

Cumbria Teaching Primary Care Trust Annual Report and Summary Financial Statements 2008/09

NHS
Cumbria



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Foreword

Cumbria's family doctors, nurses and other health professionals are now in the driving seat when it comes to creating better services for patients, closer to their homes.

As part of NHS Cumbria, these clinicians are leading the country in finding new ways to make sure patients receive the right treatment, in the right place, at the right time.

Change has been most obvious in the north of the county, where a major consultation on the future of health services in Allerdale, Carlisle, Copeland and Eden has led to a shift in thinking.

Called *Closer to Home*, the plan means more health services are being moved into our local communities.

Treatments which were previously only available from big acute hospitals have started to move into GP surgeries, community hospitals and, where appropriate, people's homes - allowing the big hospitals to focus on providing a higher level of care for those who need it.

Improvements have been allied to extra investment with one simple goal in mind: better patient care.

The entire process has been designed and driven by family doctors and their colleagues at local level and, in the coming year, it will be the turn of GPs in Furness and South Lakeland to map out their plans for the future.

Across Cumbria, clinicians have been able to invest in new services for patients. Rehabilitation units and assessment services, which are led by GPs, are being put in place at each of Cumbria's four acute hospitals. These new services mean that personalised care - which patients value from their family doctor - now follows them from home to hospital and back again.

Local clinicians have real power to decide what sort of health and social care is provided in their area. Experienced GPs - one from each of the county's six districts (Allerdale, Barrow, Carlisle, Copeland, Eden and South Lakeland) - are working with other family doctors and health professionals in their areas to develop these services.

Each has been able to draw on their years of experience delivering front-line health care to develop the improved services which local patients need.

Less than three years ago, the future of Cumbria's community hospitals was under serious threat. Now, thanks to the *Closer to Home* plan, the future looks altogether brighter.

Plans to revitalise community hospitals and create health campuses in Cockermouth, Millom and Brampton have been the subject of detailed planning over the last twelve months. Plans for Alston, Keswick, Maryport, Penrith and Wigton are set to follow.

In addition, more NHS dental services are being introduced. During the last year, an extra 37,500 NHS dental places were commissioned, with more planned for the future.

The key to adding life to years and years to life is a combination of prevention and cure.

Early in 2009 NHS Cumbria embarked on a major public health campaign called Health Counts, with the key goal of helping more people to quit smoking, eat healthier and drink less.

Measures taken by NHS Cumbria to put the county's health finances on a sustainable path for the future helped turn a £36.7 million deficit in 2006/07 into a small surplus in 2007-08, two years earlier than forecast, with a similar level of surplus in 2008-09.

None of this would have been possible without the dedication and hard work of thousands of people who work in Cumbria's health and social care services.

The NHS celebrated its 60th birthday last year. When the landmark National Health Service made its first tentative steps in 1948 it had three unshakeable principles. These were to meet the needs of everyone in Britain, to be free at the point of delivery and based on a person's clinical need, not their ability to pay.

Today those principles remain the same despite six decades of change and adaptation to meet the needs and aspirations of the times.

The times we live in now call for a refocusing of the health service's priorities to meet the needs of a rapidly ageing population and a new generation, accustomed to being given the right to more and more choice in nearly every other part of their lives.

The demand for more choice, and ultimately more convenience, in a county as large and diverse as Cumbria, has started a revolution in health care thinking over the last year.

During that time there has been a lot done, with a lot more to do. Our job ahead is to continue the pace of change right across health and social care in Cumbria.

If we do, we will build world class services equal to the hopes and aspirations of the people of Cumbria. Working together, we can and we will.

Maggie Chadwick
Chair

Sue Page
Chief Executive

Dr Ian Mitchell
Chair of the Professional Executive Committee



Maggie Chadwick



Sue Page



Dr Ian Mitchell

“The key to adding life to years and years to life is a combination of prevention and cure.”

1. About NHS Cumbria

1.1 Who we are and what we do

Cumbria Primary Care Trust was formed on 1 October 2006, when the three primary care trusts (or PCTs) that served north Cumbria joined with the Cumbria part of Morecambe Bay Primary Care Trust to form what is geographically the biggest PCT in the North West region, with a population of half a million and an area of over 2,600 square miles. It became a teaching PCT a year later.

In August 2008, the primary care trust changed its operating title to NHS Cumbria, though its full legal title remains Cumbria Teaching Primary Care Trust.

NHS Cumbria is the channel for NHS funding into Cumbria and we have a responsibility to ensure the improvement of the health of the population. We have a leadership role in developing approaches to health and healthcare in the NHS and across public services in the county.

We do this by:

- > Assessing the health of people in Cumbria and working with partners such as Cumbria County Council to develop strategies and plans to improve health and wellbeing.
- > Steering the NHS work of family health services, including GP practices, dentists, pharmacists and opticians in Cumbria.
- > Commissioning health services from a range of providers, particularly North Cumbria University Hospitals NHS Trust, University Hospitals of Morecambe Bay NHS Trust, Cumbria Partnership NHS Foundation Trust and North West Ambulance Service NHS Trust.
- > Directly providing services such as health visiting, district nursing and occupational therapy as well as nine community hospitals.

“The demand for more choice, and ultimately more convenience, in a county as large and diverse as Cumbria, has started a revolution in health care thinking over the last year.”

1.2 Our vision, aims and objectives

NHS Cumbria’s objective is to improve the health and wellbeing of the residents of the county. Looking forward into 2009-10, members of the board reviewed the vision statement, aims and high-level objectives:

Vision

Our vision is to improve the health and wellbeing of all people in Cumbria and help them to stay active, independent and in control for as long as possible.

Aims

Underpinning this vision, we have three aims:

- > Better Health: Improve health and reduce health inequalities
- > Better Life: Improve independent living and self management of care
- > Better Care: Improve the way we deliver care and increase ownership and engagement

NHS Cumbria will demonstrate:

- > Leadership and positive action
- > Readiness to work with others, to listen, learn and change
- > Transparency of decision making
- > That for Cumbria “good enough” is not good enough

Key objectives:

- > To work with others to improve health for the people of Cumbria
- > To make best use of all available resources
- > To achieve world class standards through innovation and transformation

Our work includes engaging with local people to improve health and wellbeing as well as to commission or, where it gives best value, to directly provide a comprehensive range of high quality, responsive and efficient services.

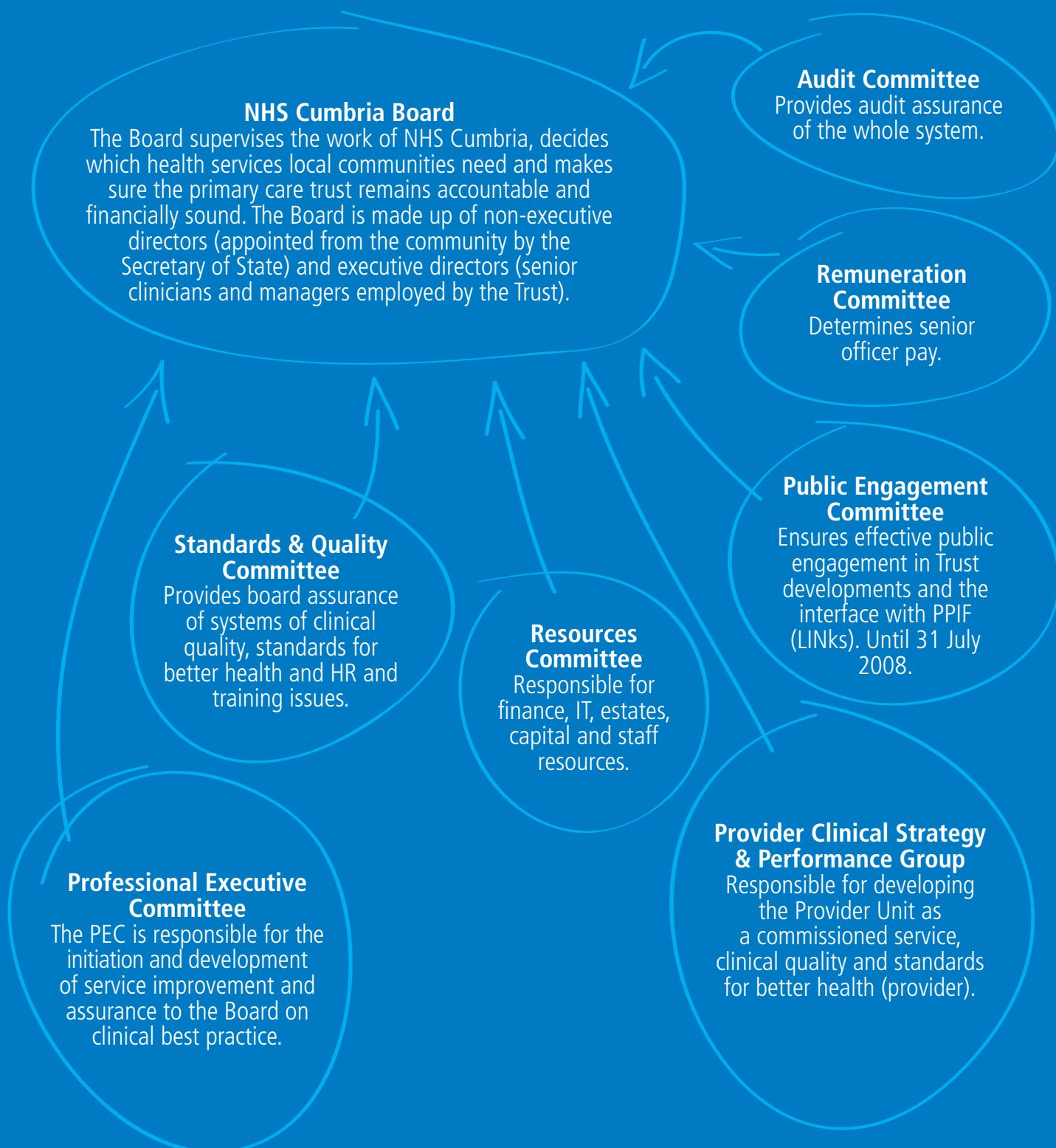
NHS Cumbria is responsible for leading and driving forward change as well as improving standards in public health.

