



# Annual Report and Accounts

2010/11

# Welcome to Barnet Primary Care Trust's Annual Report for 2010/11

2010/11 turned out to be the most difficult year that Barnet Primary Care Trust has had in its 10 years as a primary care trust. Principally this was due to going into a significant deficit, primarily caused by overspending in the acute sector, and at a time when there was little resilience in the budget. The requirement for spending reductions dominated the year, and in the event we substantially achieved our target for savings without making reductions in patient care. In fact we maintained investment in local services and our commitment to "Care Closer to Home" with a number of new pathways for local services and most notably with the start of the redevelopment of Finchley Memorial Hospital that will produce a brand new state of the art healthcare centre in 2012. We also completed the transfer of our community health services – Barnet Community Services – to the Central London Healthcare Trust, where we are confident that they will develop to enhance the range and quality of local services.

With a new government being elected, change was the order of the day with a strengthening of the sector arrangements in preparation for the sector taking over most of the PCT's roles at the start of 2011/12. During the course of the year staff across the five PCTs were consulted on a shared management structure for all PCTs in North Central London. This means that from 1 April 2011, a new organisation NHS North Central London is commissioning NHS services on behalf of the five PCTs. Barnet maintains a small local office to work alongside local clinical leaders and to ensure that our patients still receive the best NHS services. This restructuring of staff resulted in the departure of many staff in our Commissioning Team, as the reorganisation had to achieve a saving of about 50% in management costs.

We progressed with our Quality and Safety Strategy during the year, reflecting the increased importance of quality and patient safety especially during times of service and organisational change.

The government proposals for GP-led commissioning were welcomed by GPs in Barnet and we were very pleased that the Barnet Clinical Commissioning Group secured approval from the Department of Health as a Pathfinder.

We contributed towards the review of the Barnet, Enfield and Haringey Clinical Strategy asked for by the Secretary of State and are convinced that the tests he set for us were met and therefore that the strategy should be implemented without further delay to ensure clinical safety in the future in our hospitals across the three boroughs.

The Board of Barnet Primary Care Trust looked back over the achievements of the PCT and its staff in the past 10 years, with appreciation of the rich legacy for the people of Barnet in terms of improved personal health and life expectancy, reduced health inequalities, and better services in hospitals and the community

We now move into a different era for the NHS. We are not yet sure what everything will look like in a couple of year's time but we are confident that the NHS commissioners in North Central London will work closely with our local GP Commissioning Consortium and with Barnet Council's Health and Well Being Board to ensure that Barnet continues to be one of the healthiest places in London.

Finally, we pay tribute to directors and staff who maintained an extraordinary resilience in difficult circumstances. Health in Barnet matters to them. My six colleagues who were non executive directors have also played a pivotal role in keeping the board focussed on the needs of the local communities we serve. My final thanks are to our committed clinicians, colleagues from Local Involvement Networks (LINKs), the Councillors and Officers of the Local Authority in Barnet, and the third sector, whose support and cooperation has, again, been most valuable.

Paula Kahn  
Chair

David Riddle  
Vice Chair

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## ABOUT BARNET PRIMARY CARE TRUST

### WHAT WE DO

NHS Barnet is not a new organisation; it is the new name for Barnet Primary Care Trust. The name reflects our new focus as buyers of healthcare services rather than providers of healthcare.

We share our boundaries with the London Borough of Barnet and we are the main NHS body charged with commissioning (planning and buying) all the health services for Barnet's population of about 360,000 (those living in, or registered with a GP within the borough). We spend over £582 million each year making sure local people have good health and good healthcare.

The diverse community that we serve includes both disadvantaged and affluent areas. Residents within the borough experience high levels of health inequalities which include high rates of heart disease and cancer. Smoking remains a substantial cause of lower life expectancy and high disease rates. Obesity also poses a major public health challenge and risk to future health, wellbeing and life expectancy. There are worrying levels of childhood poverty and childhood obesity.

Our commissioning role covers the type, quality and quantity of services which we 'buy' from hospitals, GP practices, dentists, optometrists, pharmacists, community care (for example district nurses and health visitors etc) and the private sector.

### OUR VISION 'BETTER HEALTH IN BARNET'

Barnet Primary Care Trust is committed to high quality healthcare leading to sustainable change that will make a difference to the community's health, social and economic well-being. Our overall objective is to leave a long-lasting legacy of good health for future generations. Barnet Primary Care Trust will do this by achieving its five key goals, delivering a service that acknowledges views of the public, patients and clinicians through its excellent staff and meaningful partnerships.

- First things first - getting the basics right - we will commission services to meet core standards of safety, quality, dignity, respect, privacy, cleanliness and evidence-based practice
- Improving health - we will work to improve health and offer long-term preventative support
- Local and accessible - we will continue to bring services closer to people's homes
- Best outcomes from the best centres - we will commission specialist care from recognised centres of excellence
- Building resilience - we will support people to live independently in their homes and to manage their healthcare needs. In pursuit of these ambitions, Barnet Primary Care Trust has made significant achievements and developments during the past 12 months which are showcased over the following pages.

### OUR WORKFORCE – BARNET PRIMARY CARE TRUST

Our employees and their commitment to public service and to our vision, values, strategic goals and objectives are central to our success. Their knowledge, experience and ideas help us to continually improve services for patients, and to innovate by using the resources we have to do things differently. It is essential that the workforce is aligned and in place to deliver our strategic aims and commissioning intentions and this is a key factor for us in ensuring safe and effective delivery of services to patients.

Our organisational development plan was fully aligned to our commissioning intentions, supporting our staff to enable services to be delivered that reduce health inequalities, improve health, deliver safe, sound and sustainable services and ensure good value for money for taxpayers.

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## EQUAL OPPORTUNITIES

Barnet Primary Care Trust is committed to ensuring equality of opportunity. It is the aim of the Trust to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, race, nationality, ethnic origin, age, sexuality, colour, religion, marital status or disability and is not placed at a disadvantage by conditions which cannot be shown to be justifiable on work related grounds.

Barnet Primary Care Trust is also committed to the Positive about Disabled People Scheme. This means that any candidate declaring a disability that meets the minimum criteria for the post advertised will be offered an interview.

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## STAFF PROFILE FOR BARNET PRIMARY CARE TRUST

At the end of March 2011 we employed 1,167 people (equivalent to 1,017 full time posts), distributed between seven directorates.

During 2010/11 our workforce was mostly female (64%) and aged between 25 and 60 (with 4% under 25 and 6% over 60). Ethnically, 47% are White British, with the remaining 53% dispersed across different ethnic groups. For 2010/11, the most common pay band was band 6, which ranged from about £25,523 - £34,189, reflecting a similar average across the NHS. During 2010/11, 2.9% working days were lost due to staff sickness across both Barnet Primary Care Trust and Barnet Community Services. The level of sick leave was in line with the national PCT average, and slightly lower than the NHS average. (Figures from February 2011).

Our employees and their commitment to public service and to our vision, values, strategic goals and objectives are central to our success. Their knowledge, experience and ideas help us to continually improve services for patients



## ACHIEVEMENTS

### IMPROVING THE HEALTH OF THE LOCAL POPULATION

In understanding what the greatest challenges are for local health and wellbeing, it is also important to consider those issues where successful intervention has resulted in improved outcomes and to learn lesson from those successes. Smoking cessation is the most significant lifestyle area for improving people's health.

Since 2006/07, Barnet has consistently seen some of the best performance on smoking cessation in London. Barnet Primary Care Trust's Stop Smoking Service is a well established level 2 service encompassing GP practices, Stop Smoking Clinics, pharmacies, acute sector, Mental Health services and ante natal clinics. Support is delivered on a one-to-one basis and this year introduced the online database, Quitmanager. The quit target for the year 2010/11 was 1,940 and the Stop Smoking Service exceeded it and helped 2,047 people to quit smoking (106% of the target).

Deaths from heart attack and stroke are dropping in Barnet, as elsewhere. What is also happening locally, but less so elsewhere, is that the health inequality for deaths from cardiovascular disease (CVD) between those living in the most deprived areas and those in the most affluent ones has closed. The change has been amongst people in the most deprived areas, where death rates from CVD have dropped more steeply. There are a number of possible causes, but success in smoking cessation, especially with our focus on getting more quitters in the most deprived areas, is a strong contender. It takes about 12 months from quitting to seeing an impact on CVD rates.

The uptake of the seasonal flu vaccine for those aged 65 years and over was 73.8%. Uptake of the vaccine in Barnet was higher than in the rest of the Trusts in North Central London. The national target of 70% was exceeded and in the coming year, the team will work towards achieving the World Health Organisation target of 75%.



Health professionals in Barnet have improved childhood immunisation rates considerably in the last two to three years. The biggest success area has been with MMR. In this instance, the key to success was strong partnership working between the NHS and the Council – particularly through schools – and effective communications to debunk the MMR-autism myth and encourage more parents to have their children immunised. Last year we increased childhood immunisation coverage in all areas over our performance the previous year which means that more children in Barnet have been protected against a variety of infectious diseases. At age two, 89.6% of children were vaccinated against MMR and at age five, 90.9% were vaccinated. This is an increase on last year which shows that parents are acting responsibly to protect their children against measles, mumps and rubella.

### FINCHLEY MEMORIAL HOSPITAL REDEVELOPMENT

Barnet Primary Care Trust is redeveloping the Finchley Memorial Hospital. The London Borough of Barnet approved the planning application earlier in the year. The Business Case for the redevelopment was approved by the Department of Health. Building work started on site in

November 2010 and is proceeding very speedily. The new community hospital will be a high quality, state-of-the-art building, equipped to provide a range of healthcare services. It will benefit the local community by delivering better quality care using more innovative approaches, a better patient experience and a much stronger focus on health improvement and prevention. Local residents had the opportunity to attend resident's meetings and have been involved with the plans throughout the process. It is planned that the new hospital building will be completed towards the end of 2012.

## EXAMPLES OF HIGH QUALITY COMMISSIONING OF SERVICES

We undertook an evidence-based review for chronic pain management and as a result, commissioned chronic pain management services based on evidence of its effectiveness across North Central London. In addition, NHS PASA (the health service's Purchasing And Supply Agency) published Barnet Dementia Case Study as an example of good practice.

## NEW SPECIALIST STROKE CENTRES SAVE LIVES

A network of eight hyper acute stroke units is now operating across London to improve treatment for patients. Each is staffed by stroke experts day and night to assess, diagnose and treat stroke patients within 30 minutes of arrival.

London's new specialist units have more than tripled the number of patients receiving clot-busting treatment in just five months. More patients are being given clot-busting drugs than in the same period last year rising from 174 in 2009 to 587 in the same five months in 2010. This is the highest reported rate for any large city in the world. Since the new units started to open the number of patients being treated in specialist units has risen from 39% to 69%. The average journey time in London for a patient being taken to the new units is 14 minutes.

The reconfiguration of stroke services is clearly saving lives and reducing the long term effects of stroke.

## BARNET, ENFIELD AND HARINGEY CLINICAL STRATEGY

In May 2010, the implementation of the Barnet, Enfield and Haringey (BEH) Clinical Strategy was paused so that it could be reviewed against the four tests for NHS service changes as set out by the Secretary of State for Health Andrew Lansley.

The Strategy will allow the consolidation of emergency and consultant-led obstetric and neonatal specialist services on the Barnet and North Middlesex University Hospital sites and the development of Chase Farm Hospital as an elective and ambulatory care site with a day-time Urgent Care Centre, a 24-hour GP-led service and a Stand Alone Midwifery-led Unit. To support these changes and to provide care closer to home, Barnet, Enfield and Haringey PCTs have developed strategies to transform primary and community care and are implementing new services in the community.

