Department of Health

NHS

Luton Teaching Primary Care Trust

2012-13 Annual Report and Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Luton Teaching Primary Care Trust

2012-13 Annual Report

Annual Report

Annual Report 2012/13

1. Foreword from Chair

We are pleased to report that 2012/13 has been another year of progress during which we have continued to implement our plans to improve health and health services for our residents.

In this report you will be able to read about some of the work we are taking forward to reduce health inequalities and improve health; to improve quality and productivity; support the development of clinical commissioning; maintain and improve our performance; and support our staff through times of great change in the NHS.

Once again, we achieved all of our financial targets. Our local hospital consistently met the target for starting patients' treatment within 18 weeks of GP referral. Healthcare acquired infections have significantly fallen, while cancer care and stroke care have improved. We are continuing to improve end of life care and more patients are being offered the choice to spend their final days at home. 2012/13 was also a year of challenge and change as we ensured readiness for the new commissioning arrangements and other reforms set out in the Health and Social Care Bill that passed into law in March 2011.

We have continued to support the development of the emerging National Commissioning Board and clinical commissioning groups and continued to work closely with the Luton Borough Council in developing the new health and wellbeing board. Luton Clinical Commissioning Group received its authorisation during 2012/13 and will take responsibility for commissioning for Luton residents from April 1st 2013.
Plans are well developed for the transfer of public health functions and responsibilities to Luton Borough Council.

During the year, we have worked hard to deliver our programme to improve quality and productivity across the local health system. We have reduced unnecessary GP referrals to hospital, offering appropriate alternatives and have introduced new care pathways for diabetes and respiratory diseases, which will make these services more patient focused and efficient.

Together with our partners in social care, we must continue to improve the health and wellbeing of people living in Luton whilst making our money go further.

Once again, our staff have risen magnificently to these challenges. They have remained dedicated to doing the very best for our patients during times of uncertainty and are embracing the challenges that lie ahead. We want to thank them all for their efforts and for the confidence they give us that, together, we can achieve our aspirations and ambitions for health and health services in Luton. On a personal note, this is the final Annual Report of NHS Luton and I wish to thank our local residents, partner organisations and staff for their immense contribution in working with the PCT since its inception to deliver improved health.

Gurch Randhawa
Chair

Operating and Financial Review

We are required to present an operating and financial review in the context of the Annual Report, which provides the reader with a balanced and comprehensive analysis of the PCT's performance during the year. In accordance with NHS guidelines, this report covers the period from 1 April 2012 to 31 March 2013 and includes an overview of our achievements, details of the PCT's non-financial performance and the financial statements.

About us

NHS Luton is a National Health Service (NHS) primary care trust. As your local NHS we are allocated a budget every year for our local population. We use this to plan, develop and commission (buy) healthcare services on your behalf.

Our main functions and responsibilities are to:

- Work with our local population and partners to improve their health and wellbeing.
- Ensure everybody has access to safe, high-quality healthcare services.
- Plan, develop and commission (buy) healthcare services that are appropriate and relevant for the local population in our area so patients have the services they need.
- Manage and coordinate NHS contracts with GPs, dentists, pharmacists, opticians, the ambulance service, specialist services from hospitals and other healthcare providers, community health services, mental health trusts and the voluntary or independent sector.

Our place in the NHS

NHS Luton is one of the 13 PCTs in the East of England region, and in 2011 became part of a PCT cluster alongside NHS Bedfordshire.

We are accountable to our local population and to NHS Midlands and East Strategic Health Authority (previously East of England SHA), who monitor and evaluate our performance.

NHS Midlands and East are accountable to the Department of Health, as well as to the local population.

As commissioners, we plan and buy services from other NHS trusts and health care providers such as:

- South Essex Partnership Trust
- Cambridgeshire Community Services
- Luton and Dunstable NHS Foundation Trust
- Bedford Hospital NHS Trust

We also manage, coordinate and commission services, from GPs, dentists, pharmacists and opticians (who are all independent businesses working under an NHS contract to us).

Background and changing role of PCT

During August 2011 NHS Luton began working closely together with NHS Bedfordshire in a 'cluster' arrangement under a single executive team. This is a form of partnership working that enables us to eliminate duplication, learn from each other and reduce some of the costs associated with the management of two primary care trusts. Each PCT remains a separate statutory body.

Where we buy your healthcare

The following table gives a summary of where we commissioned services in 2012/13:

Type of healthcare	Where we buy it from on your behalf
Primary care: Your first point of contact for most NHS care.	• Local General Practices • Dentists • Pharmacists • Opticians and • Other provider primary care businesses.
Community services: This includes, district nursing, health visiting, speech and language therapy, podiatry, school nursing.	• Cambridge Community Services NHS Trust • South Essex Partnership NHS Foundation Trust
Hospital services: This includes outpatient clinics, operations and emergency care.	• Luton and Dunstable NHS Foundation Trust • Bedford Hospital NHS Trust • Specialist services from a number of centres located locally and across the UK, but mainly from London teaching hospitals
Mental health services: Includes, for example, psychological therapies, community mental health teams, and learning disability services.	• South Essex Partnership NHS Foundation Trust
Specialist health services: Includes, for example, treatment for specialist cardiac, renal, children's, neurosciences, cancer, genetics and many more.	• Specialist services from a number of centres located locally and across the UK, but mainly from London teaching hospitals
Emergency health services and transport.	• East of England Ambulance Service

Our Board

The Board is the accountable body of the PCT and is held to account for the organisation's performance. The Board includes a majority of lay people, known as non-executive directors including the chairman, who ensure that the views of the community are represented, provide independent judgment and ensure good corporate governance and proper husbandry of public funds.

During 2012/13, the Department of Health made it a requirement for all PCTs to operate as clusters with their neighbouring PCTs, whilst still remaining statutory bodies. With effect from August 2011 have been operating with one NHS Bedfordshire and Luton Cluster Board.

Board Members
(for the period 1 April 2012 to 30 March 2013 unless otherwise stated)

Please note the declarations of interest are as at March 2013 unless the Board member was not in office at that time (as indicated by the appointment end dates). In the latter cases, the declarations of interest are the latest declarations received during the period of their Board membership.

REGISTER OF MEMBERS INTERESTS AS AT 31ST MARCH 2013	
Name	Notified interests
Gary Ames	Member, Standing Commissioning on Carers (SCOC) Committee Member of the Barclays Bank Luton District Pensioner's Club Committee member, General Optical Council
Margaret Berry	Associate Chief Nurse, Strategic Health Authority
Maureen Briggs	Nil return
Felicity Cox	Lead Negotiator Community Pharmacy Contractual Framework, NHS Employers, on behalf of the NHS and commissioned by the DH (payment for this work goes to the PCT Cluster)
Dr Nicolas Curt	General practitioner providing PMS services LMC member
Steve Feast	Nil return
Stephen Finlan	Nil return
Chris Ford	Nil return
Ray Gunning	Public Governor, Luton & Dunstable Hospital Foundation Trust
Jackie Hammond	Director of Tunnelwood Ltd, T/A HR Consulting Trustee on the Board of Circus Space
Dr Paul Hassan	Provider of General Medical Services on PMS contract
Sajeeva Jayalath	Nil return
Geoff Lambert	Associate Director, Triangle Management Services Marketing Director, PLCWW Ltd Chair of Audit, Oaklands College Trustee, Bedfordshire and Luton Community Foundation
Dr Alvin Low	Provider of General Medical Services Chair, Ivel Valley Health Partnership
Chris Marshall	GP, Leighton Buzzard Member, Local Medical Council Performance Advisory Group (PAG), Hertfordshire
Anthony McKeever	Nil return
Angela McNab	Member, AAC
Jane Meggitt	Nil return
Wendi Momen	Magistrate sitting at Bedford; Member of the audit committee of BPHA; Councillor sitting on Northill Parish Council; Trustee of the Beds & Luton Community Foundation; Trustee of the Bedford Council of Faiths; Governor of the London School of Economics - Husband is a GP Locum & GP appraiser in Beds; Son-in-law is a GP with a Beds practice, Dr Seaman & Partners; Son is a consultant psychiatrist in Northampton

REGISTER OF MEMBERS INTERESTS AS AT 31ST MARCH 2013	
Dr Sarah Morris	Chair, West Mid Beds Commissioning GP Principle, Flitwick Surgery Shareholder, Highlands Pharmacy
Anne Murray	Nil return
Ann Nevinson	Independent member of the Standards Board of the Bedfordshire & Luton Combined Fire & Rescue Authority; Trustee of North & Mid Beds CVS
J Ogley	Nil return
David Parfitt	Employee, until 31 December 2011, Lloyds Banking Group Plc
Dr Peter Parry Okeden	Vice Chair, Health and Wellbeing Board Chair, Horizon Health Commissioning Chair, Horizon Health Choices Locality Lead, Bedford Profit sharing partner, Pemberley Surgery
Mark Patten	Wife, GP in Hertfordshire
Dr Ash Paul	Director of Admirals Landing Ltd
Professor Gurch Randhawa	Director, Institute for Health Research, University of Bedfordshire Non-Executive Director, Human Tissue Authority Member, UK Donation Ethics Committee Trustee, British Homeopathic Association Chair, Equality, Inclusion and Cohesion Group, Luton Forum Panel Chairman, Judicial Appointments Commission Ambassador for Diversity in Public Appointments, Government's Equalities Office NHS East of England Innovations Council
Julie Ridge	Nil return
Mike Ringe	Nil return
Antonia Robson	Nil return
Brian Rolfe	Nil return
John Rooke	CEO of Bedford on Call Ltd, Horizon Health Commissioning Ltd & Horizon Health Choices Ltd; Trustee of North East Bedford Learning Trust and Biddenham Learning Trust
Muriel Scott	Nil return
Dr Fiona Sim	Trustee and Chair designate, Royal Society for Public Health Board Member, UK Public Health Register Salaried GP, Whipperley Medical Centre, Luton Visiting chair, University of Bedfordshire & BHPMS
Gerry Taylor	Nil return
Paul Tisi	Nil return
Andrew White	Podiatry Lead, SEPT Community Health Services (Bedfordshire)
Fiona Wilson	Nil return
David Wilson	Nil return
Simon Wood	Nil return

Directors Details

As far as the directors are aware there is no relevant audit information of which the NHS body's auditors are unaware and he/she has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the NHS body's auditors are aware of that information.

Key issues for NHS Luton during the year

Transition

NHS Reform

The Health and Social Care Act (March 2012) makes many major changes to the way the NHS is managed.

The key areas of the Act are:

- Establishes an independent NHS Board to allocate resources and provide commissioning guidance;
- Increases GPs' powers to commission services on behalf of their patients (through Clinical Commissioning Groups);
- Strengthens the role of the Care Quality Commission;
- Develops Monitor, the body that currently regulates NHS foundation trusts, into an economic regulator to oversee aspects of access and competition in the NHS;
- Cuts the number of health bodies to help meet the Government's commitment to cut NHS administration costs by a third, including abolishing Primary Care Trusts and Strategic Health Authorities.

Source: www.parliament.co.uk

This means that, with effect from 1 April 2013, PCTs and Strategic Health Authorities will be abolished and new organisations will be formally established including: CCGs (Clinical Commissioning Groups), CSUs (Commissioning Support Units) and NHS England.

Additional duties have been placed on local authorities, including joined up commissioning of local NHS services, social care and public health (see below).

Clinical Commissioning Groups – LCCG

From 1 April 2013, CCGs will take over many of the duties of the PCTs and will be will become responsible for commissioning most healthcare – planning, buying and monitoring services to meet the needs of their local communities.

During 2012/13, the PCT Board created the CCG as a sub-committee and delegated commissioning responsibility to it while the CCG has worked towards authorisation, which was successfully achieved in March 2013.

Commissioning Support Unit (CSU)

NHS Central Eastern Commissioning Support Unit will be formally established on 1 April 2013. It will provide capacity to clinical commissioners as an extension of their local team to ensure that commissioning decisions are informed and processes structured. This approach will help achieve economies of scale and allow clinical commissioning groups to focus on direct commissioning of services for their patients.

The CSU will not be a statutory body and therefore will have no statutory functions. The CSU will be a service that is accountable to clinical commissioners.

NHS England

NHS England will be established formally from 1 April 2013. It will be a national organisation whose role will be to commission high quality primary care services, support and develop CCGs as well as assessing and assuring performance, direct commissioning (including specialised services), managing and cultivating local partnerships and stakeholder relationships including representation on Health and Wellbeing Boards.

NHS England will have Area Teams covering the CCG/PCT boundaries. For Luton that team is Hertfordshire and South Midlands Area Team.

More information is available at www.commissioningboard.nhs.uk

Public Health moving to Local Authorities

From 1 April 2013, the public health function will formally transfer from PCTs to Local Authorities. This transition has already started with public health teams being co-located with Local Authorities

Health and Wellbeing Boards

A key part of the Government's Health and Social Care Act (2012) will be the establishment of a statutory Health and Wellbeing Board in every upper tier authority.

These Boards will offer the opportunity for system-wide leadership to improve both health outcomes and health and care services. In particular they will have a duty to promote integrated working, and drive improvements in health and wellbeing by promoting joint commissioning and integrated delivery.

Health and Wellbeing Boards will be responsible for:

- Leading on the production of the Joint Strategic Needs Assessment (JSNA) - an assessment of local health and wellbeing needs across healthcare, social care and public health.

- Producing a Joint Health and Wellbeing Strategy in response to the JSNA, which will provide a strategic framework for local commissioning plans.

The Boards will bring together locally elected councillors with the key commissioners, including representatives of clinical commissioning groups, directors of public health, children's services and adult social services and a representative of local Healthwatch (the new patients' representative body).

NHS Constitution

The NHS Constitution became law in November 2009. It enshrines the original principle of the NHS when it was founded over 60 years ago – the NHS belongs to the people and the Constitution sets out rights and responsibilities for staff and for patients and the public. For more information, visit www.nhs.uk

Looking forward, local clinical commissioners will be responsible for upholding and reinforcing the requirements of the NHS Constitution.

Equality and diversity and sustainability

Ensuring equality for all

Working towards an NHS that is personal, fair and diverse

Equality is about making sure people are treated fairly and given fair chances. It's not about treating everyone the same way, but recognising that their needs are met in different ways.

The PCT Board is formally committed to the Equality Delivery System; designed to improve the equality and diversity performance of the NHS by embedding it into the mainstream business of NHS commissioners, and providers.

Equality and diversity awareness is embedded across our organisation. We ensure all policies, commissioning cases and service developments, have Equality and Diversity as a core guiding principle.

The feedback collected from community engagement events and grading panels held during 2012/13, is used to inform the work and the future work of the PCT cluster and of our local Clinical Commissioning Groups (CCGs).

There were new duties were placed upon NHS organisations by the Public Sector Equality Duty (PSED) and the Equality Delivery System (EDS) in 2011; a report, evidencing the PCTs compliance with the PSED.

We also offered interpreting and translation services (including British Sign Language) to our primary care contractors during 2012-13, PALS (our Patient Advice and Liaison Service).

Sustainability and caring for our environment

Background

In 2009 the Sustainable Development Unit (SDU) in the Department of Health published its recommendation for Trust Boards to establish governance structures to support the implementation of carbon reduction and sustainable development agendas through the adoption of a 'Board-approved Sustainable Development Management Plan'.

On 1 February 2011, The SDU published its latest guidance on collaborative working across the health system. Their 'RouteMap' succinctly makes the point that by its nature the NHS must be sustainable: "We must meet the needs of our patients today, while ensuring we have a service fit for tomorrow and beyond."

The Climate Change Act sets a legal requirement for the UK to achieve carbon reductions of 26% by 2020 and 80% by 2050. Work carried out by the SDU for England indicates that the NHS needs to achieve a 10% reduction on 2007 levels by 2015 to meet the legal imperative. The NHS has a carbon footprint of around 18 million tonnes CO2 per year; this is composed of energy (22%), travel (18%) and procurement (60%). Despite an increase in efficiency, the NHS has increased its carbon footprint by 40% since 1990. This means that meeting the Climate Change Act targets of 26% reduction by 2020 and 80% reduction by 2050 will be a huge challenge; this will require the current level of growth of emissions to not only be curbed, but the trend to be reversed and absolute emissions reduced.

NHS Luton

NHS Luton's aim is to play a leading and innovative role across the local health economy, ensuring that we become a low carbon organisation through a high standard of sustainable development. This is based on the principles of good corporate citizenship and the NHS Carbon Reduction Strategy to have positive impacts on health, expenditure, efficiency and equity.

We have implemented a number of carbon-reducing initiatives.

1. We have a cross-organisational Sustainable Management Strategic Group, which is responsible for the implementation; monitoring and reporting of our board- approved Sustainable Development Action Plan (SDAP). The three-year plan, which came into effect in March 2011, sets out how we aim to reduce our carbon emissions, ensure a more sustainable use of resources and together with our local authority partners, become the local leader in promoting activities that support good corporate citizenship. Luton Clinical Commissioning Group will adopt this plan with any necessary revisions to take account of new guidance and statutory obligations.
2. NHS Luton's carbon footprint for the financial year from 1 April 2010 to 31 March 2011 is estimated to be 1,232 tonnes of CO2e. This is an increase of 15 tCO2e (1.2%) on the organisation's 2009/10 baseline, which reflects the broader range of components included in the calculation rather than a like-for-like increase. NHS Luton joined the Good Corporate Citizenship Framework in November 2011. This will allow us to measure our sustainability and develop recommendations for improvement.
3. Having signed up to being a Good Corporate Citizen in 2011, NHS Luton currently has a 20% Good Corporate Citizenship rating compared to a regional and national score of 36.8% and 38.5% respectively. This means we are classified as 'getting there' when using our corporate powers and resources in ways to benefit rather than damage the economic, social and environmental conditions in which we live.
4. In support of our overarching Sustainability Policy, NHS Luton now has a Sustainable Business Travel Policy and Office Energy Efficiency Policy, supporting teleconferencing and reducing business travel. It is too early to report any improvements as a result of these initiatives.
5. 'Push it, switch it and sustain it' is NHS Luton's sustainability brand through which the organisation actively raises carbon awareness at every level of the organisation, encouraging staff to consider the impact of their actions on climate change, influence action and take ownership of how the organisation can become more sustainable. Climate Week and the NHS's first Sustainability Day of Action in March provided opportunities to generate discussion and new thinking to help our action plan achieve a carbon reduction. Staff took part in a range of activities, including a survey to gather the attitudes and behaviours of staff towards climate change, making a sustainable pledge and joining the online BIG Sustainable Idea.
6. NHS Luton can also report continued improvements in data collection and analysis, allowing the organisation to track changes more effectively and identify trends with more confidence, thereby continually improving its reporting and stabilising its baseline. The trust's aim is to reduce combined carbon emissions from its buildings, transport, waste and procurement by 10% overall by 2015, in line with the target set in the NHS Strategy. Luton CCG will be adopting the NHS Strategy targets for carbon reduction from April 2013.

Our performance

NHS Luton has worked hard to maintain, and where possible improve, performance to meet the needs of its local community, and to make further progress in tackling the national and local priorities for healthcare.

QIPP

QIPP is the acronym used in the NHS to describe the approach to successfully deliver national and local service and quality objectives within the anticipated future funding constraints. QIPP is made up of four interlinked elements: Quality, Innovation, Productivity and Prevention. Together they will enable the NHS to deliver on its vision for change and improvement, whilst maintaining the quality and range of services people want and need.

Taking into account the current and future needs of the population and the financial constraints, the system identified a number of opportunities for service redesign that offered scope to deliver better care and outcomes for less direct investment, for delivery through 2012/13.

Progress for delivery of QIPP schemes has been monitored on a monthly basis as part of preparing the monthly financial and performance reports. This information has been shared at Board level and with partners and stakeholders in our local system in order to ensure a joined up approach to delivery of care and safety.

Performance against National Targets

The NHS Operating Framework for 2012/13 sets out the indicators and milestones. These are split into five domains as listed below. Healthcare Trusts have regard to these when planning healthcare services. They are used to assess how SHAs and PCTs are delivering during the year of transition.

Domain 1	Preventing people from dying prematurely;
Domain 2	Enhancing quality of life for people with long-term conditions;
Domain 3	Helping people to recover from episodes of ill health or following injury;
Domain 4	Ensuring that people have a positive experience of care; and
Domain 5	Treating and caring for people in a safe environment; and protecting them from avoidable harm.

Our performance 2012/13

Please see **Appendix 1** for the PCT's performance report for the year, which provides details on how the organisation performed against each of the indicators and milestones described.

To find out more
More detailed information on our performance against key targets and indicators is given in the regular performance reports to our public board meetings.

Looking ahead

The White Paper, Equity and Excellence: Liberating the NHS set out how the improvement of healthcare outcomes for all will be the primary purpose of the NHS. This means ensuring that the accountabilities running throughout the system are focussed on the outcomes achieved for patients not the processes by which they are achieved.