It is accountable to the public and to the North West Strategic Health Authority for improving public health throughout Cumbria.

1.3 Decision-making structure

How does NHS Cumbria work?

The decision making structure of the primary care trust is set out below.



1.4 Who's who in NHS Cumbria



Maggie Chadwick
Chair



Sue Page
Chief Executive



Ian Mitchell
Professional Executive
Committee (PEC) Chair



John Ashton
Director of Public
Health



John Critchley
Director of
Resources



Ross Forbes
Director of
Corporate Affairs



Nigel Maguire
Director of Market
Development



Diane Ridgway
Director of Clinical
Services

Executive Directors



Allan Buckley
Resources Committee,
Remuneration Committee
and Public Engagement
Committee (Chair)



Bob McCulloch
Audit Committee and
Resources Committee



Ian Gordon
Audit Committee
(Chair)



Keith Little
Audit Committee and
Charitable Funds
Committee (Chair)



Mary Dowling
Standards and Quality
Committee (Chair) and
Resources Committee
(Chair) and Remuneration
Committee

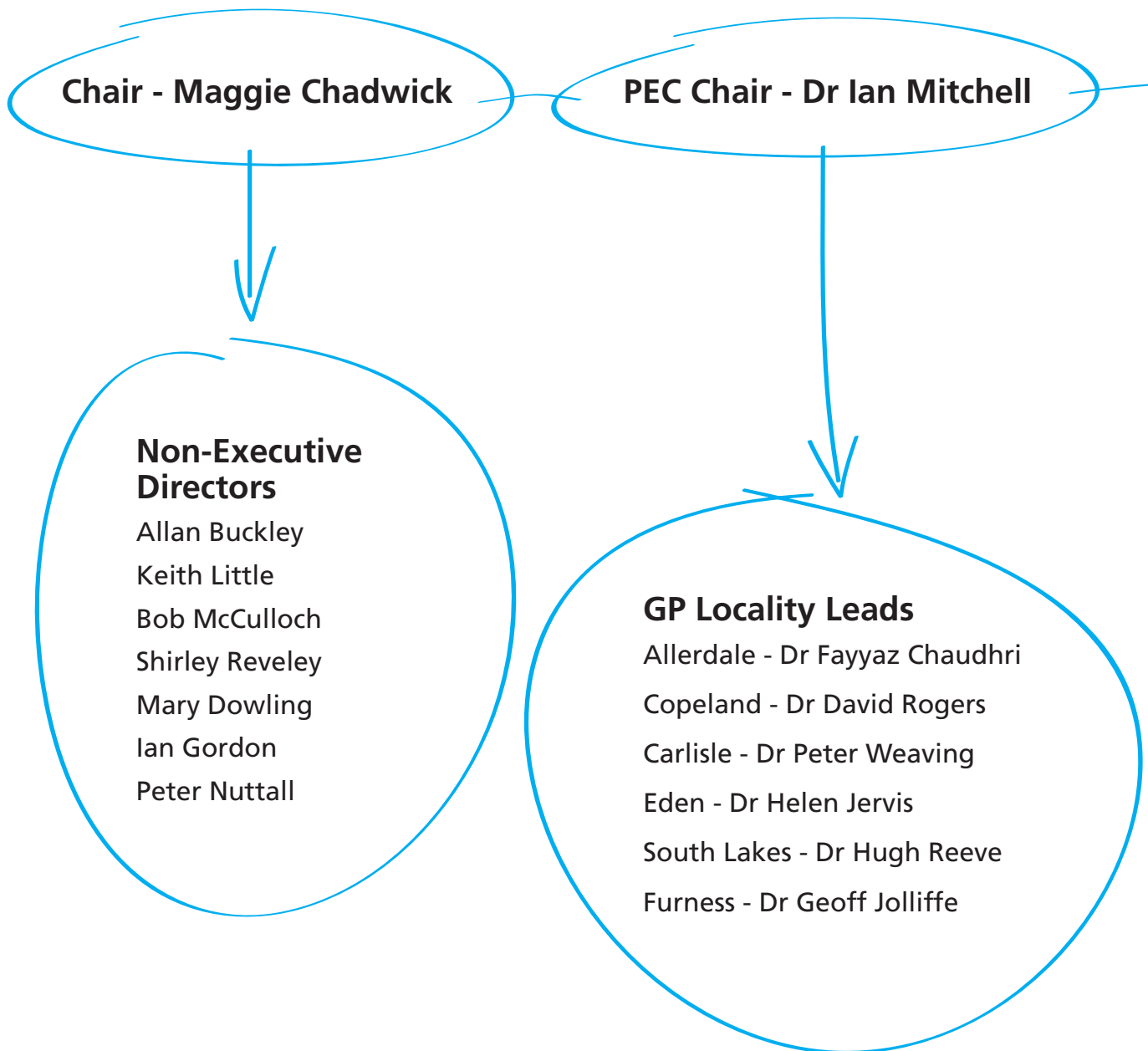


Peter Nuttall
Resources Committee
(Chair) and Remuneration
Committee



Shirley Reveley
Provider Clinical Strategy
& Performance Group

Non Executive Directors



1.5 Organisational Management Chart

For day to day management and service delivery, NHS Cumbria is structured around its main business functions, as shown right, although clearly there are mechanisms to ensure effective joint working across the areas.

Chief Executive - Sue Page

Executive Directors

Director of Resources John Critchley	Director of Public Health Professor John Ashton	Director of Clinical Services Diane Ridgway	Director of Market Development Nigel Maguire	Director of Corporate Affairs Ross Forbes
Contracting	Health Inequalities	Child Protection	Performance Board	Remuneration Committee
Estates/Fire	Sexual Health	Vulnerable Adults	Care Streams	Organisational Development
Community Ventures	Drug & Alcohol	Facilities Management	Joint Commissioning	Human Resource Management
Finance	Obesity	Community Hospitals	Information Management	Education & Training
IT Infrastructure	Smoking	Community Services	Primary Care Commissioning	Equity & Diversity
Integrated Governance	Domestic Violence	Allied Health Professionals	Locality Commissioning	Employee Relations
Performance Board	Partnerships	Dental	Nursing	Business Development
Audit Committee	Physical Activity	Adult Localities X 6	18 Weeks	Equal Value
Standards & Quality Committee	Nutrition	Children's Localities X 4	Service Development	Workforce Strategy
Resources Committee	Accidents	Clinical Services	Organisational Development	Industrial Relations
Charitable Funds Committee	Mental Health	Specialist Nursing Services	Service Level Agreement Contract	Public Relations
	Health Trainers	Estates	Management Reviews	Patient & Public Involvement
	Infection Prevention & Control	Governance	Primary Care Development	Internal/External Communications
		Risk	Performance	Complaints
		Provider Finance	Caldicott	Corporate Affairs
		Provider HR		Reputation Management
		Medicines Management		Leadership
		Out of Hours		Public Engagement Committee
		Intermediate Care		
		Health & Safety		

2. Operating report - review of the year





Shot in the arm for Cumbria's primary care services

Local health services in Cumbria were praised by patients in an annual Healthcare Commission poll.

NHS Cumbria achieved the highest score in England for the time people get to spend with their doctor, overall satisfaction with the way GPs deal with patients' problems and the courtesy shown by receptionists at practices and health centres.

It also got the top score when patients were questioned about their level of involvement in decisions about their care, and the confidence and trust they have in their GP.

Overall, Cumbria was ranked in the top 20 per cent of England's primary care trusts in three-quarters of the questions asked by the independent health watchdog.

Cumbria amongst best in UK for GP access

Access to GP services in Cumbria was ranked among the best in the UK according to a major survey of patients' experiences.

The national survey, carried out by the Department of Health, obtained the views of more than 23,000 patients in Cumbria from January to March 2008

Chance to help shape Cumbria's diabetes services

People with experience of living with diabetes in Cumbria were given the opportunity to help improve services for patients with the disease.

NHS Cumbria set up a new group with the support of Diabetes UK to help to develop new services, closer to home.



Patient power

Plans to link the creation of a new hospital and health campus for West Cumbria into regeneration plans for the area were the subject of a major event organised by NHS Cumbria.

The meeting of leading local decision-makers discussed how a health campus could be created around a new acute hospital, with state-of-the-art medical research and teaching facilities closely linked to the area's nuclear expertise.



£6 million cash boost for family doctors in Cumbria

Family doctors in Cumbria were awarded an extra £6 million to invest in local health services from the primary care trust's budget. The money was the first wave of significant new investment made possible by the primary care trust's drive to provide more services closer to where people live.

Cumbria delivering shortest waiting times since records began

NHS Cumbria celebrated the shortest waiting times since NHS records began. In January 2009, a new standard came into effect ensuring all patients in the NHS in England will be treated within 18 weeks. Achieving the 18 weeks operational standard has made a huge difference to patients' experiences of the NHS in Cumbria.

