

Pension Contributions

Real in-crease in pension at age 60 and related lump sum (bands of £2,500)	Total accrued pension at age 60 and related lump sum at 31 March 2006 (bands of £5,000)	Cash Equivalent Transfer Value at 31st March 2007	Cash Equivalent Transfer Value at 31 March 2006	Real In-crease in Cash Equivalent Transfer Value	Employers contribution to stakeholder pension (rounded to nearest £00)
£'000	£'000	£'000	£'000	£'000	£
0-2.5	20-25	276	265	3	0
0-2.5	15-20	303	344	-35	0
0-2.5	25-30	417	347	43	0
0-2.5	15-20	224	219	0	0
2.5-5	25-30	370	317	32	0

Colin Thomas, Director of Finance
Sandra Walker, Director of Hospitals
Andrew Wakeman, Director of Public Health
Peter Moseley, Director of IM&T
Yvonne Sawbridge, Director of Quality & Performance

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members. All figures relate to 12 month period from 1 April 2006 to 31 March 2007.

Yvonne Sawbridge transferred to South Staffordshire PCT .

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

اگر این اطلاعات را به زبانی دیگر و یا در فرمتی دیگر میخواهید لطفاً از ما درخواست کنید

إذا أردت المعلومات بلغة أخرى أو بطريقة أخرى، نرجو أن تطلب ذلك منا.

Nëse dëshironi të merrni informacion në një gjuhë apo format tjetër, ju lutemi na pyesni.

Jeżeli chcieliby Państwo uzyskać informacje w innym języku lub w innym formacie, prosimy dać nam znać.

यदि आपको सूचना किसी अन्य भाषा या अन्य रूप में चाहिये तो कृपया हमसे कहे

ਜੇ ਇਹ ਜਾਣਕਾਰੀ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦੀ, ਤਾਂ ਇਹ ਸਾਥੋਂ ਮੰਗ ਲਵੋ।

જો તમને માહિતી બીજી ભાષા અથવા રચનામાં જોઈતી હોય તો, કૃપા કરી અમને વિનંતી કરો.

Burntwood, Lichfield and Tamworth Primary Care Trust

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Annual Report 2006

Welcome to the final annual report for Burntwood, Lichfield and Tamworth Primary Care Trust (PCT) for the period 1 April 2006 - 30 September 2006.

Burntwood, Lichfield and Tamworth PCT was dissolved by the Secretary of State for Health and merged with South Western Staffordshire PCT, Cannock Chase PCT and East Staffordshire PCT to form the South Staffordshire Primary Care Trust.

Statement of the Boards' Responsibility in relation to Internal Control

30 September 2006

1. Scope of Responsibility

The Board of the Primary Care Trust is accountable for internal control. As the 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.

As Accountable Officer, I work with partner organisations and report on processes on the Improvement Programme, Annual Delivery Agreement and the Clinical Governance Development Plan, to agreed timetables that are monitored by the Strategic Health Authority. A Financial Annual Plan is reported to the Strategic Health Authority, plus financial monitoring returns on a monthly basis. One of the monthly returns goes the Strategic Health Authority for validation, prior to reporting to the Department of Health, and the other return is fed into the SHA Board.

A Risk Management Strategy is in place which was endorsed by the Trust Board, and clearly defines risk management structures, accountability and responsibilities, and incorporates consideration of stakeholders. All serious untoward incidents are reported to the Strategic Health Authority.

2. The Purpose of the System of Internal Control

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

Identify and prioritise the risks to the achievement of the organisation'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 Burntwood, Lichfield and Tamworth Primary Care Trust for the whole year ended 31st March 2006, and up to the date of approval of the annual report and accounts

3. Capacity to Handle Risk

Leadership arrangements for risk management are clearly documented in the Risk Management Strategy, and further supported by job descriptions and objectives. Leadership starts with the Chief Executive Officer having overall responsibility, and delegation to specific Directors, Associate Directors and Heads of Department. The leadership is further embedded by having ownership at a local level by managers having responsibility for risk identification, assessment and analysis. In addition to this, the risk management structure provides a holistic approach to risk, and terms of reference clearly outline the responsibilities of the overarching committee(s).