The NHS Outcomes Framework 2013/14 reflects the vision set out in the White Paper and contains a number of indicators selected to provide a balanced coverage of NHS activity. Its purpose is threefold:

- to provide a national level overview of how well the NHS is performing;
- to provide an accountability mechanism between the Secretary of State for Health and the NHS Commissioning Board for the effective spend of some £95bn of public money; and
- To act as a catalyst for driving up quality throughout the NHS by encouraging a change in culture and behaviour.

Value for money assessment 2012/13

As part of the national changes, the Department of Health abolished the Use of Resources assessment for 2010/11 onwards and replaced it with a Value for Money (VFM) conclusion to be made by Grant Thornton, who are NHS Luton's external auditors.

Their conclusion is given in the financial statements section of this report and is based upon an assessment by the auditor as to how far NHS Luton has put in place proper arrangements for securing, economy, efficiency and effectiveness in its use of resources and financial resilience.

Introduction to the accounts

Under the Government's changes to the National Health Service, the financial year 2012/13 saw the end of the NHS as we know it. Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Luton Teaching PCT was dissolved on 1st April 2013.

The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 38 to our accounts, Events after the Reporting Period.

During the year, as well as continuing to focus on maintaining and improving health outcomes for Luton people, we have worked closely with our local GP practices to develop Luton's clinical commissioning group (CCG), and with other NHS organisations in a year of great transition. From 1st April, 2013, local clinicians will, via the CCG, commission NHS services.

We have been proud to serve the people of Luton, providing health care and services tailored specifically to our community.

Our Workforce

In 2012/13, NHS Luton employed 121 full and part-time staff. The figures below include all directly employed staff, including those on fixed term contracts, but do not include bank staff.

Staff Group	
Prof Scientific and Technical	3
Administrative and Clerical	112
Other	4
Allied Health Professionals	0
Medical and Dental	1
Nursing and Midwifery Registered	1
Grand Total	121

The table below shows the percentage of days lost through staff sickness in 2012. The data is drawn from the Electronic Staff Record (ESR), and covers the period January to December 2012.

	Luton PCT
Staff sickness absence rate	2.11%

2. Report of the Director of Finance

There are three main statutory financial duties that PCTs have to achieve. The PCT met all of them for the financial year ended 31 March 2013.

1. Revenue Expenditure must not exceed the approved revenue resource limit. In 2012/13, the approved revenue resource limit for the PCT was £341.5m. Net revenue expenditure totalled £341.4m, resulting in a net surplus for the year of £45,000 (or 0.0001 per cent of the resource limit).

2. Capital Costs must not exceed the approved capital resource limit. The PCT's expenditure on capital items totalled £2.501m in 2012/13, against an approved revenue resource limit of £2.501m.

3. Cash must remain within the approved cash limit. The PCT had an approved cash limit for 2012/13 of £341.8m. A net £337.8m was drawn down from the Department of Health. The final local cash balance at 31 March 2013 was £2,000 overdrawn.

The information in the 2012/13 summary statements shown in our annual report has been taken from the audited accounts.

As such, they might not contain sufficient information for a full understanding of the trust's financial position and performance. A full set of the audited accounts, together with the full statement of directors' responsibility in respect of internal control is available from NHS England Hertfordshire and South Midlands Area Team Charter House Parkway Welwyn Garden City Herts AL6 6JL.

The PCT has prepared its financial statements for 2012/13 on a full IFRS (International Financial Reporting Standards) basis in accordance with NHS Treasury and the Department of Health directions.

These statements have also been prepared on a going concern basis, despite the dissolution of the PCT. This is because where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

Christopher Ford
Director of Finance

3. Summary financial information

As Accounting Officer for NHS Luton, the Director of Finance is responsible for:

a) Implementing the PCT's financial policies and for coordinating any corrective action necessary to further these policies;

b) Maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;

c) Ensuring that sufficient records are maintained to show and explain the PCT's transactions, in order to disclose, with reasonable accuracy, the financial position of the PCT at any time; and without prejudice to any other functions of the PCT, and employees of the PCT, the duties of the Director of Finance include:

- The provision of financial advice to other members of the Board and Executive Committee and employees;
- The design, implementation and supervision of systems of internal financial control;
- The preparation and maintenance of such accounts, certificates, estimates, records and reports as the PCT may require for the purpose of carrying out its statutory duties.

Statement of Financial Position (As at 31 March 2013)

	31 March 2013 £'000	31 March 2012 £'000
Non Current Assets:		
Property, plant and equipment	16,013	17,025
Total non-current assets	16,013	17,025
Current assets:		
Inventories	0	36
Trade and other receivables	4,002	5,501
Cash and cash equivalents	0	0
Total current assets	4,002	5,537
Current liabilities:		
Trade and other payables	(23,530)	(22,844)
Provisions	(600)	(22)
Borrowings	(2)	0
Total current liabilities	(24,132)	(22,866)
Non-current assets plus/less net current assets/liabilities	(4,117)	(304)
Non-current liabilities		
Provisions	(133)	(161)
Total non-current liabilities	(133)	(161)
Total Assets Employed:	(4,250)	(465)
Financed by taxpayers' equity:		
General fund	(7,266)	(3,636)

Revaluation reserve	3,016	3,171
Total taxpayers' equity:	(4,250)	(465)

Revenue Resource Limit for the year ending 31 March 2013

	2012/13 £'000	2011/12 £'000
The PCTs' performance for the year ended 31 March 2013 is as follows:		
Net Operating Cost for the Financial Year	341,436	326,046
Revenue Resource Limit	341,481	326,302
Under/(Over)spend Against Revenue Resource Limit (RRL)	45	256

This reflects the way in which PCT performance is recorded by the Department.

Statement of cash flows for the year ended 31 March 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	**(341,432)**	(326,040)
Depreciation and Amortisation	**970**	616
Impairments and Reversals	**2,500**	1,000
Other Gains / (Losses) on foreign exchange	**0**	0
Donated Assets received credited to revenue but non-cash	**0**	0
Government Granted Assets received credited to revenue but non-cash	**0**	0
Interest Paid	**0**	0
Release of PFI/deferred credit	**0**	0
(Increase)/Decrease in Inventories	**0**	0
(Increase)/Decrease in Trade and Other Receivables	**1,499**	(1,518)
(Increase)/Decrease in Other Current Assets	**0**	0
Increase/(Decrease) in Trade and Other Payables	**591**	862
(Increase)/Decrease in Other Current Liabilities	**0**	0
Provisions Utilised	**(34)**	(38)
Increase/(Decrease) in Provisions	**575**	0
Net Cash Inflow/(Outflow) from Operating Activities	**(335,331)**	**(325,118)**
Cash flows from investing activities		
Interest Received	**0**	0
(Payments) for Property, Plant and Equipment	**(2,461)**	(1,496)
(Payments) for Intangible Assets	**0**	0
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	0
Proceeds of disposal of assets held for sale (PPE)	**0**	0
Proceeds of disposal of assets held for sale (Intangible)	**0**	0
Proceeds from Disposal of Other Financial Assets	**0**	0
Proceeds from the disposal of Financial Assets (LIFT)	**0**	0
Loans Made in Respect of LIFT	**0**	0
Loans Repaid in Respect of LIFT	**0**	0
Rental Revenue	**0**	0
Net Cash Inflow/(Outflow) from Investing Activities	**(2,461)**	**(1,496)**
Net cash inflow/(outflow) before financing	**(337,792)**	**(326,614)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**0**	0
Net Parliamentary Funding	**337,790**	326,681
Capital Receipts Surrendered	**0**	0
Capital grants and other capital receipts	**0**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	**0**	0
Net Cash Inflow/(Outflow) from Financing Activities	**337,790**	**326,681**
Net increase/(decrease) in cash and cash equivalents	**(2)**	**67**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**0**	**(67)**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	**(2)**	**0**

Running Costs for the year ended 31 March 2013

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**11,288**	10,687	601
Weighted population (number in units)*	192,479	192,479	192,479
Running costs per head of population (£ per head)	**59**	**56**	**3**
PCT Running Costs 2011-12			
Running costs (£000s)	**9,996**	9,224	772
Weighted population (number in units)	192,479	192,479	192,479
Running costs per head of population (£ per head)	**52**	**48**	**4**

* Weighted population figures are not available for 2012-13 as the weighted capitation formula for PCT allocations was not updated for 2012-13. This was because it was decided to give all PCTs the same percentage growth in their allocations in this transitional year rather than differential growth based on a weighted capitation formula

Therefore, 2011-12 weighted populations have been used when calculated the Running Costs per head of population in 2012-13

Better Payment Practice Code for the year ended 31 March 2013

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

	2012/13		2011/12	
	Number	£'000	Number	£'000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	7,351	31,780	7,766	30,810
Total Non-NHS Trade Invoices Paid Within Target	6,219	24,348	7,380	27,629
Percentage of Non-NHS Trade Invoices Paid Within Target	**84.60%**	**76.61%**	**95.03%**	**89.68%**
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,217	223,513	2,944	224,073
Total NHS Trade Invoices Paid Within Target	2,175	175,184	2,355	216,495
Percentage of NHS Trade Invoices Paid Within Target	**67.61%**	**78.38%**	**79.99%**	**96.62%**

Capital Resource Limit (For the year ending 31 March 2013)

The PCT is required to keep within its Capital Resource Limit.

	2012/13 £'000	2011/12 £'000
Capital Resource Limit	2,501	1,496
Charge to Capital Resource Limit	2,501	1,496
(Over)/Underspend Against CRL	0	0

Remuneration Report 2012-13

		2012-13			2011-12			2012-13
	Date of joining/leaving	Salary *(bands of £5,000)*	Bonus Payments (bands of £5,000)	Benefits in kind *(bands of £100)*	Salary *(bands of £5,000)*	Bonus Payments (bands of £5,000)	Benefits in kind *(bands of £100)*	Gross Payslip Salary *(bands of £5,000)*
		£000	£000	£00	£000	£000	£00	£000
G Randhawa *Chair*		40-45			20-25			40-45
G Lambert *Non-Executive Director*		15-20			10-15			15-20
D Parfitt *Non-Executive Director*		5-10			0-5			5-10
G Ames *Non-Executive Director*		5-10			0-5			5-10
B Rolfe *Non-Executive Director*	Started 01.12.2011	0-5			0-5			5-10
W Momen *Non-Executive Director*	Started 01.12.2011	0-5			0-5			5-10
F Cox *Chief Executive*	Ended 30.09.2012	70-75			0-5			140-145
C Ford *Director of Finance*		50-55			60-65			105-110
A Murray *Director of Quality & Nursing*	Started 01.07.2011	45-50			30-35			90-95
S Wood *Director of Commissioning*	Started 01.10.2011	5-10			25-30			95-100
G Taylor *Director of Public Health*		80-85			50-55			80-85
A Robson *Director of Corporate Services*		15-20			40-45			35-40
Dr F Sim *Director of Medicine*	Started 15.11.2011	60-65			15-20			120-125
S Feast *Director of Transformation*	Ended 31.08.2012	60-65			95-100			60-65
N Davies *Director of Nursing?*	Started 27.08.2012	20-25			0			45-50
J Meggitt *Director of Communications*	Started 01.06.2012	5-10			0			15-20
R Huber *Director of Human Resources*	Started 01.06.2012	5-10			0			10-15
****J Hammond** *Interim Director of Human Resources*	Ended 31.08.2012	50-55			90-95			50-55
M Barhey CCG *Chair*		85-90			70-75			85-90
C Hill CCG Accountable Officer	Started 20.02.2013	20-25			0			20-25
****A Burgess CCG** Interim Director of Strategy & Sustainability	Started 10.04.2012	260-265			0			260-265
S Schofield CCG Chief Finance Officer	Started 07.02.2013	135-140			0			135-140
Dr N Pearson CCG Deputy Chair	Started 01.07.2011	50-55			0			50-55
Dr V Desai CCG Secondary Care Member	Started 03.12.2012	0-5			0			0-5
Dr S Swain CCG GP Member	Started 01.07.2011	20-25			0			20-25

Dr M Alabi CCG GP Member	Started 24.02.2012	35-40			0			35-40
Dr N Razzaq CCG GP Member	Started 01.07.2011	10-15			0			10-15
Dr A Robinson CCG GP Member	Started 24.04.2012	10-15			0			20-25
J Szumski CCG GP Member	Started 01.07.2011	0-5			0			0-5
M Ringe *CCG* *Chief Operating Officer*	Ended 23.11.2012	50-55			50-55			50-55
R While *CCG* *Member*		55-60			55-60			55-60

** Indicates Interim postholder. Interims are paid a daily rate and do not benefit from pension contributions or pay during annual leave.

In 2012-13 nil remuneration was waived by Directors and nil allowances were paid in lieu

NHS Luton shared a cluster arrangement with NHS Bedfordshire and majority of the executive board was on a 50/50 basis. All of LCCG was exclusively NHS Luton.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation and the median remuneration of the organisation's workforce.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation and the median remuneration of the organisation's workforce.The banded remuneration of the highest paid director in NHS Luton in the financial year 2012-13 was £215-220k (2011-12, £95-100k). This was 5.95 times (2011-12, 2.65 times) the median remuneration of the workforce, which was £35-40k (2011-12, £35-40k). The reason behind a sharp increase in this years multiple is because in 2011/12 Exec posts were shared with NHS Bedford but in 2012/13 LCCG Board were exclusive to Luton.All agency and interim costs have been calculated using an average of 240 working days to calculate the FTE. All agency costs, estimated to be at 20%, have been excluded from the calculation. This is based on competetive agency commission figures. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Duration of contracts is linked to the duration of the role, so if a role is an on-going/permanent requirement, it will be done as a permanent contract. Equally, if the role is only required for a fixed term period of time, it will be done for the corresponding period.

Notice periods are standardised, with member of staff at bands 7 and below required to give 1 months notice, band 8a and above 3 months notice, and those at VSM level, 6 months notice.

Standard practice on termination payments is they are made only in redundancy situations, based on a member of staff having at least 2 years continuous NHS service to be eligible for any payment. This is all done in line with Agenda for Change.

Our main service contract is for Andrew Burgess who is supplied through an agency and his role is ongoing. There are no clauses in his contract that would find the organisation liable for any early termination of his contract.

All agency and interim costs have been calculated using an average of 240 working days to calculate the FTE.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Chief Executive: **Date:** **Date:**

Table 1: For off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012

No. in place on 31 January 2012	8
Of which:	
No. that have since come onto payroll	1
Of which:	
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	1
No. that have come to an end	6
Total	8

Table 2: For all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months

No. of new engagements	0
Of which:	
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0
Of which:	
No. for whom assurance has been accepted and received	0
No. for whom assurance has been accepted and not received	0
No. that have been terminated as a result of assurance not being received	0
Total	0

Pension Entitlements 2012/13

Name	Title	Leavers	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
NHS Luton										
C Ford	Director of Finance		(2.5-5)	(10-12.5)	15-20	55-60	348	384	(56)	0
G Taylor	Director of Public Health		7.5-10	27.5-30	20-25	70-75	412	240	159	0
A Robson	Director of Corporate Services		0-2.5	0	0-5	0	25	21	3	0
Dr F Sim	Director of Medicine		2.5-5	7.5-10	5-10	25-30	214	129	78	0
F Cox	Chief Executive		0-2.5	5-7.5	5-10	20-25	127	83	39	0
S Feast	Director of Transformation	Left 31/08/12	(5-7.5)	(15-17.5)	20-25	65-70	430	365	46	0
A Murray	Director of Quality/Nursing		2.5-5	10-12.5	10-15	40-45	274	188	76	0
N Davies	Director of Nursing, Quality & Governance	Started Aug 12	[1]	[1]	5-10	20-25	125	[1]	[1]	0
R Huber	Director of Human Resources	Started Jun 12	[1]	[1]	20-25	65-70	502	[1]	[1]	0
J Meggitt	Director of Communications	Started Jun 12	[1]	[1]	0-5	35-40	205	[1]	[1]	0
S Wood	Director of Commissioning		(0-2.5)	(5-7.5)	0-5	0-5	13	57	(47)	0

[1] Individual was not in Director post with the Trust at 31 March 2012; comparative figures not available

Name	Title	Leavers	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
Shared Post										
C Ford	Director of Finance		0-2.5	5-7.5	35-40	110-115	697	615	50	0
G Taylor	Director of Public Health		(0-2.5)	(0-2.5)	20-25	70-75	412	384	8	0
A Robson	Director of Corporate Services		0-2.5	0	5-10	0	50	33	15	0
Dr F Sim	Director of Medicine		0-2.5	5-7.5	15-20	50-55	428	344	66	0
F Cox	Chief Executive		2.5-5	10-12.5	10-15	40-45	253	167	77	0
S Feast	Director of Transformation	Left 31/08/12	(0-2.5)	(2.5-5)	50-55	160-165	1,026	974	2	0
A Murray	Director of Quality/Nursing		0-2.5	0-2.5	25-30	85-90	548	502	20	0
N Davies	Director of Nursing, Quality & Governance	Started Aug 12	[1]	[1]	15-20	45-50	250	[1]	[1]	0
R Huber	Director of Human Resources	Started Jun 12	[1]	[1]	45-50	135-140	1,004	[1]	[1]	0
J Meggitt	Director of Communications	Started Jun 12	[1]	[1]	20-25	70-75	411	[1]	[1]	0
S Wood	Director of Commissioning		0-2.5	0-2.5	10-15	35-40	261	229	20	0

[1] Individual was not in Director post with the Trust at 31 March 2012; comparative figures not available

Related party transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party		Receipts from Related Party		Amounts owed to Related Party		Amounts due from Related Party	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
	£	£	£	£	£	£	£	£
Mr Gurch Randhawa, the Chair of the Trust is an employee of the **University of Bedfordshire**	**2,621**	17,840	**0**	0	**0**	895	**0**	0
Ms J Hammond was an Executive Director of Human Resources for the PCT, is Director of her own company that provided HR Consultancy to the PCT. **Tunnelwood Ltd T/A HR Consulting**	**53,148**	177,887	**0**	0	**0**	0	**0**	0
Dr F Sim who is Executive Director of Medicine for the PCT, is Trustee and vice chair and joint editor in chief of Journal owned by the Society and Board member of UK Public Health Register. **Royal Society for Public Health**	**2,431**	1,000	**0**	0	**680**	0	**0**	0
Mr D Parfitt who is Non Executive Director of the PCT, was an employee of Lloyds Banking Group PLC. **Lloyds Banking Group PLC (Lloyds TSB Autolease)**	**0**	80,106	**0**	0	**0**	451	**0**	0
Dr N Pearson who is Vice Chair for the Clinical Commissioning Group for the PCT is a GP partner for the Lea Vale medical Group and Share Holder for Local Healthcare Solutions								
Lea Vale Medical Group	**2,777,646**	2,202,727	**0**	0	**0**	0	**0**	0
Local Healthcare Solutions	**2,945,440**	1,761,363	**0**	0	**0**	0	**0**	0
Dr B Bahey who is the Chair for the Clinical Commissioning Group for the PCT is a GP partner for the Woodland Avenue Practice and is paid for teaching at the Royal College of GPs.								
Woodland Avenue Practice	**1,531,008**	1,377,661	**0**	0	**1,015**	0	**0**	0
Royal College of GPS	**0**	6,380	**0**	0	**0**	0	**0**	0
Dr V Desai who is Secondary Care Member for the Clinical Commissioning Group, is consultant for Milton Keynes Hospital NHS Foundation Trust **Milton Keynes Hospital NHS Foundation Trust**	**173,000**	0	**0**	0	**0**	0	**30**	0
J Szumski who is a Clinical Leadership Executive Committee Member, is a Nurse Partner with Lea Vale Medical Centre, partner at Lea Vale Health, and Director of Nursing at Local Healthcare Solutions								
Lea Vale Medical Centre	**2,777,646**	2,202,727	**0**	0	**0**	0	**0**	2,190
Local Healthcare Solutions	**2,945,440**	1,761,363	**0**	0	**0**	0	**0**	0
Dr S Swain who is GP Member for the Clinical Commissioning Group, is part of the Blenheim Medical Centre **Blenheim Medical Centre**	**1,333,312**	0	**0**	0	**293**	0	**0**	0
Dr M Alabi who is GP Member for the Clinical Commissioning Group, **Medici Medical Centre**	**1,392,769**	0	**0**	0	**0**	0	**0**	0
Dr N Razzaq who is GP Member for the Clinical Commissioning Group, is part of the Bute House Medical Centre **Bute House Medical Centre**	**916,154**	0	**0**	0	**25**	0	**0**	0
Dr A Robinson who is GP Member for the Clinical Commissioning Group, is part of Moakes Medical and Whipperley Medical Centre								
Moakes Medical Centre	**427,769**	0	**0**	0	**0**	0	**0**	0
Whipperley Medical Centre	**428,508**	0	**0**	0	**0**	0	**0**	0
Samir Patel, was a member of the Clinical commissioning group last year and shown as an employee for Waremost Ltd **Bulls Pharamacy**	**0**	1,375	**0**	0	**0**	0	**0**	0
Paul Tisi, was a member of the Clinical commissioning group last year and shown as an employee at Bedford Hospital NHS Trust **Bedford Hospital NHS Trust**	**0**	2,734,000	**0**	0	**0**	215,000	**0**	0
Andrew Gale, was a member of the Clinical commissioning group last year and shown as the Divisional Director for Medicine at Luton and Dunstable NHS FT **Luton and Dunstable NHS FT**	**0**	105,568,000	**0**	136,000	**0**	2,035,000	**0**	0
Michael Wood, was a member of the Clinical commissioning group last year and shown as the sole trader of Leagrave Dental Sedation Clinic **Leagrave Dental Sedation Clinic**	**0**	49,902	**0**	0	**0**	0	**0**	0
Sajeeva Jayalath, was a member of the Clinical commissioning group last year and shown as clinical director for South Essex Partnership NHS FT **South Essex Partnership NHS FT**	**0**	27,899,000	**0**	15,000	**0**	794,000	**0**	0
Paul Choudhury, was a member of the Clinical commissioning group last year and shown as a Trustee for the Ian Hutcheon Clinic for Children and a Board member of the Shadow CCG Board **Bell House**	**0**	2,963	**0**	0	**0**	0	**0**	2,000
	17,706,892	145,844,295	**0**	151,000	**2,013**	3,045,346	**30**	4,190