Barrow residents offered free checks for lung disease

People in Barrow were urged to take advantage of a free health check to make sure they were not suffering from lung disease.

Nurses from NHS Cumbria gave people the opportunity to have their lungs checked as part of World COPD Day.

COPD (Chronic Obstructive Pulmonary Disease), which includes chronic bronchitis and emphysema, is usually caused by smoking and causes breathing problems.



Kendal nurse launches national lung disease review

A Kendal nurse took to the national stage to raise awareness of Chronic Obstructive Pulmonary Disease, which kills more people every year than breast, bowel or prostate cancer.

To mark World COPD Day Jenny Till, Clinical Lead and specialist respiratory nurse for the South Lakes Community Respiratory Service at NHS Cumbria, visited the House of Commons to help the Royal College of Physicians launch a national audit of COPD.

Night nurse service expansion

NHS Cumbria announced plans to expand community night nursing services in north Cumbria.

The primary care trust said it would be investing an extra £300,000 to increase the number of night nurses who can treat patients in their own homes in Allerdale, Copeland and Eden.



Boost for Cumbria health services

NHS services in Cumbria were judged to be improving according to a report by independent health watchdogs.

In its latest annual health check, the Healthcare Commission awarded NHS Cumbria, a 'fair' rating for its use of resources and quality of services.

The judgment meant the trust had improved its services and finances over the previous twelve months.

Cumbria steps out for diabetes

People in Barrow, Carlisle and Kendal were encouraged by NHS Cumbria to help mark World Diabetes Day by taking part in special walks through each town.

The walks were organised to raise awareness of the disease and how exercise can control it.

New cancer unit hope for South Cumbria

NHS Cumbria announced it was working with other primary care trusts in the region to assess the feasibility of developing a new cancer unit in south Cumbria.



Multi-million pound Cockermouth hospital plans pass important milestone

Plans for a multi-million pound rebirth of hospital facilities in Cockermouth passed an important milestone.

NHS Cumbria's board approved an outline business case for the town's old Isel Road building to be replaced with a new health campus - combining community hospital, GP and other services on one site.

Cockermouth is in the vanguard of plans to create a new generation of 'health campuses' which will see more services delivered closer to patients' homes.

Mental health service improvements agreed

Plans to invest more money in modern mental health services were approved by NHS Cumbria.

The proposals, which were subject to a four month public consultation, paved the way for an investment of up to £10 million in improved buildings for patients.



Cumbria nursing conference brings nursing closer to home

England's chief nursing officer Chris Beasley set out her vision for the future of nursing in England at NHS Cumbria's first "Bringing Nursing Closer to Home" conference.

Around 260 delegates from the nursing and related healthcare professions attended the full-day conference, which also featured an inspirational speech from Falklands war veteran Simon Weston.



Handy NHS guide published

Households across Cumbria received a handy magazine packed full of essential information on NHS services and how to stay healthy.

'Your NHS' magazine was produced by NHS Cumbria and sent to more than 200,000 homes in the county.

As well as useful contact numbers for NHS services, the magazine included advice on how to stay healthy over the winter.



NHS Cumbria supports Change4life

NHS Cumbria joined a national campaign to get families to eat well, move more and live longer.

Change4life is a national initiative to try and combat the growing levels of obesity in children and adults by encouraging people and families to live healthier lives.

Carlisle healthy city bid

A health conference was held to discuss Carlisle's application to achieve World Health Organisation (WHO) Healthy City status.

Experts on health spoke at the event which was organised by NHS Cumbria.

To achieve the international accolade, cities must demonstrate a commitment to putting health at the centre of decision-making in areas such as planning and recreation.

No ifs, no butts at New Year

Smokers in Cumbria were given extra help to make sure their New Year resolution to kick the habit didn't go up in flames.

A new NHS Cumbria scheme meant that from January 2009, participating pharmacies across the county could offer free advice and regular support, including nicotine replacement.



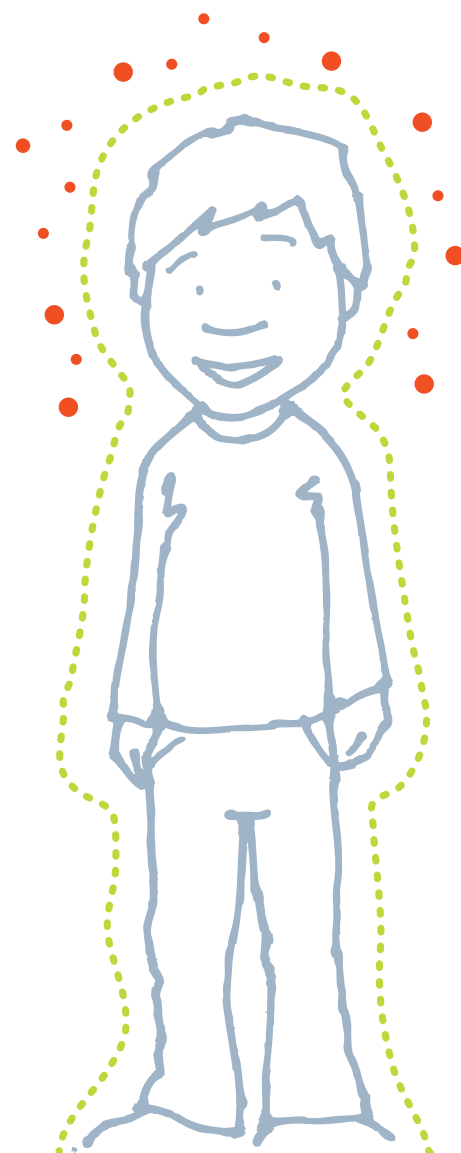
MMR reminder

Clinicians at NHS Cumbria reminded parents of the importance of the MMR vaccine.

A study released by the Lancet found that there were 12,132 cases of measles in Europe in the last two years. These cases were mostly found in the UK, Romania, Italy, Switzerland and Germany, in patients who had never had the vaccine, or had not completed the full course.

Cumbrian parents urged to take action on measles

Parents in Cumbria were urged to protect their children against measles in the wake of Health Protection Agency figures showing that the number of measles cases in England and Wales had topped 1,000 in a year for the first time since 1995.



Extra investment in Penrith Hospital GP service

NHS Cumbria announced it was investing an extra £140,000 in new GP services at Penrith Hospital. The investment was part of the NHS Closer to Home improvements.

Barrow and Carlisle smokers get incentive to quit and get fit

Smokers in Carlisle and Barrow were given extra encouragement to kick the habit.

NHS Cumbria offered free leisure centre passes to people who quit through the county's Stop Smoking service as part of a pilot scheme in Barrow and Carlisle.



Staff at Penrith Community Hospital.

Drunken behaviour worries Cumbrians most

Four in five Cumbrians worry about alcohol fuelled behaviour.

The figure came from the results of the Big Drink debate – a mayor survey into people's attitudes to alcohol.

More than 1,500 people across Cumbria took part in the Big Drink Debate - the biggest ever review of opinions on alcohol in the North West.



Help to choose the right NHS service in Cumbria

NHS Cumbria launched a web campaign to make sure people across the county knew how and where to get the best NHS care for any illness or injury.

'Choose Well' advised people what they should do if they find themselves suffering from a particular health problem, from diarrhoea to back pain and blood loss.

Green light for NHS Cumbria

Cumbria scored high marks under a new NHS programme designed to improve the way health services are commissioned in England.

NHS Cumbria published its first 'assurance' report for world class commissioning, a ground-breaking health programme designed to deliver significant benefits for local people.

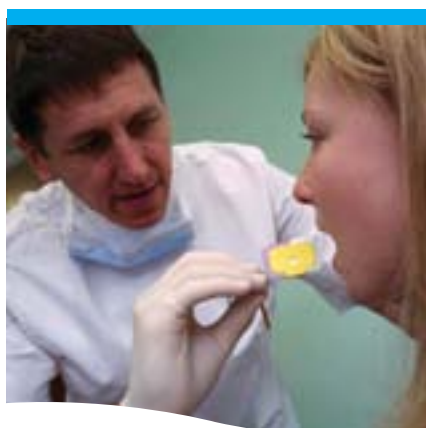
As part of this process, the primary care trust's strategy, financial management and Board skills were assessed by a strategic health authority-led panel using a traffic light system - with a green light indicating the highest score.

Cumbria achieved a green light in all three categories.

30,000 NHS dental places for West Cumbria

NHS Cumbria secured 30,000 additional NHS dental places for people in West Cumbria.

As part of NHS Cumbria's promise to provide NHS dental care to anyone who wants it, the primary care trust said it was investing £1.75million in four new dental practices (Whitehaven, Workington, Maryport and Egremont).



More NHS dental places for Kendal

NHS Cumbria secured up to 7,500 new dental places for people in Kendal. The primary care trust said it was investing £500,000 in two dental practices in the town.

Home testing for bowel cancer proves popular

Home testing kits were shown to be encouraging more people in Cumbria to get checked for bowel cancer.

In 2008, a £600,000 bowel cancer screening programme was launched in Cumbria and North Lancashire, to encourage more people to get tested.

Since the scheme was rolled out across Cumbria and North Lancashire, 42 cases of cancer were detected and 121 patients had polyps (benign tumours, which, if left, can become cancerous) removed.

Pharmacies offer free chlamydia testing

Eighty pharmacies across Cumbria began offering free chlamydia testing kits to under 25's who access emergency contraception.

NHS Cumbria said it was backing the scheme targeting young women, as those under 25 are more commonly diagnosed with chlamydia, than any other age group.