All new members of staff are required to attend a mandatory induction that covers key elements of risk management. This is further supplemented by local induction. The organisation provides mandatory and statutory training that all staff must attend, but in addition to this training there is training for different levels of staff depending on their responsibilities as detailed within the Risk Management Strategy. All training courses are available to all staff, and managers are encouraged to support further risk management training for their staff. There are many ways that the organisation seeks to learn from good practice, this includes the incident reporting procedures, complaints and pro-active risk assessment. This information is filtered to frontline staff via road shows and newsletters.

Over the last twelve months, the Primary Care Trust has continued to develop and refine its risk management systems, including:

- Developing and reviewing the corporate risk register.
- Appointing an Associate Director of Clinical Governance and Risk Management.
- Board level review of the strategic risks via the revised corporate objectives and ongoing development of the Assurance Framework.
- Maintaining the culture of responding to, and acting upon, recommendations contained within audit reports.
- Established live reporting to the National Patients Safety Agency (NPSA) last year.
- Achievement of Clinical Negligence Scheme for Trusts (CNST) Level 1b.

4. The Risk & Control Framework

The Risk Management Strategy clearly defines leadership, structure and the risk management process. Risks within the organisation are identified in many ways using many different methods, when these risks are identified they are assessed and evaluated using the Australian New Zealand 4360 1999

The risk management process ensures that the process is an ongoing exercise with a rolling programme of risk identification, assessment and analysis. The Clinical Governance and Risk Management Committee, the Governance Committee and the Board consider the risks that are rated at 15 and above. Senior staff within the department have attended training on RCA (root cause and analysis) by the NPSA, and this is being cascaded down to other relevant staff.

Consideration is given to the existing control measures and further actions that would reduce the risk. After actions have been completed the risk rating is re-scored and the Board can decide if the rating is acceptable or whether further actions should be taken. This process is recorded on the risk register to ensure that the organisation is able to compare like with like and have a complete risk profile.

Risk Management is embedded into the organisation in many ways. A culture of fair blame aids the confident use of the incident reporting procedures throughout the organisation. The organisation is conscious that a change of culture is supported by awareness of all staff, and therefore have introduced training events that are mandatory and statutory but also further specific risk management training courses, which include how to undertake risk assessments, and how to report incidents. The organisation also has an annual clinical governance report, which includes a section on risk management, and the Trust has key performance indicators that measure a performance in the management of risk, ensuring that the process is ongoing and embedded.

The past year has seen the introduction of self-assessment against the Standards for Better Health and subsequent submission of draft and final declarations to the Healthcare Commission. The Standards for Better Health have provided the PCT with additional measures to monitor through the risk and control framework. As such, the corporate objectives have been revised to reflect the Standards and the Assurance Framework has been reviewed to ensure the Standards are used appropriately to inform the overall process.

5. Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Directors and managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

Directors' Remuneration

Burntwood Lichfield & Tamworth PCT	2006/07			2005/06		
	Salary (bands of £5,000) £000	Other Remunera- tion (bands of £5000) £000	Benefits in kind (bands of £100) £00	Salary (bands of £5,000) £000	Other Remunera- tion (bands of £5000) £000	Benefits in kind (bands of £100) £00
For the period April - September 2006						
Executive Directors						
Alan Snuggs, Chief Executive				120-125		22-23
Colin Thomas, Director of Finance	45-50		15-16	85-90		31-32
Dr Andrew Wakeman, Director of Public Health	50-55			95-100		
Sandra Walker, Director of Hospitals	25-30		11-12	65-70		25-26
Peter Moseley, Director of IM&T	25-30			55-60		
Yvonne Sawbridge, Director of Nursing				5-10		
Non Executive Directors						
S Durrant, Chair	5-10			15-20		
S Woodward, Non Executive Director				Consent Withheld		
B Orriss, Non Executive Director	0-5			5-10		
P Thorpe, Non Executive Director	0-5			5-10		
S Skerritt, Non Executive Director	0-5			5-10		
M Baker, Non Executive Director	0-5			5-10		
E Smart, Non Executive Director	0-5			5-10		
Professional Executive Committee						
Dr P Gregory, PEC Chair & Clinical Lead	20-25			35-40		
Dr P Ballard, PEC Member & Medical Director	10-15			30-35		
Dr R Hawkes, PEC Member	0-5	15-20		Consent Withheld		
Dr R Jenkins, PEC Member	0-5			5-10		
Dr A Hall, PEC Member	0-5	5-10		5-10		
B Alford, PEC Member	0-5	20-25		5-10		
E Parker, PEC Member	0-5	10-15		5-10		
C Underwood, PEC Member	Consent Withheld			Consent Withheld		
S Bullock, PEC Member	0-5			5-10		
K Thompson, PEC Member (Staffs Council)	5-10			5-10		

