash support to finance crucial variations to the PFI contract. This cash support was received in the form of £7 million of temporary borrowing of Public Dividend Capital and a £13million payment from Coventry PCT against outstanding year-end debtors.

Historical financial position

In addition to the challenges posed by the new hospital, the Trust has in recent years relied upon non-recurrent solutions to deliver financial balance. Some of the reasons for this have been the need to invest in services which has seen the Trust progress from having the lowest rating under the Department of Health's star rating system in 2002 to the highest rating in 2005. However, much of this investment was necessarily undertaken whilst the Trust was using old and inefficient facilities and with services split over two main sites.

During this period the Trust had, in common with many other NHS bodies, relied upon a system of cash brokerage to ensure it could continue to meet its financial liabilities. However, in 2006/07 this system was replaced with a new system of loans and deposits and whilst the Trust's cash requirements are being reviewed by the Department of Health in the context of this new system, the Trust was allowed to draw down £29.277 million of temporary Public Dividend Capital.

The summary financial statements set out on pages 26-33 are merely a summary of the information in the full accounts of University Hospitals Coventry and Warwickshire NHS Trust for 2006/2007. A full copy of which is available free of charge by contacting the Chief Finance Officer on 02476 967606.



Andrew Hardy
Chief Finance Officer

Operating and Financial Review 2006/07 (cont)

Performance against Financial Plan

The Trust's financial performance for 2006/07 was closely in line with the plans developed towards the end of 2005/06 and demonstrates that the Trust's financial planning and performance management arrangements operated effectively during the year. The only significant variance from the position envisaged at the start of the year related to the Trust's underlying cash shortfall which was expected to be resolved through the issue of permanent Public Dividend Capital but was instead met through the issue of temporary Public Dividend capital as described above.

Accounting Policies

The Trust's accounting policies are in accordance with directions provided by the Secretary of State for Health and follow UK generally accepted accounting practice and HM Treasury's Government Financial Reporting Manual to the extent that they are meaningful and appropriate to the NHS. There have been no significant changes to accounting policies during the last year.

In common with many organisations, some of the Trust's accounting policies require the exercise of judgement in the preparation of the accounts. The only area in which there has been a significant requirement to exercise judgement relates to the valuation of fixed assets. In this case the Trust has relied upon professional external advisors to provide valuations of all land and buildings. The last general revaluation of the Trust's estate was carried out in 2004, although surplus property on the Coventry and Warwickshire Hospital site and the Hospital of St. Cross site were revalued during 2006/07.

Statement of Internal Control

The Statement of Directors' Responsibility is printed in full in the 2006/07 Annual Accounts for the Trust. A copy is available by contacting the Chief Finance Officer on 02476 96 7606.

Performance against financial duties 2006/07

The table below summarises the Trust's performance against its key financial duties and it shows that the Trust met three of the four key targets, with the only failure being caused by a change in accounting rules which was announced by the Department of Health in February 2007.

Duty	Target	Performance
Breakeven on its Income and Expenditure Account - this requires the Trust to ensure that total expenditure does not exceed the total income it receives	Breakeven	Surplus of £54,000 <i>Target achieved</i>
Remain within its approved External Financing Limit - this requires the Trust to remain within the borrowing limits set by the Department of Health	£10,345,000 This requires the Trust to repay Public Dividend Capital and/or increase cash balances amounting to at least £10,345,000	£10,345,000 <i>Target achieved</i>
Achieve a capital cost absorption rate of 3.5% +/- 0.5% - this requires the Trust to pay a dividend to the Department of Health equal to 3.5% of the average value of its net relevant assets	3.5% +/- 0.5%	2.7% <i>Target not achieved.</i> During 2006/07 the Department of Health changed the accounting treatment relating to the repayment of Public Dividend Capital. This had the effect of increasing net assets and thereby reducing rate achieved. Without this change, the Trust would have achieved 3% which is within the allowed tolerance.
Remain within its approved Capital Resource Limit - this requires the Trust to keep its net capital expenditure (after adjusting for asset disposals) within the limits set by the Department of Health	£25,533,000 This requires the Trust to spend no more than £25,533,000 after adjusting for asset disposals	£4,809,000 <i>Target achieved</i> with an underspend of £20,724,000. This underspend was caused by a technical accounting requirement to net off assets transferred to the PFI contractor and other asset disposals associated with the PFI contract (£20,665,000) against its capital expenditure. Without these technical adjustments, the underspend would have been £59,000.