Managing medicines

Advice was published on how people can make their medicines work better for them and help reduce waste. NHS Cumbria's medicines management team is one of the top performing in the North of England.

Fewer Cumbrians led 'ashtray'

More than 2,000 people in Cumbria quit smoking with help from NHS Cumbria's stop smoking service in the twelve months since April 2008

The NHS Cumbria Stop Smoking Service can be contacted on 01900 324222.



Workington Access Centre opens its doors

Patients in Workington found it easier to see a doctor or a nurse outside of working hours thanks to a brand new service.

The New Workington Access centre opened at Workington Community Hospital, providing extended opening hours to help patients who found it difficult to seek medical care due to their work commitments.

Patients praise respiratory programme as a 'lifeline'

Patients in South Lakes with respiratory conditions said they were getting a new lease of life thanks to a multi-disciplinary team offering pulmonary rehabilitation closer to home.

NHS Cumbria commissioned a team of specially trained health professionals to bring patients with respiratory problems together near to where they live

Cumbria's health counts

NHS Cumbria launched a major campaign to get people across Cumbria thinking about their health.

The 'Health Counts' campaign saw posters, billboards, adverts and leaflets popping up all over the county with messages advising people how they can take small steps to improve their health.



Plan to reduce deaths and improve health in Cumbria

Reducing the number of premature deaths due to heart disease and other circulatory conditions was among a list of top priorities drawn up by leading clinicians in Cumbria.

NHS Cumbria set itself the challenging target of cutting deaths through heart disease and other circulatory diseases by 84 per cent over the next five years – saving around 374 more lives each year by 2013.

GPs asked to produce detailed case for new Carlisle health centre

A consortium of Carlisle GPs was given the go-ahead to produce detailed plans for a new health centre at Hilltop Heights in the city.

Before final approval is given to the development, NHS Cumbria said it would need to be satisfied that the business case is financially viable and addresses issues such as public transport links to the site.

Cumbria's health improving

People in Cumbria were shown to be getting healthier according to a report by Cumbria's Director of Public Health.

NHS Cumbria published 'Health in Cumbria 2009', the second annual report on the health of people in the county. It outlined Professor John Ashton's account of people in Cumbria's health and the issues which still need tackling.





3. Governance and performance

3.1 Management and control of information risks

All NHS organisations must now make specific reference to information governance in terms of identifying and managing information risks in their annual statement of internal controls. They must also identify a Senior Information Risk Owner at Board level.

Information governance within NHS Cumbria plays a key part in clinical governance, service planning and performance management. Information governance is concerned with the way NHS organisations handle information about patients/clients and employees, in particular personal and sensitive information.

NHS Cumbria has the responsibility for ensuring that there are robust information governance (IG) systems and processes in place that protect patient and corporate information and help the organisation undertake its role effectively (eg through effective records management).

Information governance has taken on an increasingly higher profile following national incidents where information about members of the public has been mislaid.

This has led the Department of Health to establish an Information Governance Assurance Programme that runs alongside the Information Governance Toolkit. Information governance covers all staff employed by NHS Cumbria, private contractors, volunteers and temporary staff.

The NHS Information Governance Toolkit ("the toolkit") covers health bodies in England. It sets out standards for the management of information. The standards form the benchmark against which NHS organisations can assess themselves.

Organisations need to show that they are managing information in a way that is compliant with the law as well as best practice and guidance. There are 54 standards divided into six component groups.

NHS Cumbria is achieving year-on-year improvement in terms of compliance with the

toolkit and is focusing on information security as a priority area.

The primary care trust ensures that it has a comprehensively scoped and formally documented plan and programme that considers the security risks to its information assets, including the systems and media used in processing or storing that information.

Consideration of the potential impacts on the continued delivery of care, the protection of patient and other personal data as well as corporate data are all essential elements of the plan and programme.

A formal information security risk assessment and management method is used to ensure all threats, vulnerabilities and impacts are properly assessed and included in an organisation-wide risk register and acknowledged in the IG assurance framework. An appropriately skilled information security risk manager is appointed.

The Information Governance Toolkit for the NHS requires that organisations have a Senior Information Risk Owner (SIRO). The SIRO must:

- > Take ownership of the organisation's information risk policy
- > Act as advocate for information risk on the Board of Directors
- > Provide written advice to the accounting officer on the content of their statement of internal control in record to information risk.

The SIRO understands how the strategic business goals of the organisation and how other NHS organisations' business goals may be impacted by information risks. The SIRO implements and leads the information governance risk management processes within the organisation and advises the Board on the effectiveness of information risk management across the organisation.

NHS Cumbria's SIRO is John Critchley, Director of Resources.

3.2 Disclosure of serious untoward incidents relating to personal identifiable data loss

All NHS organisations are now required to disclose, in their annual reports, any serious untoward incidents involving data loss or breach of confidentiality. Data for NHS Cumbria is shown below:

Table 1

Summary of serious untoward incidents involving personal data as reported to the Information Commissioner's Office in 2008/2009				
Date of incident (month)	Nature of incident	Nature of data Involved	Number of people potentially affected	Notification steps
Nil Return				
Further action on information risk	NHS Cumbria has had no incidents classified at a severity rating of 3 – 5 which have been captured as serious untoward incidents and reported to the SHA and Information Commissioner.			

Table 2

Summary of other personal data related incidents in 2008 / 2009		
Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	11 **
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	2 **
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	2 **
IV	Unauthorised disclosure	15 **
V	Other	

** NB: During this period there have been no reported incidents within NHS Cumbria where a full set of medical records has been lost, stolen or inappropriately disposed of.

In line with our policy, incidents are reported where there has been a failure to maintain data security.

In summary, the incidents reviewed relate to individual documents containing personal identifiable information about patients which have been found by other staff or patients, or relate to a breach of data security where information has been wrongly addressed for mailing, faxing, printing/copying and therefore became available to those with no right of access.

3.3 How we have performed

The NHS priorities and direction for the next three-year planning cycle were set out in the NHS Operating Framework for 2008/09, in which the emphasis is on shifting from central direction-setting to local priority-setting in partnership with local people and communities. Cumbria’s strategy reflects the primary care trust’s commitment to this approach.

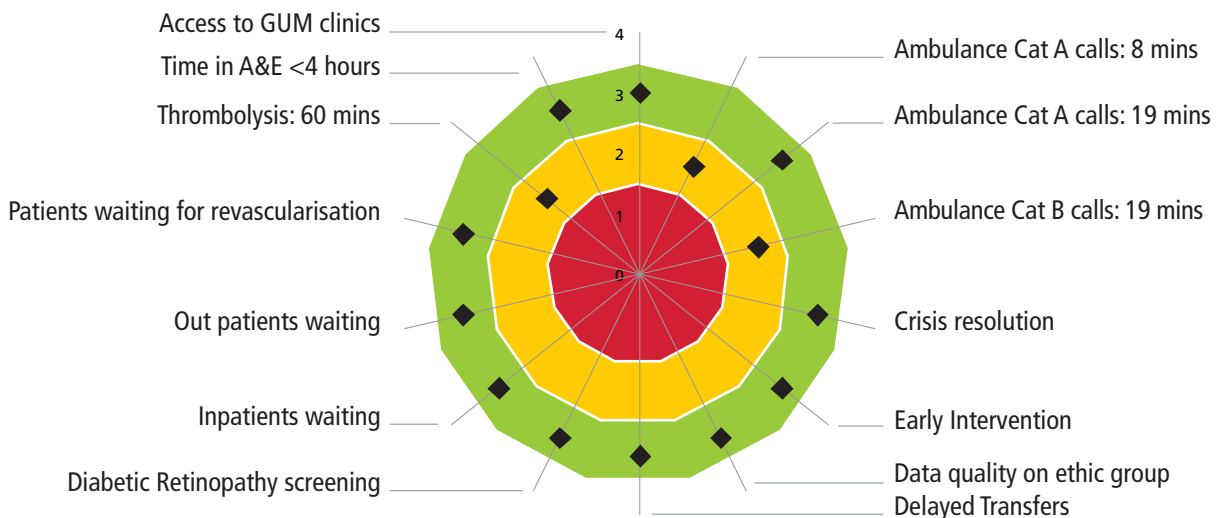
We are externally assessed and benchmarked against other organisations through a number of routes, primarily, nationally through the Care Quality Commission’s (the Healthcare Commission) Annual Health Check and locally through the Local Area Agreement with partner organisations. The performance of NHS Cumbria has continued to improve during 2008/09.

Annual Health Check

For 2007/08 the NHS Cumbria Annual Health Check was assessed as Fair for both quality of services and use of resources. This was an improvement on 2006/07 where the Cumbria PCT Annual Health Check was assessed as weak for both quality of services and resources. Although we know that NHS Cumbria has continued to improve, we predict that for 2008/09 we will again be assessed as Fair for both quality of services and resources.