The Department of Health is regarded as a related party. During the year Luton Teaching PCT has had a significant number of material transactions with the

Related Parties Organisations	Expenditure		Revenue		Payables		Receivables	
	2012/13 £000's	2011/12 £000's	2012/13 £000's	2011/12 £000's	2012/13 £000's	2011/12 £000's	2012/13 £000's	2011/12 £000's
Bedford Hospital NHS Trust	3,301	2,734	20	0	110	215	6	0
Bedfordshire PCT	4,987	5,344	1,938	2,389	1,057	1,432	1,976	2,173
Cambridge University Hospitals NHS Foundation Trust	1,499	1,074	0	0	0	0	15	77
Cambridgeshire Community Services NHS Trust	24,372	22,553	2,418	0	74	397	962	770
Cambridgeshire PCT	21	29	1	0	0	0	1	1
East and North Hertfordshire NHS Trust	3,144	5,413	0	0	162	0	1	59
East of England Ambulance NHS Trust	7,487	7,536	0	0	30	147	0	0
East of England Strategic HA	0	0	200	607	0	0	75	39
Guys and St Thomas NHS Foundation Trust	737	389	0	0	110	13	0	0
Imperial College Healthcare NHS Trust	1,209	1,570	0	0	0	62	356	0
Luton and Dunstable Hospital NHS Foundation Trust	111,597	105,568	150	136	4,200	2,035	0	0
NHS Direct NHS Trust	587	367	0	0	45	175	0	0
Royal Free London NHS Foundation Trust	2,036	1,789	0	0	11	0	0	120
South East Essex PCT	36,265	29,416	1	0	5,445	1,252	1	0
South Essex Partnership NHS Foundation Trust	28,504	27,878	0	15	429	794	0	0
The Royal National Orthopaedic Hospital NHS Trust	1,440	1,265	0	0	0	52	0	0
University College London NHS Foundation Trust	3,345	3,768	0	0	0	911	22	0
West Hertfordshire Hospitals NHS Trust	1,840	1,676	0	0	0	62	12	0

STATEMENT OF THE RESPONSIBILITIES OF THE SIGNING OFFICER OF THE PRIMARY CARE TRUST

The Department of Health's Accounting Officer designates the Signing Officer of the accounts of PCTs in England, an officer of the Department of Health, to discharge the following responsibilities for the Department, to ensure that for the year ended 31 March 2013:

- there were effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money was achieved from the resources available to the primary care trust;
- the expenditure and income of the primary care trust had been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems were in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the 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 above responsibilities, as designated Signing Officer and through experience in my role as Accountable Officer until 31 March 2013.

Note – **If the regularity opinion has been qualified because of a breach of a resource limit**, insert at this point**.**
* except for capital/revenue expenditure in excess of resource limits which was not intended by Parliament and did not conform to the authorities which govern them.

nb: sign and date in any colour ink except black

Signed.....Designated Signing Officer

Name:

Date.....

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Primary Care Trusts as NHS bodies 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. From 1 April 2013 responsibility for finalising the accounts falls to the Secretary of State. Formal accountability lies with the Department of Health's Accounting Officer, and her letter of 28 March 2013 designated the Signing Officer and Finance Signing Officer, to discharge the following responsibilities for the Department in preparing the accounts:

- 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.

- ensure that the PCT kept proper accounting records which disclosed 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.

- have taken reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Permanent Secretary.

nb: sign and date in any colour ink except black

…….....Date.....Signing Officer

…….....Date .....Finance Signing Officer

Auditor's report – Please see **Appendix 2**

NHS Luton

Organisation Code: 5GC

Governance Statement

Foreword

The year 2012/13 is the final year of operation for the PCT. The Health and Social Care Act (March 2012) makes many major changes to the way the NHS is managed and services commissioned.

The key areas of the Act are:

- Establishes an independent NHS Board to allocate resources and provide commissioning guidance;
- Increases GPs' powers to commission services on behalf of their patients (through Clinical Commissioning Groups);
- Strengthens the role of the Care Quality Commission;
- Develops Monitor, the body that currently regulates NHS foundation trusts, into an economic regulator to oversee aspects of access and competition in the NHS;
- Cuts the number of health bodies to help meet the Government's commitment to cut NHS administration costs by a third, including abolishing Primary Care Trusts and Strategic Health Authorities.

Source: www.parliament.co.uk

This means that, with effect from 1 April 2013, PCTs and Strategic Health Authorities will be abolished and new organisations will be formally established including: CCGs (Clinical Commissioning Groups), CSUs (Commissioning Support Units) and the National Commissioning Board (NCB).

Additional duties have been placed on local authorities, including joined up commissioning of local NHS services, social care and public health.

The Governance arrangements of the PCT were amended in 12/13 to reflect this major change, in particular the establishment of a Transition committee. The details of the work of that committee, the board and the already established committees are set out below.

Scope of responsibility

The Chief Executive is the Accountable Officer for the Primary Care Trust (PCT) and is responsible for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding public funds.

As Accountable Officer, it is my responsibility to ensure probity and transparency in the running of the organisation in accordance with the responsibilities set out in the Accountable Officer's Memorandum. I am personally accountable for ensuring the PCT is administered economically and that the public funds entrusted in me are deployed efficiently and effectively.

The section below describes the systems that were in place during the year from 1 April 2012 to 31 March 2013 to support decision making and manage risk.

The governance framework of the organisation

The PCT is governed by a Board made up of six Non-Executive Directors, including the Chairman, and six executive Directors, including the Chief Executive. In addition, the HR Director, Director of Communications and the Medical Director attend the Board in a non-voting capacity. Also in support of the developing Clinical

Commissioning Groups, the Chairs along with the Chief Operating Officer/Accountable Officer from both have attended Board meetings.

The Board has overall responsibility for determining the future direction of the PCT and ensuring delivery of safe and effective services in accordance with legislation and principles of the NHS. The Board must also ensure the organisation complies with relevant regulatory standards, for example, ensuring that waiting time targets are adhered to; QIPP plans are in place and monitored and financial duties are met.

Non-Executive Directors of NHS organisations are appointed by the Appointments Commission, which is an independent body. They are not employees of the PCT but receive remuneration for their role which is agreed nationally. Executive Directors are employees of the PCT. Details of directors remuneration is set out within the Annual Report.

There have been a number of changes to the Executive Director structure throughout the year. In addition to the Chief Executive, the Executive Director posts are:-

- Muriel Scott and Gerry Taylor, Directors of Public Health (for NHS Bedfordshire and Luton respectively)
- Chris Ford, Director of Finance
- Jackie Hammond, HR Director who left in June and was replaced by Raffelina Huber
- Dr Steve Feast, Director of Transformation and Deputy Chief Executive
- Julie Ridge, Director of Communications. Julie was seconded to the central communications team working on transition arrangements and was replaced by Jane Meggitt.
- Simon Wood, Director of System Redesign and Performance
- Dr Fiona Sim, Medical Director
- Anne Murray, Director of Quality/Nursing

The Non-Executive Directors appointed by the Appointments Commission are outlined below:-

- Gurch Randhawa (Chair)
- Geoff Lambert
- Gary Ames
- Wendi Momen
- Brian Rolfe
- David Parfitt

The Board met nine times during the year. In November 2012, the Chair took the decision once the NHS Commissioning Board Local Area Team was in place, to reduce the number of PCT Board meetings; however its Finance & Performance Committee was reinstated and met in January and February 2013 to scrutinise finance and performance for both the PCT Cluster and the two Clinical Commissioning Groups.

Board committees

To ensure that the PCT delivers on its statutory duties and to guarantee that services are available to its population that are safe and deliver value for money, the PCT cluster had in place a sub-committee structure consisting of those committees that are statutory (e.g. Audit Committee and Remuneration and Terms of Service Committee). Also in line with national guidance, both Clinical Commissioning Groups became sub-committees of the PCT Board and a cluster wide Patient Safety & Quality Committee and Finance & Performance Committee was put in place. A Decision Making Group was also in place. The Terms of Reference for all sub-committees were reviewed and the sub-committees contain representation from Luton Clinical Commissioning Group.

Finally, to ensure a smooth transition, a Transition Steering Group was formed. The Group was chaired by a Non-Executive Director and membership included the Head of Transition, Director of Finance, Interim Director of Quality & Governance and Head of Governance & Risk/Company Secretary. Others were called to provide assurance to the group on transition matters e.g. human resources and public health when required.

The Transition Steering Group ensured delivery of the General Handover Document and the Quality Handover Documents to the Clinical Commissioning Groups and has also ensured that systems and processes were in place to produce the required transfer documentation in terms of assets, liabilities etc. All documentation was completed within the given timeframes and the necessary submissions to the Cluster Board and Strategic Health Authority made.

There have not been any issues of quoracy for the Board and its sub-committees.
The standing committees carry out functions delegates to them by the Board and seek assurance on behalf of the Board. These committees report directly to the Board. The role of the committees and a summary of issues considered by the committees is detailed below:

Audit & Risk Management Committee

The objectives of the Committee are to:

- Provide an independent and objective review of the effectiveness of internal control arrangements.
- Provide assurance to the Cluster Board on the systems of internal control and risk management across all functions and is supported by internal audit.

The Committee is Chaired by Geoff Lambert and the remaining Non-Executive Directors attend as members of the Committee. The Director of Finance, Head of Governance & Risk and representatives from Luton Clinical Commissioning Group, external audit, internal audit and the local counter fraud specialists also attend the meetings. The Committee met five times during the year.

The key achievements were:

- Provided assurance to the Board around the effective application of internal controls and risk management processes;
- Together with the Transition Steering Group, provided Board assurance around the processes leading to the disestablishment of the PCT and provided support and advice regarding the establishment of CCG governance systems.

Remuneration and Terms of Service Committee

The objectives of the Committee are to:

- Review recommendations on remuneration, allowances and terms of service of the Chief Executive and Executive Directors; ensuring appropriate processes are in place to monitor and evaluate performance of the Chief Executive and Executive Directors; oversee appropriateness of the appointment of Executive Directors.
- Determine pay awards for senior managers.
- Monitor the organisations capacity and capability to ensure delivery of objectives.
- Has responsibility for HR issues of significance and major organisational change, including TUPE requirements.
- Identification of risks associated with the areas outlined above.

The Committee is Chaired by Gary Ames and attended by a further three Non-Executive Directors. The Chief Executive and HR Director, also attend the Committee meetings as does the Director of

Finance/Deputy Chief Executive, where appropriate. Given the scale of the task with regard to transition arrangements, the decision was taken to increase the number of meetings and the Committee met six times during the year.

The key achievements were:

- Approved severance/redundancy benefits, following reorganisations and closure of PCTs;
- Approved rates of pay for Bedfordshire and Luton Clinical Commissioning Groups;
- Reviewed performance reports and recommendations for individuals on VSM contracts and proposed category of pay awards, as appropriate.

Patient Safety & Quality Committee

The objectives of the Committee are to:

- Provide assurance that appropriate processes are in place to demonstrate delivery of the organisations priorities and objectives in the context of all national standards.
- Reporting in relation to key areas of quality i.e. complaints, patient surveys, infection control etc.

The Committee was initially Chaired by Brian Rolfe and attended by Gary Ames and Wendi Momen who are Non-Executive Directors. However Mr Rolfe was recruited as the Chair of the Bedfordshire Clinical Commissioning Group and as such stood down from his PCT Cluster Non-Executive role. The Committee has since been chaired by Wendi Momen and also Gary Ames. It is also attended by the Director of Quality and Safety, Medical Director and Directors of Public Health. The Committee met six times during the year.

The key achievements were:

- The Committee supported the development of an integrated quality and performance report.
- Improved mechanisms for the reporting of serious incidents.
- Inclusion of adult and children's safeguarding reporting so that this is integrated;
- Inclusion of CCG representatives onto the membership of the committee.

Finance & Performance Committee (January and February 2013 only)

The objectives of the Committee were to: -

- Review issues relating to the use of PCT resources that may impact on the PCTs ability to achieve its statutory financial targets.
- Provide assurance to the Board that arrangements are in place to demonstrate performance against all national, regional and local targets.
- For the Clinical Commissioning Groups to provide assurance around financial and performance targets and progress of QIPP delivery.
- Review and ensure delivery of operating plans.

The Committee was Chaired by the PCT Cluster Chair, Gurch Randhawa. Members are also Geoff Lambert, Gary Ames and Wendi Momen who are Non-Executive Directors and the Director of System Redesign and Performance and the Director of Finance. Representatives from both Clinical Commissioning Groups also attended each meeting. The Committee met twice during the year.

The key achievements were:

- Oversaw, monitored and provided assurance to the Board covering key finance and performance goals of the PCT Cluster and Clinical Commissioning Groups. This included:

Meeting all statutory requirements:

1. **Revenue expenditure** was within the approved revenue resource limit. Cluster resource limit was £341.5m, actual spend was £341.4m, producing a surplus of £0.1m.
2. **Capital costs** were within the approved capital resource limit. Cluster resource limit of £2.5m.
3. **Cash** must remain within the approved cash limit. The PCT cluster had an approved cash limit for 2012/13 of £337.8m and this amount was drawn down in full from the Department of Health. The final cash balance as at 31 March 2013 was £2,000 overdrawn.

Also oversaw QIPP programme deliver savings of £5.5m.

Performance

- Detailed review of monthly performance against national and local indicators including quality and safety measures.
- Agree actions for improvement and monitor delivery.

The Executive is the key body responsible for implementing the strategic direction set by the Board and for ensuring clinical, service and financial performance in line with local and national standards. The Executive Team was chaired by the Chief Executive and met weekly. Its membership included the Directors of Public Health, Director of Finance, HR Director, Director of Transformation and Deputy Chief Executive, Director of Communications, Director of System Redesign and Performance, Medical Director and the Director of Quality/Nursing. In addition the Chairs and Chief Operating Officer/Accountable Officer of the two Clinical Commissioning Groups have attended these meetings.

Board effectiveness

The Board agreed that the priorities for the year were:

- To reduce health inequalities and support people and communities to live in good health for longer;
- To integrate services, deliver QIPP and improve outcomes for patients;
- Support Clinical Commissioning Groups throughout the authorisation process;
- Support staff through change and develop new skills;
- Maintain performance in transition;
- Develop Commissioning Support Services.

2012/13 was a challenging year for NHS Luton and the Board had certain key issues to address. These included:

- Improving performance against key targets at a local acute trust including A&E, stroke, RTT and cancer.
- Ensuring that statutory financial targets are met.
- Supporting the development of Luton Clinical Commissioning Group through its journey to authorisation.
- Ensuring that a Commissioning Support Service was in place that was fit for purpose and able to deliver as required to the Clinical Commissioning Groups.

Compliance with the Code of Governance

The Board is bound by the Code of Governance which requires Boards of NHS organisations to exercise the same standards of governance that apply to all private and public sector organisations.

This means that Boards must work together and take collective responsibility for the performance of the organisation, including financial, service and clinical performance. Not all of the agreed objectives were fully delivered in year, indicating a need to improve the effectiveness of the process for setting deliverable objectives and the controls that are in place for monitoring delivery.

The Board operates as a unitary Board. This means that all Board members work as equals to act in the best interests of the organisation.

The Board has exercised its duty to monitor performance through the integrated performance reports that it receives.

The Board has maintained a strong focus on clinical governance, ensuring that clinical safety has not been compromised by the financial pressures facing the organisation and has applied a range of mechanisms to assess clinical quality and patient experience, including presentation of a patient story at each meeting and regular review of complaints data and patient experience surveys and reports.

The Board meets the criteria set out in the Code of Governance in relation to the independence of Non-Executive Directors.

There are clear committee structures and the responsibilities of individual committees are set out in their terms of reference and the Scheme of Delegation.

The Standing Orders follow the model standing orders for NHS PCTs and are complied with.

Board administration has strengthened with the role of the Company Secretary with responsibility for preparing and distributing agenda and papers, maintaining comprehensive records of meetings and decisions, ensuring appropriate referral of matters between the Board and committees and ensuring decisions. The presentation and content of papers has improved significantly.

The effectiveness of the Board is constantly reviewed with post Board meetings in place attended by the Executive Directors, Company Secretary and Chief Executive.

Risk assessment

All PCT staff are empowered to identify risks within their own operational areas. The PCT adopted the 4Risk system to capture risks. It consists of the Board Assurance Framework and individual directorate risk registers. One to one training is available on the system and risk management processes for all staff.

Either the high risks or the Board Assurance Framework are reported to the Board and Audit & Risk Management Committee meetings, where discussions take place as to whether the mitigations are sufficient to reduce the level of inherent risk to one that is tolerated by the organisation. The Board Assurance is also reviewed by the Executive Team to ensure that it reflects the organisations strategic objectives. In addition one to one meetings are held with each of the Executive Directors to ensure that any high risks aligned to them are reviewed on a monthly basis.

There have been two information governance breaches in the last financial year as outlined below:

- December 2012 – the Continuing Healthcare Team (CHC) had been in correspondence with a lady in regard to continuing healthcare funding for her mother. The CHC team inadvertently mentioned another patient in the letter. The lady complained and an investigation identified the CHC team regularly cut and paste information from one letter to another. In this case information was transferred from one letter to another in error. The team have now agreed to stop the practice of cutting and pasting and will use standard templates.
- February 2013 – An email containing two letters was sent to Dr VV in error. The email was meant for another GP who had a similar surname. The letter contained personal information relating to the GPs performance. Dr VV opened the email and letters and realised they were not for him. He complained

and an investigation took place. The investigation revealed the administration team who sent the original email did not have an up to date and complete email address spreadsheet resulting in a temporary member of staff being given the wrong email address. The administration team have now amended the spreadsheet.

The risk and control framework

The Board's Risk Management Strategy defines the structure for the management of risk and identified responsibility for ownership of risk. Leadership is given to the risk process from the Chief Executive who has overall accountability supported by the Executive Directors. Risk management processes are led, overseen and disseminated through the organisation by the Executive Directors, senior managers and line managers.

Risk management is clearly defined and incorporated into the job descriptions of Board members and all senior managers. Risk is integrated into the business planning process and all staff are encouraged to report incidents and near misses thus enabling the PCT to identify and hence minimise its exposure to risk.

Root cause analysis of serious incidents is undertaken as appropriate and feedback provided to staff through team meetings. Feedback is also provided via staff newsletters as part of a wider learning process. The risk register is established with reports being presented to the Board. The risk register also incorporates the organisation's assurance framework which is also reviewed in line with the operating framework and risks relating to the transition to clinical commissioning, the NHS Commissioning Board and Commissioning Support Services. The Executive Directors consider performance and risk at their Executive Team meetings and in additional performance and accountability meetings.

Most risks have a direct influence with the PCT. Those impacting on other local providers are considered at Partnership Board meetings in conjunction with other stakeholders.

The Chief Executive and Executive Team meet with the Strategic Health Authority on a bi-monthly basis in order that NHS Luton's current position is reviewed on a regular basis.

Review of the effectiveness of risk management and internal control

The PCT has worked closely with the internal auditors in developing the risk management framework. The audit undertaken focussing on Cluster Governance was rated as green, providing substantial Board assurance. In addition the Head of Internal Audit has concluded that the system of internal control in place during 2012/13 provided significant assurance. This is based on the range of work undertaken as part of the annual internal audit plan.

There were four low recommendations following the Cluster Governance audit all of which were accepted and implemented.

Significant issues
There have not been any additional significant issues to report.

Accountable Officer: **Jane Halpin, NHS Commissioning Board Area Director, Hertfordshire and South Midlands**

Organisation: **NHS Luton**

Signature:

Date:

APPENDIX 1

EXECUTIVE SUMMARY

This is the integrated performance report combining performance activity for Luton. The report provides a summary of performance against key national indicators together with activity against other national and regional indicators including safety and patient experience as identified in the NHS National Operating Framework 2012/13, the East of England Commissioning Framework 2012/13 and the Bedfordshire and Luton Cluster Integrated Plan 2012/13 – 2014/15. The latest performance against the identified quality measures have been split into the 5 domains as identified in the NHS National Operating Framework 2012/13.