A Clinical Review Panel including GPs, representatives from nursing, acute care and public health and Local Involvement Networks (LINKs) heard evidence from 25 clinicians and reviewed 69 research articles and 40 independent documents in one week. They concluded "no change is not an option" and the clinical case for change is even stronger than in 2007 when it was consulted upon.

The documents were sent to all GPs in the area for review. 68.1% of GPs in Barnet, 79.1% in Enfield and 76% in Haringey responded. There was broad support from GPs in Barnet & Haringey, and only GPs in Enfield Town were directly opposed to the changes.

Local LINKs were instrumental in determining consistency with patient choice. They concluded that the BEH Clinical Strategy will have a positive impact on patient choice.

There was also a comprehensive programme of activities that strengthened public and patient engagement. These included:

- A four page pull-out delivered to more than 250,000 homes in the area
- Presentations and one-to-one meetings
- [www.behfuture.nhs.uk](http://www.behfuture.nhs.uk) updated and hosted all the documents and review information. The website had 2,221 hits
- 60 articles in local newspapers from June to November
- 100s of letters and documents cascaded to individuals and voluntary and community groups.

In January 2011, NHS London agreed with the review's findings that planned changes to hospital services in the area met the four tests. Currently we await the decision of the Secretary of State following his request to the Independent Reconfiguration Panel for advice.

## BARNET COMMUNITY SERVICES

'Transforming Community Services' guidance from the Department of Health examined the way community services are provided in England, and recommended that all PCTs create an internal separation of their provider services based on the same business and financial rules as applied to all other providers.

The Board decided in March 2010 to transfer the hosting arrangements for Barnet Community Services (BCS) to Central London Community Healthcare Trust (CLCH). This followed a careful and thorough process of evaluating proposals from a number of local healthcare providers, with participation by representatives of patients in Barnet. Staff were fully involved through several well attended events held across a range of BCS sites. During February and March 2011 BCS consulted in depth with its staff to ensure all comments and concerns related to the transfer were addressed. Following this consultation BCS transferred to CLCH on 1 April 2011.

## BARNET COMMUNITY SERVICES – OUR SERVICES

Barnet Community Services' vision is 'to provide outstanding health services, responsive to the local communities we serve'. Providing services in the community is the core of our business - delivering high-quality care when and where it is needed.

A range of services continue to be provided by the highly committed teams that comprise Barnet Community Services (BCS). In the past year we have made great progress to improve access to treatment by growing the services that are already in place, reducing waiting times, delivering immunisation programmes and offering people more of the services they really need, where they need them.

2010/11 has been a very successful year, with some of the key achievements including, triaging and treating over 100,000 people in our Walk in Centres (WiCs), having contact with over 550,000 patients and service users in community settings and successfully managing over 800 inpatient admissions.

## CASE STUDY - NEW SERVICE DEVELOPMENT: PACE

BCS has also co-designed and implemented new service developments. A key example of this is PACE (Post Acute Care Enablement) – a new service working in partnership with both the Royal Free Hampstead and Barnet and Chase Farm Hospitals.

PACE, in its simplest form, is relocating the latter stages of a patient's acute care from hospital to their home. The community PACE team provide the remainder of the acute care supporting the patient for approx 1-5 days. The community elements of PACE care include nursing, therapy and support. A patient can expect up to a maximum of four visits a day from two members of the PACE team. The team look out for any signs that the patient may need to be referred elsewhere (there is a direct referral pathway back into the hospital via hot clinics and the medical assessment unit if there is any change in the patient's condition), and at the end of the period of care the patient may be referred onto the Intermediate Care Service team for rehabilitation or for support by other community teams i.e. District Nurses.

The pivotal role in PACE is that of the Case Finder. This is a clinical role (nurse or therapist) based in the acute hospital. The Case Finders work closely with consultants and their teams to identify and 'pull' patients. They liaise with the community PACE team to ensure safe and effective care in the patient's home.

The Royal Free PACE project started in September 2010 as a three month proof of concept phase. The successful completion of this led to a request from the Royal Free for BCS to set up PACE as a mainstream service. A proof of concept phase for PACE services for both Barnet and Chase Farm Hospitals (BCFH) started on 1 February 2011.

## OUR WORKFORCE – BARNET COMMUNITY SERVICES

Our employees and their commitment to our vision, values, strategic goals and objectives are central to our success. Their knowledge, experience and ideas will help to improve services for patients continually, and to innovate by using the resources we have to do things differently.

Since staff need to keep abreast of improvements and maintain up-to-date knowledge and skills in clinical practice, training is increasingly crucial. Over the last year we have delivered a core programme of continuing professional development. In addition, our staff benefit from on-the-job training, achieving nationally recognised vocational qualifications, and improving their job and career aspirations.

## STAFF PROFILE FOR BARNET COMMUNITY SERVICES

We employed 938 people (equivalent to 760.03 full time posts).

The workforce is mostly female (91.58%) and aged between 25 and 60 (with 2.79% under 25 and 12.1% over 60). Ethnically, 45.63% are White British, with the remaining 54.37% dispersed across different ethnic groups.

For 2010/11 the most common pay band was band 6, which ranged from about £25,472 to £34,189, reflecting a similar average across the other PCTs. The level of sick leave was in line with the national PCT average, and slightly lower than the NHS average. (Figures from February 2011).

## WHAT OUR STAFF SAY

Results from the 2010 NHS Staff Survey were positive, with the number of staff saying they have had an appraisal in last 12 months up from 74% in 2009 to 84% in 2010. Barnet Community Services scored within the top 20% of trusts for staff feeling motivated at work. Nearly 80% of staff

reported that they felt satisfied with the quality of work and patient care they are able to deliver and the majority of staff reported that hand washing material was always available for infection control.

## IMPROVING THE PATIENT EXPERIENCE

### PATIENT STORIES

Since the introduction of the quality strategy in July 2010 BCS has been implementing different ways to measure and understand the patient experience. Patient stories are a useful tool in judging how well we are performing. They involve a clinical practitioner listening to a patient's story of their experience of BCS services. By 31 March 2011 BCS had collected 30 stories. Different clinical areas have been involved and we have collected stories from a range of areas from inpatient facilities to speech and language therapy services and district nursing. Within district nursing a clinician specifically collected stories from patients who had used our services but did not speak English.

The key theme that emerged across all the stories collected was the high level of care that we gave to patients and their gratitude at being given access to good clinical expertise. One patient told of how our services prevented the feeling of isolation and another reported that they were receiving care at home on their terms.

Having collated data about the patient experience the quality team has developed a detailed action plan that will aim to improve the patient experience.

### SAFEGUARDING IMPROVEMENT TEAM (SIT) VISIT FOR CHILD PROTECTION

On the 19 and 20 October 2010 the NHS London Safeguarding Improvement Team (SIT) visited Barnet. The aim of the visit was to maximise the work of the NHS community in safeguarding children. The SIT visit consisted of a series of discussions, interviews and visits to look at what is happening in practice and to offer an outside perspective on any improvements that might be made.

After the visit had been completed the SIT team gave feedback to all the organisations that took part. BCS was praised for the number of staff who had received safeguarding children training and for the excellent information sharing capabilities within the WIC's. The receptionist at the Edgware WiC was also praised for her knowledge on safeguarding children.

The feedback from the SIT visit enabled BCS to develop an action plan. This plan is currently being implemented to ensure that BCS is delivering a robust children safeguarding service.

### REDUCING LEVELS OF HEALTHCARE ASSOCIATED INFECTIONS IN BARNET

On the second of June 2010 an unannounced CQC inspection visit took place within BCS. The CQC visited two inpatient wards, one at Edgware Community Hospital and one at Finchley Memorial Hospital. The inspection consisted of assessment against 14 measures of cleanliness and infection control, based on the requirements of the Health and Social Care Act 2008 (code of practice for health and adult social care on the prevention and control of infections and related guidance).

The overall judgement that the inspection gave was that they had minor concerns about the provider's compliance with the regulation on cleanliness and infection control. To address these concerns, an action group convened consisting of the Director for Quality and Performance, Barnet Community Services (BCS) (who is also the Director of Infection Prevention and Control (DIPC), the DIPC for Barnet Primary Care Trust, the Head of Infection Control Barnet Primary Care Trust, Infection Control Nurse, BCS and Head of Estates, Barnet Primary Care Trust. The group

compiled a joint action plan to ensure engagement and consistency with completing actions across provider and commissioning services.

## IMPLEMENTATION OF THE ENHANCED MODEL OF REHABILITATION – INCLUDING THE RELOCATION OF STROKE REHABILITATION SERVICES TO EDGWARE COMMUNITY HOSPITAL

On 1 September 2010, the stroke unit formerly located on George Brunskill Ward at Finchley Memorial Hospital relocated to Jade Ward at Edgware Community Hospital. Patients on Jade Ward receive intensive stroke rehabilitation which has been shown to provide improved outcomes for patients.

The enhanced model of rehabilitation follows three identified ‘care pathways’. These include a two-week intensive assessment, general rehabilitation and stroke rehabilitation.

Care is delivered by a highly skilled multi-disciplinary team comprising medical, nursing, therapy, support workers, social workers and administrative staff. To ensure this is efficiently delivered, BCS has implemented six-day working for therapists which will improve productivity and the patients recovery. A multi-disciplinary team ensures each patient follows a robust rehabilitation plan.

## DIGNITY, RESPECT AND PRIVACY

Mixed sex accommodation has been eliminated in our Trust. Patients who are admitted to any of our hospitals will only share the room where they sleep with members of the same sex, and same sex toilets and bathrooms are close to their bed area. Sharing with members of the opposite sex will only happen by exception, based on clinical need for example, where patients need specialist equipment.

## SEXUAL HEALTH SERVICES FOR YOUNG PEOPLE

We have continued to look at ways to make information easily accessible for this age group. Two of the key ways are through the specifically targeted BU21 website and via a text messaging service. The condom distribution scheme under the name of BU21 continues and is used by youth groups, the Rolling Base Bus and colleges as well as health provider sites.

A range of sexual health services are provided across Barnet in community and secondary provider settings. Patients can access the service at local pharmacies, GPs, sexual health and reproductive health clinics and genitourinary medicine clinics.

Sexual health services in pharmacies, which are free to those aged 20 or under include:

- Private and confidential consultations
- Emergency hormonal contraception
- Free condoms
- Chlamydia screening (up to 24 years)
- Other sexual health advice.

Young people can find out details of sexual health services at various sites, (including full sexual health screening, treatment and testing, as well as a full range of contraception either on site or by referral) and the free condom distribution scheme via the BU21 website. This website aims to provide an unintimidating way for young people to access sexual health information and has been further updated throughout the year to include details of all sites and services. The number of visits

the site receives continues to rise significantly. In 2008 the site received 3,243 hits, in 2009 it rose to 14,032 and in 2010, it received 111,921 hits. The service plans to set up a Facebook site during the coming year to increase the way young people can access these services.