BETTER PAYMENT PRACTICE CODE MEASURE OF COMPLIANCE

Total Non-NHS trade invoices paid in the year
Total Non-NHS trade invoices paid within target
Percentage of Non-NHS trade invoices paid within target

2006/07	
Number	£000
64,286	230,391
50,744	210,119
79%	91%

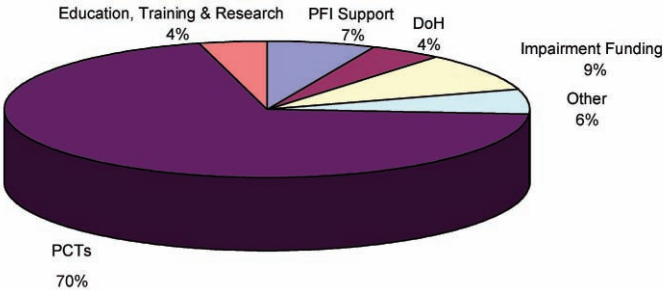
Total NHS trade invoices paid in the year
Total NHS trade invoices paid within target
Percentage of NHS trade invoices paid within target

2006/07	
Number	£000
2,469	57,433
1,458	49,583
59%	86%

Financial highlights

Revenue Expenditure 2006/07

During the year the Trust had a total income of approximately £409 million which represents a 22% increase over the previous year. The principal reason for this significant increase in income relates to increased funding received for writing down fixed assets which were impaired or disposed of upon opening the new hospital and the additional funding received to cover the costs of the new hospital. The chart below provides a breakdown of the Trust's income:



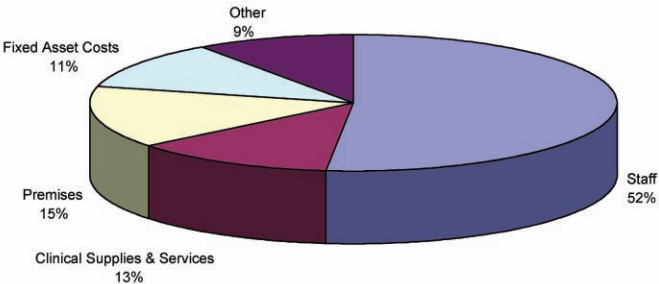
The Trust's total revenue expenditure for 2006/07 also amounted to £409 million. The largest component within this figure relates to salaries and wages with the average number of people employed during the year being 5,540 whole time equivalents with a total cost of £211 million, equating to 52% of total expenditure. When compared with the staffing numbers and costs for the previous year, it can be seen that whilst the average number of staff in post has fallen by 4.4%, total staff costs have risen by 2.9%. There have been some key changes to the staffing profile of the Trust during the year with the transfer out of hotel services staff to the PFI contractor in July, the

transfer in of staff from George Eliot Hospital NHS Trust, associated with plastic surgery services and the transfer in of staff who work for the Healthcare Purchasing Consortium which the Trust has hosted since October.

The second largest cost incurred by the Trust related to the unitary payment for the new hospital which accounted for almost £52 million of the £62 million spent on premises expenditure. Other significant costs incurred by the Trust related to depreciation, impairments and disposal of fixed assets which amounted to £46 million. Of this sum, around £38 million were non-recurrent costs associated with the closure, demolition or disposal of redundant hospital buildings and equipment as a result of the move into the new University Hospital.

The Trust also continues to incur significant non-pay costs directly associated with patient care, including drugs and other medical and surgical goods and services. During 2006/07 the Trust spent over £51 million on these supplies - an increase of 6% over the previous year.

The chart below provides a breakdown of the Trust's revenue expenditure for the year:



Financial Highlights (cont)

Capital Expenditure 2006/07

In addition to the revenue costs detailed on the previous page, the Trust also spent over £24 million purchasing new or replacement capital assets. Of this sum almost £16 million was spent on medical equipment purchases in preparation for the move into the new hospital. In addition, the Trust continued its investment in information technology and spent over £4 million on new infrastructure, hardware and systems.