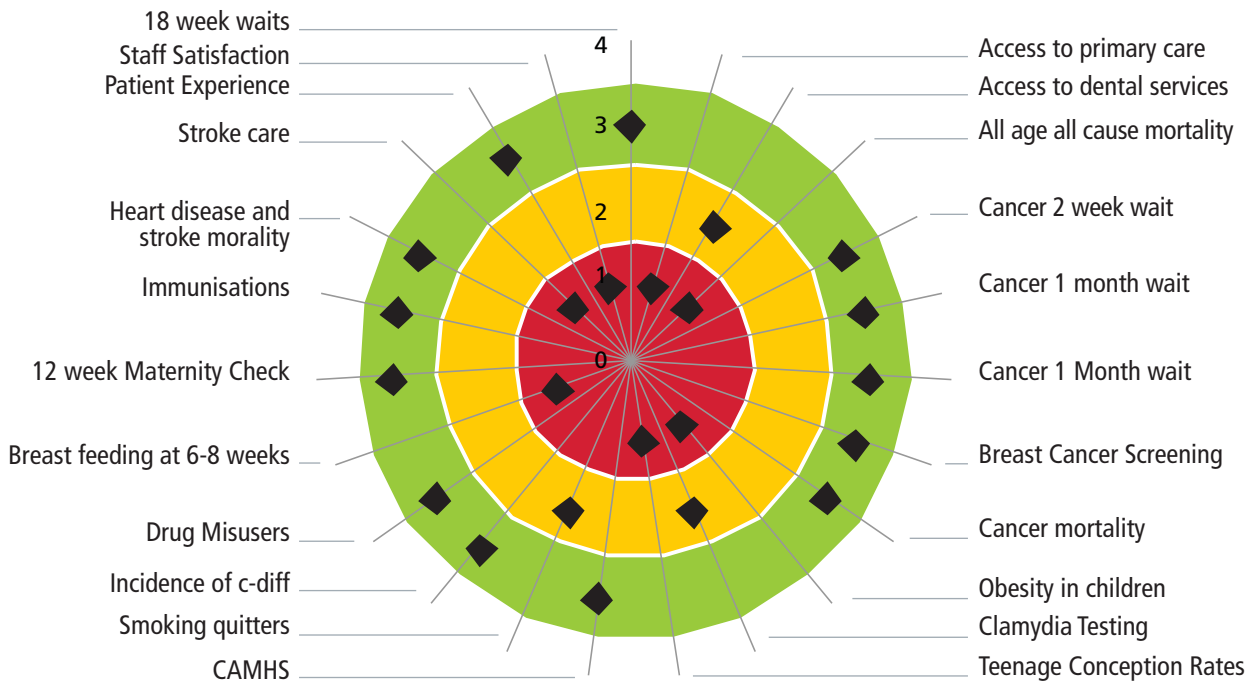
Quality of services is assessed through compliance with core standards and achievement on indicators divided into existing commitments and national priorities. At the end of 2008/09, our self assessment has identified that we are compliant for all but one of the commissioner core standards. We are expecting to be assessed as achieving 11 of the 14 existing commitments standards, underachieving on the remaining three.

2008-09 predicted performance of existing commitments for NHS Cumbria as at March 2009



3 (green) = Achieving
 2 (amber) = Under achieving
 0 (red) = Failing

2008-09 predicted performance of national priorities for NHS Cumbria as at March 2009



3 (green) = Achieving
 2 (amber) = Under achieving
 0 (red) = Failing

In relation to the existing commitments and national priorities, action plans are in place and are linked to the achievement of the initiatives outlined in the strategic plan. NHS Cumbria is also undertaking action to improving data collection and addressing data quality issues e.g. length of stay on stroke units. These actions will lead to better intelligence for targeted action to support the key initiatives outlined.

The NHS in Cumbria met the national target to treat patients within a maximum of 18 weeks from referral by their GP.

Cumbria Local Area Agreement

The Community Strategy for Cumbria sets out four high level aspirations:

- > Safe strong and inclusive communities
- > Health and wellbeing throughout life
- > A sustainable and prosperous economy
- > Effective connections between people and places.

The Community Strategy long term aspirations are supported by a number of key outcomes for each area, which are in turn delivered through the Local Area Agreement (LAA) as the three-year action plan. There is a high degree of correlation between the World Class Commissioning Strategic Plan and the Community Strategy and Local Area Agreement.

2008-09 predicted performance of national priorities for NHS Cumbria as at March 2009

Issue	LAA indicator	2008/09 target	2008/09 expected position	2009/10 target	Actions to achieve 2009/10
Smoking	NI 123 and SI 5 Four week quitters	3189	3189	3189	See Tobacco Alliance Strategy indicator action plan: http://www.cumbriastrategicpartnership.org.uk/elibrary/view.asp?id=%2027539
Smoking	LI 10 Percentage of mothers recorded as smoking at delivery	20%	20%	19%	See Tobacco Control Strategy and strategic plan
Alcohol	NI 39 Rate of hospital admissions per 100,000 people for alcohol related illness	2,043 per 100,000	Awaiting annual data	2,001 per 100,000	See Time to Call Time: Cumbria Alcohol Strategy Indicator action plan: http://www.cumbriastrategicpartnership.org.uk/elibrary/view.asp?id=%2027538
Drugs	NI 40 Number of drug users recorded as being in effective treatment	1,420	1,536	1,448	Indicator action plan: http://www.cumbriastrategicpartnership.org.uk/elibrary/view.asp?id=%2027552
Child Injuries	NI 70 Hospital admissions caused by unintentional and deliberate injuries to children and young people	Baselines to be established within refresh			TIIG Trauma and injury intelligence group set up to improve data gathering and management Activity under review/development as part of review of Children's Services
Health inequalities	LI 6 Reduce inequalities between the local authority area and the England population by narrowing the gap in all age, all cause mortality in spearhead areas – targets for Carlisle and Barrow	Male: Barrow 814 Carlisle 751 Female: Barrow 525 Carlisle 521	Latest data available only to 2005-07. Time-lag due to the validation of deaths by Office of National Statistics	Male: Barrow 791 Carlisle 735 Female: Barrow 514 Carlisle 514	Barrow Health Improvement Plan Carlisle Health Improvement Plan Carlisle multi agency Healthy City plan awaiting bid for World Health Organisation Healthy City status

NHS Cumbria also contributes to a wide range of other indicators led by other agencies through a range of partnership activities:

NI 117	16-18 year olds Not in Employment Education or Training (NEET)
NI 19	Rate of proven re-offending by young offenders
NI 4	Percentage of people who feel they can influence decisions in their locality
NI 5	Overall/general satisfaction with local area
NI 7	Environment for a thriving third sector
NI 1	Percentage of people who believe people from different backgrounds get on well together in their local area
NI 20	Assault with injury crime rate
NI 30	Re-offending rate of prolific & priority offenders
NI 41	Perceptions of drunk & rowdy behaviour
NI 57	Children's participation in high-quality PE & sport

The LAA targets where NHS Cumbria is the lead agency are all expected to be achieved or exceeded in 2008/09.

3.4 Clinical governance

Clinical governance is the system by which the quality of clinical care delivered by NHS Cumbria as a commissioner and provider of services is consistently monitored and improved. In this regard NHS Cumbria uses the national Standards for Better Health as a minimum level of acceptable practice. There are 44 standards upon which NHS Cumbria is required to state compliance.

This year NHS Cumbria is fully compliant with 43 of these standards for the full year for its provider services and 44 as a commissioner. This is an improvement from last year (07-08) where NHS Cumbria met 33 standards and from the year previously (06-07) when 21 standards were met. This clearly demonstrates significant year on year improvement in the standard of care delivered across Cumbria.

These improvements were achieved through the further development of systems and processes that assist clinicians to deliver good quality care. This includes:

- > Aspects of Clinical Effectiveness, by the development and promotion of local and national guidance;

- > Clinical Audit, where care is monitored for effectiveness and changes made as a result;
- > Risk management, with the use of incident reporting, nationally and locally, to ensure learning is made from untoward incidents;
- > Staffing and staff management, where staff are supported in their delivery of safe and effective care;
- > Safe use of information, by ensuring staff have access to the information they require, when they require it, whilst maintaining patient confidentiality.

NHS Cumbria consistently adheres to the concept that quality care can only successfully be developed and implemented by the application of strong clinical leadership in combination with public involvement. Accordingly there are identified empowered lead clinicians in all areas of the primary care trust, including at every point in the commissioning process and across NHS Cumbria's provider services. These individuals have the responsibility for the development of quality care in their respective areas.

To ensure effective patient and public representation within the quality systems of NHS Cumbria, there are representatives from the primary care trust's Patient Voice Group on all governance committees and groups, including the primary care trust Board's quality sub group the Standards and Quality Committee, the provider services quality group, and the information governance group.

There is also a specific group with the sole remit of gaining patient and public opinion on both new and revised policies and patient information leaflets and systems.

NHS Cumbria was identified by the Strategic Health Authority as a pilot site to take responsibility for the STEIS monitoring system (Strategic Executive Information System) for its commissioned services.

To fulfil this responsibility, NHS Cumbria closely monitors all the serious untoward incidents occurring in our providers, including acute and mental health services and ensures that action plans are developed that address key learning points, mitigating against reoccurrence and that these plans are followed through to completion.

NHS Cumbria has a high level STEIS group that meets to monitor this process and take action if required. It also invites representatives from our providers to discuss their mitigating actions in response to incidents.

For the following year it is aimed to further develop and promote effective clinical governance across the trust, thereby ensuring that the quality of care provided and commissioned is consistently improved.

3.5 Responding in an emergency

The Civil Contingencies Act, which came into force in 2004, identifies NHS bodies as playing a key role in planning for and responding to emergencies.

NHS Cumbria has been designated as a Category 1 responder, requiring us to have robust multi-agency mechanisms in place to ensure an effective response to incidents.

NHS Cumbria is responsible for:

- > Assessing the risk of emergencies occurring and using this to inform contingency planning.
- > Putting in place emergency plans and business continuity management arrangements.
- > Providing information to the public about civil protection matters and maintaining arrangements to warn, inform and advise the public in the event of an emergency.
- > Sharing information with other local responders to enhance co-ordination.
- > Co-operating with other local responders to enhance co-ordination and efficiency.