## FINANCIAL REVIEW 2010/11

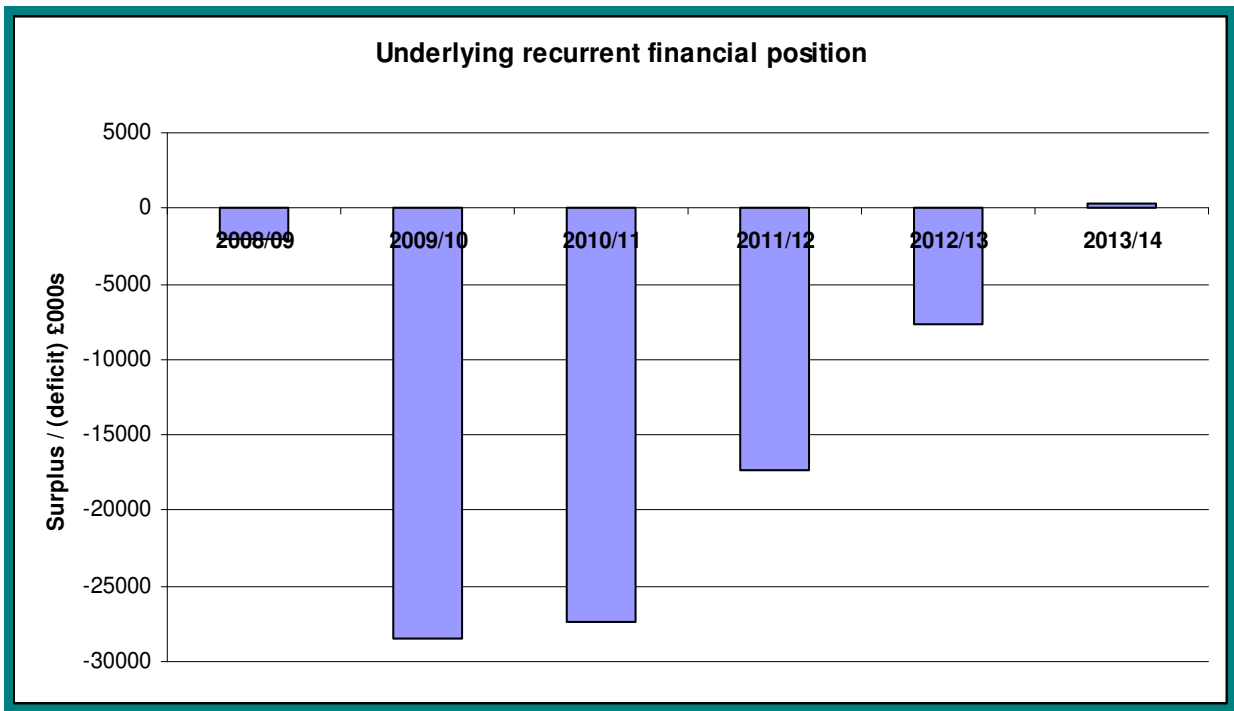
2010/11 was a challenging year financially for Barnet Primary Care Trust. We moved into deficit in 2009/10 and received £13m of repayable financial support in that year to enable us to achieve a balanced financial position. The financial plan for 2010/11 identified a £70m shortfall in our income compared to our expenditure. To address this, a £30m financial recovery plan was put in place and financial support of £40m was agreed and received from the London Challenged Trust Board (CTB) to enable a balanced plan to be set.

Strong governance arrangements were implemented to ensure delivery of the financial plan, led by the Board. This included a weekly recovery programme board, chaired by the Chief Executive and with membership including the executive management team and GP representatives. The recovery programme was very successful and against the £30m plan, savings of £29.1m were delivered by year end.

The main driver of the underlying deficit has been growth in expenditure with acute hospitals over the last three years. Reducing this growth is key to ensuring that Barnet Primary Care Trust returns to long term financial stability. While the year on year growth did reduce compared to prior years, we were not fully successful. This meant that additional financial support of £5m was required from the Challenged Trust Board during 2010/11 to deliver the balanced year end position. Our experience shows us that that the status quo is not an option, and that unless we continue to manage demand more effectively, and secure more cost effective care for patients closer to home, Barnet Primary Care Trust will not return to financial full health. GPs are working closely with us and taking an increased leadership role to identify opportunities to better manage the care of patients in primary or community care to prevent the need for attendance at acute hospitals. Barnet Primary Care Trust is also working more closely with local acute providers to increase their productivity and reduce costs.

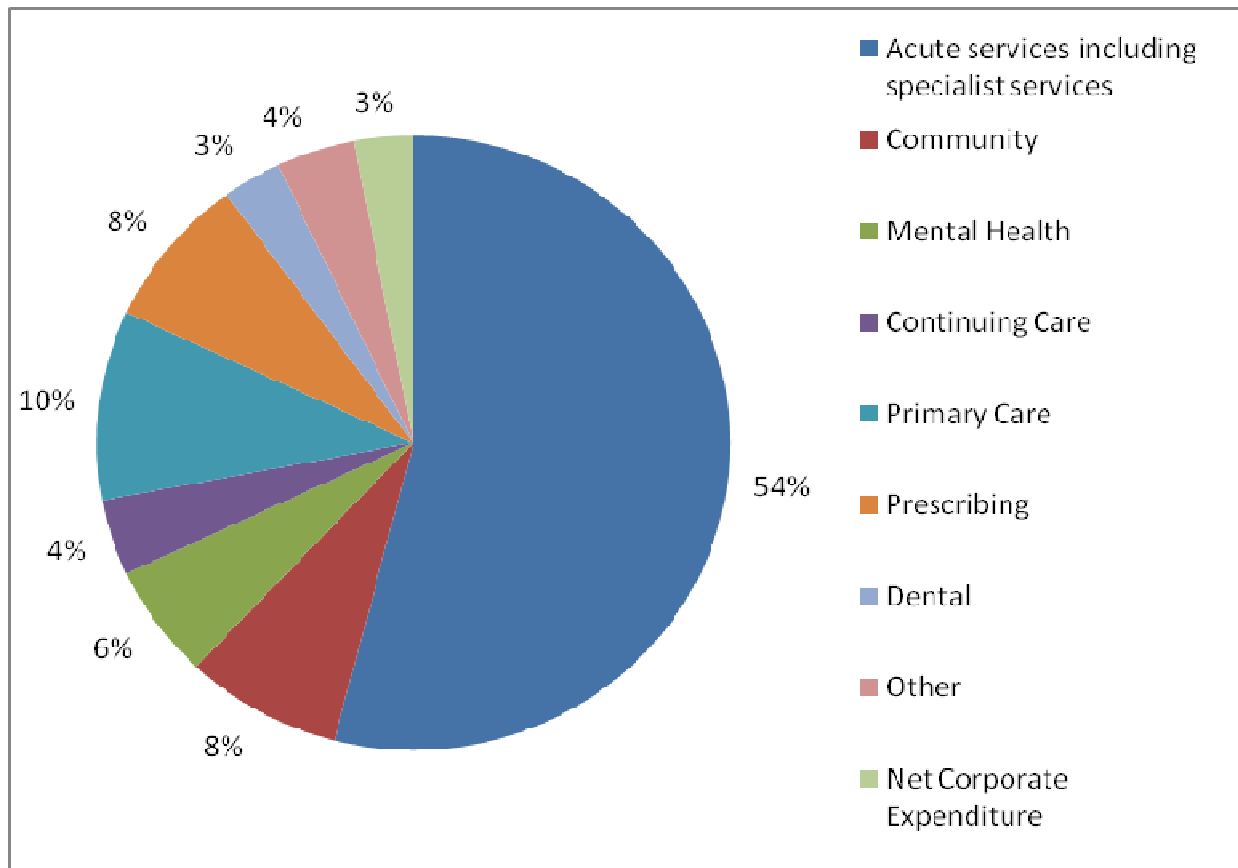
During 2010/11 the financial position of Barnet Primary Care Trust was externally reviewed by KPMG on behalf of the CTB, which is responsible for determining the financial support that NHS organisations within London can access. The outcome of that review was that the CTB judged that there was sufficient evidence of a change in direction for the PCT, and clear plans for the future, to justify an allocation to address the deficit situation. As a result of this, the £45m financial support which Barnet Primary Care Trust received in 2010/11 is not repayable and so Barnet Primary Care Trust started 2011/12 without a historic deficit to repay.

The financial position of Barnet Primary Care Trust is still weak, with an underlying recurrent deficit position. The financial plan for 2011/12 expects a deficit of £17m to be achieved at year end. However, the sector wide Quality, Innovation, Productivity and Prevention plan for 2011/12 and 2012/13 which was approved by the joint committee of PCTs for North Central London in February is expected to return the PCT to financial balance by 2013/14. The graph illustrates the underlying recurrent position.



As in 2010/11, we have made a large number of changes to the services that we commission to help us to get better value for money and improve quality while reducing the amount we spend. These changes include working with our local providers to make services more efficient and productive and moving services out of hospitals and into the local community where it is safe to do so. Patients should experience these changes as positive ones, with services more accessible and with less unnecessary hospital appointments and admissions.

The chart below shows how we spent our money in 2010/11.



## LEARNING FROM COMPLIMENTS, COMMENTS, CONCERNS AND COMPLAINTS

*Comments from our patients are always welcome. Whether positive or negative, every piece of feedback is valued as a way to help us improve our services.*

### COMMENTS AND CONCERNS

Comments and concerns usually relate to appointment systems, staff and communication, incidents and charges. This year the Patient Advice and Liaison Service (PALS) received 895 comments and concerns on health services provided by Barnet Community Services, family health services practitioners (GPs, dentists, pharmacists and optometrists) and commissioned services (eg Barnet and Chase Farm Hospitals Trust and the Royal Free Hospital).

### COMPLAINTS

Sometimes people don't feel the treatment they or their relative has received is as good as it could have been. The PALS and Complaints department aims to help support a proactive and timely response to every individual's concerns.

Barnet Primary Care Trust has adopted the Six Principles of Remedy recommended by the Parliamentary and Health Service Ombudsman when dealing with all complaints.

These areas are:

- Getting it right
- Being customer focused
- Being open and accountable
- Acting fairly and proportionately
- Putting things right
- Seeking continuous improvement.

Full details of what each principle involves can be found in the PALS section on the Barnet Primary Care Trust website at [www.barnet.nhs.uk](http://www.barnet.nhs.uk)

This year we received 28 written complaints, with 93% acknowledged within three working days of receipt. New guidance states that we agree a response time with the complainant and then respond within this agreed time frame. Eighty-seven percent of complaints were responded to within the agreed time frame. Where cases were complex and involved other trusts/agencies, we were able to address the procedures and protocols to streamline the complainant's route through the system. We welcome patients' compliments, comments, concerns and complaints by contacting 020 3317 3003, e-mail [pals.ncl@nclondon.nhs.uk](mailto:pals.ncl@nclondon.nhs.uk) or by visiting our website [www.barnet.nhs.uk](http://www.barnet.nhs.uk) under the section 'support and advice'.

## BARNET PRIMARY CARE TRUST AND THE ENVIRONMENT

*Barnet Primary Care Trust continued to become more energy efficient and has encouraged schemes across the Trust.*

### RECYCLING SCHEMES

Barnet Primary Care Trust is committed to encouraging staff to recycle wherever possible. During the year a fully operational mixed recycle system was rolled out across the trust. Staff now use all desk bins for recycling as well as larger internal recycle bins. This waste is taken away to a manual and mechanical sorting depot and recycled as appropriate. Comprehensive training was held during the year to ensure Trust staff were aware of the recycling procedures.

### WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE)

Barnet Primary Care Trust has instigated a recycling directive for all waste electrical and electronic equipment. The IT team collects surplus electric equipment and either recycles it for another department or disposes of it in an appropriate manner.

### WASTE TO ENERGY

Barnet Primary Care Trust is redirecting domestic waste and offensive waste away from landfill and directing it to a 'waste to energy' plant. The 'waste to energy' plant based in Colnbrook will add energy to the national grid through the incineration, helping Barnet Primary Care Trust work towards zero landfill.