Financial Outlook

The Trust faces two significant financial issues that must be managed over the next two years. These are:

- The Trust is required to generate recurrent savings of £30 million which equates to around 8% of its annual turnover. These savings are needed to meet the costs of the new hospital and the Department of Health's efficiency targets; and
- The Trust has a significant underlying cash shortfall of around £74 million which needs to be addressed during 2007/08. This sum is derived principally from the Trust's historical cash shortfall and the need to refinance PFI variations.

Cost Savings

The Trust is developing detailed plans to deliver £30 million of recurrent savings.

Whilst the Trust acknowledges that the delivery of these savings will be difficult, it believes that it is achievable and in particular considers that the opportunities afforded by the new hospital, which is amongst the most modern and best equipped in Europe, will be the cornerstone of its savings programme. This programme, which is being supported by experts from the private sector who have successfully delivered similar programmes in other organisations, commenced in 2006/07 and has four key elements which are based around the key theme of "Working Smarter not Harder":

- Changing Organisational Culture to Improve Flow,
- Reduce Waste and Add Value to the Patient Pathway
- Delivering the Benefits of Technology
- Cost reduction and Efficiency Programme



Andrew Hardy

Chief Finance Officer

The details of the Trust's compliance with the Better Payments Practice Code are given on page 28.

Balancing the books

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	2006/07 £000	2005/06 £000
Income from activities	372,769	302,733
Other operating income	35,692	31,777
Operating expenses	(401,094)	(327,281)
OPERATING SURPLUS/(DEFICIT)	7,367	7,229
Cost of fundamental reorganisation/restructuring*	0	0
Loss on disposal of fixed assets	(2,334)	(831)
SURPLUS BEFORE INTEREST	5,033	6,398
Interest receivable	775	330
Interest payable	(3)	0
Other finance costs - unwinding of discount	(44)	(44)
Other finance costs - change in discount rate on provisions	0	(217)
SURPLUS FOR THE FINANCIAL YEAR	5,761	6,467
Public Dividend Capital dividends payable	(5,707)	(6,467)
RETAINED SURPLUS FOR THE YEAR	54	0

All income and expenditure is derived from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2007

	2006/07 £000	2005/06 £000
Surplus for the financial year before dividend payments	5,761	6,467
Fixed asset impairment losses	0	0
Unrealised surplus on fixed asset revaluations/indexation	12,166	6,432
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	89	101
Defined benefit scheme actuarial gains/(losses)	0	0
Additions/(reductions) in "other reserves"	0	0
Total recognised gains and losses for the financial year	18,016	13,000
Prior period adjustment	0	0
Total gains and losses recognised in the financial year	18,016	13,000

Balancing the books

BALANCE SHEET AS AT 31 MARCH 2007

FIXED ASSETS

Intangible assets
Tangible assets
Investments

2006/07 £000	2005/06 £000
503	0
174,051	202,864
0	0
174,554	202,864
43,340	11,873
5,462	6,546
52,344	54,436
0	0
1,531	1,499
59,337	62,481
(42,849)	(68,800)
16,488	(6,319)
234,382	208,418
0	0
(2,973)	(2,635)
231,409	205,783

DEBTORS: Amounts falling due after one year

CURRENT ASSETS

Stocks and work in progress
Debtors
Investments
Cash at bank and in hand

CREDITORS: Amounts falling due within one year

NET CURRENT ASSETS

TOTAL ASSETS LESS CURRENT LIABILITIES

CREDITORS: Amounts falling due after more than one year

PROVISIONS FOR LIABILITIES AND CHARGES

TOTAL ASSETS EMPLOYED

FINANCED BY:

TAXPAYERS' EQUITY

Public dividend capital
Revaluation reserve
Donated asset reserve
Government grant reserve
Other reserves
Income and expenditure reserve

TOTAL TAXPAYERS' EQUITY

MANAGEMENT COSTS

Management costs
Income
Management costs as % of income

Management costs are defined as those on the management costs website at www.dh.gov.uk

2006/07 £000	2005/06 £000
80,602	65,677
109,842	111,642
2,552	5,180
0	0
0	0
38,413	23,284
231,409	205,783