During 2008-09, arrangements have been made to appoint a business continuity coordinator, with a remit to develop resilience arrangements both within NHS Cumbria and with partner agencies. We have also appointed a coordinator to build on our existing preparedness arrangements for pandemic flu. NHS Cumbria, both our acute trusts and the Cumbria Partnership Mental Health Trust all scored well in a recent NHS Northwest assessment.

NHS Cumbria participated in several major exercises including a multi-agency severe weather exercise and a multi agency pandemic influenza exercise.

It also participated in the North West mass casualty exercise, Maximus, where the new NHS Cumbria Incident Control Room, based in Penrith, was activated for the first time.

3.6 Environmental performance

Energy consumption rates across key sites are monitored on a regular basis and are reported annually, which allows comparison with other NHS organisations. Measures are being encouraged on a local basis to review energy consumption on a more frequent basis to allow action where there are sudden increases. Because of national and global challenges, we are aware that further reviews are necessary to reduce consumption rates.

Following the implementation of BREEAM (BRE Environment Assessment Method) regulations, all our properties over 1000m² have been assessed and display energy certificates. Advice has been sought from the Carbon Trust on the energy performance of our major buildings and a programme is being developed to implement recommendations.

NHS Cumbria has initiated a review of waste management standards. Additional resources have been employed to identify the existing issues and action plans developed towards compliance with health care and legislative standards.

Recycling is encouraged at all sites and is included in the action plans.

Cumbria provides challenges which arise from its geography and demography, with major conurbations in the north, west and south which require innovative means of effective communication. Greater emphasis is placed on video conferencing and conference call facilities. We are intending to review transport arrangements across the NHS Cumbria estate, which will reduce travel and lower our carbon footprint for all users. This review also requires links with and cooperation by other NHS providers.

The Closer to Home policy is being implemented across the county with new developments coming on stream. The policy will result in fewer long journeys for patients, families and friends when receiving treatment and care.

The Community Ventures Programme, which is developing new health care facilities in key locations across the county, is being designed in an innovative way to comply with BREEAM regulations, forging a new era in carbon reductions and environmental impacts.



A woman with blonde hair, wearing a blue uniform, is looking down at a dental mirror she is holding. The mirror is held in her right hand, and she is looking into it. The background is a blurred clinical setting with a light fixture visible in the upper right corner.

4. Complaints and remedies

We endeavour to address and resolve all individuals' concerns and complaints and to use your personal experiences as an opportunity to review and improve our services. We do this by ensuring that we reflect the Health Service Ombudsman's Principles of Remedy in that we are customer focused, open and accountable, act fairly and proportionally and seek to put things right and to continually improve.

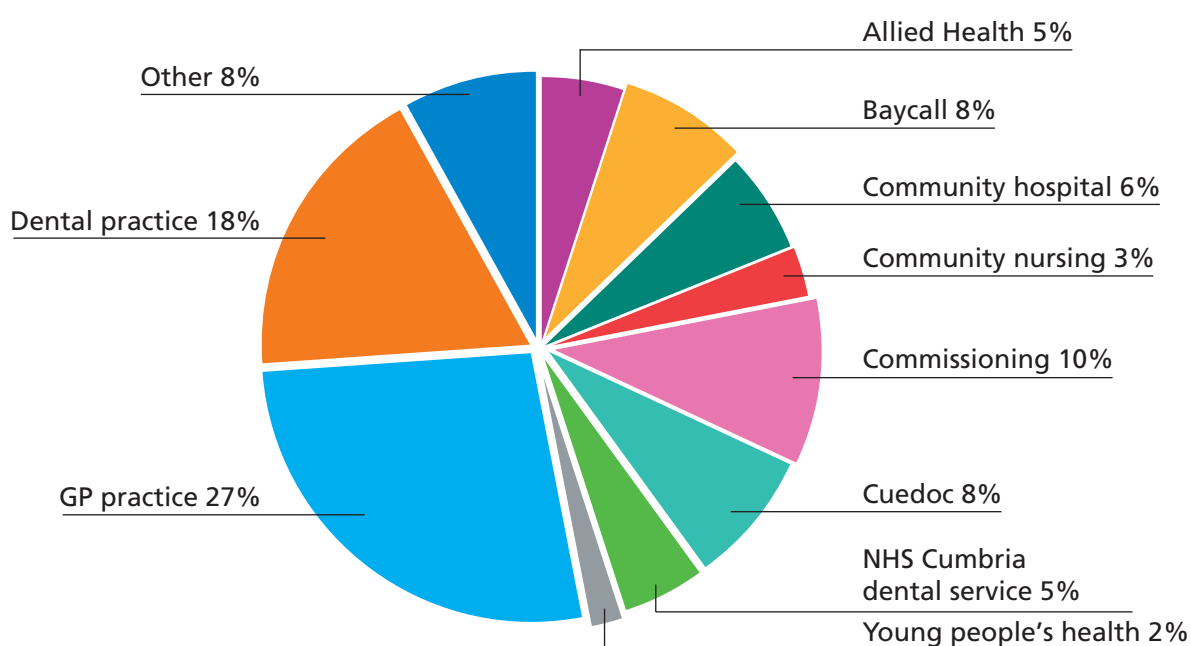
Over the past year, complaints have helped us to:

- > Put systems in place to ensure community nurses carry a standard set of equipment.
- > Undertake a procedural systems review to ensure all x-rays at the Primary Care Assessment Centre are reviewed and checked the following day.
- > Review communication processes within a community hospital ward.
- > Review policy regarding communication during our appeals processes.
- > Audit training to ensure all professionals are aware of the appropriate referral pathways for Safeguarding Children.

Number of complaints received from April 2008 – March 2009 regarding services NHS Cumbria provided, commissioned and contracted (figures do not include complaints made to GP or dental practices directly)

Subject of complaint

Admissions, discharge and transfer arrangements	2
Appointments, delay / cancellation (includes choose and book)	15
Attitude of staff	22
Confidentiality	7
Clinical treatment	67
Communication / information to patients (written and oral)	15
Complaints handling	1
Patients privacy and dignity	1
Independent sector services commissioned	15
Personal records (including medical and / or complaints)	1
Policy and commercial decisions (includes commissioning)	20
Other	6
TOTAL	172





5. Our employees

5.1 Action taken to communicate and consult with employees

In August 2008, NHS Cumbria began a programme of work to improve the scale and quality of two-way communication with staff. This complements the routine communication through management and other lines and supports established lines of communication and consultation activity through the staff organisations.

Recognising the wide geographical spread of staff and also of GP practices, communications tactics concentrate on a mix of face-to-face and digital communication and consultation, with less reliance on traditional, print-based media:

- > New staff and GP e-newsletters were launched in October 2008. GP News is published monthly. Cumbria Matters, the staff newsletter, is published fortnightly.
- > A programme of staff roadshows on the NHS constitution and NHS Cumbria's strategic plan was held in October 2008.
- > A further chief executive's staff roadshow was held in venues across the county in January 2009, with all staff invited and given the opportunity to pose questions.
- > A successful Celebration of Nursing Conference was held at Rheged in January 2009, with over 250 nurses from across Cumbria attending the full-day event.
- > Regular meetings have been instituted for associate directors and provider services managers to be briefed on important developments.
- > A new staff intranet site was built, for launch in April 2009.
- > The first of a regular series of chief executive's vidcasts was filmed, for inclusion on the new staff intranet. Staff are asked to submit their questions for the chief executive to respond to on film.
- > A series of training events have been run for managers to prepare for the launch in April of a new Team Brief. This is designed as a cascade of information delivered face-to-face to all staff, with the opportunity for them to pose questions and comments, which are fed back to the senior management team.