### PRE-ACCEPTANCE AUDITS

Barnet Primary Care Trust completed all requirements for ensuring its Legal Duty of Care and all reasonable steps to keep waste safe and to ensure waste is segregated to promote environmental efficiency.

### CARBON REDUCTION COMMITMENT

Barnet Primary Care Trust has an approved and developed Sustainable Development Project plan to show how it will lower its carbon emissions. Key aims of the plan are to reduce costs and carbon which includes reducing emissions by 10% on a 2007 base line by 2015 in order to reverse the growth trends in carbon emissions. Due to different reporting times, at the time of writing this report, we are unable to report on progress.

We have a data service which continues to measure and capture all relevant energy consumption and corresponding carbon used in each area. This information is monitored by the Estates and Facilities department and reported to the Environmental Agency. Barnet Primary Care Trust has in place an environmental action plan and an ongoing staff awareness campaign in reducing carbon.

## CORPORATE SOCIAL RESPONSIBILITY

*Barnet Primary Care Trust has a number of duties to Barnet residents and patients – from protecting personal information to planning for health emergencies.*

### BEING PREPARED FOR ALL EVENTUALITIES

In an emergency situation, it has been Barnet Primary Care Trust's role to support local hospitals and sustain patients in the community if these hospital services are reduced or compromised at

short notice. This includes managing our resources so that we are able to provide emergency support – such as ad-hoc assessment facilities or emergency vaccination schedules. In Barnet, the Medical Director has responsibility for emergency planning. Co-ordination is overseen by the Emergency Planning Liaison Officer, who ensures the Emergency Plan is fit for purpose. Emergency planning continues to be a key priority for Barnet Primary Care Trust.

## BUSINESS CONTINUITY PLANNING

Barnet Primary Care Trust has a business continuity plan and a Major Incident Plan that, in the event of an emergency, will help us continue to offer essential services and return to normal service levels as quickly as possible. The Business Continuity Plan is about how Barnet Primary Care Trust internally remains a safe operation. The Major Incident Plan is about how we respond to an external incident which will probably involve other agencies.

During the past year we have been working with independent practitioners, including GPs and community pharmacists, to help them develop their own business continuity plans. We also work closely with local partner agencies - including local hospitals, Barnet Council, the Police and Fire Brigade - to ensure that we can make a co-ordinated response to local incidents, particularly if Barnet residents need to be evacuated from their homes (perhaps due to a gas leak or local flooding), or in the case of the pandemic flu last year to ensure that Barnet residents who are vulnerable get access to vaccinations.

## INFORMATION GOVERNANCE

The Information Governance Toolkit (IGT) is a framework covering the requirements, standards and best practice that apply to the way we handle personal information. This helps us to follow Department of Health advice and guidance, making sure we are compliant with the law. Last year we scored 60%, which is rated as amber by Connecting for Health.

## PROTECTING PERSONAL DATA

Barnet Primary Care Trust takes data protection very seriously. During 2010/11, there were no Serious Untoward Incidents reported relating to Information governance.

## REQUEST FOR INFORMATION

During the last year, 257 requests were made to Barnet Primary Care Trust under the Freedom of Information Act. This was a 6% decrease from last year. A large percentage of these requests were made by journalists and private companies. The most frequent request for information were regarding development of GP consortiums locally, summary care records and prescribing information.

## THE BOARD

The PCT Board provides the strategic leadership of the organisation. It is responsible for defining a strategy for the development and provision of local health services, and ensuring that this is delivered.

The Board is also responsible for good governance, including ensuring that controls and systems of risk management are comprehensive and robust. It must ensure that the PCT always works in the best interests of the local community – the Board is accountable to the public for the services provided and for the organisation's use of public funds.

The Board is made up of Executive Directors, who are full-time officers employed by the PCT, and Non Executive Directors, who are local people interested in the work of the NHS who have applied

to join the Board and have been appointed by the national NHS Appointments Commission. The PCT Chair is a Non-Executive Director. The Chair of the Professional Executive Committee who is a local GP, also sits on the PCT Board.

The PCT Board met 11 times in public during 2010/11. Following the new collaborative working arrangement between Barnet, Camden, Enfield, Haringey and Islington Primary Care Trusts on 1 April 2011, the Barnet PCT Trust Board will meet as part of the NHS North Central London Joint meeting of Primary Care Trust Boards.

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**CHAIR:**

**David Riddle**

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**CHIEF EXECUTIVE:**

**Cameron Ward**

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**NON EXECUTIVE DIRECTORS:**

**Bernadette Conroy**

**Adrian Stokes**

**Bryan Harrison**

**Anthony Brown**

**Gill Edelman** (until 5 November 2010)

**Frances Crook**

**Caroline Rivett**

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**EXECUTIVE DIRECTORS:**

**Dr Philippa Curran** - PEC Chair

**Clare Parker** - Director of Finance

**Dr Andrew Burnett** - Medical Director/Director for Health Improvement

**Alison Blair** - Deputy Chief Executive

**Alison Pointu** - Director of Nursing and Quality

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**DIRECTORS:**

**Katie Donlevy** - Interim Chief Operating Officer, Barnet Community Services

**Neil McElduff** - Director of Commercial and Corporate Services (until 30 November 2010)

**Alison Kemp** - Director of Planning and Partnerships

**Ceri Jacob** - Director of Primary and Community Care Commissioning (seconded to Barnet & Chase Farm Hospitals NHS Trust from 1 December 2010 to 31 March 2011)

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**IN ATTENDANCE:**

**Irene Findlay** - London Borough of Barnet

**Peter Cragg** – Barnet LINKs

## THE PROFESSIONAL EXECUTIVE COMMITTEE

The Professional Executive Committee (PEC) considers and develops proposals for policy development, strategy, and priorities to be considered by the PCT Board. The PEC meets bi-monthly and involves members from professional backgrounds in planning services for the PCT. The PEC has the task of enabling and securing the support of health and social care providers. Barnet PEC will continue to meet on a bi-monthly basis. There was a change of emphasis in the Committee's work during the year with an increased focus on quality and patient safety.

Its key roles are to:

- Provide leadership and strategic vision to the PCT
- Provide two-way communications between the PCT, its providers and primary care contractors to support the quality provision of services
- Support and enable the commissioning and implementation of service developments to ensure better health and better healthcare.



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### MEMBERSHIP FOR THIS COMMITTEE DURING 2010/11 WAS AS FOLLOWS:

**Dr Philippa Curran** - PEC Chair and local GP

**Kamlesh Upadhyaya** - Other Professional Member (Pharmacy) (Vice Chair)

**Cameron Ward** - Chief Executive

**Dr David Monkman**

**Dr Raju Raithatha**

**Dr Andrew Burnett** - Director for Medical Director/Director for Health Improvement – need consistency with Andrew's title

**Alison Pointu** - Director of Nursing and Quality

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### IN ATTENDANCE:

**Dr John Bentley** - PBC Cluster Chair, South

**Dr Clare Stephens** - PBC Cluster Chair, North

**Dr Susan Sumners** - PBC Cluster Chair, Colindale/Burnt Oak

**Dr Susan Thwaites** - PBC Cluster Chair, Mill Hill/Edgware

**Irene Findlay** - Social Services Representative

**Alison Blair** - Deputy Chief Executive

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## BARNET COMMUNITY SERVICES SHADOW BOARD

The PCT directly provides community services but is required to ensure that there is a clear separation between its commissioning and provision functions. In particular, governance arrangements should be fit for purpose to ensure that all community providers are on a fair and

equal footing and subject to the same competition rules. As the provider services are in transition and options for final organisational models were being considered, robust interim governance arrangements have been established that can form the foundation for good governance in the final provider organisational model.

In order to do this, the PCT Board should be resolved to establish a formal committee of the PCT Board for its provider organisation functions – the BCS Board – that holds directors and senior managers accountable for the quality and safety of patient services that are being provided and develop its own strategic and operational objectives in alignment with the PCT’s strategic objectives.

The BCS Shadow Board met eight times during 2010/2011. Following the merger of BCS with Central London Community Healthcare NHS Trust (CLCH) on 1 April 2011, the BCS shadow board will be dissolved and all strategic decisions will be taken by the CLCH Trust Board.

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CHAIR:

**Bernadette Conroy**

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CHIEF OPERATING OFFICER:

**Katie Donlevy** (Interim)

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NON-EXECUTIVE INDEPENDENT COMMITTEE MEMBERS:

**Michael Freyd**

**Jill Stansfield**

**Marilyn Standley**

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DIRECTORS:

**Cameron Ward** – Chief Executive

**Neil McElduff** - Director Commercial & Corporate Services (until 30 November 2010)

**Linda Morris** - BCS Director of Finance (Interim)

**Fiona Jackson** - BCS Director of Operations

**Mary Wickstead** - BCS Director of Workforce and Organisational Development

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IN ATTENDANCE:

**Gerald Alterman** - Patient Circle representative

**Ian Kaye** – Chair, Barnet LINK

## THE WORKFORCE AND REMUNERATION COMMITTEE

The Workforce and Remuneration Committee is responsible for ensuring that a policy or process for the performance review, appraisal, remuneration and terms and conditions of service for senior executives and senior managers is in place and that Barnet PCT Board agrees these. The Committee is responsible for making recommendations on the pay and conditions of executive Board Directors.

The Committee oversees the development, maintenance and delivery of an integrated Workforce Strategy that secures a well motivated, empowered and skilled workforce for the PCT. Despite the pressures on resources in 2010/11, we continued to encourage and support talented staff who are the leaders of the future in the NHS.

During 2010/11, the Committee was chaired by the PCT Vice-Chair with all Non Executive Directors as members of the Committee. The Chief Executive, Director of Nursing and Quality, PEC Chair and the Barnet Community Services Director of Human Resources and Organisational Development attended in advisory roles.

Performance objectives are set annually. Reviews against the objectives are undertaken throughout the year by the Chief Executive for Directors and the Chair for the Chief Executive.

Below are the details of the service contracts for each senior manager who has served during the year, which including date of contract. All those listed below have or had notice periods of three months.

Much of the focus for the committee in the latter half of the year was overseeing the transition to the new NHS North Central London organisation and approving redundancies arising from the reorganisation. Following the new collaborative working arrangement between Barnet, Camden, Enfield, Haringey and Islington Primary Care Trusts on 1 April 2011, the Barnet Workforce and Remuneration Committee will be dissolved and replaced by the NHS North Central London Remuneration Committee.

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### CURRENT:

**Cameron Ward** - Chief Executive

*First appointed January 2010*

**Chas Hollwey** - Chief Executive

*First appointed by Trust 01/01/05, seconded to NHS Havering from June 2009*

**Alison Blair** - Deputy Chief Executive

*First appointed by Trust 18/08/01*

**Clare Parker** - Director of Finance 11/06/07

*First appointed by Trust 04/07/05*

**Andrew Burnett** - Director for Health Improvement/Medical Director.

*First appointed by Trust 25/06/01*

**Alison Pointu** - Director of Nursing & Quality 09/10/07

*First appointed by Trust (predecessor organisation) 24/07/94*

**Neil McElduff** - Director of Commercial and Corporate Services

*First appointed by Trust 15/08/02*

**Katie Donlevy** - Interim Chief Operating Officer of Barnet Community Services

*First appointed November 2009*

**Alison Kemp** - Director of Planning and Partnerships October 2009.

*First appointed by Trust 01/09/08*

**Ceri Jacob** - Director of Primary & Community Commissioning October 2009

*First appointed by Trust 13/10/03*

All the above would be eligible to redundancy payments or early retirement on grounds of redundancy in accordance with national terms and conditions of employment.