Domain 1	Preventing People from Dying Prematurely
Domain 2	Enhancing Quality of Life for People with Long Term Conditions
Domain 3	Helping People to recover from episodes of Ill Health or following Injury
Domain 4	Ensuring that People have a Positive Experience of Care
Domain 5	Treating and Caring for People in a Safe Environment and protecting them from Avoidable Harm

For each exception report the responsible organisation has been included in brackets i.e. CCG/Cluster/Public Health and for those reports where there is no additional data or commentary this has been identified by including the wording previously reported on the indicator heading.

The following key performance indicators are performing above the target level for Luton. There are a number of indicators that are measured either quarterly or annually and data for these is not currently available.

Risks – N/A
Appendices N/A

The following key performance indicators are performing above the target level across the cluster.

Domain 1 Preventing People from Dying Prematurely

- Ambulance Category A 8 and 19 Minutes at commissioner level
- Cancer – All cancer indicators have been achieved at provider and commissioner level
- High risk TIA patients assessed and treated within 24 hrs at both commissioner and provider level
- Breast screening offered to women aged 47-49 and 71-73
- Bowel cancer screening offered to men and women aged 70-75 yrs
- Cervical screening test results being returned to women within 14 days
- Mothers Smoking at time of delivery
- Children in Yr R and 6 with height and weight recorded
- Babies with a breastfeeding status recorded
- Unplanned patients admitted to critical care within 4 hours – L&D
- New Mothers known to have initiated breastfeeding

Domain 2 Enhancing Quality of Life for People with Long Term Conditions

- Mental Health – Early Intervention Teams – new cases of Psychosis
- Mental Health – Home Treatment Episodes by Crisis Resolution Home Treatment Teams
- Mental Health – Acute Admissions gate kept by Crisis Resolution Home Treatment Teams
- Mental Health – CPA follow up within 7 days of discharge

Domain 3 Helping People to Recover from Episodes of Ill Health or following Injury

- Stoke patients spending at least 90% of their time on a stroke ward at commissioner level in quarter

Domain 4 Ensuring that People have a Positive Experience of Care

- Referral to Treatment at both commissioner and provider level for admitted, non-admitted and incomplete pathways
- Mixed Sex Accommodation at commissioner and provider level in month
- Health Visitors
- Women who have seen a midwife by 12 weeks and 6 days of pregnancy
- End of Life – People on the end of life register
- A&E total time in department <4 hrs in month, unplanned re-attendance within 7 days, left department without being seen and time to treatment in department
- Annual Staff Survey
- Net Promoter 10% sample size, 10 point increase

Domain 5 Treating and Caring for People in a Safe Environment and protecting them from Avoidable Harm

- C Difficile
- Antibiotic Prescribing
- VTE risk assessment and audit of prophylaxis
- Patients receiving harm free care
- Child safeguarding alerts raised to investigation level
- Never events in month
- Serious incident breached reports
- Number of breached safety alerts in month
- Number of warning notices from the Care Quality Commission

PERFORMANCE ISSUES

The following indicators are performing below the target level based on the latest available data for either Luton. Section 3 of the report details the actions being taken to address the performance issues.

Domain 1 Preventing People from Dying Prematurely

- **Immunisation and Vaccinations aged 2 & 5 –** Aged 2 and 5 immunisation rates for Qtr 3 were under threshold. There has been a decline of uptake at age 5 despite the slight increase of uptake at age 2 and remain below the target of 95%. An investigation into the reasons for this has been undertaken and data at individual child and practice level has been reviewed. A 10 point plan has been developed and shared with practices and will be reviewed in line with Qtr 3 performance

Domain 2 Enhancing Quality of Life for People with Long Term Conditions

- **Unplanned Hospitalisation – Chronic Ambulatory Care Sensitive Conditions** –There has been a rise in the number of Unplanned Hospitalisation – Chronic Ambulatory Care admissions. In January the Trust was over the monthly threshold of 71.02 with 78.81 and is significantly over plan with 807.28 against the 710.27 year to date threshold.

- **Unplanned Hospitalisation – Asthma, Diabetes and Epilepsy in under 19's –** In January the Trust was over plan with 37.88 against the monthly threshold of 31.43 and also remains over plan with 325.76 against the 314.39 year to date target. There are a number of contributory factors to this increase including the cold weather affecting children with Asthma and an increase in childhood diabetes diagnosis. The Trust continues to work closely with providers to ensure that unplanned hospitalisation for these conditions in the under 19's is reduced

Domain 3 Helping People to recover from episodes of Ill Health or following Injury

- **Acute emergency admissions not usually requiring hospital admissions – Reduce Emergency re-admissions within 30 Days of discharge –** In January these indicators continue to be over plan. The Overview and Scrutiny Committee's review of Discharge at the Luton and Dunstable Hospital is in progress to develop a clear understanding of any issues surrounding discharge.

Domain 4 Ensuring that People have a Positive Experience of Care

- **18 Week RTT Pathway** – RTT Data is not available until 21st March so it is not possible to provide an update in this report.

- **Diagnostic Tests – Waiting no Longer than 6 Weeks -** In January the PCT did not achieve the 99% target for this indicator and the Luton and Dunstable Hospital was under target with 98.08%. There were 29 breaches of the 6 week wait target for Luton patients; 18 of which were at the Luton and Dunstable in MRI. The Trust has suffered staffing issues in this area and a new 7 day shift system will be in place by the end of May 2013 to ensure achievement of this target is consistently achieved. This is being monitored by the PCT monthly.

- **GP referrals to 1st Outpatient appt using Choose and Book (CAB) -** Performance increased by almost 6% in February as expected, from the seasonal dip in December/January. A programme of practice visits has been planned and dates are being finalised, however it is anticipated that with these visits being carried out over the coming weeks, performance will continue to improve and fall more in line with the target within Qtr 1 2013/14.

- **Summary Care Records (SCR) –** In February this indicator remains under plan against the 92% target. There are currently 14 practices that have uploaded their records to the spine, for use with the SCR which is 35.18% of patient records. Unfortunately despite engagement with practices, the activity for SCR uploads continues to fall.

- **Health Visitors** - The January position of 33.05 wte has been maintained and but remains 4 wte below target. There are currently vacancies for 8 wte which are in the process of being recruited to. Given the projected numbers of students and potential retirements / leavers, it is expected that the provider will achieve their target of 70 Health Visitors by March 2015. The Quality Team will continue to work closely with their HV Lead to achieve this.

- **A&E Unplanned time to full initial assessment (95th percentile) – Provider –** In January the Luton and Dunstable Hospital remains significantly over the 15 minute target. The Trust continue to trial different iterations of the recently established IAT (Immediate Assessment Team) in order to identify how best to provide the service. On-going PCT liaison with the Hospitals Executive Director will also maintain focus on this target.

- **Delayed Transfers of Care –** In Qtr 3 the Luton and Dunstable Hospital saw an improvement on the Qtr 2 position of 5.13% with 4.56% but was still over plan against the target of less than 3.5%. Since November there has been an operational director at the Trust involved in the whole system bi-weekly winter teleconferences in order to escalate and share mitigating actions.

- **Midwife Ratio -** Luton and Dunstable Hospital were over plan with the ratio of 1:34 against the 1:30 target for Qtr 3. The hospital continues to experience a high shortage of staff due to vacancies, sickness and maternity leave however it has recently employed a number of midwives and continues to recruit to establish a full team. The Trusts Quality Monitoring/Clinical Operational Board is monitoring this situation.

Domain 5 Treating and Caring for People in a Safe Environment and protecting them from Avoidable Harm

- **MRSA –** In January there were 2 reported cases of MRSA; 1 was apportioned to the Luton and Dunstable Hospital and has been reported as a serious incident, and 1 was community acquired and full root cause analyses are being carried out for both.

- **Clostridium Difficile Infections –** There were 2 cases of CDiff in January; 1 acquired in the community and the other at the Luton and Dunstable Hospital. The PCT remains on the year to date trajectory with 29 cases against a ceiling of 30, while the Luton and Dunstable remain below the year to date ceiling with 16 cases against a ceiling of 27.

- **Adult Safeguarding Alerts raised to Investigation Level –** In February 2013 the PCT received 19 health related safeguarding alerts; 9 of the alerts were closed by the local authority as they did not reach criteria for further safeguarding investigation. Out of the remaining 10 alerts the Luton and Dunstable had 1 incident which was in relation to poor discharge.

- **Serious Incidents and Never Events –**The Luton and Dunstable Hospital reported 8 serious incidents in February; 5 x Pressure Ulcers, 1 x MRSA bacteraemia, 1 x Fall resulting in fracture and 1 x Blood spot cards lost in post. The Trust had no never events during February

- **WHO Surgical Checklist –** In Qtr 3 the Luton and Dunstable Hospital were under plan with 93.33% against the 95% target. The Trust have had a never event and as a result has revised the WHO Surgical Checklist process. The hospital has provided the PCT with assurance that before the audit for Qtr 4 the process of signing off every checklist following each theatre session is to be double checked against the theatre list.

- **Pressure Ulcers Reported as a Serious Incident –** The Luton and Dunstable Hospital reported 5 Pressure Ulcers as Serious Incidents for February. These will be subject to root cause analysis (RCA) to establish if they were avoidable or unavoidable.

The report is split into the following sections:

Section 1	Performance against Key National Indicators ranked across NHS Midlands and East Region including year to date performance overview
Section 2	Performance against National and Local Indicators including safety and patient experience
Section 3	Exception reporting for areas of under performance
Section 4	Finance Activity – Month 10
Section 5	Benchmarking of Key Performance Indicators

1 CLUSTER PERFORMANCE AGAINST KEY NATIONAL INDICATORS 2012/13

Year to Date Performance Overview

The table below identifies from the key national and additional quality indicators that the PCT measures, those that have been consistently included within the exception reporting section of this report as being underperforming. Each indicator has been ragged to show underperformance in a particular month in red and achievement of the target in green. Whilst there is some variability in performance of particular indicators it is clear that there are long standing issues with a number of them.

Luton														
Indicator	**Trust**	**Apr**	**May**	**Jun**	**Qtr 1**	**Jul**	**Aug**	**Sep**	**Qtr2**	**Oct**	**Nov**	**Dec**	**Qtr 3**	**Jan**
Key National Quality Measures														
Acute Emergency Admissions not Usually Requiring Hospital Admission	LCCG				Monthly				Monthly				Monthly	
Cancer 62 day - Screening	LCCG			No data										
Cancer 62 day - Urgent GP referral	LCCG			No data										
Health Checks - Delivered	LCCG	Quarterly				Quarterly				Quarterly				Quarterly
Home Treatment Episodes by Crisis Resolution/Home Treatment Teams	LCCG				Monthly				Monthly				Monthly	
RTT - 18 weeks - Admitted - Number of treatment functions below 90%	L&D													
RTT - 18 weeks - Incomplete - Number of treatment functions below 92%	L&D													
RTT - 18 weeks - Non Admitted - Number of treatment functions below 95%	L&D													
4 Week Smoking Quitters	LCCG	Quarterly				Quarterly				Quarterly				Quarterly
Unplanned Hospitalisation for Asthma, Diabetes and Epilepsy in under 19's	LCCG				Monthly				Monthly				Monthly	
Unplanned Hospitalisation for Chronic Ambulatory Care - Sensitive Conditions	LCCG													
Additional Quality Measures														
A&E Time to Full Assessment	L&D				Monthly				Monthly				Monthly	
Deaths in Usual Place of Residence	LCCG	Quarterly				Quarterly				Quarterly				Quarterly
Immunisation and Vaccination aged 2	LCCG													
Immunisation and Vaccination aged 5	LCCG													
Midwife Ratio	L&D													
Number of Grade 3 and 4 Pressure Ulcers Reported as a Serious Incident	L&D				Monthly				Monthly				Monthly	
Reduce Emergency Readmissions within 30 of Discharge	LCCG													
Stoke - High risk TIA Patients treated within 24 hours but not admitted	L&D													
Stoke Patients Spending at Least 90% of Their Time on a Stoke Unit	L&D													

Ragging – Red – Below target
Green – on or above target
White – no data

COMMISSIONER PERFORMANCE AGAINST KEY NATIONAL INDICATORS 2012/13

The table below shows a monthly snapshot of performance across the Luton and Bedfordshire against the national headline indicators. The ranking analysis is based on 39 Commissioners across NHS Midlands and East region and has been calculated by ranking the sum totals for patient experience, A&E waiting times, MRSA rate, C Difficile rate, MSA breaches, RTT overall rank and cancer overall rank.

PCT RANKING ANALYSIS

Key Performance Indicators	MRSA Bacteraemia	C diff Infections	Mixed Sex Accommodation Unjustified breaches	RTT 95th percentiles (weeks)			RTT Total	RTT overall rank	Cancer waiting times: % patients seen within standards									Cancer waiting times, overall rank	Overall Ranking
				Admitted	Non Admitted	Incomplete			All Cancer 2 week waits	Two week waits for breast symptoms	31 day waits	31-Day Standard for Subsequent Cancer Treatments- Surgery	31-Day Standard for Subsequent Cancer Treatments- Drug	31-Day Standard for Subsequent Cancer Treatments- Radiotherapy	All cancer two month urgent referral to treatment waits	62-day screening	62-day upgrade		
Reporting Date	Jan-13	Jan-13	Jan-13	Dec-12	Dec-12	Dec-12			Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12		
				90%	95%	92%			93%	93%	96%	94%	98%	94%	85%	90%	85%		
Bedfordshire	0/0	11/7	0	92.9%	97.7%	96.0%			96.5%	95.2%	100.0%	100.0%	98.2%	96.9%	87.7%	100.0%	100.0%		
Luton	2/0	2/2	0	93.1%	98.1%	96.2%			95.0%	98.0%	100.0%	100.0%	100.0%	100.0%	91.7%	100.0%	-		
Ranking																			
Bedfordshire	20	10	37	26	26	14	66	20	14	20	1	1	34	30	17	1	1	14	21
Luton	33	3	39	23	21	11	55	17	31	8	1	1	1	1	3	1	-	1	18

* NHS Midland and East average

Performance	Ranking
On Plan	Best Performing
Within 5% of plan	Worse Performing
More than 5% away from plan	

Please note - Ranking for MRSA is against YTD rate per 100,000 population, C Difficile is against YTD rate per 10,000 population age 2 plus and Mixed Sex Accommodation is against YTD rate per 1,000 episodes

PROVIDER PERFORMANCE AGAINST KEY NATIONAL INDICATORS 2012/13

The table below shows a monthly snapshot of performance across the cluster against the national headline indicators. The ranking analysis is based on 46 Providers across NHS Midlands and East region and has been calculated by ranking the sum totals for patient experience, A&E waiting times, MRSA rate, C Difficile rate, MSA breaches, RTT overall rank and cancer overall rank.

TRUST RANKING ANALYSIS

Key Performance Indicators	Patient experience - Annual Survey	A&E - % within 4 hours QTD	MRSA Bacteraemia	C diff Infections	Mixed Sex Accommodation Unjustified breaches	RTT 95th percentiles (weeks)			RTT Total	RTT overall rank	Cancer waiting times: % patients seen within standards									Cancer waiting times, overall rank	Overall Ranking
						Admitted	Non-admitted	Incomplete			All Cancer 2 week wait	Two week wait for breast symptoms	31 day waits	31-Day Standard for Subsequent Cancer Treatments- Surgery	31-Day Standard for Subsequent Cancer Treatments- Drug	31-Day Standard for Subsequent Cancer Treatments- Radiotherapy	All cancer two month urgent referral to treatment wait	62-day screening wait	62-day upgrade wait		
Reporting Date	2011/12	10/02/2013	Jan-13	Jan-13	Jan-13	Dec-12	Dec-12	Dec-12			Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12		
						90%	95%	92%			93%	93%	96%	94%	98%	94%	85%	90%	85%		
Bedford Hospital NHS Trust	75.6	95.1%	0/0	4/3	0	93.9%	98.1%	97.2%			95.8%	95.2%	100.0%	100.0%	100.0%	-	86.6%	100.0%	100.0%		
Luton & Dunstable Hospital NHS FT	71.7	97.3%	1/0	2/2	0	93.1%	98.1%	96.3%			94.9%	97.0%	100.0%	100.0%	94.7%	-	91.5%	100.0%	-		
Ranking									RTT Total	RTT overall rank										Cancer waiting times, overall rank	Overall Ranking
Bedford Hospital NHS Trust	18	12	31	20	40	18	23	12	53	17	30	22	1	1	1	1	29	1	1	19	22
Luton & Dunstable Hospital NHS FT	43	3	37	10	46	26	24	20	70	25	37	17	1	1	41	1	10	1	1	22	33

Performance	Ranking
On Plan	Best Performing
Within 5% of plan	Worse Performing
More than 5% away from plan	

Please note - Ranking for MRSA is against YTD rate per 10,000 bed days, C Difficile is against YTD rate per 1,000 bed days age 2 plus and Mixed Sex Accommodation is against YTD rate per 1,000 episodes

Domain 1 - Preventing People from Dying Prematurely

CLUSTER DASHBOARD - COMMISSIONER			BEDFORDSHIRE CCG						LUTON CCG						
Key National Quality Measures		Period	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ01	Ambulance Category A response arriving within 8 mins - commissioner	Jan	75%		77.95%	77.93%		↑	75%		88.17%	88.52%		↑	April
PHQ01	Ambulance Category A response arriving within 8 mins - EEAST	Jan	75%		71.80%	73.96%		↑	75%		71.80%	73.96%		↑	April
PHQ02	Ambulance Category A ambulance arrival within 19 mins - commissioner	Jan	95%		97.84%	98.05%		↑	95%		98.89%	98.83%		↑	April
PHQ02	Ambulance Category A ambulance arrival within 19 mins - EEAST	Jan	95%		92.80%	93.87%		↑	95%		92.80%	93.87%		↑	April
PHQ03	Cancer 62 days - 1st treatment following an urgent GP referral	Jan	85%		85.90%	86.00%		↓	85%		95.65%	89.77%		↑	April
PHQ04	Cancer 62 days - 1st treatment following referral from Screening Service	Jan	90%		94.12%	95.36%		↓	90%		100.00%	92.17%		↔	April
PHQ05	Cancer 62 days - 1st treatment following consultants decision to upgrade	Jan	85%		100.00%	94.75%		↔	85%		100.00%	100.00%		↔	April
PHQ06	Cancer 31 day - 1st definitive treatment from diagnosis	Jan	96%		98.76%	98.54%		↓	96%		100.00%	99.39%		↔	April
PHQ07	Cancer 31 day - Subsequent treatment for cancer - Surgery	Jan	94%		100.00%	98.35%		↔	94%		100.00%	99.38%		↔	April
PHQ08	Cancer 31 day - Subsequent treatment for cancer - Drugs	Jan	98%		100.00%	99.82%		↑	98%		100.00%	99.66%		↔	April
PHQ09	Cancer 31 day - Subsequent treatment - Radiotherapy	Jan	94%		98.55%	97.26%		↑	94%		95.24%	99.09%		↓	April
PHQ30	Number of 4 week smoking quitters	Q2 12/13	2984	695	594	1334		↑	1610	688	158	453		↑	March
PHQ31	Eligible patients agreed 40-74 years offered a Health check	Q3 12/13	27750	20250	11770	25302		↑	9484	7113	1461	4201		↑	April/May
PHQ31	Eligible patients agreed 40-74 years who received a Health check	Q3 12/13	19054	13200	4776	10692		↑	7020	5265	761	2009		↑	April/May
Additional Quality Measures															
SQU06	High risk TIA patients assessed and treated within 24 hrs	Q3 12/13	60%		73.91%	63.53%		↑	60%		82.61%	77.55%		↑	April
SQU20	Women aged 47-49 and 71-73 invited for breast screening	Q3 12/13	32% by Q4	24%	29.90%	29.90%		↑	32% by Q4	24%	26.5%	26.5%		↑	Apr/May
SQU21	Men and women aged 70-75 year invited for bowel cancer screening	Q3 12/13	43.6%		81.31%	83.84%		↓	43.6%		77.66%	80.21%		↓	Apr/May
SQU22	Women receiving cervical screening test results within 14 days	Q3 12/13	98%		99.5%	99.5%		↓	98%		99.7%	99.7%		↓	April
VSB10	HPV Dose 1, 2 & 3 - for girls aged around 12-13 yrs	2011-12	90%		95.98%	95.98%		↑	90%		76.0%	76.0%		↓	Dec
VSB10_10	Imms and Vacs - Immunisation rate for aged 2 for MMR (primary dose only)	Q3 12/13	95%		94.7%	94.3%		↑	95%		90.1%	89.8%		↑	May
VSB10_15	Imms and Vacs - Immunisation rate for aged 5 for MMR (primary & booster)	Q3 12/13	95%		93.3%	92.1%		↑	95%		82.0%	82.2%		↓	May
SHA Ambition	Making Every Contact Count (MECC) through systematic healthy lifestyle advice delivered through front line staff														
	Smoking quitters in 20% MSOA	Q2 12/13	880	396	349	349			400	200	153	153			March
	Mothers Smoking at time of delivery	Q3 12/13	<13%		12.85%	13.27%		↑	<15%		14.69%	13.26%		↓	April/May
	% of children in Yr 6 with height and weight recorded who are obese	2011 School Year	<16.9%		16.50%	16.50%		↓	<21%		23.15%	23.15%		↓	Early 2014
	% of children in Yr R with height and weight recorded who are obese		<9%		8.36%	8.36%		↑	<11%		11.16%	11.16%		↑	Early 2014
	% of children in Yr 6 with height and weight recorded		94%		94.00%	94.00%		↔	85%		99.25%	99.25%		↓	Early 2014
	% of children in Yr R with height and weight recorded		94%		96.40%	96.40%		↔	85%		99.24%	99.24%		↓	Early 2014
	Babies with a breastfeeding status recorded	Q3 12/13	95%		97.57%	97.11%		↑	95%		98.08%	97.81%		↓	April/May
	Babies who are totally or partially breastfed	Q3 12/13	48%		45.99%	46.37%		↓	56.9%		53.54%	55.86%		↓	April/May
CCG Supporting Quality Measures															
BCCG	Reducing alcohol related admissions at Bedford Hospital	Jan	235		20	179		↓	Not applicable for LCCG						April
LCCG	Unplanned patients admitted to critical care <4 hours - L&D	Q3 12/13	Not applicable for BCCG						95%	80%	98.55%	98.89%		↓	April
LCCG	Patients with smoking status recorded receiving brief advice								80% by Q4	Data available from Q4 12/13					April
LCCG	Patients with alcohol status recorded receiving brief advice								80% by Q4						April