Notes

Yvonne Sawbridge recharged to Solihull PCT.

The posts of Chief Executive and Director of Finance were held jointly with East Staffordshire PCT.

Alan Snuggs left in 2005/06.

S Woodward left in 2005/06.

Better Payment Practice Code - measure of compliance

	2006/2007	2006/2007	2005/2006	2005/2006
Non-NHS Creditors	Number	£000	Number	£000
	3,291	7,337	7,017	17,046
	2,655	6,914	6,034	16,459
Percentage of bills paid within target	80.67%	94.23%	85.99%	96.56%
NHS Creditors				
	1,013	57,495	1,862	101,672
	885	54,472	1,696	99,001
Percentage of bills paid within target	87.36%	94.74%	91.08%	97.37%

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

Management Costs

	2006/07	2005/06
Management Costs (£000)	1,746	3,848
Weighted Population	132,842	129,204
Cost Per Head (£)	13.14	29.78

Management costs in 2006/07 are for 6 months only.

Remuneration Report

Remuneration Committee—the PCT has a Remuneration Committee which is a sub-committee of the Board. The Terms of Reference of the Committee are:

- 1 To make such recommendations to the Board on the remuneration, allowances and terms of service of the Chief Executive and other officer members and senior managers to ensure they are fairly rewarded for their individual contribution to the Primary Care Trust—having proper regard for the Primary Care Trust's circumstances and performances and to the provisions of any national arrangements where appropriate.
- 2 To monitor and evaluate the performance of individual officer members and senior managers.
- 3 To advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.

The membership of the Committee is made up of three Non Executive Directors including the Chair.

- RPST Assessment Report
- CNST Assessment Report
- Standards for Better Health Declarations (final and draft)
- Internal/External Audit Reports
- Patient Survey Reports
- Staff Survey Reports
- Clinical Audit Reports
- Risk Management Quarterly Reports
- Clinical Governance Annual Report
- Complaints Reports
- Claims Reports
- Risk Register
- Incident Reports.

I have received assurances from a range of sources including:

- RPST
- CNST
- Internal Audit
- External Audit
- Healthcare Commission

Statement on Internal Control

As Accountable Officer I can confirm that the Burntwood, Lichfield and Tamworth Primary Care Trust has a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. Furthermore any significant internal control issues have been, or are being, addressed and that the Statement on Internal Control is a balanced reflection of the actual control position.



Stuart Poyner, Chief Executive

Financial Information

Operating Financial Review

The following financial statements are a summary of a full set of accounts, which have been validated by external auditors, for the six month period 1st April 2006 to 30th September 2006. The main financial achievements of Burntwood, Lichfield & Tamworth PCT were:

Resource Limit – the PCT remained within the allocated resource limit of £89,145k.

Cash Limit – the PCT remained within the allocated cash limit of £91,438k.

Management Costs – the PCT spent £1,746k on management costs during the six month period which equates to £13.14 per head of population.

Better Payments Practice Code – the PCT's performance against a target of 95% of the number of invoices paid within 30 days was 80.67% for non-NHS creditors and 87.36% for NHS creditors. The value of invoices being paid within 30 days was 94.23% for non-NHS creditors and 94.74% for NHS creditors.

Full Cost Recovery on Provider Functions – the Trust achieved this financial duty.

Remain within the Capital Resource Limit – the Trust achieved this financial duty.

Audit Committee and Fees

Burntwood Lichfield and Tamworth PCT undergoes scrutiny from a combination of audit mechanisms which includes the Audit Committee, Internal and External Audit.

The PCT has an established Audit Committee with terms of reference agreed by the Board.