#### AUDIT & ASSURANCE COMMITTEE MEMBERSHIP:

**Caroline Rivett**, Audit Chair,

**Anthony Brown**, Non executive Director

**Adrian Stokes**, Non Executive Director

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#### IN ATTENDANCE:

**Internal auditors**

**Chief Executive**

**External auditors**

**Director of Commercial & Corporate Services**

**Local Counter Fraud Specialist**

**Board Secretary**

**Director of Finance**

The main functions of the Audit Committee are to:

- Review financial controls and management reporting, and review proposed changes/variations to Trust Standing Orders
- To examine the circumstances associated with any waiver of the Trust Standing Orders
- To review all reported circumstances of fraud or irregularity and to consider management actions taken in each case
- To monitor the implementation of policy on standards of business conduct for Board members and members of staff, thus offering assurances to the Board on probity in the conduct of Trust business
- To advise the Board in the requirement to give Controls Assurance statements within the Annual Accounts covering financial and organisational controls
- Following the new collaborative working arrangement between Barnet, Camden, Enfield, Haringey and Islington Primary Care Trusts on 1 April 2011, the Barnet Audit and Assurance Committee will be dissolved and replaced by the NHS North Central London Joint meeting of Audit Committees.

## DECLARATION OF INTERESTS

It is a requirement that the Chair and Board Members of NHS bodies declare any conflict of interest that arises in the course of conducting NHS business. Furthermore, the Chair and Board Members should declare, on appointment, any business interests, position of authority in a charity or voluntary body in the field of health and social care and any connection with a voluntary or other body contracting for NHS services.

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### BOARD MEMBERS:

Chair

**David Riddle** - Nothing to declare

Chief Executive

**Cameron Ward** - Nothing to declare

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### NON-EXECUTIVE DIRECTORS:

#### **Bernadette Conroy**

Non-Executive Director for Poplar Harca Ltd (Social housing in Tower Hamlets)

Spouse is a Consultant Anaesthetist at the Royal Free Hospital NHS Trust and is on the Members' Council

#### **Adrian Stokes**

Chief Executive, CAT Ltd (IT Consultancy, specialising in IT and health informatics which may seek contracts with the NHS)

Chairman and Trustee, Mobilise Organisation Governor, Motability

Special Trustee of an NHS charitable trust, Royal National Orthopaedic NHS Trust

Member, Administrative Justice and Tribunals Council

#### **Bryan Harrison**

Nothing to declare

#### **Gill Edelman**

Company director/consultant, Gill Edelman Ltd, (Consultancy business in public & voluntary sectors)

Non- Executive Director, National Patient Safety Agency (Arms length body for Department of Health) Leads on patient safety across the NHS in relation to national reporting & learning service, national clinical advisory service & national research ethics service) Husband employed by Infor.

#### **Anthony Brown**

Partner of Nexus Corporate Finance LLP and director of the following associated companies:  
Nexus General Partner Ltd,

Nexus Capital Finance Ltd, Nexus Fund Management Ltd

Editorial Board Member of Health Investor magazine

**Frances Crook**

Director, Penal reform charity

**Caroline Rivett**

Nothing to declare

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**NON EXECUTIVE INDEPENDENT COMMITTEE MEMBERS:**

**Michael Freyd**

Governor, Nottingham Trent University

Trustee, Age Concern Enfield

Director, Age Concern Enfield Trading Ltd

Treasurer of a training charity, First Rung

**Jill Stansfield**

Member, GMB union

Advisor, Community Barnet (Barnet Voluntary Services Council)

Member, Barnet College Corporation

Patient, Cornwall House GP practice

Husband is a senior lecturer in management at the Barnet College Corporate, Institute of Education.

**Marilyn Standley**

Director, Concerto Consulting Ltd, (Consultancy business specialising in property and business transformation. Not active in the NHS)

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**EXECUTIVE DIRECTORS:**

**Dr Philippa Curran**

Member of Barnet LMC

GP Principal at Longrove Surgery

Medical Patron of Barnet Cancer Care, Cherry Lodge

Holder of a single share in Barndoc

**Clare Parker**

Nothing to declare

**Dr Andrew Burnett**

Nothing to declare

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**DIRECTORS:**

**Neil McElduff**

Director of Elevate Partnerships Ltd

**Alison Kemp**

Nothing to declare

**Alison Pointu**

Nothing to declare

**Katie Donlevy**

Nothing to declare

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**PROFESSIONAL EXECUTIVE COMMITTEE (PEC) MEMBERS:**

**Dr Philippa Curran** (Chair)

As previous

**Cameron Ward**

As previous

**Kamlesh Upadhyaya**

Owner of Prima Pharmacy, 171 Bells Hill, Barnet, Hertfordshire, EN5 2TB

**Dr David Monkman**

East Barnet Health Centre, GP

Target PAD, Member

Primary Care Cardiovascular Society(PCCS), Member

GPIAG (now known as Primary CareRespiratory Society (PCRS), Member

**Dr Raju Raithatha**

Enfield Carers Association, Trustee Board member

**Dr Andrew Burnett**

As previous

**Alison Pointu**

As previous

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

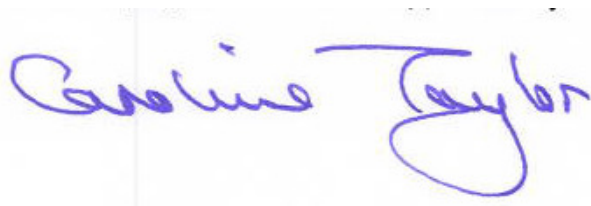
The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the Primary Care Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

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

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

Chief Executive

Caroline Taylor



## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

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

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

By order of the board.

Finance Director

Ann Johnson



## INDEPENDENT AUDITOR'S STATEMENT TO THE BOARD OF DIRECTORS OF BARNET PRIMARY CARE TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BARNET PRIMARY CARE TRUST

We have examined the summary financial statements for the year ended 31 March 2011 which comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cashflows and associated notes on pages 41 to 50.

This report is made solely to the Board of Directors of Barnet Primary Care Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

Our responsibility is 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 report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

We conducted our work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

#### Opinion

In our opinion the summary financial statements are consistent with the statutory financial statements of Barnet Primary Care Trust for the year ended 31 March 2011. We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements (8 June 2011) and the date of this statement.



Grant Thornton UK LLP

Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

Date: 9 September 2011

### SCOPE OF RESPONSIBILITY

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

Barnet Primary Care Trust is made up of Barnet Primary Care Trust, the commissioning arm of the organisation and Barnet Community Services (BCS), the provider arm. Together we are the legal entity of Barnet Primary Care Trust. For the purpose of this document I will use the term 'the PCT' when referring to both.

As Chief Executive I am responsible to the Board for the discharge of duties and the exercise of powers delegated to me by the Board and set out in the PCT's Corporate Standing Orders, Standing Financial Instructions and Scheme of Delegation. Certain powers in relation to BCS have been delegated via Standing Orders and the Memorandum of Understanding to the Chief Operating Officer of BCS.

I am also responsible for maintaining close working relationships and clear lines of communication with NHS London and other NHS bodies both locally and nationally, and with local partner organisations in the private, public, and voluntary sectors. In 2009/10 the PCT delegated some of its commissioning functions to the Sector Acute Commissioning Agency and to the London Specialised Commissioning Group and these delegations remained in place in 2010/11. As Chief Executive, I am responsible for ensuring that the PCT works effectively with these NHS groups. I am also a member of the Barnet Local Strategic Partnership and the One Barnet Board, fora including representation from all key public agencies, voluntary organisations and community groups, and the local business community.

From 1 April 2011 new management arrangements were put into place as a result of the national move towards the clustering of PCTs. As this statement sets out the control framework operating within Barnet Primary Care Trust up to the point at which the accounts are approved, the arrangements since 1 April 2011 are detailed in this statement in addition to the arrangements that were in place during the year of account.

The new management arrangements are a collaborative working arrangement between Barnet, Camden, Haringey, Enfield and Islington Primary Care Trusts, collectively referred to as NHS North Central London. These were outlined in the Governance Framework for North Central London from 1 April 2011. The framework terminated the Joint Committee of PCTs and Establishment Agreement for sector working on 31 March 2011, and proposed the adoption of the NHS North Central London Partnership Agreement from 1 April 2011. The framework outlined the proposed cluster governance configuration, accountabilities and responsibilities, including the agreement for one Chief Executive/Accountable Officer to be Chief Executive/Accountable Officer for each of the five Primary Care Trusts in North Central London. The Board composition outlined in the framework is compliant with the 2000 Regulations and in line with the Cluster Implementation Guidance. The Joint Boards of NHS North Central London refers to the joint meeting of the Boards of Barnet, Camden, Haringey, Enfield and Islington PCTs. The framework was adopted by the Barnet Primary Care Trust Board at its February 2011 meeting.

## THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

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

The system of internal control has been in place in Barnet Primary Care Trust for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts.

## CAPACITY TO HANDLE RISK

There is Board and management commitment to, and leadership of, the total risk management function across the organisation. During the year of account there were a number of Board sub-committees with responsibility for risk management, namely the Audit & Assurance Committee and its sub-committee, the PCT Integrated Governance Committee; the BCS Board and its sub-committee, the BCS Integrated Governance Committee; and the Executive Management Team of the Trust and its sub-group, the Risk Management Group. There are non executive members on the Audit & Assurance Committee, the BCS Board and the BCS Integrated Governance Committee.

There is employee participation in and consultation on the risk management process, supported by training for staff to ensure that they are equipped to manage risk in a way appropriate to their authority and duties. A Risk Management Strategy was in place for PCT and for BCS during the year of account. Guidance provided to staff through the risk management strategies and associated procedures is based on professional best practice and the criteria of external assessment agencies. The strategies are mutually consistent and are reviewed annually. The BARNET PCT strategy was approved by the Board and the provider services strategy was approved by the BCS Board. Both strategies are available to staff via the intranet. All staff were required to accept the Risk Management Strategy on 4Policies, which is a software system in place to ensure that internal policies are communicated, understood and accepted by staff.

There is a commitment to learning from best practice. The assurance framework is kept under regular review and development and internal audit ran a Board seminar session during the year focusing on how to manage risk during transition to the cluster arrangements. Learning from reported serious incidents when they do occur locally, or from national reports, is undertaken within the organisation in particular via the Board and BCS Board, the PCT and BCS Clinical Executive Committees and the PCT and BCS Integrated Governance Committees. Reviews of key national reports such as the Care Quality Commission's "Review of the involvement and action taken by health bodies in relation to the case of Baby P" (May 2009) and the "Independent Inquiry into care provided by Mid Staffordshire NHS Foundation Trust January 2005 – March 2009, chaired by Robert Francis QC" (February 2010), and associated reports, have been undertaken and actions implemented to ensure that any issues that relate to the PCT are addressed.

Trend analysis of local serious incidents has been used to identify any local areas of concern and follow up investigations have been undertaken.

The Governance Framework for North Central London from 1 April 2011 outlined the new committee structure and risk reporting arrangements for NHS North Central London. The committees were confirmed in the NHS North Central London Corporate Governance Framework

Manual along with the duties and delegated responsibilities to these committees. The committees are:

- Joint meeting of Audit Committees
- Remuneration Committee
- Five borough based Professional Executive Committees
- Financial Recovery and Quality, Innovation, Productivity and Prevention (QIPP) Committee
- Quality & Safety Committee

The Corporate Governance Framework Manual and terms of reference for these committees were adopted by the Joint Boards of NHS North Central London at the 21 April meeting. Specific risk management responsibilities of the Joint Boards, its committees and executive team are described below.