2006/07 £000	2005/06 £000
12,665	11,226
408,756	334,510
3.1	3.4

Balancing the books

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 MARCH 2007

	2006/07 £000	2005/06 £000
OPERATING ACTIVITIES		
Net cash inflow/(outflow) from operating activities	36,903	(4,517)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	775	330
Interest paid	(3)	0
Interest element of finance leases	0	0
Net cash inflow from returns on investments and servicing of finance	772	330
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(21,396)	(8,211)
Receipts from sale of tangible fixed assets	123	49
Payments to acquire intangible assets	(350)	0
Receipts from sale of intangible assets	0	0
(Payments to acquire)/receipts from sale of fixed asset investments	0	0
Net cash outflow from capital expenditure	(21,623)	(8,162)
DIVIDENDS PAID	(5,707)	(6,467)
Net cash inflow/(outflow) before management of liquid resources and financing	10,345	(18,816)

MANAGEMENT OF LIQUID RESOURCES

(Purchase) of investments with DH	0	-
(Purchase) of other current asset investments	0	0
Sale of investments with DH	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	10,345	(18,816)

FINANCING

Public dividend capital received	33,409	22,500
Public dividend capital repaid (not previously accrued)	(18,484)	(3,684)
Public dividend capital repaid (accrued in prior period)	(24,732)	0
Loans received from DH	0	-
Other loans received	0	0
Loans repaid to DH	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	(9,807)	18,816
Increase in cash	538	0

The Trust Board

The role of the Trust Board is to:

- establish strategic direction, aims and values
- ensure accountability to the public
- assure that the Trust is managed with integrity
- allocate resources and monitor organisational and executive performance
- delegate operational matters to management
- oversee senior management arrangements and appointments
- understand and manage risk

Our Board is made up of a part-time Non Executive Chairman and six Non Executive Directors drawn from the local community and five Executive Directors, headed by the Chief Executive. All the board members take collective responsibility for the Board's decisions and performance. Executive Directors are appointed by the Trust Board and Non Executive Directors are appointed to the Trust Board by the Appointments Commission.

Standards of Conduct

Non Executive Directors are governed by the Codes of Conduct & Accountability and Executive Directors by the Code of Conduct for NHS Managers. All members of the Trust Board subscribe to the seven principles of conduct in public life (known as the Nolan principles which are:

- Selflessness
- Openness
- Integrity
- Honesty
- Objectivity
- Leadership
- Accountability

The role of the Chairman and Chief Executive

The Chairman and Chief Executive are collectively responsible for providing leadership to the Trust. The Chairman's role is to lead the Trust Board; making sure it effectively governs the Trust. The Chief Executive's role is to lead the Executive in delivering the strategy and managing operational delivery. The Chief Executive is also the Accounting Officer to the Chief Executive of the NHS and to Parliament.

The key responsibilities of an NHS Non Executive Director are:

- helping to plan for the future to improve healthcare services
- making sure that the management team meets its performance targets
- making sure that the finance of the organisation is managed properly with accurate information
- helping the board to be sure that it is working in the public interest and keeps its patients and the public properly informed
- serving on important board committees

The role of Executive Directors is to:

- share collective responsibility with the Non Executive Directors as part of a unified board
- shape and deliver the strategy and operational performance in line with the Trust's strategic aims