CLUSTER DASHBOARD - ACUTE PROVIDER			BEDFORD HOSPITAL						LUTON & DUNSTABLE HOSPITAL						
Key National Quality Measures		Period	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ03	Cancer 62 days - 1st treatment following an urgent GP referral	Jan	85%		91.36%	88.30%		↑	85%		96.55%	89.62%		↑	April
PHQ04	Cancer 62 days - 1st treatment following referral from Screening Service	Jan	90%		93.33%	96.36%		↓	90%		95.00%	95.20%		↓	April
PHQ05	Cancer 62 days - 1st treatment following a consultants decision to upgrade	Jan	85%		100.00%	96.33%		↔	85%		100.00%	100.00%		↔	April
PHQ06	Cancer 31 day - 1st definitive treatment from diagnosis	Jan	96%		100.00%	99.62%		↔	96%		100.00%	99.59%		↔	April
PHQ07	Cancer 31 day - Subsequent treatment for cancer - Surgery	Jan	94%		100.00%	100.00%		↔	94%		100.00%	98.79%		↔	April
PHQ08	Cancer 31 day - Subsequent treatment for cancer - Drugs	Jan	98%		100.00%	100.00%		↔	98%		100.00%	99.29%		↑	April
PHQ09	Cancer 31 day - Subsequent treatment - Radiotherapy	Jan	94%		-	100.00%		↔	94%		-	100.00%		↔	April
Additional Quality Measures															
SQU06	High risk TIA patients assessed and treated within 24 hrs	Q3 12/13	60%		63.60%	50.74%		↑	60%		80.40%	76.10%		↑	April
OF	SHMI - Summary Hospital Mortality Indicator	Q1 12/13	<1		1.063	1.063		↓	<1		1.0247	1.0247		↑	April
SHA Ambition	Making Every Contact Count (MECC) through systematic healthy lifestyle advice delivered through front line staff														
	New mothers known to have initiated breastfeeding	Q3 12/13	81%		80.6%	82.9%		↓	69%		69.04%	71.83%		↓	April/May

Domain 2 - Enhancing Quality of Life for People with Long Term Conditions

CLUSTER DASHBOARD - COMMISSIONER			BEDFORDSHIRE CCG						LUTON CCG						
Key National Quality Measures		Period	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ10	Early Intervention teams - new cases of psychosis	Jan	32	27	**4**	**48**		↓	25	21	**0**	**36**		↓	April
PHQ11	Home treatment episodes by Crisis Resolution/Home Treatment teams	Jan	643	536	**58**	**819**		↓	406	338	**41**	**406**		↑	April
PHQ11	Acute admissions gatekept by crisis resolution home treatment teams	Jan	95%		**100.00%**	**99.1%**		↔	95%		**100.00%**	**100.00%**		↔	April
PHQ012	CPA follow up within 7 days of discharge from psychiatric in-patient care	Jan	95%		**100.00%**	**99.3%**		↔	95%		**100.00%**	**98.0%**		↔	April
PHQ013	People with depression who enter receive psychological therapies	Q3 12/13	12.5%	5.3%	**0.90%**	**3.17%**		↓	5.55%	2.60%	**0.83%**	**2.26%**		↑	April
PHQ013	People with depression who completed treatment and moving to recovery	Q3 12/13	58%	58.1%	**51.5%**	**53.1%**		↓	28.5% Q4	25.60%	**16.72%**	**16.72%**			April
PHQ014	People with a long term condition feeling independent and in control	2012-13	80.4%	Data not yet available					74.9%	Data not yet available					Jun-13
PHQ015	Unplanned hospitalisation for chronic ambulatory care sensitive conditions - rate per 100,000 population	Jan	791.07	659.23	**75.89**	**671.13**		↓	852.32	710.27	**78.81**	**807.28**		↓	April
PHQ016	Unplanned hospitalisation for asthma, diabetes and epilepsy in under 19s - rate per 100,000 population	Jan	224.39	187.00	**18.70**	**198.37**		↓	377.27	314.39	**37.88**	**325.76**		↓	April
Additional Quality Measures															
SQU23	Diabetic eye screening offered in rolling 12 mth period	Q2 12/13	95%		**96.6%**	**96.6%**		↑	95%		**92.50%**	**92.50%**		↑	
	Learning Disability Patients who received a Health Check	Q3 12/13	100%		**19.2%**	**41.3%**		↑	100%		**7.2%**	**9.6%**		↑	April
SHA Ambition	Significantly Improve Quality and Safety in Primary Care														
	Diabetic patients offered all 9 NICE care processes	2010-11	70% for 2011-12		48.70%	48.70%			60% for 2011-12		48.40%	48.40%			Annual
CCG Supporting Quality Measures															
BCCG/ LCCG	Pts 75+ screened following admission using the dementia question	Q3 12/13	90%	90%	**85.39%**	**34.29%**		↑	90%	50%	Data not yet available				April
	Pts 75+ at risk of dementia risk assessed within 72hrs of admission	Q3 12/13	90%	90%	**24.89%**	**31.10%**		↑	90%	50%					April
	Pts identified at risk of dementia referred for specialist diagnosis	Q3 12/13	90%	90%	**68.57%**	**69.44%**		↑	90%	50%					April
BCCG	Clinical staff within adult services completed dementia training	Q3 12/13	85% by Q4		**43.00%**	**61.00%**		↑	Not applicable for LCCG						April

Domain 3 - Helping People to Recover from Episodes of Ill Health or following Injury

CLUSTER DASHBOARD - COMMISSIONER			BEDFORDSHIRE CCG						LUTON CCG						
Key National Quality Measures		Period	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ017	Acute emergency admissions not usually requiring hospital admission - rate per 100,000 population	Jan	950.00	791.67	**94.64**	**911.01**		↑	982.78	818.98	**106.62**	**1021.19**		↓	April
	Reduce emergency readmissions within 30 days of discharge	Jan	<1.8%		**2.71%**	**2.58%**		↑	<2.4%		**3.59%**	**2.53%**		↓	April
Additional Quality Measures															
SQU06	Stroke patients spending at least 90% of their time on a stroke unit	Q3 12/13	80%		**85.98%**	**77.64%**		↑	80%		**80.4%**	**69.7%**		↑	Feb
CCG Supporting Quality Measures															
BCCG	Increase patients assessed using the hydration assessment tool	Q3 12/13	157 Qtr 3		**742**	**742**		↓	Not applicable for LCCG						April
LCCG	Malnutrition Universal Screening Tool completed on initial contact with older people	Q3 12/13		Not applicable for BCCG					95% by Q4		38.92%	38.92%		↑	April
BCCG/ LCCG	Stroke Sentinel Survey - average of 12 indicators	Q3 12/13			61.5%	61.5%		↑			74.5%	74.5%		↓	May
CLUSTER DASHBOARD - ACUTE PROVIDER			**BEDFORD HOSPITAL**						**LUTON & DUNSTABLE HOSPITAL**						
Additional Quality Measures		Period	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Data next due
SQU06	Stroke patients spending at least 90% of their time on a stroke unit	Q3 12/13	80%		**84.75%**	**83.73%**		↑	80%		**77.34%**	**70.34%**		↑	April

Domain 4 - Ensuring that People have a Positive Experience of Care

CLUSTER DASHBOARD - COMMISSIONER			BEDFORDSHIRE CCG						LUTON CCG						
Key National Quality Measures		Period	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ019	18 w eek Referral to Treatment for admitted patients	Dec	90%		**92.90%**	**92.90%**		↓	90%		**93.10%**	**93.10%**		↓	March
PHQ020	18 w eek Referral to Treatment for non admitted patients	Dec	95%		**97.70%**	**97.70%**		↓	95%		**98.06%**	**98.06%**		↑	March
PHQ021	18 w eek Referral to Treatment - Incomplete pathw ay	Dec	92%		**96.02%**	**96.02%**		↓	92%		**96.20%**	**96.20%**		↓	March
PHQ022	Diagnostic tests - w aiting no longer than 6 w ks	Jan	99%		**98.60%**	**98.60%**		↓	99%		**98.33%**	**98.33%**		↓	April
PHQ024	Cancer 2 w eek w aits follow ing urgent GP referral for suspected cancer	Jan	93%		**95.39%**	**95.29%**		↓	93%		**93.91%**	**95.15%**		↓	April
PHQ025	Cancer 2 w eek w aits - Breast Symptomatic w here cancer not suspected	Jan	93%		**96.49%**	**95.59%**		↑	93%		**94.34%**	**96.34%**		↓	April
PHQ026	Mixed-sex accommodation breaches	Jan	0		**0**	**53**		↑	0		**0**	**54**		↑	April
PHF07	Bookings via Choose & Book w here named consultant led teams available	Jan	100%		**95.67%**	**95.02%**		↑	100%		**98.36%**	**97.58%**		↑	March
PHF08	GP referrals to 1st outpatient appointment using Choose and Book	Feb	60%		**34.70%**	**33.88%**		↓	60%		**45.88%**	**46.10%**		↑	April
PHF09	Bookings via Choose and Book for NHS pts treated in independent sector	Feb	Monitoring		**8.13%**	**7.81%**		↓	Monitoring		**2.29%**	**2.62%**		↓	March
PHF10	Patients w ith electronic access to their medical records		Monitoring		Data not yet available				Monitoring		Data not yet available				
	Summary Care Records - patient records uploaded to the NHS Spine	Feb	92%		**31.0%**	**31.0%**		↑	92%		**35.18%**	**35.18%**		↔	March
PHS17	Number of Health Visitors	Feb	64 FTE	60	**57.11**	**57.11**		↓	37 FTE	33	**33.05**	**33.05**		↑	April
Additional	**Quality Measures**														
SQU12	Women w ho have seen a midw ife by 12 w eeks and 6 days of pregnancy	Q3 12/13	90%		**100.9%**	**97.1%**		↑	90%		**90.9%**	**92.4%**		↓	April/May
SQU02	Deaths in usual place of residence - 12 month rolling	Q2 12/13	45%	42.5%	**41.31%**	**41.31%**		↓	43%	39.3%	**38.1%**	**38.1%**		↓	April
SQU09	Pts receiving NHS dental services w ithin 24 mth period	Feb	253,463	253,463	**242,648**	**242,648**		↓	108,765	108,765	**108,424**	**108,424**		↑	April
	End of Life - People on the end of life register - Local target	Q3 12/13	450	113	**1051**	**1051**		↑	517	301	**370**	**370**		↑	March
CCG Supporting Quality Measures															
LCCG	10% improvement from poor scoring areas identified w ithin the organisational Learning Disability audit		Not applicable for BCCG						Baseline to be agreed at Qtr 3						April
BCCG/ LCCG	10 point improvement against the composite measure from the CQC national inpatient survey for the agreed 5 questions	66.8 2011	Data not available until Q4 2012-13						64 2011	Data not available until Q4 2012-13					Annual
BCCG	Reduction in hospital admissions for self harm below the regional average of 159.83 for 2010/11 - Bedford Borough	2011-12	<164 - SHA ave		**154**	**154**		↑	Not applicable for LCCG						Annual
BCCG	10 point improvement in Net Promoter score for 5 service areas identified		Data w ill be reported at Qtr 4												April

CLUSTER DASHBOARD - ACUTE PROVIDER			BEDFORD HOSPITAL						LUTON & DUNSTABLE HOSPITAL						
Key National Quality Measures		Period	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ018	CQC Inpatient Survey - Overall Care Received		>7.7		Data not yet available				>7.3		Data not yet available				Annual
PHQ019	18 w eek Referral to Treatment for admitted patients	Dec	90%		**93.91%**	**93.91%**		↓	90%		**93.13%**	**93.13%**		↓	March
PHQ020	18 w eek Referral to Treatment for non admitted patients	Dec	95%		**98.09%**	**98.09%**		↓	95%		**98.07%**	**98.07%**		↑	March
PHQ021	18 w eek Referral to Treatment - Incomplete pathw ay	Dec	92%		**97.21%**	**97.21%**		↓	92%		**96.35%**	**96.35%**		↓	March
PHQ022	Diagnostic tests - w aiting no longer than 6 w ks	Jan	99%		**99.41%**	**99.41%**		↓	99%		**98.08%**	**98.08%**		↓	April
PHQ023	A&E total time in Department - less than 4 hours	Jan	95%		**95.15%**	**94.82%**		↑	95%		**97.9%**	**98.6%**		↑	April
HQU09	A&E Unplanned Re-attendance w ithin 7 days - Provider	Jan	<5%		**6.25%**	**6.60%**		↑	<5%		**3.90%**	**2.70%**		↓	April
HQU11	A&E Left department w ithout being seen - Provider	Jan	<5%		**1.64%**	**2.75%**		↑	<5%		**1.80%**	**2.07%**		↑	April
HQU12	A&E Time to full initial assessment (95th percentile) - Provider	Jan	<15 mins		**11**	**11**		↔	<15 mins		**51**	**51**		↑	April
HQU13	A&E Time to treatment in department (Median) - Provider	Jan	<60 mins		**49**	**49**		↑	<60 mins		**38**	**38**		↑	April
PHQ024	Cancer 2 w eek w aits follow ing urgent GP referral for suspected cancer	Jan	93%		**94.46%**	**94.46%**		↓	93%		**95.22%**	**95.20%**		↓	April
PHQ025	Cancer 2 w eek w aits - Breast Symptomatic w here cancer not suspected	Jan	93%		**94.12%**	**95.14%**		↓	93%		**95.88%**	**95.73%**		↓	April
PHQ026	Mixed-sex accommodation breaches	Jan	0		**0**	**23**		↔	0		**0**	**90**		↑	April
Additional	**Quality Measures**														
PHQ018	CQC Outpatient Survey - Overall Care Received		>83		Data not yet available				>78		Data not yet available				Annual
PHQ018	Annual Staff Survey	2012	> 3.76		**3.78**	**3.78**		↑	>3.61		**3.77**	**3.77**		↑	Annual
	Delayed Transfers of Care - adult pts as a proportion of occupied beds	Q3 12/13	<3.5%		**1.52%**	**0.62%**		↑	<3.5%		**4.56%**	**1.53%**		↑	Qtrly
	Number of carers accessing a break/training - Adults	Feb	400		**50**	**565**		↓	100						April
	Midw ife Ratio	Q3 12/13	1:30		**1:30**	**1:30**		↑	1:30	Q3 12/13	**1:34**	**1:34**		↑	April/May
	Number of complaints received	Q3 12/13	Monitoring		**57**	**190**		↑	Monitoring	Q3 12/13	**142**	**432**		↑	April/May
SHA Ambition	Create a Revolution in Patient and Customer Experience														
	Net Promoter - increase by 10 points from 51.86 BHT 36.2 L&D	Jan	61.86		**53.04**	**53.04**		↓	Jan	46.2	**53.06**	**53.06**		↑	April
	Net Promoter -10% sample size	Jan	10%		**14.51%**	**14.51%**		↑	Jan	10%	**24.40%**	**24.40%**		↓	April

Domain 5 - Treating and Caring for People in a Safe Environment and Protecting them from Avoidable Harm

CLUSTER DASHBOARD - COMMISSIONER			BEDFORDSHIRE CCG						LUTON CCG						
Key National Quality Measures		Period	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ027	Incidence of MRSA Bacteraemia	Jan	5	5	**0**	**4**		↔	0	0	**2**	**3**		↓	April
PHQ028	Incidence of Clostridium Difficile Infections	Jan	86	72	**11**	**74**		↓	36	32	**2**	**29**		↑	April
Additional Quality Measures															
SHA	Significantly Improve Quality and Safety in Primary Care														
Ambition	Antiobiotic prescribing (Cephalosporins & Quinolones)	Q3 12/13	SHA 8.74	<SHA	**10.37**	**10.37**		↓	SHA 8.74	<SHA	**7.28**	**7.28**		↑	May
CCG Supporting Quality Measures															
BCCG/	Quarterly audit of prophylaxsis (VTE)	Q3 12/13	95%		**99.00%**	**98.83%**		↑	95%		**95.62%**	**96.03%**		↓	April
LCCG	Patients receiving harm free care	Q3 12/13	95% by Q4	90%	**93.35%**	**92.35%**		↑	95% by Q4	90%	**96.34%**	**96.10%**		↑	April
CLUSTER DASHBOARD - ACUTE PROVIDER			**BEDFORD HOSPITAL**						**LUTON & DUNSTABLE HOSPITAL**						
Key National Quality Measures		Period	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ027	Incidence of MRSA	Jan	1	1	**0**	**1**		↔	1	1	**1**	**2**		↓	April
PHQ028	Incidence of C. Difficile	Jan	19	16	**4**	**14**		↓	31	27	**2**	**16**		↑	April
PHQ029	Risk assessment of hospital-related venous thromboembolism (VTE)	Dec	90%		**95.66%**	**95.62%**		↓	90%		**95.46%**	**95.55%**		↓	March
Additional Quality Measures															
	Number of adult safeguarding alerts raised to investigation level	Feb	0		**1**	**21**		↑	0		**1**	**24**		↑	April
	Number of child safeguarding alerts raised to investigation level	Feb	0		**0**	**0**		↔	0		**0**	**0**		↔	April
	Number of never events	Feb	0		**1**	**1**		↓	0		**0**	**2**		↔	April
	Number of serious incidents reported in month	Feb	Monitoring		**7**	**62**		↓	Monitoring		**8**	**115**		↑	April
	Number of serious incident breached reports	Feb	0		**2**	**23**		↑	0		**0**	**54**		↑	April
	Number of breached safety alerts	Feb	0		**0**	**0**		↔	0		**0**	**4**		↑	April
	Falls within inpatient facilities	Q3 12/13	Monitoring		**189**	**542**		↓	Q3 12/13		**329**	**864**		↓	April/May
	WHO surgical checklist compliance	Q3 12/13	95%		**97.0%**	**96.9%**		↓	95%		**93.33%**	**95.8%**		↓	April/May
	Number of warning notices from Care Quality Commission	Feb	0		**0**	**0**		↔	0		**0**	**0**		↔	April
SHA	Eliminating avoidable Grade 2, 3 & 4 pressure ulcers														
Ambition	Number of Grade 3 and 4 pressure ulcers reported as an SI	Feb	0		**0**	**26**		↑	0		**5**	**67**		↑	April

Appendix 2 – Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER OF LUTON TEACHING PCT

We have audited the financial statements of Luton Teaching PCT for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

We have also audited the information in the Remuneration Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on pages 20 and 21;
- the table of pension benefits of senior managers and related narrative notes on page 23; and
- the pay multiples narrative on page 21.

This report is made solely to the accountable officer of Luton Teaching PCT 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's accountable officer and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

Respective responsibilities of the signing officer, finance signing officer and auditor

As explained more fully in the Statement of Responsibilities, the signing officer and finance signing officer are responsible for overseeing the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Luton Teaching PCT as at 31 March 2013 and of its net operating costs for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters

In our opinion:

- the part of the Remuneration Report subject to audit has been prepared properly in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the governance statement does not reflect compliance with the Department of Health's Guidance;
- we refer the matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have a reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

We have nothing to report in these respects.

Other matters on which we are required to conclude

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice to report any matters that prevent us being satisfied that the audited body has put in place such arrangements.

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission, we have considered the results of the following:

· our review of the annual governance statement;

· the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and

· our locally determined risk-based work on the risks relating to PCT abolition and the transition to new local commissioning arrangements.