## THE RISK AND CONTROL FRAMEWORK

For the year of account, the risk management strategies set out the main principles of risk management and explain:

- The roles and responsibilities of the Board and the relevant committees and executive groups, in particular the BCS Board, the Integrated Governance
- The individual responsibilities of directors, managers, and staff.

The strategies set out how risk is:

- Identified through the incident-reporting and complaints-handling systems, and through risk assessments
- Evaluated and prioritised on the basis of the likelihood that a risk could occur and the consequence if it did occur
- Controlled via departmental risk registers and associated action plans

The identification and management of risks to information are covered by the risk management strategies and supplemented by a separate Information Governance (IG) Strategy. Implementation of the IG Strategy is monitored by the PCT and BCS Integrated Governance Committees and a joint PCT and BCS Information Governance Group, which is chaired by the PCT's Senior Information Risk Owner.

Risk management is embedded across the organisation by:

- Continuing to develop a risk aware culture with an open and fair approach to incident reporting
- Ensuring that effective organisational structures are in place for the management of risk
- Ensuring that key business planning processes and policy development across the organisation take account of risk and equality impact assessments
- Including risk management in recruitment selection criteria, job descriptions, and staff performance reviews.

In addition, the PCT continues to develop its quality and patient safety framework to include the formal application of the risk management process to clinical practices and to the work of its primary care contractors.

In response to the publication of the Robert Francis Inquiry report into Mid Staffordshire NHS Foundation Trust, the PCT has reviewed standards, governance and performance to seek assurance on the quality and safety of both provided and commissioned services, in the light of the Francis report's recommendations. The results of the review were generally positive, with no significant risks to quality or safety being identified.

BCS is registered with the Care Quality Commission and as part of this undertake a continuous self assessment process against each of the outcome requirements for the essential standards of quality and safety. This replaces the core standards annual self assessment of previous years. BCS is fully compliant with CQC essential standards of quality and safety and has continued to develop improvement action plans which are monitored by the BCS Board.

BCS has been transferred to the management of Central London Community Healthcare NHS Trust (CLCH) on 1 April 2011. Risks to the successful transfer of BCS have been managed through the use of a full range of formal programme management structures and processes.

Risks associated with emerging GP consortia have been managed through greater GP involvement in and representation on the Board, the PCT Executive Management Team, and through the establishment of the White Paper Transition Board.

The most significant control issue that the PCT faced during 2010/11 related to the financial position, where the PCT started the year with an underlying deficit of £28m and an initial planning gap of £70m before actions and mitigations. This planning gap was greater than expected due to weaknesses in the financial planning and contract negotiation processes. Actions have been taken during 2010/11 to both address the control weaknesses identified and to successfully manage a £30m financial recovery programme to ensure that the PCT's financial target for 2010/11 was achieved. These actions included:

- External review of the financial position to ensure that all weaknesses in the system of control were identified, and a further review by internal audit
- Development and delivery of an action plan to address the control weaknesses. This was followed up by internal audit in February 2011 who found that good progress had been made
- Weekly meetings of a Financial Recovery Board, chaired by the Chief Executive, which was charged with ensuring that the recovery plan was delivered and to identify and monitor risks and opportunities to the financial position
- Revised reporting to the Board, utilising an integrated finance and performance report.

KPMG undertook an audit of the PCT financial position in December 2010 on behalf of the Challenged Trust Board. This supported all the actions on recovery that had been undertaken and gave sufficient assurance regarding the progress that had been made to improve the financial position that to secure one off funding to repay the PCT's 2010/11 financial support.

The financial position of the PCT remains weak and there were two finance related risks that were red rated at year end. These related to the delivery of financial balance in 2010/11, which has subsequently been achieved, and the underlying financial position of the PCT moving into 2011/12. While the financial position of the PCT has improved, it will only be possible to achieve financial balance in 2011/12 through the receipt of further financial support. However, this is expected to be at a significantly lower level than the support received in 2010/11.

The adequacy and effectiveness of internal control arrangements are reviewed annually by the PCT's internal auditors and are reflected in the Head of Internal Audit Opinion (HIAO). The HIAO for 2010/11 states:

*'Based on the work undertaken in 2010/11, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and inconsistent application of controls put the achievement of particular objectives at risk.*

*'During the course of the year we issued one "RED" rated report, relating to the Back Office Internal SLAs in place between the provider and the commissioning.*

*'The Board of the PCT issued a resolution expressing its concern at the revised financial projection, for the 2010/11 financial year which had moved from the Commissioning Strategic Plan in January to the FIMS plan in early April from a deficit of £41 million to a deficit of £69 million. We reviewed the controls in place and identified a number of weaknesses. In each case a detailed action plan was agreed for implementation to close any future gaps in control and to reduce the likelihood of recurrence.'*

However, we have subsequently conducted a follow up of the recommendations raised in the review of financial controls as well as those raised by PWC earlier.

In addition all of the PWC recommendations have either been implemented or superseded.

There were no significant data security incidents in any part of the PCT that resulted in potential breaches of confidentiality.

The PCT continues to seek to involve public stakeholders in managing risks which impact on them. To this end the PCT continues to provide and promote its Patient Advice and Liaison Service, and offers a formal Complaints Service in line with NHS guidance. There is also a Patients' Circle comprising approximately 500 people which is managed by the Communications and Public Engagement team. A patient representative attends Board meetings as an observer with speaking rights and is party to discussions regarding the assurance framework. The PCT's Board works in partnership with the London Borough of Barnet, and the PCT is a member of the Local Strategic Partnership and the One Barnet Board. An example of the way that joint working has been extended during 2010/11 is the monthly joint financial planning meeting.

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

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained.

The PCT has undertaken a climate change risk assessment and developed an Adaptation Plan, to support its emergency preparedness and civil contingency requirements, as based on UK Climate Projections 2009 (UKCP09), to ensure that this organisation's obligations under the Climate Change Act are met.

## ARRANGEMENTS SINCE 1 APRIL 2011

The context in which NHS North Central London is operating is a complex one and times of transition can be inherently risky. Robust risk management arrangements are critical in this

context. The Joint Boards of NHS North Central London reviewed the draft Board Assurance Framework and risk monitoring and reporting arrangements at its meeting on 19 May 2011. These were developed in line with regulation and guidance.

In summary, the risk arrangements are as follows:

- The Assurance Framework contains the risks to principal and strategic objectives. It will be monitored monthly at corporate level by Executive Directors
- The Top Risk narrative sets out the most significant risks to the organisation identified from the Corporate Risk Register. The risks are mapped to the Board Assurance Framework. This will be reported to the Joint Boards at every meeting
- The Corporate Risk Register contains those extreme and high risks that have been identified in the Directorate risk registers. This is monitored monthly at directorate level
- The Directorate Risk Registers contain a record of all potential risks identified within each Directorate. This is monitored monthly at directorate level.

Additionally all Board Committees will consider risk as part of their routine business at every meeting and a process will be in place to capture these risks on the register.

Detailed risk reporting arrangements are being reviewed at the 26 May Joint Meeting of the Audit Committees, including the framework for risk identification and evaluation, and the criteria for evaluating risk. The Board Assurance Framework and Risk Registers have clearly articulated controls and assurance mechanisms; they also require clear action plans to manage and minimise risk, or where there are gaps in control or assurance. Clear definitions have been provided to ensure a common understanding of risk terminology.

As it is a statutory requirement for all Primary Care Trusts to have a Board Assurance Framework including Corporate Risk Registers in place, and given that these already exist across the five Primary Care Trusts in North Central London, a process is underway to harmonise these frameworks to ensure that all legacy risks from the original Risk Registers are reviewed and reflected in the consolidated Risk Registers. The following principles are being applied:

- There will be a single Board Assurance Framework common to all five Primary Care Trusts with shared principal and strategic objectives, assurance processes and reporting arrangements
- There will be five Corporate Risk Registers, one for each Primary Care Trust. The majority of risks will be common across the five Primary Care Trusts, so these will have shared controls and assurances removing the need for duplication. There may be additional Primary Care Trust-specific risks, such as the differential financial positions of each trust
- Each Board will be sighted of all risks to the achievement of its objectives.

## REVIEW OF EFFECTIVENESS

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Frameworks and on the controls reviewed as part of Internal Audit's work. That opinion is one of significant assurance for 2010/11. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Frameworks themselves provide me with evidence that the

effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

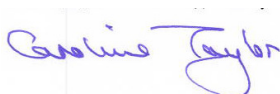
- The comments of the Care Quality Commission and other regulatory bodies;
- The views of NHS London and NHS North Central London;
- The views of the Chief Operating Officer in relation to the systems of internal control within Barnet Community services.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit & Assurance Committee, the Clinical Executive Committee, the Executive Management Team, the Integrated Governance Committee, and the BCS Board. Plans to address weaknesses and ensure continuous improvement of the system are in place.

During 2010/11, as in previous years, the effectiveness of the system of internal control has been maintained and reviewed through a process involving:

- Board approval of Assurance Framework documents, the Risk Management Strategies, the Quality and Patient Safety Annual Report, and any amendments
- Chair's reports to the Board from the Audit & Assurance Committee covering the results of reviews by internal and external audit, progress in implementing audit recommendations, and any significant breaches of Standing Financial Instructions;
- Reports to the Board, the Integrated Governance Committee, BCS Board and the Clinical Executive Committee in respect of serious incidents, quality and
- Development and monitoring of a series of business plan objectives. Reviews are contained in the integrated performance report to the Board.

Caroline Taylor



## SIGNIFICANT ISSUES

Three significant risks that were included within the assurance framework remain high risk at year end. These were:

Risk	Reason for high risk rating	Ongoing actions to mitigate
In-year risks are not managed, preventing the control total from being achieved	While the control total of breakeven is expected to be achieved, there is still a high degree of risk associated with this position which will not be fully addressed until the final year end accounts are produced in April	Risks managed, financial balance achieved for 2010/11
Additional savings plans for 2011/12 and beyond are not identified, preventing Barnet Primary Care Trust from returning to financial balance in the next two years	The current operating plan does not show Barnet Primary Care Trust returning to a positive run rate until 2012/13 and recurrent balance until 2013/14 and includes £50m of unidentified savings over the 3 years	NCL cluster to complete contract negotiations; long list of local schemes to be prioritised; project plans to be developed and risk rated; expected savings to be confirmed.
Business continuity and disaster recovery plans for key data centres are not robust and not formally in place or endorsed by senior management of the HIS	Internal audit have been undertaking a review of business continuity and the results of this are awaited. This may give assurance that the risk can be reduced	Plans are in place and an audit is to be completed.

Weaknesses in the financial planning process for 2010/11, particularly related to the impact of contract negotiations and assumptions associated with expenditure at acute hospitals, led to a material movement in the underlying financial position of the PCT. The issues that led to this movement have been identified and addressed, and follow-up work by internal audit has confirmed that controls in this area have been strengthened.

The new joint Boards have continued to review the position since 1 April 2011. Extreme risks areas to principal and strategic objectives were identified on the Board Assurance Framework at the 19 May meeting of the Joint Boards as follows:

- The pace and scale of change means there is a risk that there will be slippage on QIPP programme delivery
- There is a risk that the financial benefits outlined in the QIPP plan will not be delivered either to time or scale
- There is a risk that we will not deliver long term financial benefits because first year QIPP implementation is not delivered to time or scale
- There is a risk that the non-financial benefits outlined in the QIPP plan will not be delivered either to time or scale.

## FUTURE RISKS

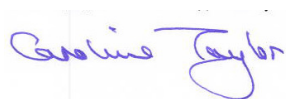
As previously outlined, from 1 April 2011, Barnet PCT has clustered with Camden, Enfield, Haringey and Islington PCTs under a single management team for NHS North Central London.