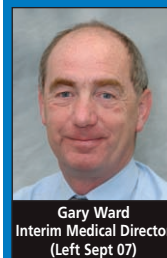
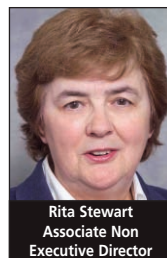
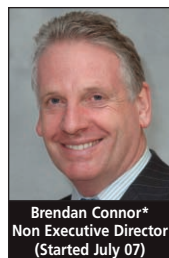
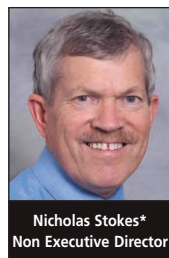
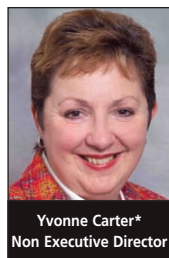
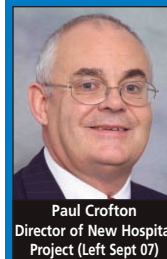
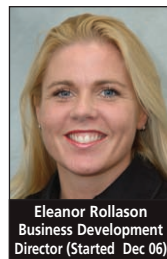
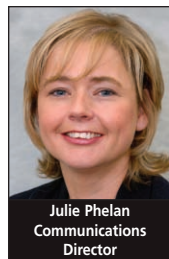
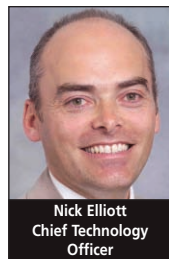
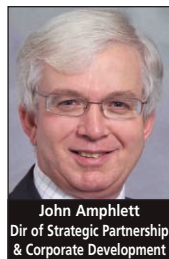
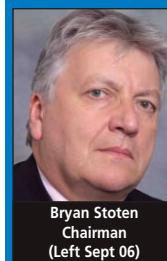
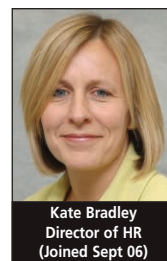
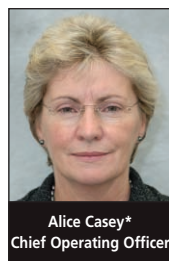
As far as the Directors are aware, there is no relevant audit information of which the Trust's auditors are unaware and the Directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Martin Lee
Interim Chief Executive
31/8/07

Andrew Hardy
Chief Finance Officer
31/8/07

Meet the Current Trust Board

* Denotes is a voting board member



Public Meetings - Trust Board meetings are open to the public and held on a monthly basis. Times and details of meetings are published on the Trust website - www.uhcw.nhs.uk The Board's Annual General Meeting is also open to the public.

Past Board Members (2006/07)

The Trust Board Sub-Committees

The Trust Board has established a number of sub committees to support the Trust Board in setting the strategic direction, in monitoring and making sure that the strategies are being taken forward and that the responsibilities for performance management and assurance are being met. The principle Board sub committees are:

Audit Committee

Chairman - Councillor Tim Sawdon

Members - Nick Stokes, Professor Yvonne Carter

The Audit Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal controls, across the whole of the organisation's activities (both clinical and non clinical) that supports the achievement of the organisation's activities.

Health Standards Board

Chairman - Martin Lee, Medical Director

Members - John Amphlett, Ann-Marie Cannaby, Alice Casey, Mark Newbold, Paul Martin

This committee's role is to provide the Board with assurance about the effectiveness of the Trust's arrangements for clinical governance and risk management (including controls assurance) ensuring that there is an increasing integration of clinical and non-clinical issues.

Finance Committee

Chairman - Councillor Phil Townshend

Members - Councillor Tim Sawdon, Nick Stokes, Prof Yvonne Carter

The role of the Finance Committee is to review the Trust's financial management arrangements and advise the Trust Board on the adequacy of those arrangements to meet statutory financial duties and its aspiration to become an NHS Foundation Trust.

Remuneration Committee

Chairman - Councillor Phil Townshend

Members - Councillor Tim Sawdon, Nick Stokes, Professor Yvonne Carter

The Remuneration Committee is responsible for determining the Trust overall policy on Executive Director Remuneration and the specific remuneration package of each Executive Director, including compensation payments in event of early termination. See page 41.

Development and PFI Performance Committee

Chairman - Nick Stokes

Members - Councillor Tim Sawdon, Rita Stewart, David Roberts, Andrew Hardy, Nick Elliott, Paul Crofton, Andrew May, Steve Noon

The Development and PFI Performance Committee is responsible for providing effective oversight of all major construction projects, development projects and major capital projects within the Trust including the PFI support services.



The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finance for which they are answerable, and for keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the NHS Executive.