As a result, we have concluded that there are no matters to report.

Certificate

We certify that we have completed the audit of the financial statements of Luton Teaching PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Paul Dossett

Paul Dossett
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

6 June 2013

Department of Health

NHS

Luton Teaching Primary Care Trust

2012-13 Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Luton Teaching Primary Care Trust

2012-13 Accounts

2012-13 Annual Accounts of Luton Teaching Primary Care Trust

STATEMENT OF THE RESPONSIBILITIES OF THE SIGNING OFFICER OF THE PRIMARY CARE TRUST

The Department of Health's Accounting Officer designates the Signing Officer of the accounts of PCTs in England, an officer of the Department of Health, to discharge the following responsibilities for the Department, to ensure that for the year ended 31 March 2013:

- there were effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money was achieved from the resources available to the primary care trust;
- the expenditure and income of the primary care trust had been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems were in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the 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 above responsibilities, as designated Signing Officer and through experience in my role as Accountable Officer until 31 March 2013.

nb: sign and date in any colour ink except black

Signed.....Jane Halpin.....Designated Signing Officer

Name: JANE HALPIN

Date...5.6.13...

2012-13 Annual Accounts of Luton Teaching Primary Care Trust

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Primary Care Trusts as NHS bodies 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. From 1 April 2013 responsibility for finalising the accounts falls to the Secretary of State. Formal accountability lies with the Department of Health's Accounting Officer, and her letter of 28 March 2013 designated the Signing Officer and Finance Signing Officer, to discharge the following responsibilities for the Department in preparing the accounts:

- 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.

- ensure that the PCT kept proper accounting records which disclosed 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.

- have taken reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Permanent Secretary.

nb: sign and date in any colour ink except black

5.6.13 ....Date.....Signing Officer

5/6/13 ....Date.....Finance Signing Officer

NHS Luton

Organisation Code: 5GC

Governance Statement

Foreword

The year 2012/13 is the final year of operation for the PCT. The Health and Social Care Act (March 2012) makes many major changes to the way the NHS is managed and services commissioned.

The key areas of the Act are:

- Establishes an independent NHS Board to allocate resources and provide commissioning guidance;
- Increases GPs' powers to commission services on behalf of their patients (through Clinical Commissioning Groups);
- Strengthens the role of the Care Quality Commission;
- Develops Monitor, the body that currently regulates NHS foundation trusts, into an economic regulator to oversee aspects of access and competition in the NHS;
- Cuts the number of health bodies to help meet the Government's commitment to cut NHS administration costs by a third, including abolishing Primary Care Trusts and Strategic Health Authorities.

Source: www.parliament.co.uk

This means that, with effect from 1 April 2013, PCTs and Strategic Health Authorities will be abolished and new organisations will be formally established including: CCGs (Clinical Commissioning Groups), CSUs (Commissioning Support Units) and the National Commissioning Board (NCB).

Additional duties have been placed on local authorities, including joined up commissioning of local NHS services, social care and public health.

The Governance arrangements of the PCT were amended in 12/13 to reflect this major change, in particular the establishment of a Transition committee. The details of the work of that committee, the board and the already established committees are set out below.

Scope of responsibility

The Chief Executive is the Accountable Officer for the Primary Care Trust (PCT) and is responsible for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding public funds.

As Accountable Officer, it is my responsibility to ensure probity and transparency in the running of the organisation in accordance with the responsibilities set out in the Accountable Officer's Memorandum. I am personally accountable for ensuring the PCT is administered economically and that the public funds entrusted in me are deployed efficiently and effectively.

The section below describes the systems that were in place during the year from 1 April 2012 to 31 March 2013 to support decision making and manage risk.

The governance framework of the organisation

The PCT is governed by a Board made up of six Non-Executive Directors, including the Chairman, and six executive Directors, including the Chief Executive. In addition, the HR Director, Director of Communications and the Medical Director attend the Board in a non-voting capacity. Also in support of the developing Clinical Commissioning Groups, the Chairs along with the Chief Operating Officer/Accountable Officer from both have attended Board meetings.

The Board has overall responsibility for determining the future direction of the PCT and ensuring delivery of safe and effective services in accordance with legislation and principles of the NHS. The Board must also ensure the organisation complies with relevant regulatory standards, for example, ensuring that waiting time targets are adhered to; QIPP plans are in place and monitored and financial duties are met.

Non-Executive Directors of NHS organisations are appointed by the Appointments Commission, which is an independent body. They are not employees of the PCT but receive remuneration for their role which is agreed nationally. Executive Directors are employees of the PCT. Details of directors remuneration is set out within the Annual Report.

There have been a number of changes to the Executive Director structure throughout the year. In addition to the Chief Executive, the Executive Director posts are:-

- Muriel Scott and Gerry Taylor, Directors of Public Health (for NHS Bedfordshire and Luton respectively)
- Chris Ford, Director of Finance
- Jackie Hammond, HR Director who left in June and was replaced by Raffelina Huber
- Dr Steve Feast, Director of Transformation and Deputy Chief Executive
- Julie Ridge, Director of Communications. Julie was seconded to the central communications team working on transition arrangements and was replaced by Jane Meggitt.
- Simon Wood, Director of System Redesign and Performance
- Dr Fiona Sim, Medical Director
- Anne Murray, Director of Quality/Nursing

The Non-Executive Directors appointed by the Appointments Commission are outlined below:-

- Gurch Randhawa (Chair)
- Geoff Lambert
- Gary Ames
- Wendi Momen
- Brian Rolfe
- David Parfitt

The Board met nine times during the year. In November 2012, the Chair took the decision once the NHS Commissioning Board Local Area Team was in place, to reduce the number of PCT Board meetings; however its Finance & Performance Committee was reinstated and met in January and February 2013 to scrutinise finance and performance for both the PCT Cluster and the two Clinical Commissioning Groups.

Board committees

To ensure that the PCT delivers on its statutory duties and to guarantee that services are available to its population that are safe and deliver value for money, the PCT cluster had in place a sub-committee structure consisting of those committees that are statutory (e.g. Audit Committee and Remuneration and Terms of Service Committee). Also in line with national guidance, both Clinical Commissioning Groups became sub-committees of the PCT Board and a cluster wide Patient Safety & Quality Committee and Finance & Performance Committee was put in place. A Decision Making Group was also in place. The Terms of Reference for all sub-committees were reviewed and the sub-committees contain representation from Luton Clinical Commissioning Group.

Finally, to ensure a smooth transition, a Transition Steering Group was formed. The Group was chaired by a Non-Executive Director and membership included the Head of Transition, Director of Finance, Interim Director of Quality & Governance and Head of Governance & Risk/Company Secretary. Others were called to provide assurance to the group on transition matters e.g. human resources and public health when required.

The Transition Steering Group ensured delivery of the General Handover Document and the Quality Handover Documents to the Clinical Commissioning Groups and has also ensured that systems and processes were in place to produce the required transfer documentation in terms of assets, liabilities etc. All documentation was completed within the given timeframes and the necessary submissions to the Cluster Board and Strategic Health Authority made.

There have not been any issues of quoracy for the Board and its sub-committees.
The standing committees carry out functions delegates to them by the Board and seek assurance on behalf of the Board. These committees report directly to the Board. The role of the committees and a summary of issues considered by the committees is detailed below:

Audit & Risk Management Committee

The objectives of the Committee are to:

- Provide an independent and objective review of the effectiveness of internal control arrangements.
- Provide assurance to the Cluster Board on the systems of internal control and risk management across all functions and is supported by internal audit.

The Committee is Chaired by Geoff Lambert and the remaining Non-Executive Directors attend as members of the Committee. The Director of Finance, Head of Governance & Risk and representatives from Luton Clinical Commissioning Group, external audit, internal audit and the local counter fraud specialists also attend the meetings. The Committee met five times during the year.

The key achievements were:

- Provided assurance to the Board around the effective application of internal controls and risk management processes;
- Together with the Transition Steering Group, provided Board assurance around the processes leading to the disestablishment of the PCT and provided support and advice regarding the establishment of CCG governance systems.

Remuneration and Terms of Service Committee

The objectives of the Committee are to:

- Review recommendations on remuneration, allowances and terms of service of the Chief Executive and Executive Directors; ensuring appropriate processes are in place to monitor and evaluate performance of the Chief Executive and Executive Directors; oversee appropriateness of the appointment of Executive Directors.
- Determine pay awards for senior managers.
- Monitor the organisations capacity and capability to ensure delivery of objectives.
- Has responsibility for HR issues of significance and major organisational change, including TUPE requirements.
- Identification of risks associated with the areas outlined above.

The Committee is Chaired by Gary Ames and attended by a further three Non-Executive Directors. The Chief Executive and HR Director, also attend the Committee meetings as does the Director of Finance/Deputy Chief Executive, where appropriate. Given the scale of the task with regard to transition arrangements, the decision was taken to increase the number of meetings and the Committee met six times during the year.

The key achievements were:

- Approved severance/redundancy benefits, following reorganisations and closure of PCTs;
- Approved rates of pay for Bedfordshire and Luton Clinical Commissioning Groups;
- Reviewed performance reports and recommendations for individuals on VSM contracts and proposed category of pay awards, as appropriate.

Patient Safety & Quality Committee

The objectives of the Committee are to:

- Provide assurance that appropriate processes are in place to demonstrate delivery of the organisations priorities and objectives in the context of all national standards.
- Reporting in relation to key areas of quality i.e. complaints, patient surveys, infection control etc.

The Committee was initially Chaired by Brian Rolfe and attended by Gary Ames and Wendi Momen who are Non-Executive Directors. However Mr Rolfe was recruited as the Chair of the Bedfordshire Clinical Commissioning Group and as such stood down from his PCT Cluster Non-Executive role. The Committee has since been chaired by Wendi Momen and also Gary Ames. It is also attended by the Director of Quality and Safety, Medical Director and Directors of Public Health. The Committee met six times during the year.

The key achievements were:

- The Committee supported the development of an integrated quality and performance report.
- Improved mechanisms for the reporting of serious incidents.
- Inclusion of adult and children's safeguarding reporting so that this is integrated;
- Inclusion of CCG representatives onto the membership of the committee.

Finance & Performance Committee (January and February 2013 only)

The objectives of the Committee were to: -

- Review issues relating to the use of PCT resources that may impact on the PCTs ability to achieve its statutory financial targets.
- Provide assurance to the Board that arrangements are in place to demonstrate performance against all national, regional and local targets.
- For the Clinical Commissioning Groups to provide assurance around financial and performance targets and progress of QIPP delivery.
- Review and ensure delivery of operating plans.

The Committee was Chaired by the PCT Cluster Chair, Gurch Randhawa. Members are also Geoff Lambert, Gary Ames and Wendi Momen who are Non-Executive Directors and the Director of System Redesign and Performance and the Director of Finance. Representatives from both Clinical Commissioning Groups also attended each meeting. The Committee met twice during the year.

The key achievements were:

- Oversaw, monitored and provided assurance to the Board covering key finance and performance goals of the PCT Cluster and Clinical Commissioning Groups. This included:

Meeting all statutory requirements:

1. **Revenue expenditure** was within the approved revenue resource limit. Cluster resource limit was £341.5m, actual spend was £341.4m, producing a surplus of £0.1m.
2. **Capital costs** were within the approved capital resource limit. Cluster resource limit of £2.5m.
3. **Cash** must remain within the approved cash limit. The PCT cluster had an approved cash limit for 2012/13 of £337.8m and this amount was drawn down in full from the Department of Health. The final cash balance as at 31 March 2013 was nil.

Also oversaw QIPP programme deliver savings of £5.5m.

Performance

- Detailed review of monthly performance against national and local indicators including quality and safety measures.
- Agree actions for improvement and monitor delivery.

The Executive is the key body responsible for implementing the strategic direction set by the Board and for ensuring clinical, service and financial performance in line with local and national standards. The Executive Team was chaired by the Chief Executive and met weekly. Its membership included the Directors of Public Health, Director of Finance, HR Director, Director of Transformation and Deputy Chief Executive, Director of Communications, Director of System Redesign and Performance, Medical Director and the Director of Quality/Nursing. In addition the Chairs and Chief Operating Officer/Accountable Officer of the two Clinical Commissioning Groups have attended these meetings.

Board effectiveness

The Board agreed that the priorities for the year were:

- To reduce health inequalities and support people and communities to live in good health for longer;

- To integrate services, deliver QIPP and improve outcomes for patients;
- Support Clinical Commissioning Groups throughout the authorisation process;
- Support staff through change and develop new skills;
- Maintain performance in transition;
- Develop Commissioning Support Services.

2012/13 was a challenging year for NHS Luton and the Board had certain key issues to address. These included:

- Improving performance against key targets at a local acute trust including A&E, stroke, RTT and cancer.
- Ensuring that statutory financial targets are met.
- Supporting the development of Luton Clinical Commissioning Group through its journey to authorisation.
- Ensuring that a Commissioning Support Service was in place that was fit for purpose and able to deliver as required to the Clinical Commissioning Groups.

Compliance with the Code of Governance

The Board is bound by the Code of Governance which requires Boards of NHS organisations to exercise the same standards of governance that apply to all private and public sector organisations.

This means that Boards must work together and take collective responsibility for the performance of the organisation, including financial, service and clinical performance. Not all of the agreed objectives were fully delivered in year, indicating a need to improve the effectiveness of the process for setting deliverable objectives and the controls that are in place for monitoring delivery.

The Board operates as a unitary Board. This means that all Board members work as equals to act in the best interests of the organisation.

The Board has exercised its duty to monitor performance through the integrated performance reports that it receives.

The Board has maintained a strong focus on clinical governance, ensuring that clinical safety has not been compromised by the financial pressures facing the organisation and has applied a range of mechanisms to assess clinical quality and patient experience, including presentation of a patient story at each meeting and regular review of complaints data and patient experience surveys and reports.

The Board meets the criteria set out in the Code of Governance in relation to the independence of Non-Executive Directors.

There are clear committee structures and the responsibilities of individual committees are set out in their terms of reference and the Scheme of Delegation.

The Standing Orders follow the model standing orders for NHS PCTs and are complied with.

Board administration has strengthened with the role of the Company Secretary with responsibility for preparing and distributing agenda and papers, maintaining comprehensive records of meetings and decisions, ensuring appropriate referral of matters between the Board and committees and ensuring decisions. The presentation and content of papers has improved significantly.

The effectiveness of the Board is constantly reviewed with post Board meetings in place attended by the Executive Directors, Company Secretary and Chief Executive.

Risk assessment

All PCT staff are empowered to identify risks within their own operational areas. The PCT adopted the 4Risk system to capture risks. It consists of the Board Assurance Framework and individual directorate risk registers. One to one training is available on the system and risk management processes for all staff.

Either the high risks or the Board Assurance Framework are reported to the Board and Audit & Risk Management Committee meetings, where discussions take place as to whether the mitigations are sufficient to reduce the level of inherent risk to one that is tolerated by the organisation. The Board Assurance is also reviewed by the Executive Team to ensure that it reflects the organisations strategic objectives. In addition one to one meetings are held with each of the Executive Directors to ensure that any high risks aligned to them are reviewed on a monthly basis.

There have been two information governance breaches in the last financial year as outlined below:

- December 2012 – the Continuing Healthcare Team (CHC) had been in correspondence with a lady in regard to continuing healthcare funding for her mother. The CHC team inadvertently mentioned another patient in the letter. The lady complained and an investigation identified the CHC team regularly cut and paste information from one letter to another. In this case information was transferred from one letter to another in error. The team have now agreed to stop the practice of cutting and pasting and will use standard templates.
- February 2013 – An email containing two letters was sent to Dr VV in error. The email was meant for another GP who had a similar surname. The letter contained personal information relating to the GPs performance. Dr VV opened the email and letters and realised they were not for him. He complained and an investigation took place. The investigation revealed the administration team who sent the original email did not have an up to date and complete email address spreadsheet resulting in a temporary member of staff being given the wrong email address. The administration team have now amended the spreadsheet.

The risk and control framework

The Board's Risk Management Strategy defines the structure for the management of risk and identified responsibility for ownership of risk. Leadership is given to the risk process from the Chief Executive who has overall accountability supported by the Executive Directors. Risk management processes are led, overseen and disseminated through the organisation by the Executive Directors, senior managers and line managers.

Risk management is clearly defined and incorporated into the job descriptions of Board members and all senior managers. Risk is integrated into the business planning process and all staff are encouraged to report incidents and near misses thus enabling the PCT to identify and hence minimise its exposure to risk.

Root cause analysis of serious incidents is undertaken as appropriate and feedback provided to staff through team meetings. Feedback is also provided via staff newsletters as part of a wider learning process. The risk register is established with reports being presented to the Board. The risk register also incorporates the organisation's assurance framework which is also reviewed in line with the operating framework and risks relating to the transition to clinical commissioning, the NHS Commissioning Board and Commissioning Support Services. The Executive Directors consider performance and risk at their Executive Team meetings and in additional performance and accountability meetings.

Most risks have a direct influence with the PCT. Those impacting on other local providers are considered at Partnership Board meetings in conjunction with other stakeholders.

The Chief Executive and Executive Team meet with the Strategic Health Authority on a bi-monthly basis in order that NHS Luton's current position is reviewed on a regular basis.

Review of the effectiveness of risk management and internal control

The PCT has worked closely with the internal auditors in developing the risk management framework. The audit undertaken focussing on Cluster Governance was rated as green, providing substantial Board assurance. In addition the Head of Internal Audit has concluded that the system of internal control in place during 2012/13 provided significant assurance. This is based on the range of work undertaken as part of the annual internal audit plan.

There were four low recommendations following the Cluster Governance audit all of which were accepted and implemented.

Significant issues

There have not been any additional significant issues to report.

Accountable Officer:	**Jane Halpin, NHS Commissioning Board Area Director, Hertfordshire and South Midlands**
Organisation:	**NHS Luton**
Signature:	Jane Halpin
Date:	5.6.13.

INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER OF LUTON TEACHING PCT

We have audited the financial statements of Luton Teaching PCT for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

We have also audited the information in the Remuneration Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on pages 20 and 21;
- the table of pension benefits of senior managers and related narrative notes on page 23; and
- the pay multiples narrative on page 21.

This report is made solely to the accountable officer of Luton Teaching PCT 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's accountable officer and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

Respective responsibilities of the signing officer, finance signing officer and auditor

As explained more fully in the Statement of Responsibilities, the signing officer and finance signing officer are responsible for overseeing the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Luton Teaching PCT as at 31 March 2013 and of its net operating costs for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters

In our opinion:

- the part of the Remuneration Report subject to audit has been prepared properly in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the governance statement does not reflect compliance with the Department of Health's Guidance;
- we refer the matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have a reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

We have nothing to report in these respects.

Other matters on which we are required to conclude

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice to report any matters that prevent us being satisfied that the audited body has put in place such arrangements.

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission, we have considered the results of the following:

· our review of the annual governance statement;

· the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and

· our locally determined risk-based work on the risks relating to PCT abolition and the transition to new local commissioning arrangements.

As a result, we have concluded that there are no matters to report.

Certificate

We certify that we have completed the audit of the financial statements of Luton Teaching PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Paul Dossett

Paul Dossett
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

6 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**8,439**	7,987
Other costs	5.1	**342,554**	325,470
Income	4	**(9,561)**	(7,417)
Net operating costs before interest		**341,432**	326,040
Finance costs	11	**4**	6
Net operating costs for the financial year		**341,436**	326,046
Net Operating Costs for the Financial Year including absorption transfers		**341,436**	**326,046**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**8,439**	7,987
Other costs	5.1	**4,147**	3,554
Income	4	**(169)**	(770)
Net administration costs before interest		**12,417**	**10,771**
Finance costs	11	**0**	6
Net administration costs for the financial year		**12,417**	**10,777**
Programme Expenditure			
Other costs	5.1	**338,407**	321,916
Income	4	**(9,392)**	(6,647)
Net programme expenditure before interest		**329,015**	**315,269**
Finance costs	11	**4**	0
Net programme expenditure for the financial year		**329,019**	**315,269**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**447**	62
Net (gain) on revaluation of property, plant & equipment	**(309)**	(189)
Release of Reserves to Statement of Comprehensive Net Expenditure	**1**	
Total comprehensive net expenditure for the year*	**341,575**	**325,919**

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.

The notes on pages 5 to 32 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**16,013**	17,025
Total non-current assets		**16,013**	17,025
Current assets:			
Inventories	18	**0**	36
Trade and other receivables	19	**4,002**	5,501
Total current assets		**4,002**	5,537
Total current assets		**4,002**	5,537
Total assets		**20,015**	22,562
Current liabilities			
Trade and other payables	25	**(23,530)**	(22,844)
Provisions	29	**(600)**	(22)
Borrowings	23	**(2)**	0
Total current liabilities		**(24,132)**	(22,866)
Net Current Assets/(Liabilities)		**(20,130)**	(17,424)
Non-current assets plus/less net current assets/liabilities		**(4,117)**	(304)
Non-current liabilities			
Provisions	29	(133)	(161)
Total non-current liabilities		**(133)**	(161)
Total Assets Employed:		**(4,250)**	(465)
Financed by taxpayers' equity:			
General fund		(7,266)	(3,636)
Revaluation reserve		3,016	3,171
Total taxpayers' equity:		**(4,250)**	(465)

The notes on pages 5 to 32 form part of this account.