In anticipation of the changes, from January 2011 the Board monitored significant risks associated with transition to the new arrangements. Three issues remained high risk at year end. These were:

Risk	Reason it remains red	Current position
New financial ledger cannot be implemented by 1 April, preventing the new finance structure from being implemented and leading to a lack of financial control.	This is a complex project that is being implemented within very short timescales. It is currently on track but there is a risk that it will not be ready by the beginning of the financial year.	The ledger has been implemented, payments have been made and budgets have been loaded. Risk now reduced.
Informatics and finance teams are not able to provide sufficient data to enable pathfinders to manage delegated budgets.	This process is still in development and will not be completed by year end to a level that gives assurance that the needs of the new consortia can be met.	Process continues to be developed, interim arrangements in place to ensure that budgets and information can be shared with practices in mid June.
Current information weaknesses relating to acute commissioning are not addressed, preventing acute activity from being managed effectively.	The issues relate to the analysis rather than the production of data and the usage of this to manage contracts. This has not been in place during 2010/11 to a satisfactory degree and so assurance will not be possible re 2011/12 processes until post 1 April. The in year risk has been mitigated by the year end deals with acute trusts.	Issues have been recognised by the Director of Contracts and processes to address that the issues are being developed.

With the exception of the internal control issues that I have outlined in this statement, my review confirms that Barnet PCT has a generally sound system of a generally sound system of internal control that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.

Signed



Chief Executive

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR YEAR ENDING 31 MARCH 2011

	<b>2010-11</b> £000	<b>2009-10</b> £000
Commissioning		
Employee benefits	12,807	13,580
Other costs	575,256	545,643
Income	(16,712)	(15,638)
Provider		
Employee benefits	34,745	34,871
Other costs	16,528	16,652
Income	(11,134)	(11,060)
PCT net operating costs before interest	<u>611,490</u>	<u>584,048</u>
Investment income	(34)	(14)
Other (Gains)/Losses	0	0
Finance costs	599	495
Net operating costs for the financial year	<u>612,055</u>	<u>584,529</u>
Other Comprehensive Net Expenditure		
Net gain on revaluation of property, plant & equipment	(445)	(16,795)
Impairments and reversals	5,090	13,692
Transfers from donated and government grant reserves	115	25
Adjustment for nominal cost of capital charge	0	(3,541)
Transfers (to)/from other bodies within the Resource Account Boundary	0	0
Total comprehensive net expenditure for the year	<u>616,815</u>	<u>577,910</u>

The notes on pages 11 to 46 of the Barnet PCT financial report form part of this account.

<sup>1</sup> Disclosed separately for the first time in 2010-11

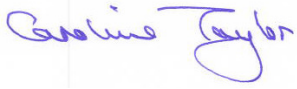
## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

		31 March 2011	31 March 2010
	NOTE	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	1	121,947	133,213
Intangible assets		388	717
Other financial assets		195	1
Trade and other receivables		151	141
<b>Total non-current assets</b>		<b>122,681</b>	<b>134,072</b>
<b>Current assets:</b>			
Inventories		60	71
Trade and other receivables	2	6,976	18,693
Other financial assets		0	0
Other current assets	3	1,104	889
Cash and cash equivalents		0	0
		<b>8,140</b>	<b>19,653</b>
Non-current assets held for sale		0	0
<b>Total current assets</b>		<b>8,140</b>	<b>19,653</b>
<b>Total assets</b>		<b>130,821</b>	<b>153,725</b>
<b>Current liabilities</b>			
Trade and other payables	4	(18,942)	(36,221)
Other liabilities	5	(11,744)	(6,360)
Provisions	6	(3,122)	(987)
Borrowings	7	(133)	(132)
Other financial liabilities		0	0
<b>Total current liabilities</b>		<b>(33,941)</b>	<b>(43,700)</b>
<b>Net current assets less net current liabilities</b>		<b>96,880</b>	<b>110,025</b>
<b>Non-current liabilities</b>			
Provisions	6	(9,017)	(9,801)
Borrowings	7	(3,607)	(3,740)
<b>Total non-current liabilities</b>		<b>(12,624)</b>	<b>(13,541)</b>
<b>Total Assets Employed:</b>		<b>84,256</b>	<b>96,484</b>
<b>FINANCED BY:</b>			
<b>TAXPAYERS' EQUITY</b>			
General fund		48,291	55,310
Revaluation reserve		35,728	40,795
Donated asset reserve		237	379
<b>Total Taxpayers' Equity:</b>		<b>84,256</b>	<b>96,484</b>

- Note 1 - Land, Buildings, Plant and Machinery, Assets under construction, Transport, Information Technology (IT) and Furniture & Fittings
- Note 2 - Trade & other receivables represent money owed to the PCT at the Balance Sheet date.
- Note 3 - Other current assets represent prepayments and other accrued income
- Note 4 - Trade & other payables represent money owed by the PCT.
- Note 5 - Other liabilities represent accruals and deferred income
- Note 6 - A provision is a liability where the amount and timing are uncertain. The PCT anticipates making a payment at a future date and therefore has provided for the future liability.
- Note 7 - Borrowings relate to the LIFT scheme liabilities for Vale Drive Health Centre.

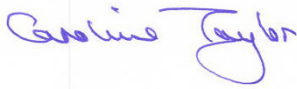
\* Reserves record the changes in asset values held by the PCT. The general fund represents taxpayers' main interest in the PCT.

The financial statements on pages 36 to 45 were approved by the Audit and Assurance Committee on behalf of the Board on 1st June 2011 and signed by:

Signed  Chief Executive

The notes on pages 1 to 45 of the Barnet PCT accounts document form part of this account.

The financial statements on pages 36 to 45 were approved by the Board on 1st June 2011 and signed on its behalf by:

Signed  Chief Executive

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

	<b>2010-11</b> £000	<b>2009-10</b> £000
Cashflow from operating activities		
Net operating cost before interest	(611,490)	(584,048)
Other cash flow adjustments	10,925	20,777
Movements in Working Capital	32	2,866
Provisions utilised	(1,012)	(1,245)
Interest paid	(334)	(317)
Net cash outflow from operating activities	<u>(601,879)</u>	<u>(561,967)</u>
Cash flows from investing activities		
Payments to purchase property, plant and equipment	(2,933)	(5,132)
Payments to purchase intangible assets	(255)	(431)
Proceeds of disposal of assets held for sale	772	0
Purchase of financial investments (LIFT)	(185)	(17)
Interest received	27	9
Net cash inflow/(outflow) from investing activities	<u>(2,574)</u>	<u>(5,571)</u>
Net cash inflow/(outflow) before financing	(604,453)	(567,538)
Cash flows from financing activities		
Net Parliamentary Funding	604,587	567,614
Capital element of payments in respect of finance leases, on-SoFP PFI and LIFT	(134)	(76)
Cash transfers (to)/from other NHS bodies	0	0
Net cash inflow/(outflow) from financing	<u>604,453</u>	<u>567,538</u>
Net increase/(decrease) in cash and cash equivalents	0	0
Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year	<u>0</u>	<u>0</u>
Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year	<u>0</u>	<u>0</u>

STATEMENT OF CHANGES IN TAXPAYER'S EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	General Fund	Revaluation Reserve	Donated Asset Reserve	Govt. Grant Reserve	Other Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000
<b>Changes in taxpayers' equity for 2010-11</b>						
Balance at 1 April 2010	55,310	40,795	379	0	0	96,484
Net operating cost for the year	(612,055)					(612,055)
Net gain on revaluation of property, plant, equipment		445	0	0		445
Impairments and reversals		(5,090)	0	0		(5,090)
Release of reserves to SoCNE		0	(115)	0		(115)
Transfers between reserves	0	27	(27)	0	0	0
Transfers to/(from) other bodies within the Resource Account Boundary	449	(449)	0	0		0
<b>Total recognised income and expense for 2010-11</b>	<b>(611,606)</b>	<b>(5,067)</b>	<b>(142)</b>	<b>0</b>	<b>0</b>	<b>(616,815)</b>
Net Parliamentary funding	604,587					604,587
<b>Balance at 31 March 2011</b>	<b>48,291</b>	<b>35,728</b>	<b>237</b>	<b>0</b>	<b>0</b>	<b>84,256</b>

## FINANCIAL PERFORMANCE TARGETS

### REVENUE RESOURCE LIMIT

	<b>2010-11</b> £000	<b>2009-10</b> £000
The PCTs' performance for the year ended 31 March 2011 is as follows:		
Total Net Operating Cost for the Financial Year	612,055	584,529
Non-Discretionary Expenditure <sup>1</sup>	-	2,956
Net Operating Cost less Non Discretionary Expenditure	<u>612,055</u>	<u>581,573</u>
Revenue Resource Limit	<u>612,189</u>	<u>581,712</u>
Underspend Against Revenue Resource Limit (RRL)	<u>134</u>	<u>139</u>

<sup>1</sup> In 2010-11, due to changes in the way PCTs are funded, there is no non-discretionary expenditure

### CAPITAL RESOURCE LIMIT

	<b>2010-11</b> £000	<b>2009-10</b> £000
The PCT is required to keep within its Capital Resource Limit.		
Total Gross Capital Expenditure	2,959	5,649
Loss in Respect of Disposals of Donated Assets	0	0
less: Net Book Value of Non-Current Assets Disposed of to NHS Bodies	(772)	0
less: Net Book Value of Non-Current Assets Disposed of to non-NHS Bodies	0	0
less: Net Book Value of Financial Instruments (Investments) Disposed Of to NHS bodies	0	0
less: Net Book Value of Financial Instruments (Investments) Disposed Of to Non-NHS bodies	0	0
less: Capital Grants Received	0	0
less: Donations	0	0
Charge Against the Capital Resource Limit (CRL)	<u>2,187</u>	<u>5,649</u>
Capital Resource Limit (CRL)	<u>3,733</u>	<u>5,651</u>
Underspend Against CRL	<u>1,546</u>	<u>2</u>

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**PROVIDER FULL COST RECOVERY DUTY****2010-11**  
£000**2009-10**  
£000

The PCT is required to recover full costs in relation to its provider functions. The performance for 2010-11 is as follows:

Provider gross operating costs	51,273	51,523
Provider Operating Revenue	(11,134)	(11,060)
Net Provider Operating Costs	40,139	40,463
Costs Met Within PCTs Own Allocation	(40,163)	(41,366)
Over Recovery of Costs	(24)	(903)

**MANAGEMENT COSTS**

	<b>2010-11</b>	<b>2009-10</b>
Management costs (£000s)	12,685	13,098
Weighted population (number in units)	<u>315,316</u>	<u>312,804</u>
Management Cost per weighted head of population (£ per head)	<u>40</u>	<u>42</u>
<b>Commissioning Management Costs</b>		
Management costs (£000s)	7,768	7,494
Weighted population (number in units)	<u>315316</u>	<u>312804</u>
Management Cost per weighted head of population (£ per head)	<u>25</u>	<u>24</u>
<b>Provider Management Costs</b>		
Management costs (£000s)	4,917	5,604
Income	<u>11,134</u>	<u>52,426</u>

**BETTER PAYMENT PRACTICE CODE**

<b>MEASURE OF COMPLIANCE</b>	<b>2010-11</b> Number	<b>2010-11</b> £000	<b>2009-10</b> Number	<b>2009-10</b> £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	28,825	62,807	34,379	61,652
Total Non-NHS Trade Invoices Paid Within Target	<u>22,267</u>	<u>52,267</u>	<u>20,650</u>	<u>40,003</u>
Percentage of Non-NHS Trade Invoices Paid Within Target	<u>77.25%</u>	<u>83.22%</u>	<u>60.07%</u>	<u>64.89%</u>
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	3,115	377,054	2,375	326,041
Total NHS Trade Invoices Paid Within Target	<u>2,008</u>	<u>352,064</u>	<u>1,019</u>	<u>288,138</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>64.46%</u>	<u>93.37%</u>	<u>42.91%</u>	<u>88.37%</u>

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

## STAFF SICKNESS ABSENCE

	2010-11 Number	2009-10 Number
Total Days Lost	7,319	8,183
Total Staff Years	1,030	1,038
Average working Days Lost	7.11	7.88

The figures recorded above are provided by The Information Centre under direction from DoH, sourced from ESR data warehouse and cover the period January to December 2010. Data on days lost and days available are produced in reports based on a 365 day year. These figures have been scaled down by a factor of 225/365 to provide best estimate of the number of days available/lost for the financial year."