Martin Lee - Interim Chief Executive

Directors' Interests - 1 April 2006 - 31 March 2007

Mr David Roberts Chief Executive	Trustee, Health Link Malawi, Council Member, Health Service Management, AUKUH, Member, West Midlands RDA, Associate, Kings Fund, Fellow, NHS Institute for Innovation & Improvement, Visiting Fellow, University of Warwick			
Mr Andy Hardy Chief Finance Officer	Health Link Malawi			
Mrs Alice Casey Chief Operating Officer	Member of Standards Committee of Coventry City Council, Member of Employers Panel of Employment Tribunals for England, Chartered Fellow of the Chartered Institute for Personnel and Development			
Mr Martin Lee Medical Director	President Elect, Association of Breast Surgery, Member, Specialist Advisory Committee, General Surgery, Association of Surgeons Great Britain & Northern Ireland, Member, Association of Breast Surgery, Royal Society of Medicine			
Dr Ann-Marie Cannaby Director of Nursing	Trustee, Health Link Malawi, Company Secretary, Artpoint (Leic) Ltd			
Mr Paul Crofton New Hospital Project Director	Associate Member, Chartered Institute of Building, Fellow, Institute of Facilities Managers			
Professor Steve Thornton Director of Research and Development	Consultancy Advisor to GlaxoSmithKline, Society for Endocrinology, The Physiological Society Blair Bell Research Society, West Midlands Obstetrical and Gynaecological Society; Elected to membership of the Society for Gynaecologic Investigation: USA (1999) Gynaecological Travellers; British Maternal and Fetal Medicine Society			
Dr Mark Newbold Managing Director, Hospital of St. Cross, Rugby	Member, British Medical Association			
Ms Julie Phelan Director of Communications	Trustee, Health Link Malawi, Trustee, ASSIST			
Ms Kate Bradley Director of Human Resources	Member, Chartered Institute of Personnel and Development. On secondment to the Trust from Leicestershire Partnerships NHS Trust			
Councillor Philip Townshend Chairman	Director of Warwickshire Law Society Ltd, Councillor, Coventry City Council, Member, Law Society, Senior Partner, Townshends Solicitors, Member, Shareholders Panel, Coventry & Warks Waste Disposal Co. Ltd			
Councillor Tim Sawdon Non Executive Director	Director, Mastgrove Ltd t/a Dollond and Aitchison, Owner, Mastgrove Ltd t/a Dollond and Aitchison, Member, Coventry City Council			
Professor Yvonne Carter Non Executive Director	Governor, The Health Foundation - Charity, Dean, Warwick Medical School, University of Warwick, Academic GP, Coventry PCT, Elected Member of Council, Academy of Medical Sciences, Member, Council of Heads of Medical Schools, Member, Board of Coventry and Warwickshire Medical Research Fund, Fellow, RCGP, Royal Society of Medicine, RSA, Member, BMA			
Mr Nick Stokes Non Executive Director	Director, Marketing and Communications, Coventry University, Member, Image Working Group, Member, Ambassadors Group; Member, Coventry First (as Rep for Coventry University), Full Member, Market Research Society, Full Member, Marketing Society			
Mrs Rita Stewart Associate Non Executive Director	Trustee/Non Executive Director, SENSE and Rubella Association, Member, SENSE Coventry, Society for the Blind Steering Group, Chair, Hospital School Education Service, Coventry			
Liz Thiebe Director New Hospital Service Design	On secondment from the Trust to the NHS Institute for Innovation and Improvement from 9 Oct 2006. Independent Management Constituent, Steffian-Bradley Inc, USA.			
Bryan Stoten Chairman until 30 September 2006	Director, PMA. Trustee, NHS Confederation. Trustee, PMA Foundation. Trustee, Health Link Malawi. Trustee, Education for Health. Member, Royal Society of Arts Member, SHOT, Visiting Professor, Coventry University. Vice Chairman, NHS Confederation			
The following Directors did not have any Directors Interests:				
Mr Mohammed Sarwar Non Executive Director	Mr Nick Elliott Chief Technology Officer	Ms Eleanor Rollason Business Development Director	John Amphlett Director of Planning	Paul Martin, Director of Governance