The financial statements on pages 1 to 32 were approved by the Board on 4 June 2013 and signed on its behalf by

Chief Executive: Jane Halpin Date: 5. 6. 13.

Statement of Changes In Taxpayers Equity for the year ended 31 March 2013

	General fund	Revaluation reserve	Total reserves
	£000	£000	£000
Balance at 1 April 2012	**(3,636)**	**3,171**	**(465)**
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	(341,436)		**(341,436)**
Net gain on revaluation of property, plant, equipment		309	**309**
Impairments and reversals		(447)	**(447)**
Transfers between reserves*	16	(16)	**0**
Release of Reserves to SOCNE		(1)	**(1)**
Total recognised income and expense for 2012-13	**(341,420)**	**(155)**	**(341,575)**
Net Parliamentary funding	337,790		**337,790**
Balance at 31 March 2013	**(7,266)**	**3,016**	**(4,250)**
Balance at 1 April 2011	**(4,271)**	**3120**	**(1,151)**
Changes in taxpayers' equity for 2011-12			
Net operating cost for the year	(326,046)		(326,046)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		189	189
Impairments and Reversals		(62)	(62)
Release of Reserves to Statement of Comprehensive Net Expenditure		(76)	(76)
Total recognised income and expense for 2011-12	(326,046)	51	(325,995)
Net Parliamentary funding	326,681		326,681
Balance at 31 March 2012	**(3,636)**	**3,171**	**(465)**

Statement of cash flows for the year ended 31 March 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	**(341,432)**	(326,040)
Depreciation and Amortisation	**970**	616
Impairments and Reversals	**2,500**	1,000
(Increase)/Decrease in Trade and Other Receivables	**1,499**	(1,518)
Increase/(Decrease) in Trade and Other Payables	**591**	862
Provisions Utilised	**(34)**	(38)
Increase/(Decrease) in Provisions	**575**	0
Net Cash Inflow/(Outflow) from Operating Activities	**(335,331)**	**(325,118)**
Cash flows from investing activities		
(Payments) for Property, Plant and Equipment	**(2,461)**	(1,496)
Net Cash Inflow/(Outflow) from Investing Activities	**(2,461)**	**(1,496)**
Net cash inflow/(outflow) before financing	**(337,792)**	**(326,614)**
Cash flows from financing activities		
Net Parliamentary Funding	**337,790**	326,681
Net Cash Inflow/(Outflow) from Financing Activities	**337,790**	**326,681**
Net increase/(decrease) in cash and cash equivalents	**(2)**	**67**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**0**	**(67)**
Cash and Cash Equivalents (and Bank Overdraft) at year end	**(2)**	**0**

1. Accounting policies

The Secretary of State for Health has directed that the financial statements of PCTs shall meet the accounting requirements of the PCT Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012-13 PCTs Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the PCT Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the PCT for the purpose of giving a true and fair view has been selected. The particular policies adopted by the PCT are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Luton Teaching PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 38 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

The SOFP has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there has been no general revaluation of assets or liabilities, and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

The PCT is within the Government Resource Accounting Boundary and therefore has only consolidated interests in other entities where the other entity is also within the resource accounting boundary and the PCT exercises in-year budgetary control over the other entity.

1.1 Accounting Conventions

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities

Transforming Community Services (TCS) transactions

Under the TCS initiative, services historically provided by PCTs have transferred to other providers - notably NHS Trusts and NHS Foundation Trusts. Such transfers fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCNE, and is disclosed separately from operating costs.

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the PCT's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

The key areas of estimation are as follows

Provisions - a series of estimations are used to calculate the provisions values recorded in the accounts. The accounting policy under 1.17 provisions on page 9 provides further explanation of this process and note 29 on page 29 contains the relevant values reported in the balance sheet.

Valuation of PPE - Estimations are used to estimate the value of PPE the various techniques are described in some detail under accounting policy 1.6 on page 6 of this document. The figures relating to PPE contained under non recurrent assets section of the statement of financial position, a further breakdown of these values can be found in note 12 on page 20 of this document.

It is not anticipated that this will have any material impact on future reporting of results and has been subject to the usual consistency and scrutiny by PCT management

Continuing Healthcare Provision - The provision reported in relation to Continuing Health Care has followed the principles set out in the accounting policy as mentioned above. The calculation of the potential liability provided for was derived from an analysis of the historical payment experience comparing claims that were successful to the level of claims identified within the contingent liability. This provided the PCT with a view considered to be reasonable of the probable future liability, given that the full process of the panel assessment related to these claims has not been completed. This equated to an average rate of 10% expected payment against more claims assessed

Continuing Healthcare Contingent Liabilities - The figures included under Contingent liabilities relate to retrospective claims for continuing care. These have been estimated based on the most up to date information available.

The value of the contingent liability has been derived from claims received which contain sufficient information to make a financial assessment of their value. In line with the relevant accounting standard these values are viewed as possible future liabilities rather than probable.

The PCT has had to exercise a level of judgement in regard to the value of contingent claims as there remains a high level of uncertainty over the existence and value of potential future liabilities.

It should be noted that the contingent liability figure derived is considered to represent a prudent best estimate of the potential future risk.

1. Accounting policies (continued)

1.2 Revenue and Funding

The main source of funding for the Primary Care Trust is allocations (Parliamentary Funding) from the Department of Health within an approved cash limit, which is credited to the General Fund of the Primary Care Trust. Parliamentary funding is recognised in the financial period in which the cash is received.

Miscellaneous revenue is income which relates directly to the operating activities of the Primary Care Trust. It principally comprises fees and charges for services provided on a full cost basis to external customers, as well as public repayment work. It includes both income appropriated-in-aid of the Vote and income to the Consolidated Fund which HM Treasury has agreed should be treated as operating income.

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Where revenue has been received for a specific activity to be delivered in the following financial year, that income will be deferred.

1.3 Pooled budgets

The PCT has entered into a pooled budget with Luton Borough Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for a number of activities and a memorandum note to the accounts (note 37) provides details of the joint income and expenditure.

The pool is hosted by Luton Borough Council. As a commissioner of healthcare services, the PCT makes contributions to the pool, which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement.

1.4 Taxation

The PCT is not liable to pay corporation tax. Expenditure is shown net of recoverable VAT. Irrecoverable VAT is charged to the most appropriate expenditure heading or capitalised if it relates to an asset.

1.5 Administration and Programme Costs

Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure).
From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme"
For PCTs, the Department has defined "admin and programme" in terms of running costs.
The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.
Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury budgetary control arrangements and so is recorded as such in the financial statements.

1.6. Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the PCT;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the PCT's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

1. Accounting policies (continued)

1.6 Property, Plant & Equipment (cont)

Until 31 March 2008, the depreciated replacement cost of specialised buildings was estimated for an exact replacement of the asset in its existing location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive net expenditure in the Statement of Comprehensive Net Expenditure

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.7 Depreciation, amortisation and impairments

Freehold land, properties under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the PCT expects to obtain economic benefits or service potential from the asset. This is specific to the PCT and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

At each reporting period end, the PCT checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) from 2011-12. This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set.
AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1. Accounting policies (continued)

1.8 Donated assets

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value using the [first-in first-out / weighted average] cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.10 Cash and cash equivalents

Cash and cash equivalents relate only to cash in hand. The PCT does not have any other form of cash equivalents.

1.11 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings including losses which would have been made good through insurance cover had PCTs not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.12 Clinical Negligence Costs

From 1 April 2000, the NHS Litigation Authority (NHSLA) took over the full financial responsibility for all Existing Liabilities Scheme (ELS) cases unsettled at that date and from 1 April 2002 all Clinical Negligence Scheme for Trusts (CNST) cases. Provisions for these are included in the accounts of the NHSLA. Although the NHSLA is administratively responsible for all cases from 1 April 2000, the legal liability remains with the PCTs.

The NHSLA operates a risk pooling scheme under which the PCT pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure in the year that it is due.

1.13. Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period. This has not been applied in 2012-13 as no leave was carried forward and therefore no provision has been made as a consequence.

Retirement benefit costs

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 scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

1. Accounting policies (continued)

1.14 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.15 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCT, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The PCT as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the PCT's net operating cost.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.17 Provisions

Provisions are recognised when the PCT has a present legal or constructive obligation as a result of a past event, it is probable that the PCT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% (2.8% in respect of early staff departures) in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the PCT has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the PCT has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arsing from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1. Accounting policies (continued)

1.18 Financial Instruments

Financial assets
Financial assets are recognised when the PCT becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss
The PCT has no embedded derivatives.

Held to maturity investments
The PCT does not have any investments.

Available for sale financial assets
The PCT does not have any financial assets available for sale.

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

Receivables are initially recognised at fair value.

At the Statement of Financial Position date, the PCT assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

Financial liabilities
Financial liabilities are recognised on the Statement of Financial Position when the PCT becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

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

1.19 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2012-13. The application of the Standards as revised would not have a material impact on the accounts for 2012-13, were they applied in that year:

IAS 27 Separate Financial Statements - subject to consultation
IAS 28 Investments in Associates and Joint Ventures - subject to consultation
IFRS 9 Financial Instruments - subject to consultation - subject to consultation
IFRS 10 Consolidated Financial Statements - subject to consultation
IFRS 11 Joint Arrangements - subject to consultation
IFRS 12 Disclosure of Interests in Other Entities - subject to consultation
IFRS 13 Fair Value Measurement - subject to consultation
IPSAS 32 - Service Concession Arrangement - subject to consultation

2. Operating segments

The PCT has operated as a single segment during 2012-13. The organisational strategy has been formulated taking into account all objectives of the organisation. Operational decisions are considered in this way by the PCT Board. All assets are utilised collectively to achieve the organisational aims and objectives.

In accordance with the above statement the accounts have been constructed on a single segment basis.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		326,046
Net operating cost plus (gain)/loss on transfers by absorption	341,436	
Revenue Resource Limit	341,481	326,302
Under/(Over)spend Against Revenue Resource Limit (RRL)	45	256

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	2,501	1,496
Charge to Capital Resource Limit	2,501	1,496
(Over)/Underspend Against CRL	0	0

3.3 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit *	337,790	325,739
Cash Limit	341,790	326,681
Under/(Over)spend Against Cash Limit	4,000	942

* A post audit resubmission to last year's accounts decreased the 2011-12 figure by £942k

3.4 Reconciliation of Cash Drawings to Parliamentary Funding (current year)

	2012-13 £000
Total cash received from DH (Gross)	337,790
Sub total: net advances	337,790
Parliamentary funding credited to General Fund	337,790

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	3
Dental Charge income from Contractor-Led GDS & PDS	**1,914**	0	1,914	1,783
Prescription Charge income	**1,536**	0	1,536	1,457
Strategic Health Authorities	**200**	24	176	607
NHS Trusts	**2,456**	0	2,456	0
NHS Foundation Trusts	**158**	0	158	151
Primary Care Trusts - Other	**182**	80	102	192
Primary Care Trusts - Lead Commissioning	**1,916**	0	1,916	2,261
English RAB Special Health Authorities	**1**	0	1	5
Local Authorities	**815**	63	752	712
Education, Training and Research	**2**	0	2	17
Other Non-NHS Patient Care Services	**36**	0	36	123
Charitable and Other Contributions to Expenditure	**343**	0	343	78
Other revenue	**2**	2	0	28
Total miscellaneous revenue	**9,561**	**169**	**9,392**	**7,417**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	**38,371**	0	38,371	34,444
Non-Healthcare	**803**	761	42	1,116
Total	**39,174**	**761**	**38,413**	**35,560**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**45,102**	54	45,048	46,651
Goods and services (other, excl Trusts, FT and PCT))	**6**	0	6	68
Total	**45,108**	**54**	**45,054**	**46,719**
Goods and Services from Foundation Trusts	**149,524**	1,020	148,504	140,621
Purchase of Healthcare from Non-NHS bodies	**23,294**	0	23,294	14,283
Expenditure on Drugs Action Teams	**778**	0	778	1,785
Non-GMS Services from GPs	**358**	232	126	98
Contractor Led GDS & PDS (excluding employee benefits)	**11,915**	0	11,915	12,141
Chair, Non-executive Directors & PEC remuneration	**53**	53	0	63
Executive committee members costs	**145**	145	0	0
Consultancy Services	**115**	79	36	249
Prescribing Costs	**26,698**	0	26,698	27,260
G/PMS, APMS and PCTMS (excluding employee benefits)	**28,851**	2	28,849	31,000
Pharmaceutical Services	**0**	0	0	7,305
New Pharmacy Contract	**7,166**	0	7,166	0
General Ophthalmic Services	**2,032**	0	2,032	2,024
Supplies and Services - Clinical	**578**	167	411	2,347
Supplies and Services - General	**217**	31	186	388
Establishment	**800**	672	128	348
Transport	**2**	0	2	21
Premises	**1,688**	632	1,056	1,101
Impairments & Reversals of Property, plant and equipment	**2,500**	0	2,500	1,000
Depreciation	**970**	0	970	616
Audit Fees	**88**	88	0	147
Other Auditors Remuneration	**0**	0	0	1
Clinical Negligence Costs	**22**	22	0	86
Education and Training	**224**	189	35	184
Grants for capital purposes	**249**	0	249	4
Other	**5**	0	5	119
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**342,554**	**4,147**	**338,407**	**325,470**
Employee Benefits (excluding capitalised costs)				
PCT Officer Board Members	**142**	142	0	752
Other Employee Benefits	**8,297**	7,168	1,129	7,235
Total Employee Benefits charged to SOCNE	**8,439**	**7,310**	**1,129**	**7,987**
Total Operating Costs	**350,993**	**11,457**	**339,536**	**333,457**
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to Local Authorities to Fund Capital Projects	**249**	0	249	0
Total Capital Grants	**249**	**0**	**249**	**4**
Total Grants	**249**	**0**	**249**	**4**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**11,288**	10,687	601
Weighted population (number in units)*	**192,479**	192,479	192,479
Running costs per head of population (£ per head)	**59**	**56**	**3**
PCT Running Costs 2011-12			
Running costs (£000s)	**9,996**	9,224	772
Weighted population (number in units)	**192,479**	192,479	192,479
Running costs per head of population (£ per head)	**52**	**48**	**4**

* Weighted population figures are not available for 2012-13 as the weighted capitation formula for PCT allocations was not updated for 2012-13. This was because it was decided to give all PCTs the same percentage growth in their allocations in this transitional year rather than differential growth based on a weighted capitation formula

Therefore, 2011-12 weighted populations have been used when calculated the Running Costs per head of population in 2012-13

5.2 Analysis of operating expenditure by expenditure classification

	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	28,849	28,973
Prescribing costs	25,162	25,919
Contractor led GDS & PDS	10,001	12,064
General Ophthalmic Services	2,032	2,024
Pharmaceutical services	0	315
New Pharmacy Contract	7,166	6,990
Non-GMS Services from GPs	126	97
Other	0	491
Total Primary Healthcare purchased	**73,336**	76,873
Purchase of Secondary Healthcare		
Learning Difficulties	2,934	2,662
Mental Illness	32,646	30,013
Maternity	14,113	14,058
General and Acute	143,051	135,831
Accident and emergency	6,517	4,904
Community Health Services	46,993	42,365
Other Contractual	8,489	7,547
Total Secondary Healthcare Purchased	**254,743**	237,380
Grant Funding		
Grants for capital purposes	249	4
Total Healthcare Purchased by PCT	**328,328**	**314,257**
Healthcare from NHS FTs included above	148,504	138,391

6. Operating Leases

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				**783**	850
Total				**783**	**850**
Payable:					
No later than one year	**0**	**779**	**4**	**783**	850
Between one and five years	**0**	**1,867**	**1**	**1,868**	1,529
After five years	**0**	**3,718**	**0**	**3,718**	3,775
Total	**0**	**6,364**	**5**	**6,369**	**6,154**

7. Employee benefits and staff numbers

7.1 Employee benefits

2012-13								
				Permanently employed			Other	
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	7,056	7,056	0	5,927	5,927	0	1,129	1,129	0
Social security costs	421	421	0	421	421	0	0	0	0
Employer Contributions to NHS BSA - Pensions Division	535	535	0	535	535	0	0	0	0
Termination benefits	427	427	0	427	427	0	0	0	0
Total employee benefits	8,439	8,439	0	7,310	7,310	0	1,129	1,129	0
Total - Net Employee Benefits including capitalised costs	8,439	8,439	0	7,310	7,310	0	1,129	1,129	0
Gross Employee Benefits excluding capitalised costs	8,439	8,439	0	7,310	7,310	0	1,129	1,129	0
Recognised as:									
Commissioning employee benefits	8,439			7,310			1,129		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	8,439			7,310			1,129		

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	6,782	5,240	1,542
Social security costs	494	494	0
Employer Contributions to NHS BSA - Pensions Division	637	637	0
Other post-employment benefits	20	20	0
Gross Employee Benefits excluding capitalised costs	7,987	6,445	1,542
Recognised as:			
Commissioning employee benefits	7,987		
Gross Employee Benefits excluding capitalised costs	7,987		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	1	1	0	2	2	0
Administration and estates	100	91	9	118	108	10
Healthcare assistants and other support staff	12	11	1	0	0	0
Nursing, midwifery and health visiting staff	1	1	0	7	7	0
Scientific, therapeutic and technical staff	3	3	0	3	1	2
Other	4	4	0	6	6	0
TOTAL	121	112	9	135	123	12

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	890	6,340
Total Staff Years	184	635
Average working Days Lost	4.84	9.98

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	0	0
	£000s	£000s
Total additional pensions liabilities accrued in the year	0	0

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13 *Number of compulsory redundancies	2012-13 *Number of other departures agreed	2012-13 Total number of exit packages by cost band	2011-12 *Number of compulsory redundancies	2011-12 *Number of other departures agreed	2011-12 Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Lees than £10,000	3	0	3	0	0	0
£10,001-£25,000	5	0	5	0	0	0
£25,001-£50,000	3	0	3	0	0	0
£50,001-£100,000	2	0	2	0	0	0
£100,001 - £150,000	1	1	2	1	0	1
Total number of exit packages by type (total cost	14	2	16	1	0	1
	£	£	£	£	£	£
Total resource cost	427,004	337,421	764,425	54,000	0	54,000

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions set out in the Agenda for Change Redundancy terms and conditions.

7.5 Pension costs

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2013, is based on the valuation data as 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**7,351**	**31,780**	7,766	30,810
Total Non-NHS Trade Invoices Paid Within Target	**6,219**	**24,348**	7,380	27,629
Percentage of NHS Trade Invoices Paid Within Target	84.60%	76.61%	95.03%	89.68%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**3,217**	**223,513**	2,944	224,073
Total NHS Trade Invoices Paid Within Target	**2,175**	**175,184**	2,355	216,495
Percentage of NHS Trade Invoices Paid Within Target	67.61%	78.38%	79.99%	96.62%

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.

9. Investment Income

The PCT had no investment income (2011-12 £Nil)

10. Other Gains and Losses

The PCT had no other gains and losses (2011-12 £Nil)

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Provisions - unwinding of discount	4	0	4	6
Total	4	0	4	6

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	4,625	10,126	0	2,534	1,412	0	4,720	647	24,064
Opening Balance Adjustment *				95					95
Accumulated depreciation netted of following revaluation		(3,123)							(3,123)
Adjusted Opening Balance	4,625	7,003	0	2,629	1,412	0	4,720	647	21,036
Additions of Assets Under Construction				808					808
Additions Purchased	0	620	0		21	0	1,037	15	1,693
Upward revaluation/positive indexation	0	309	0	0	0	0	0	0	309
Impairments/negative indexation	0	(447)	0	0	0	0	0	0	(447)
At 31 March 2013	4,625	7,485	0	3,437	1,433	0	5,757	662	23,399
Depreciation									
At 1 April 2012	0	0	0	124	1,134	0	2,011	647	3,916
Impairments	0	652	0	1,354	105	0	378	11	2,500
Charged During the Year	0	358	0		73	0	535	4	970
At 31 March 2013	0	1,010	0	1,478	1,312	0	2,924	662	7,386
Net Book Value at 31 March 2013	4,625	6,475	0	1,959	121	0	2,833	0	16,013
Purchased	4,625	6,475	0	1,959	121	0	2,833	0	16,013
Total at 31 March 2013	4,625	6,475	0	1,959	121	0	2,833	0	16,013
Asset financing:									
Owned	4,625	6,475	0	1,959	121	0	2,833	0	16,013
Total at 31 March 2013	4,625	6,475	0	1,959	121	0	2,833	0	16,013

* Opening balance was adjusted due to a prior year unidentified credit balance that was unidentifiable and no tangible asset to transfer to any recipient organisation.