## EXIT PACKAGES FOR STAFF LEAVING IN 2010-11

Exit package cost band (including any special payment element)	2010-11			2009-10		
	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number
<£20,001		7	7			0
£20,001 - £40,000		1	1			0
£40,001 - 100,000	4	1	5		1	1
£100,001- £150,000	1	1	2			0
£150,001- £200,000		1	1			0
>£200,001						0
Total number of exit packages by type (total cost	5	11	16	0	1	1
Total resource cost (£000s)	452	397	849	0	54	54

Redundancy and other departure costs have been paid in accordance with the provisions of the Agenda for Change scheme. Exit costs in this note are accounted for in full in the year of departure. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table. This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

## EXTERNAL AUDITOR'S REMUNERATION

The fees paid to our external auditors, Grant Thornton UK LLP, are as follows :

	2010/11	2009/10
Statutory Audit Fee	£000 232	£000 221

## 31. RELATED PARTY TRANSACTIONS

Barnet Primary Care Trust is a body corporate established by order of the Secretary of State for Health. During the year the following key management staff had the following transactions with Barnet PCT:

	<b>Revenue</b> £000	<b>Expenditure</b> £000	<b>Payables</b> £000	<b>Receivables</b> £000
Neil Mcelduff:				
Director of Elevate Partnerships Ltd	0	708	0	0
Director of Forest Vale Fundco Ltd	0	696	0	0

Elevate is a Liftco for the Barnet, Enfield and Haringey health economy, which is a Public Private Partnership company (PPP). Neil Mcelduff represented the PCT interest on the PPP Board until 30 November 2010 when he left the PCT. Forest Vale Fundco Ltd is a 100% owned subsidiary of Elevate Partnership Ltd.

GP remuneration as Primary Contractors:

Dr Curran, in addition to being the Chair of the Professional Executive Committee and a Board member, is also the principal partner of a GP practice. The Practice, as a primary care contractor, receives income from the PCT. This interest and the interest of other GPs with management responsibilities is declared under the PCT register of interests for the Board. Further details are also included in the Annual Report.

The Department of Health is regarded as a related party. During the year Barnet PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the Parent Department:

	Revenue (£000)	Expenditure (£000)	Payables (£000)	Receivables (£000)
London Strategic Health Authority	2,096	0	0	162
Camden PCT	475	2,762	0	337
Croydon PCT	2	18,931	0	105
Enfield PCT	1,814	2,195	717	90
Haringey Teaching PCT	1,145	0	44	3,550
Barnet And Chase Farm Hospitals NHS Trust	2,675	116,641	2,717	353
Barts And The London NHS Trust	0	4,099	53	0
Barnet, Enfield And Haringey Mental Health NHS Trust	4,615	34,946	796	854
East And North Hertfordshire NHS Trust	0	2,493	208	0
Great Ormond Street Hospital NHS Trust	0	6,053	478	0
Imperial College Healthcare NHS Trust	0	6,138	86	0
London Ambulance Service NHS Trust	0	9,399	212	21
North Middlesex University Hospital NHS Trust	204	1,677	64	302
North West London Hospitals NHS Trust	0	9,402	0	0
Royal Free Hampstead NHS Trust	1,467	98,370	1,094	2,778
The Royal National Orthopaedic Hospital NHS Trust	0	6,238	0	0
Whittington Hospital NHS Trust	129	10,645	656	348
Central And North West London MH NHS Foundation Trust	0	2,293	1,354	0
Guys And St Thomas NHS Foundation Trust	0	3,351	0	0
Moorfields Eye Hospital NHS Foundation Trust	0	3,239	40	0
Royal Brompton And Harefield NHS Foundation Trust	0	2,787	0	0
University College London NHS Foundation Trust	110	28,866	3,060	179

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with:

	Revenue (£000)	Expenditure (£000)	Payables (£000)	Receivables (£000)
National Insurance Fund (Employers NI)	0	3,084	0	0
NHS Pension Scheme (Own staff employers and employees contributions)	0	4,519	0	0
Barnet London Borough Council	1,633	14,930	631	898

During the year Wellhouse Lane was disposed of to Barnet and Chase Farm Hospital for £772k. The transaction was a circular flow of funds enacted via the Strategic Health Authority and there was no profit or loss on disposal.

## PENSIONS ENTITLEMENT

Name and title	Real increase in pension at age 60 Bands of £2,500 £000	Real increase in pension lump sum at age 60 Bands of £2,500 £000	Total accrued pension at age 60 at 31 March 2011 Bands of £5,000 £000	Lump Sum at age 60 related to accrued pension at 31 March 2011 Bands of £5,000	Cash Equivalent Transfer Value at 31 March 2011 £000	Cash Equivalent Transfer Value at 31 March 2010 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Clare Parker- Director of Finance	0-2.5	0-2.5	15-20	55-60	198	235	-37	-26
Ceri Jacob - Associate Director of Primary Care (from 1/09/08)	2.5-5	7.5-10	15-20	55-60	288	279	9	6
Alison Kemp - Interim Director of Strategic Commissioning & Planning	2.5-5	10-12.5	10-15	35-40	113	105	8	6
Neil McElduff - Director of Governance, Infrastructure & Corporate Services	0-2.5	0-2.5	15-20	55-60	323	355	-21	-15
Andrew Burnett - Director of Health Improvement/Medical Director	(20)-(22.5)	(52.5)-(55)	45-50	90-95	919	1084	-165	-116
Alison Blair-Director of Primary Care Development/Deputy CEO	(25)-(27.5)	(7.5)-(10)	25-30	80-85	379	480	-101	-71
Alison Pointu - Nurse Director	2.5-5	7.5-10	35-40	115-120	736	738	-2	-1
Fiona Jackson - Associate Director of Operations BCS	0-2.5	5-7.5	15-20	55-60	442	408	34	24
Cameron Ward - CEO (Commenced 1/1/10)	10-12.5	32.5-35	50-55	150-155	790	695	95	67
Katie Donlevy (Commenced 2/11/09)	0-2.5	2.5-5	15-20	50-55	172	193	-21	-15
Mary Wickstead	10-12.5	17.5-20	10-15	35-40	226	114	112	78
Deidre Hackett	2.5-5	7.5-10	20-25	70-75	396	380	16	11

Note: Linda Morris, Associate Director of Finance and Development, is not in the pension scheme.

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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## CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme.

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## REAL INCREASE IN CETV

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

## SALARY ENTITLEMENTS OF SENIOR MANAGERS

	2010-2011	2009-2010
Name and Title	Salary Bands of £5000 £000	Salary Bands of £5000 £000
Adrian Stokes - Non Executive Director	5-10	5-10
Alison Blair - Director of Primary Care / Deputy CEO	95-100	65-70
Alison Kemp - Director of Planning & Partnership - maternity leave 1/4/10-31/7/10	60-65	75-80
Alison Pointu - Nurse Director (full time director from 1/4/10)	80-85	45-50
Andrew Burnett - Director of Health Improvement/Medical Director	130-135	130-135
Anthony Brown - Non Executive Director	5-10	5-10
Bernadette Conroy - Non Executive Director	5-10	5-10
Bryan Harrison - Non Executive Director	5-10	5-10
Cameron Ward - Chief Executive (from 4/01/10)	135-140	30-35
Caroline Rivett - Non Executive (from 1/4/10)	10-15	0
Ceri Jacob - Director of Primary Care and Community Commissioning	85-90	65-70
Dr Clare Stephens - Cluster Chair, North	30-35	20-25
Clare Parker - Director of Finance	100-105	100-105
David Riddle - Chair	30-35	30-35
Deidre Hackett - Director of Quality and Performance - Barnet Community Services (from 1/03/10)	80-85	6-7
Frances Cooke - Non Executive Director	5-10	5-10
Fiona Jackson - Associate Director of Operations BCS (from 1/09/09)	75-80	75-80
Gillian Edelman - Non Executive Director	5-10	5-10
Jasminder Sethi - Cluster Chair (from 1/5/10)	15-20	0
Jill Stanfield - Non Executive Director	5-10	5-10
Dr John Bentley - Cluster Chair, South	10-15	10-15
Kamlesh Upadhyaya - Member of PEC	1-5	1-5
Katie Donlevy - Chief Operating Officer - Barnet Community Services (from 2/11/09)	60-65	35-40
Linda Morris - Associate Director of Finance & Business Development (from 24/11/09)	100-105	30-35
Mary Wickstead - Director of Workforce & Operational Development	75-80	35-40
Michael Freyd - Non Executive Director - Independent Committee Member	5-10	1-5
Marilyn Standley - Non Executive Director	5-10	5-10
Neil McElduff - Director of Governance, Infrastructure & Corp Services (Left 30/11/10)	60-65	95-100
Dr Phillipa Curran - Chair Professional Executive Committee (PEC)	20-25	20-25
Dr Susan Sumners - Cluster Chair , West	25-30	10-15

### **Acute Hospitals**

The hospitals people go to for emergencies and major surgery, the treatment of very serious conditions, for intensive care and so on. Barnet Hospital and Royal Free Hospital are both acute hospitals.

### **Commissioning**

Commissioning in the NHS is the process by which we ensure the health and care services provided most effectively meet the needs of the population. It is a complex process with responsibilities ranging from assessing population needs and prioritising health outcomes, to procuring products and services, and managing service providers.

### **Equalities Impact Assessment**

Assessing the impact of decisions made within the PCT so that any adverse effect on the most vulnerable sections of the community can be avoided and any positive impact enhanced.

### **Governance**

A framework through which NHS organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care. This also includes managing resources appropriately within agreed limits.

### **GP (General Practitioner)**

Also commonly referred to as family doctors.

### **NHS London**

The Strategic Health Authority (SHA) for the whole of the Greater London area.

### **Non-Executive Director**

Lay people appointed by the Appointments Commission who sit on the board of NHS Trusts and PCTs with the Executive Directors, overseeing the work of the organisation. There are eight Non-Executive Director posts on our board, including the Chair.

### **Overview and Scrutiny Committee**

Committee which enables the local council to check that services and policies provided are delivered efficiently, effectively and that they address the needs of all local residents, communities and users of council services.

### **Parliamentary and Health Services Ombudsman**

Independent body that carries out independent investigations into complaints about UK government departments and the NHS in England.

### **Patients' Circle**

The Patients' Circle is a group of patients, carers and members of the public in Barnet who have shown an interest in becoming involved in some aspect of planning, developing or monitoring local NHS services.

## **PCT (Primary Care Trust)**

PCTs are NHS statutory bodies that provide primary and community services and commission secondary (hospital) care on behalf of their local population.

### **Primary Care Services**

Health services provided by a range of practitioners including family doctors (GPs), dentists, pharmacists, optometrists and ophthalmic medical practitioners.