Salary entitlement of senior management

Name and Title	2006-07					2005-06				
	Basic Salary (bands of £5000) £000	Bonus (bands of £5000) £000	Total Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100	Basic Salary (bands of £5000) £000	Bonus (bands of £5000) £000	Total Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100
David Roberts - Chief Executive***	165-170	0	165-170	5-10	3,000	160-165	40-45	205-210	0	3,000
Andrew Hardy - Chief Finance Officer	130-135	0	130-135	0	2,300	110-115	0	110-115	0	1,500
Alice Casey - Chief Operating Officer***	135-140	0	135-140	0-5	3,900	130-135	25-30	165-170	0	5,000
Martin Lee - Medical Director*	175-180	0	175-180	0	5,300	175-180	0	175-180	0	5,300
Ann Marie Cannaby - Acting Director of Nursing (to 31/01/07), Director of Nursing (from 01/02/07)	85-90	0	85-90	0	0	15-20	0	15-20	0	0
John Amphlett - Director of Strategic Partnerships and Corporate Development	65-70	0	65-70	0	0	80-85	0	80-85	0	0
Nicholas Elliott - Chief Technology Officer	100-105	0	100-105	0	0	75-80	0	75-80	0	0
Eleanor Rollason - Business Development Director (from 11/12/06)	10-15	0	10-15	0	0	0	0	0	0	0
Paul Crofton - New Hospital - Project Director	155-160	0	155-160	0	0	150-155	0	150-155	0	0
Paul Martin - Director of Governance	50-55	0	50-55	0	600	**	**	**	**	**
Kenneth Mark Newbold - Managing Director, Hospital of St Cross*	150-155	0	150-155	0	5,000	140-145	0	140-145	0	4,100
Julie Phelan - Director of Communications	80-85	0	80-85	0	3,200	65-70	0	65-70	0	3,400
Elizabeth Thiebe - Director of New Hospital Service Design (to 08/10/06)	45-50	0	45-50	0	3,400	90-95	0	90-95	0	3,500
Philip Townshend - Non Executive Director, Acting Chairman (from 1/10/06) Chairman (from 1/4/07)	10-15	0	10-15	0	0	5-10	0	5-10	0	0
Kate Bradley - Director of Human Resources (from 01/09/06)	40-45	0	40-45	0	0	0	0	0	0	0
Tim Sawdon - Non Executive Director	5-10	0	5-10	0	0	5-10	0	5-10	0	0
Yvonne Carter - Non Executive Director	5-10	0	5-10	0	0	5-10	0	5-10	0	0
Nick Stokes - Non Executive Director	5-10	0	5-10	0	0	5-10	0	5-10	0	0
Rita Stewart - Associate Non Executive Director	0-5	0	0-5	0	0	5-10	0	5-10	0	0
Mohammed Sarwar - Non Executive Director (to 31/01/07)	0-5	0	0-5	0	0	5-10	0	5-10	0	0
Bryan Stoten - Chairman (to 30/09/06)	15-20	0	15-20	0	0	25-30	0	25-30	0	0

Bonuses paid in 2005/06 are in relation to successful fulfilment of contractual arrangements under the individuals Franchise Plan. Benefits in kind are in relation to lease cars. As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

* These senior managers are practising medical consultants.

** Denotes employee was not classified as a senior manager during 2005-06.

*** Other remuneration relates to additional work undertaken at George Eliot Hospital NHS Trust. Total directors' emoluments in 2006/07 were £758,262 (£798,763 2005/06).

Pension entitlement of senior management

Name and Title	Real increase in pension at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2007 (bands of £5000) £000	Lump sum at age 60 related to accrued pension at 31 March 2007 (bands of £5000)	Cash Equivalent Transfer Value at 31 March 2007 £000	Cash Equivalent Transfer Value at 31 March 2006 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension To nearest £100
David Roberts - Chief Executive	0-2.5	2.5-5	20-25	60-65	248	220	23	0
Andrew Hardy - Chief Finance Officer	0-2.5	2.5-5	20-25	65-70	232	204	23	0
Alice Casey - Chief Operating Officer	0-2.5	2.5-5	20-25	65-70	391	353	29	0
Martin Lee - Medical Director	0-2.5	2.5-5	70-75	210-215	1,273	1,207	36	0
Ann Marie Cannaby - Acting Director of Nursing, Director of Nursing (from 01/02/07)	7.5-10	25-27.5	15-20	50-55	210	105	102	0
John Amphlett - Director of Strategic Partnerships and Corporate Development	0-2.5	5-7.5	35-40	115-120	569	512	45	0
Nicholas Elliott - Chief Technology Officer	2.5-5	12.5-15	15-20	55-60	226	160	63	0
Eleanor Rollason - Business Development Director (from 11/12/06)	2.5-5	7.5-10	5-10	25-30	95	60	33	0
Paul Crofton - New Hospital - Project Director	0-2.5	2.5-5	0-5	5-10	56	29	26	0
Paul Martin - Director of Governance	2.5-5	12.5-15	25-30	80-85	431	339	83	0
Kenneth Mark Newbold - Managing Director, Hospital of St Cross	0-2.5	5-7.5	40-45	120-125	555	511	31	0
Julie Phelan - Director of Communications	2.5-5	7.5-10	10-15	40-45	155	111	41	0
Elizabeth Thiebe - Director of New Hospital Service Design (to 08/10/06)	0-2.5	0-2.5	0-5	0-5	5	0	5	0
Kate Bradley - Director of Human Resources (from 01/09/06)	(0-2.5)	(0-2.5)	15-20	50-55	230	225	0	0