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	1,424	1,747	0	0	0	0	0	0	3,171
Movements (specify)	0	(155)	0	0	0	0	0	0	(155)
At 31 March 2013	1,424	1,592	0	0	0	0	0	0	3,016

Additions to Assets Under Construction in 2012-13

	£000
Buildings excl Dwellings	808
Balance as at YTD	808

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	**4,625**	**9,098**	**0**	**4,752**	**1,364**	**0**	**1,955**	**647**	**22,441**
Additions - purchased	0	2	0	579	48	0	867	0	**1,496**
Reclassifications	0	899	0	(2,797)	0	0	1,898	0	**0**
Revaluation & indexation gains	0	189	0	0	0	0	0	0	**189**
Impairments	0	(62)	0	0	0	0	0	0	**(62)**
At 31 March 2012	**4,625**	**10,126**	**0**	**2,534**	**1,412**	**0**	**4,720**	**647**	**24,064**
Depreciation									
At 1 April 2011	**0**	**2,835**	**0**		**422**	**0**	**1,395**	**647**	**5,299**
Impairments	0	0	0	0	643	0	357	0	**1,000**
Charged During the Year	0	288	0		69	0	259	0	**616**
At 31 March 2012	**0**	**3,123**	**0**	**0**	**1,134**	**0**	**2,011**	**647**	**6,915**
Net Book Value at 31 March 2012	**4,625**	**7,003**	**0**	**2,534**	**278**	**0**	**2,709**	**0**	**17,149**
Purchased	4,625	7,003	0	2,410	278	0	2,709	0	**17,025**
At 31 March 2012	**4,625**	**7,003**	**0**	**2,410**	**278**	**0**	**2,709**	**0**	**17,025**
Asset financing:									
Owned	4,625	7,003	0	2,410	278	0	2,709	0	**17,025**
At 31 March 2012	**4,625**	**7,003**	**0**	**2,410**	**278**	**0**	**2,709**	**0**	**17,025**

12.3 Property, plant and equipment

The last full revaluation of land and buildings was conducted at 31st March 2010 by the District Valuation Service (DVS).

The latest Land and Building assets desktop valuation was conducted independently by the DVS as at 31st March 2013 in accordance with the new requirements; this has had no significant effect for the PCT.

Land and buildings have been revalued at 31st March 2013 by the DVS. The valuations have been prepared in accordance with the terms of the Royal Institution of Chartered Surveyor's valuation standard 6th Edition and in accordance with the requirements of HM treasury, NHS and the Department of Health. The NHS is required to apply the revaluation model set out in IAS 16 and value capital assets at fair value; in accordance with this requirement, capital assets are based on market value assuming that the property is used as part of a continuing enterprise in occupation. Non operational assets, including surplus of land, are valued on the basis of market value, making the assumption that the property is no longer required for existing operations which have ceased.

Although the PCTs provider services were formally transferred to Cambridge Community Services from 1st April 2011 as part of the national divestment initiative, and the revenue costs linked to these services are not recorded in these accounts, the value of the IT and other equipment assets supporting these services are still shown on the balance sheet. These assets will be transferred to Cambridge Community Services in the first quarter of 2013/14 as part of the transition process using the appropriate accounting guidance. The value of these assets is estimated at £2,317,000.

Economic Lives of Property, Land and Equipment:

	Min Life (yrs)	Max Life (yrs)
Buildings	3	77
Plant and Machinery	5	15
IT	5	8
Furniture and Fittings	5	10

There is no property currently held that has an open market value that is materially different to its existing use value.

13. Impairments

The PCT has reviewed its tangible non current assets in order to confirm the carrying value in the accounts is not materially different from fair value, in readiness for their transfer to the relevant reciever organisation. The carrying values of assets have been adjusted where necessary to reflect their fair values, in doing so has created an impairment of £2.5m which is chargeable to the Statement of Comprehensive Net Income in line withe PCT's accounting policy. (Note 1.7 Depreciation, Amortisation and Impairments - Page 7)

During the period, Luton PCT received £2.5m from Department of Health in compensation for the assets impaired.

14. Analysis of impairments and reversals recognised in 2012-13

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Other	2,500		2,500
Total charged to Annually Managed Expenditure	**2,500**		**2,500**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Other	447		
Total impairments for PPE charged to reserves	**447**		
Total Impairments of Property, Plant and Equipment	**2,947**	**0**	**2,500**
Total Impairments charged to Revaluation Reserve	447		
Total Impairments charged to SoCNE - AME	2,500		2,500
Overall Total Impairments	**2,947**	**0**	**2,500**

15 Investment property

The PCT did not hold any investment property (2011-12 £Nil)

16 Commitments

The PCT had no commitments (2011-12 £Nil)

17 Intra-Government and other balances

	Current receivables £000s	Current payables £000s
Balances with other Central Government Bodies	2,166	6,785
Balances with Local Authorities	16	868
Balances with NHS Trusts and Foundation Trusts	1,501	5,555
Balances with bodies external to government	319	10,322
At 31 March 2013	**4,002**	**23,530**
prior period:		
Balances with other Central Government Bodies	2,659	3,005
Balances with NHS Trusts and Foundation Trusts	1,219	5,760
Balances with bodies external to government	1,623	14,079
At 31 March 2012	**5,501**	**22,844**

18 Inventories

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000	Of which held at NRV £000
Balance at 1 April 2012	**0**	**0**	**0**	**0**	**0**	**36**	**36**	0
Inventories recognised as an expense in the period	0	0	0	0	0	(36)	**(36)**	0
Balance at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
NHS receivables - revenue	**3,600**	2,247	**0**	0
NHS prepayments and accrued income	**67**	1,631	**0**	0
Non-NHS receivables - revenue	**328**	239	**0**	0
Non-NHS prepayments and accrued income	**0**	1,378	**0**	0
Provision for the impairment of receivables	**(15)**	(41)	**0**	0
VAT	**22**	47	**0**	0
Total	**4,002**	5,501	**0**	0
Total current and non current	**4,002**	5,501		

The great majority of trade is with other NHS bodies, including other Primary Care Trusts as commissioners for NHS patient care services.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**2,388**	805
By three to six months	**22**	291
By more than six months	**0**	387
Total	**2,410**	1,483

19.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**(41)**	**(41)**
Amount written off during the year	**26**	0
Balance at 31 March 2013	**(15)**	(41)

20 NHS LIFT investments

The PCT had no LIFT investments (2011-12 £Nil)

21.1 Other financial assets - Current

The PCT had no other current financial assets (2011-12 £Nil)

21.2 Other Financial Assets - Non Current

The PCT had no other non current financial assets (2011-12 £Nil)

22 Other current assets

The PCT had no other current assets (2011-12 £Nil)

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**0**	4
Net change in year	**0**	(4)
Closing balance	**0**	0
Made up of		
Cash and cash equivalents as in statement of financial position	**0**	0
Bank overdraft - Government Banking Service	**(2)**	0
Cash and cash equivalents as in statement of cash flows	**(2)**	0
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

The PCT had no non current assets held for sale (2011-12 £Nil)

25 Trade and other payables

	Current	
	31 March 2013 £000	31 March 2012 £000
NHS payables - revenue	**0**	82
NHS accruals and deferred income	**12,340**	8,659
Family Health Services (FHS) payables	**5,806**	6,387
Non-NHS payables - revenue	**0**	2,030
Non-NHS accruals and deferred income	**5,325**	5,403
Social security costs	**0**	69
Tax	**0**	86
Other	59	128
Total	**23,530**	22,844
Total payables (current and non-current)	**23,530**	**22,844**

26 Other liabilities

The PCT had no other liabilities (2011-12 £Nil)

27 Other financial liabilities

The PCT had no other financial liabilities (2011-12 £Nil)

28 Deferred income

The PCT had no deferred income (2011-12 £Nil)

29 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	**183**	0	178	0	0	0	0	0	5	0
Arising During the Year	**575**	0	0	0	0	575	0	0	0	0
Utilised During the Year	**(34)**	0	(34)	0	0	0	0	0	0	0
Unwinding of Discount	**4**	0	4	0	0	0	0	0	0	0
Change in Discount Rate	**5**	0	5	0	0	0	0	0	0	0
Balance at 31 March 2013	**733**	**0**	**153**	**0**	**0**	**575**	**0**	**0**	**5**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**600**	**0**	**25**	**0**	**0**	**575**	**0**	**0**	**0**	**0**
Later than One Year and not later than Five Years	**101**	**0**	**100**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
Later than Five Years	**32**	**0**	**28**	**0**	**0**	**0**	**0**	**0**	**4**	**0**

Pension provisions: There is minimal uncertainty regarding these provisions as they all relate to liabilities due to the NHS Pensions Agency, and are based on information provided by the agency.

Continuing Healthcare Provision - The provision reported in relation to Continuing Health Care has followed the principles set out in the accounting policy as mentioned above. The calculation of the potential liability provided for was derived from an analysis of the historical payment experience comparing claims that were successful to the level of claims identified within the contingent liability. This provided the PCT with a view considered to be reasonable of the probable future liability, given that the full process of the panel assessment related to these claims has not been completed. This equated to an average rate of 10% expected payment against more claims assessed.

30 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other	**(524)**	(786)
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(524)**	(786)

The potential claims arise from patients seeking reimbursement for expenses incurred. Under government initiatives the number of claims received in 2012/13 increased sharply. An assessment has been made based upon documentation submitted and historical claims experience in order to value the total potential liability and estimate the level of contingent liability arising.

The PCT has had to exercise a level of judgement in regard to the value of contingent claims as there remains a high level of uncertainty over the existence and value of potential future liabilities. It should be noted that the contingent liability figure derived is considered to represent a prudent best estimate of the potential future risk.

31 PFI and LIFT - additional information

The PCT had no PFI or LIFT schemes (2011-12 £Nil)

32 Impact of IFRS treatment - 2012-13

There was no IFRS impact

33 Financial Instruments

Financial risk management
Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of the PCT are met through Parliamentary Funding, financial instruments play a more limited role in creating risk that would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the PCT's expected purchase and usage requirements and the PCT is therefore exposed to little credit, liquidity or market list.

Currency risk

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

Interest rate risk
PCTs are not permitted to borrow. The PCT therefore has low exposure to interest-rate fluctuations

Credit Risk

Because the majority of the PCT's income comes from funds voted by Parliament, the PCT has low exposure to credit risk.

Liquidity Risk
The PCT is required to operate within limits set by the Secretary of State for the financial year and draws down funds from the Department of Health as the requirement arises. The PCT is not, therefore, exposed to significant liquidity risks.

33.1 Financial Assets	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Receivables - NHS		3,667		**3,667**
Receivables - non-NHS		313		**313**
Cash at bank and in hand		0		**0**
Total at 31 March 2013	**0**	**3,980**	**0**	**3,980**
Receivables - NHS		2,247		2,247
Receivables - non-NHS		242		242
Cash at bank and in hand		0		0
Total at 31 March 2012	0	2,489	0	2,489

33.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000
NHS payables		12,340	**12,340**
Non-NHS payables		11,131	**11,131**
Other borrowings		2	**2**
Other financial liabilities	0	59	**59**
Total at 31 March 2013	**0**	**23,532**	**23,532**
NHS payables		8,741	8,741
Non-NHS payables		13,820	13,820
Other borrowings		0	0
Other financial liabilities	0	128	128
Total at 31 March 2012	**0**	22,689	22,689

34 Related party transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party		Receipts from Related Party		Amounts owed to Related Party		Amounts due from Related Party	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
	£	£	£	£	£	£	£	£
Mr Gurch Randhawa, the Chair of the Trust is an employee of the								
University of Bedfordshire	**2,621**	17,840	**0**	0	**0**	895	**0**	0
Ms J Hammond was an Executive Director of Human Resources for the PCT, is Director of her own company that provided HR Consultancy to the PCT.								
Tunnelwood Ltd T/A HR Consulting	**53,148**	177,887	**0**	0	**0**	0	**0**	0
Dr F Sim who is Executive Director of Medicine for the PCT, is Trustee and vice chair and joint editor in chief of Journal owned by the Society and Board member of UK Public Health Register.								
Royal Society for Public Health	**2,431**	1,000	**0**	0	**680**	0	**0**	0
Mr D Parfitt who is Non Executive Director of the PCT, was an employee of Lloyds Banking Group PLC.								
Lloyds Banking Group PLC (Lloyds TSB Autolease)	**0**	80,106	**0**	0	**0**	451	**0**	0
Dr N Pearson who is Vice Chair for the Clinical Commissioning Group for the PCT is a GP partner for the Lea Vale medical Group and Share Holder for Local Healthcare Solutions								
Lea Vale Medical Group	**2,777,646**	2,202,727	**0**	0	**0**	0	**0**	0
Local Healthcare Solutions	**2,945,440**	1,761,363	**0**	0	**0**	0	**0**	0
Dr B Bahey who is the Chair for the Clinical Commissioning Group for the PCT is a GP partner for the Woodland Avenue Practice and is paid for teaching at the Royal College of GPs.								
Woodland Avenue Practice	**1,531,008**	1,377,661	**0**	0	**1,015**	0	**0**	0
Royal College of GPS	**0**	6,380	**0**	0	**0**	0	**0**	0
Dr V Desai who is Secondary Care Member for the Clinical Commissioning Group, is consultant for Milton Keynes Hospital NHS Foundation Trust								
Milton Keynes Hospital NHS Foundation Trust	**173,000**	0	**0**	0	**0**	0	**30**	0
J Szumski who is a Clinical Leadership Executive Committee Member, is a Nurse Partner with Lea Vale Medical Centre, partner at Lea Vale Health, and Director of Nursing at Local Healthcare Solutions								
Lea Vale Medical Centre	**2,777,646**	2,202,727	**0**	0	**0**	0	**0**	2,190
Local Healthcare Solutions	**2,945,440**	1,761,363	**0**	0	**0**	0	**0**	0

Dr S Swain who is GP Member for the Clinical Commissioning Group, is part of the Blenheim Medical Centre **Blenheim Medical Centre**	**1,333,312**	0	**0**	0	**293**	0	**0**	0
Dr M Alabi who is GP Member for the Clinical Commissioning Group, **Medici Medical Centre**	**1,392,769**	0	**0**	0	**0**	0	**0**	0
Dr N Razzaq who is GP Member for the Clinical Commissioning Group, is part of the Bute House Medical Centre **Bute House Medical Centre**	**916,154**	0	**0**	0	**25**	0	**0**	0
Dr A Robinson who is GP Member for the Clinical Commissioning Group, is part of Moakes Medical and Whipperley Medical Centre **Moakes Medical Centre** **Whipperley Medical Centre**	**427,769** **428,508**	0 0	**0** **0**	0 0	**0** **0**	0 0	**0** **0**	0 0
Samir Patel, was a member of the Clinical commissioning group last year and shown as an employee for Waremost Ltd **Bulls Pharamacy**	**0**	1,375	**0**	0	**0**	0	**0**	0
Paul Tisi, was a member of the Clinical commissioning group last year and shown as an employee at Bedford Hospital NHS Trust **Bedford Hospital NHS Trust**	**0**	2,734,000	**0**	0	**0**	215,000	**0**	0
Andrew Gale, was a member of the Clinical commissioning group last year and shown as the Divisional Director for Medicine at Luton and Dunstable NHS FT **Luton and Dunstable NHS FT**	**0**	105,568,000	**0**	136,000	**0**	2,035,000	**0**	0
Michael Wood, was a member of the Clinical commissioning group last year and shown as the sole trader of Leagrave Dental Sedation Clinic **Leagrave Dental Sedation Clinic**	**0**	49,902	**0**	0	**0**	0	**0**	0
Sajeeva Jayalath, was a member of the Clinical commissioning group last year and shown as clinical director for South Essex Partnership NHS FT **South Essex Partnership NHS FT**	**0**	27,899,000	**0**	15,000	**0**	794,000	**0**	0
Paul Choudhury, was a member of the Clinical commissioning group last year and shown as a Trustee for the Ian Hutcheon Clinic for Children and a Board member of the Shadow CCG Board **Bell House**	**0**	2,963	**0**	0	**0**	0	**0**	2,000
	17,706,892	145,844,295	**0**	151,000	**2,013**	3,045,346	**30**	4,190

The Department of Health is regarded as a related party. During the year Luton Teaching 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.

Related Parties Organisations	Expenditure		Revenue		Payables		Receivables	
	2012/13 £000's	2011/12 £000's	2012/13 £000's	2011/12 £000's	2012/13 £000's	2011/12 £000's	2012/13 £000's	2011/12 £000's
Bedford Hospital NHS Trust	3,301	2,734	20	0	110	215	6	0
Bedfordshire PCT	4,987	5,344	1,938	2,389	1,057	1,432	1,976	2,173
Cambridge University Hospitals NHS Foundation Trust	1,499	1,074	0	0	0	0	15	77
Cambridgeshire Community Services NHS Trust	24,372	22,553	2,418	0	74	397	962	770
Cambridgeshire PCT	21	29	1	0	0	0	1	1
East and North Hertfordshire NHS Trust	3,144	5,413	0	0	162	0	1	59
East of England Ambulance NHS Trust	7,487	7,536	0	0	30	147	0	0
East of England Strategic HA	0	0	200	607	0	0	75	39
Guys and St Thomas NHS Foundation Trust	737	389	0	0	110	13	0	0
Imperial College Healthcare NHS Trust	1,209	1,570	0	0	0	62	356	0
Luton and Dunstable Hospital NHS Foundation Trust	111,597	105,568	150	136	4,200	2,035	0	0
NHS Direct NHS Trust	587	367	0	0	45	175	0	0
Royal Free London NHS Foundation Trust	2,036	1,789	0	0	11	0	0	120
South East Essex PCT	36,265	29,416	1	0	5,445	1,252	1	0
South Essex Partnership NHS Foundation Trust	28,504	27,878	0	15	429	794	0	0
The Royal National Orthopaedic Hospital NHS Trust	1,440	1,265	0	0	0	52	0	0
University College London NHS Foundation Trust	3,345	3,768	0	0	0	911	22	0
West Hertfordshire Hospitals NHS Trust	1,840	1,676	0	0	0	62	12	0

35 Losses and special payments

The PCT made no losses or special payments (2011-12 £Nil)

36 Third party assets

The PCT held no third party assets (2011-12 £Nil)

37 Pooled budget

Luton PCT has a pooled budget arrangement in partnership with Luton Borough Council. The key areas are as follows: Learning Disabilities (this is a joint responsibility for both Local Authority and PCTs with contributions for social and health care respectively); a pooled budget for the Joint Equipment Service; a Children's S75 agreement used to secure the provision of residential short break services; both day provisions; and other residential respite provisions.

The share of the expenditure handled by the pooled budget in the financial year were:

	2012-13 £000	2011-12 £000
Learning Disabilities		
PCT Share	2,275	2,128
Luton Borough Council Share	2,219	2,169
Total Expenditure	4,494	4,297
Community Loan Equipment		
PCT Share	470	335
Luton Borough Council Share	470	535
Total Expenditure	940	870
Children's S75		
PCT Share	1,007	1,008
Luton Borough Council Share	2,978	2,978
Total Expenditure	3,985	3,986

38 Events after the end of the reporting period

As noted in note 1, under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Luton Teaching PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

The main functions carried out by Luton Teaching PCT in 2012-13 are to be carried out in 2013-14 by the following public sector bodies:

Organisation	Assets £000	Revenue £000
Luton Clinical Commissioning Group	**78**	**228,922**
NHS Property Services	**12,964**	**0**
NHS England	**2,081**	**84,040**
Luton Borough Council	**0**	**9,850**
Public Health England	**0**	**500**
Cambridge Community Services	**890**	**0**

Certain assets have transferred to NHS Property Services on 1st April 2013. These were considered operational at the year end, and so have not been impaired in the PCT's books. It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment.

The PCT will continue to implement the national NHS reforms, including the creation of a local Clinical Commissioning Group (CCG). The day to day responsibility for a significant range of commissioning and other budgets will be formally delegated to the CCG from 1st April 2013.

As part of the reform agenda, discussions are also taking place with other PCT clusters on the creation of a Commissioning Support Unit (CSU). Certain services currently provided by the PCT (and the relevant staff) will be transferred to the CSU once this is formally established.

Arrangements will be made for all land and building assets to be transferred to new owners in accordance with already released national guidance. The anticipated date for these transfers is 1st April 2013. Guidance is still awaited on the procedures for dealing with other PCT assets.

Also as outlined in note 12.3, relevant IT and equipment assets will be transferred to Cambridge Community Services which will complete the required accounting transactions relating to the provider services divestment.

It has not been possible to calculate realistic estimates of the cost implications of any of these events, whether they will happen as described, or whether they will occur in the time frames mentioned.

The PCT annual contract with Shared Business Services for the provision of the ledger and certain accounting services was not extended beyond 31st May 2012 (other than read only access requirements). For 2012/13 the PCT has used the SAGE ledger system currently operated in NHS Bedfordshire, and all routine transactions were processed locally on a cluster wide basis. This arrangement will continue to the demise of the PCT and the completion of the 2012/13 statutory accounts.