5.2 Policy relating to disabled employees

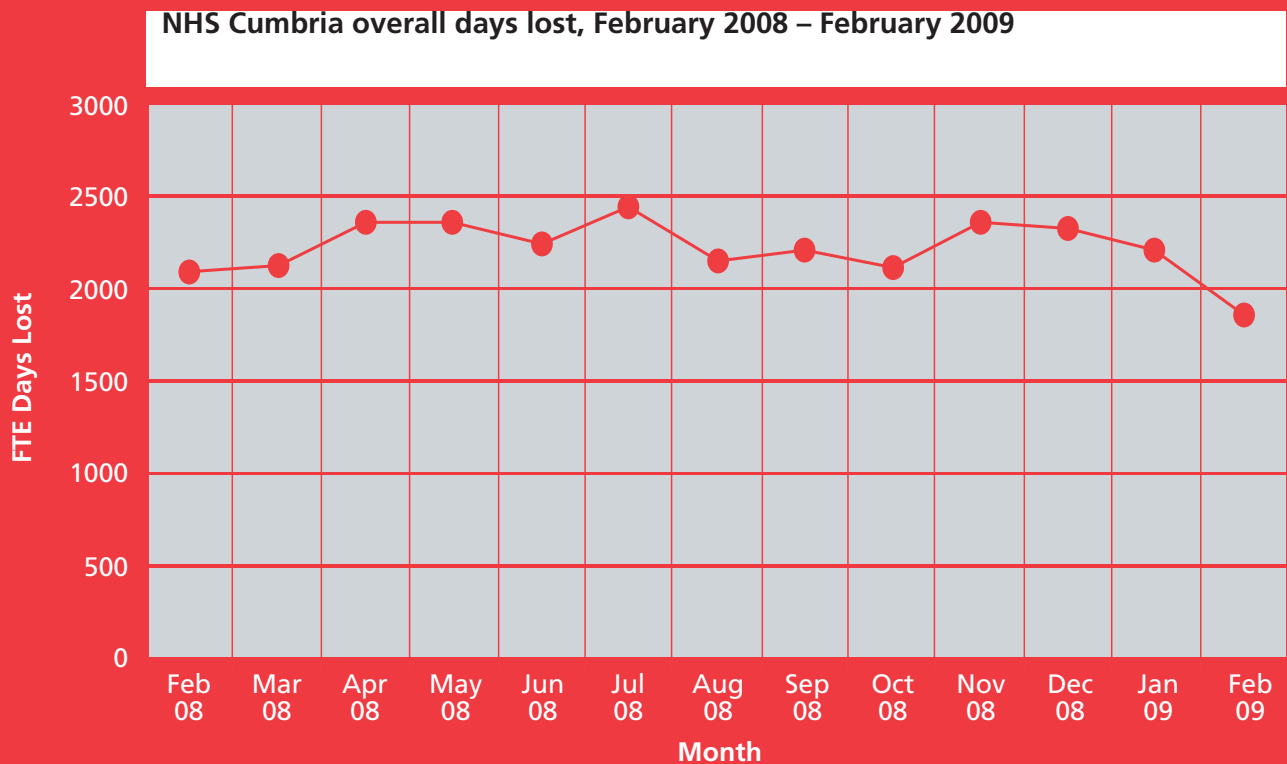
NHS Cumbria is conscious of the difficulties experienced by people with disabilities. Every effort is made to ensure ready access to NHS Cumbria facilities and services. In addition, disabled people are assured of full and fair consideration for all vacancies for which they offer themselves as suitable candidates and efforts are made to meet their special needs,

particularly in relation to access and mobility. Where possible, modifications to workplaces are made to provide access and, therefore, job opportunities for the disabled. Every effort is made to continue the employment of people who become disabled via the provision of additional facilities, job design and the provision of appropriate training.

5.3 Data on sickness absences

During 2008, NHS Cumbria’s annual absence level was on average 10.4 lost days per employee.

Data Source: Employment Services Bureau



The Chartered Institute of Personnel Development (CIPD) annual survey report indicates that absence levels in the public sector remain the highest of all sectors at an average of 9.8 days per employee with those in the health sector recording the highest level of employee absence at 11.7 days per employee per year.

Research by the Health and Safety Executive suggests that one of the contributory factors for the public-private absence gap could be workforce composition, with public sector organisations having a higher proportion of female and older workers who are more likely to record higher than average levels of absence. This view can be supported by evidence from NHS Cumbria’s equality and diversity data for January 2009, which indicates that 19.3% of its employees are in the 45-49 age group and 92.2% of its workforce are female.

Cost of absence

The annual cost of absence in NHS Cumbria for 2008 was £2.47 million. This equates to approximately £943 per employee per annum.

Note: The above costs are based on full time equivalent and include on costs but not additional costs of overtime or cover costs for absent staff.

Other associated indirect costs include management time from line managers, Human Resources and Occupational Health and also impacts on staffing levels and service delivery.

Reasons for absence

There can be a number of factors affecting absence within the organisation, which can generally be split into long and short term. It is important to understand how these two groups are influenced to be able to identify the solutions.

The top four reasons for long term absence in February 2009 were:

- > Stress/anxiety (26.8%)
- > Musculo-skeletal, back (9.9%)
- > Musculo-skeletal, other joint/lower limb (9.9%)
- > Surgery (9.9%)

The top four reasons for short term absence in February 2009 were:

- > Diarrhoea/vomiting (20.8%)
- > Cold/influenza (17.6%)
- > Headache/migraine (9.0%)
- > Gastro-intestinal (7.2%)

The reasons for both long and short term absence within NHS Cumbria are broadly in line with that found within the CIPD's absence management annual survey 2008 and indicates that stress is the number one reason for long term absence within NHS Cumbria, which was reported at 26.8% for February 2009. The human resources department has begun analysing data to establish if there are particular localities or roles which have higher levels of stress than others.

This evidence is supported by findings from NHS Cumbria's annual staff survey (2008), which reports that 35% of employees said that they had suffered from stress.

Absence reporting

Since October 2008, the human resources department has been actively working on reducing the number of reasons for absence being classified as "unknown".

The department has made improvements to the Board report during 2008 to show more detailed trends, costs and comparator data. The frequency of the issuing of the report has been increased from quarterly to monthly. A more concise version of the board report is now available to line managers in draft as a departmental report.

Occupational health

Referring employees to occupational health professionals is regarded as the most effective approach to managing long-term absence, according to the CIPD's annual absence management survey 2008.

Currently, occupational health is viewed as more of a stand-alone service that is brought in when cases become advanced, with employees being referred after four weeks. Research concludes that, in most instances, early intervention is the most effective way of dealing with illness.

NHS Cumbria will be giving careful consideration to introducing progressively earlier or wider referrals to occupational health services to address injury or sickness, with a target of five working days being set for general illness and less for stress related illness.

NHS Cumbria's occupational health provision is currently in the process of being transferred to a new provider. The aim is to provide a proactive, effective and innovative service which will develop, promote and maintain the highest possible level of physical, mental and social wellbeing for all employees through the identification and management of risks to health. This opportunity will also be used to review how the service engages with both line managers and HR to enable a solid, transparent, partnership approach where early preventative techniques are adopted.

The trades unions

Trades unions have a positive role to play in absence management and, ideally, there is input from all parties to identify possible solutions. Reducing absence levels is beneficial to all parties and management and trades unions need to engage in meaningful dialogue to jointly explore ways of improving the absence process some examples of which are early intervention techniques and employee assistance programmes.

5.4 Policy on equal opportunities

NHS Cumbria considers equality to be of fundamental importance in the way it conducts itself, as a provider and commissioner of services as well as an employer. We believe everyone, regardless of their background, has an equal right to health and employment. We are firmly committed to tackling discrimination, promoting equality of opportunity and having a workforce which reflects the make-up of the population it serves.

NHS Cumbria has a wide range of policies and procedures which demonstrate its commitment to equality and diversity. These policies and procedures are currently being reviewed to reflect Government legislation and best practice.

The primary care trust acknowledges the fact that the communities it serves are diverse and have differing health needs. We aim to ensure that we deliver a range of services which meets the needs of all these communities in an appropriate manner. We have reviewed the strategy to improve diversity across the primary care trust. This includes carrying out senior leadership training on diversity and reviewing the single equality scheme to become more Cumbria focused.

Training is under way to ensure managers understand the importance of equality and diversity and link this to all areas of business, service and policy development.





6. Financial review

6.1 Ongoing financial strategy

NHS Cumbria has a number of key measures of financial performance and the results are summarised below.

Financial Target	FINAL POSITION	OUTCOME
The primary care trust's operating costs should not exceed the revenue resource limit. (i.e. "break-even" position)	£233,000 Surplus	Achieved
The primary care trust operates within the agreed cash limit	Nil	Achieved
Operate within the notified capital resource limit of £5,378,000	£5,356,000	Achieved
Full cost recovery of Provider Services	Break-even	Achieved

All primary care trusts have a statutory duty to maintain spending within their resource limits (that is within total budget) which is referred to as operating financial balance for the year. NHS Cumbria has reported a financial surplus for the year of £233,000 following a surplus £530,000 for 2007/08.

NHS Cumbria has been able to achieve a surplus in these two years through the on-going implementation of a robust financial strategy to deliver safe, sustainable and affordable health services for the residents of Cumbria. This was encompassed in the financial strategy supporting the longer term Cumbria-wide commissioning plan encapsulated in "Closer to Home".

Part of the underpinning need for such a strategy was the extremely challenging financial position the primary care trust inherited from predecessor organisations when it was formed on 1 October 2006, culminating in a revenue deficit of £36.7 million for 2006/07.

As a result of this sound financial position, the primary care trust has been able to move out of the formal NHS "Turnaround Programme" during 2008/09 and ensure that all previous cash advances from the Department of Health have now been fully settled through improved management of cash.

We know that in the future we can no longer rely on sustained growth of NHS funding to plan and deliver change for the benefit of Cumbria. Hence it is incumbent on NHS Cumbria to continuously review baseline expenditure and refocus on key programmes of investment to deliver health improvements and address health inequalities.

Fundamental to this approach is the on-going clinical intent to provide access to services in primary care and hence generate a reduction in the costs of hospital-based activity, with the funds reinvested in community services.