- Mr Barry Orris (Chair) Non Executive Director
- Mr Peter Thorpe Non Executive Director
- Ms Mary Baker Non Executive Director
- Ms Liz Smart Non Executive Director
- Ms Sian Skerritt Non Executive Director

In 2006/7 Burntwood Lichfield and Tamworth Primary Care Trust paid £84k plus VAT in respect of audit fees to KPMG LLP, 2 Cornwall Street, Birmingham B3 2DL

Auditors Opinion

Independent auditors' statement to the Directors of the Board of Burntwood, Lichfield & Tamworth Primary Care Trust

We have examined the summary financial statement which comprises, Cashflow Statement, Balance Sheet, Operating Cost Statement and Statement of recognised gains and losses (set out in pages 4,5, and 6). This report is made solely to the Board of Burntwood Lichfield & Tamworth PCT in accordance with Section 2 of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Board of Burntwood, Lichfield & Tamworth PCT those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Burntwood, Lichfield & Tamworth PCT and the Board of Burntwood, Lichfield & Tamworth PCT, as a body, for our audit work, for this report, for the opinions we have formed.

Respective responsibilities of directors and auditors—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 statement 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 statement.

Basis of opinion

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

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of the Burntwood, Lichfield & Tamworth PCT for the half year ended 30 September 2006. We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements, 9th July 2007, and the date of this statement.

KPMG LLP, Birmingham, 24 September 2007

CASH FLOW STATEMENT FOR THE PERIOD ENDED

30 September 2006

	1/4/06 - 30/9/06 £000	12 Months 2005/06 £000
OPERATING ACTIVITIES		
Net cash outflow from operating activities	(86,703)	(157,110)
SERVICING OF FINANCE AND RETURNS ON INVESTMENT:		
Payments to acquire tangible fixed assets	(4,448)	(11,529)
Net cash inflow/(outflow) from capital expenditure	(4,448)	(11,529)
Net cash inflow/(outflow) before financing	(91,151)	(168,639)
FINANCING		
Net Parliamentary Funding	91,172	168,640
Net cash inflow/(outflow) from financing	91,172	168,640
Increase/(decrease) in cash	21	1

BALANCE SHEET AS AT 30 September 2006

	30 September 2006 £000	31 March 2006 £000
FIXED ASSETS		
Tangible assets	61,016	55,137
CURRENT ASSETS		
Stocks and work in progress	67	67
Debtors	1,915	2,890
Cash at bank and in hand	24	3
TOTAL CURRENT ASSETS	2,006	2,960
CREDITORS : Amounts falling due within one year	(12,105)	(13,781)
NET CURRENT ASSETS / (LIABILITIES)	(10,099)	(10,821)
TOTAL ASSETS LESS CURRENT LIABILITIES	50,917	44,316
CREDITORS: Amounts falling due after more than one year	0	(10)
Provisions for liabilities and charges	(1,015)	(1,227)
TOTAL ASSETS EMPLOYED	49,902	43,079
FINANCED BY:		
TAXPAYERS EQUITY		
General Fund	35,772	23,967
Revaluation reserve	13,974	18,961
Donated asset reserve	156	151
TOTAL TAXPAYERS EQUITY	49,902	43,079

OPERATING COST STATEMENT FOR THE PERIOD ENDED 30 September 2006

	1/4/06 - 30/9/06 £000	12 Months 2005/06 £000
Commissioning		
Gross Operating Costs	78,273	141,730
Less: Miscellaneous Income	(1,969)	(2,352)
Commissioning Net Operating Costs	76,304	139,378
Provider		
Gross Operating Costs	16,480	31,049
Less: miscellaneous income	(2,878)	(4,943)
Provider Net Operating Costs	13,602	26,106
Net Operating Costs before interest	89,906	165,484
Net Operating cost for the Financial Year	89,906	165,484

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 30 September 2006

	1/4/06 - 30/9/06 £000	12 Months 2005/06 £000
Unrealised surplus / (deficit) on fixed asset revaluations/indexation	3,944	1,408
Additions / (Reductions) in "other reserves"	(8,918)	3,498
Gains and losses recognised in the financial year	(4,974)	4,906