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

at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

* Denotes consent to disclosure withheld.

** Denotes that the member of staff was not employed by the Trust and pension details are therefore not available.

*** Cash Equivalent Transfer Value (CETV) not calculated by NHS Pensions Authority (NHSPA) for employees aged over 60 years of age.

External Auditors

The Trust's external auditors are PricewaterhouseCoopers LLP and the total charge for the work undertaken in 2006/07 was £239,000 (inclusive of VAT). During the year the Trust's external auditors completed their work in accordance with the Audit Commission Code of Practice. Their work included providing a Use of Resources opinion, undertaking the ALE assessment and a financial review on behalf of the Strategic Health Authority in addition to the audit of the Trust's financial statements.

Independent Auditors' Report to the Directors of University Hospitals Coventry and Warwickshire NHS Trust.

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

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

Respective responsibilities of directors and auditors

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

Basis of Opinion

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

Opinion - In our opinion

- The summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31/3/07; and
- The part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the NHS in England.

We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements and the date of this statement.

Emphasis of matter

Our opinion on the statutory financial statements included an emphasis of matter paragraph as follows. In forming our opinion on the financial statements, which is not qualifying our opinion, we have considered the adequacy of the disclosure made to note 23 (Financial Performance Targets) and note 23.1 concerning the financial support received by the Trust. The Trust has received £36.277million in temporary PDC and £13 million cash support in 2006/07 and continues to have a substantial requirement in 2007/08. The repayment terms of these arrangements are not certain and are under review. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Trust's liquidity.



PricewaterhouseCoopers LLP Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT
Date: 07/09/07

Remuneration Committee

The Remuneration Committee determines the remuneration and terms of service of Executive Directors and other senior employees of the Trust to ensure they are fairly rewarded for their individual contribution, having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff. It also:

- evaluates the performance of Executive Directors and other senior employees.
- oversees appropriate contractual arrangements for Executive Directors/other senior employees, including the calculation and scrutiny of termination payments taking into account national guidance.
- reports the bases for its resolutions.
- discusses any Senior Consultant issues.
- approves proposals presented by the Chairman for setting of remuneration and conditions of service for those employees not covered in the listing above.

The Trust remunerates the Chairman and Non-Executive Directors in accordance with instructions issued by the Secretary of State.

The Chairman of the Trust chairs the Remuneration Committee. A quorum consists of at least 3 Non Executive Directors, including the Chairman. The Committee consists of the Non-Executive Directors of the Trust. The Chief Executive and HR Director are in attendance for specific items on the agenda, as and when required and additional colleagues are invited to attend for specific items on the agenda, as and when required. The Remuneration Committee meets at least twice during the course of the financial year.

Conduct of Business

The agenda for meetings of the Remuneration Committee are determined by the Chairman. The agenda for each meeting is circulated one week before the meeting together with any supporting papers, and are distributed by the Company Secretary who takes the minutes of the meeting. Agreed minutes of the Remuneration Committee are circulated as soon as possible after each meeting of the Remuneration Committee.

The Remuneration Committee has approved during 2006/7 a small number of new posts which were deemed essential to the continuing development of the Trust.



Martin Lee
Interim Chief Executive
31/8/07

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