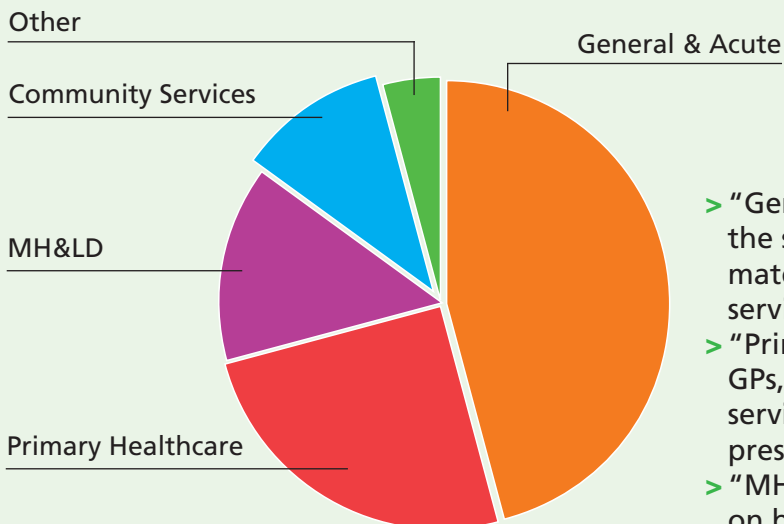
This approach is supported by the following key principles:

- > We will, through the process of good financial management, ensure we maintain statutory financial balance, having reached recurrent financial balance and cleared our historic indebtedness.
- > We will develop a detailed and continuing understanding of the potential for reform of patient flows and care pathway redesign and ensure that we understand and manage the financial impact of such changes, in line with World Class Commissioning standards.
- > We will continue to devolve budgets and financial responsibility to localities and work across Cumbria to address financial inequalities between localities. This will include the development of appropriate decision support tools and information systems as key enabling mechanisms.
- > We will ensure we can maximise the opportunity to deliver efficiency and value for money through doing things differently.
- > We will work with partner organisations across sectors to look at opportunities to improve the co-ordination of care and make most effective use of Cumbria's collective resources.

6.2 How we spend your money

NHS Cumbria spent a total of £781 million on health services for the local population, of which £764 million was funded from Department of Health allocations and a further £17 million raised in external income. The chart below shows summarises the key areas of investment.

Analysis of Spend 2008/09



- > "General & Acute" covers services provided in the secondary care (hospital) sector including maternity and accident and emergency services.
- > "Primary Healthcare" includes payments to GPs, pharmacists and dentists providing services to the NHS and the cost of GP prescribing.
- > "MH&LD" comprises of services commissioned on behalf of patients with mental health and learning disabilities. NHS Cumbria operates a "pooled fund" arrangement with Cumbria County Council to commission Learning Disability services for the residents of the county.
- > "Community Services" includes services delivered by NHS Cumbria's own provider arm (£67 million, note 2.3 of the accounts).

Capital expenditure

Continued progress has been made in the year in terms of investment (£5.4 million) in improving healthcare facilities.

In Carlisle, NHS Cumbria has invested in a new Dental Access Centre that opened in the autumn of 2008, and has completed the movement of community services from Central Clinic to Hilltop Heights and Orton Lea.

In addition, NHS Cumbria has spent around £1.4 million on improving information technology, particularly GP networking arrangements across the south of Cumbria.

Work also has commenced on new primary care premises in Cartmel and Shap, along with the development in Cockermouth of an integrated community hospital and primary care centre. This facility will be developed through the establishment of a Local Investment Finance Trust (LIFT).

NHS Cumbria is currently using the 'Express LIFT' procurement process to select a partner to take forward the development of a new community infrastructure for Cumbria.

In addition, NHS Cumbria is working with partner organisations to develop the former Ulverston Health Centre into a facility for patients with learning disabilities that will open in the autumn of 2009.

There is much more detailed information on our finances in the summary financial information included in this report.

6.3 Summary financial information

The following financial statements are extracts from the Annual Accounts of NHS Cumbria (Cumbria Teaching Primary Care Trust) for the year 2008/09. We certify that these extracts are consistent with the statutory accounts prepared by NHS Cumbria, on which an unqualified opinion has been issued.

The accounts have been prepared under section 98 (2) of the National Health Service Act 1977 (as amended by section 24 (2), schedule 2 of the National Health Service and Community Care Act 1990) in the form which the Secretary of State has, with the approval of the Treasury, directed.

These summary financial statements may not contain sufficient information for a full understanding of NHS Cumbria's financial position and performance.

The full accounts are available, separately, by written application to:

**The Director of Resources NHS Cumbria
Trust Headquarters
NHS Cumbria
Penrith Community Hospital
Bridge Lane
Penrith
CA11 8HX**

This report also contains a members' remuneration report.

Sue Page
Chief Executive

6.4 Statement of accounting officer's responsibilities

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the primary care trust.

The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

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

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

Sue Page
Chief Executive
June 2009

6.5 Independent auditor's statement to the Board of Directors of Cumbria Teaching Primary Care Trust

I have examined the summary financial statements which comprises of the Operating Cost Statement, the Statement of Recognised Gains and Losses, the Balance Sheet and the Cash Flow Statement.

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

Respective responsibilities of directors and auditor

The Directors are responsible for preparing the Annual Report.

My responsibility is to report to you my opinion on the consistency of the summary financial statements within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 2008/3 'The auditors' statement on the summary financial statement in the United Kingdom' issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2009.

Clive Portman
District Auditor
Audit Commission
2nd Floor Aspinall House
Aspinall Close
Middlebrook
Baolton
BL6 6QQ

9 June 2009

6.6 Statement on internal control

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

The Board have agreed an integrated governance framework to ensure that robust commissioning arrangements are in place to ensure provision of quality of care.

The NHS Cumbria approach focuses more strongly on patient experience, choice and user and public involvement at all levels. There is a clear separation of commissioning and provider functions to ensure contestability in directly provided services.

The focus of the Board's committees is on governance, performance and monitoring of progress. This provides the framework for identifying the totality of the risks facing the organisation and to provide assurances that risks are being properly managed.

The full statement on internal control is shown on page (iii) to (ix) of the accounts.

6.7 Summary financial statements and supporting notes

Capital structure

NHS Cumbria is fully funded by taxpayers' equity with the details outlined on the balance sheet as at 31 March 2009 (shown on page 52). The primary care trust manages cash in accordance with the procedures outlined in Department of Health guidance.

Significant accounting policies

The accounting policies of NHS Cumbria are shown in note 1 to the accounts and there have been no significant changes during 2008/09. This includes the accounting for pension costs in accordance with the national arrangements for the NHS Pensions Scheme.

Income generation

NHS Cumbria did not perform any significant income generation activities outside core NHS activities.

Value for money

In establishing a comprehensive financial strategy, NHS Cumbria has considered the clear potential to provide services in a setting outside the acute hospital environment, with clear benefits in terms of both patient access and cost.

In addition, NHS Cumbria has sought to continually improve decision support mechanisms for GP prescribing with on-going investment in desk-top systems and medicines managers working in GP practice that have demonstrated considerable reduction in prescribing cost growth (overall growth in costs of 0.7% in 2008/09, note 4 to the accounts).

NHS Cumbria has undertaken a number of initiatives to develop specific packages of care for patients in Cumbria so that they can receive services that are more accessible to patients and their families and also more cost effective.

NHS Cumbria's Resources Committee has a clear remit to scrutinise financial performance and ensure that value for money is considered when evaluating new investments.

Better Payment Practice Code

NHS Cumbria is required to pay 95% of invoices (by number & value) within 30 days and the combined results for NHS and non-NHS suppliers are shown below. The full breakdown is shown in note 6 of the accounts.

Better Payment Practice Performance	Dept. of Health Target	Actual	2007/08 2008/09
Number of Invoices	95%	82%	49%
Value of Invoices	95%	97%	91%

NHS Cumbria achieved the target in terms of value and has significantly improved performance in terms of numbers of invoices paid in time during 2008/09. NHS Cumbria anticipates this trend to continue to enable all targets to be achieved in 2009/10. In particular, NHS Cumbria is aware of need to support non-NHS suppliers in light of the current economic downturn.

Private Finance Initiative

The only use of the private finance initiative by NHS Cumbria is for Workington Community Hospital, which opened in 2005.

Management costs

The management cost of NHS Cumbria is shown below and is calculated in accordance with the definitions provided by the Department of Health.

	2008/09	2007/09
Management costs (£000s)	14,268	10,604
Weighted population (Number)	520,513	502,036
Management cost per head of weighted population (£)	27.41	21.12

NHS Cumbria implemented a new management structure during June 2008, with particular emphasis being given to facilitate increased clinical involvement in commissioning, both strategically and in the development of more effective clinical pathways. In addition, NHS Cumbria has developed an infrastructure to support the work of locality based clinicians with responsibility for commissioning services for their local populations.

NHS Cumbria did not incur any redundancy costs in 2008/09. There was a small number of redundancies but the costs were fully accounted for in the 2007-08 accounts.

Asset values and fixed assets

In the opinion of NHS Cumbria, there are no material differences between the carrying amount and market value of land on the balance sheet. A full revaluation of NHS Cumbria's fixed assets will be undertaken in 2009/10 in accordance with Department of Health policy.

Related party transactions

Information on related party transactions is shown at note 19 of the accounts.

Post balance sheet events

There are no material post balance sheet events.

Directors' responsibilities regarding the Auditor

All the Directors carried out their responsibilities to make the External Auditor aware of any relevant audit information. They are not cognisant of any such data of which the External Auditor is unaware.

Operating cost statement for the year ended 31 March 2009

	2008/09 £000s	2007/08 £000s
Commissioning		
Gross operating costs	714,048	678,161
Less: miscellaneous income	<u>(8,870)</u>	<u>(15,622)</u>
	705,178	662,539
Provider		
Gross operating costs	66,831	60,453
Less: miscellaneous Income	<u>(8,474)</u>	<u>(5,684)</u>
	58,357	54,769
Net operating costs before interest	763,535	717,308
Interest receivable	0	0
Interest payable	0	0
Net operating cost for the financial year	<u>763,535</u>	<u>717,308</u>

Statement of recognised gains and losses for the year ended 31 March 2009

	2008/09 £000s	2007/08 £000s
Fixed asset impairment losses	0	0
Unrealised surplus / (deficit) on fixed asset revaluations / indexation	(3,683)	3,593
Decrease in the donated asset reserve and government grant reserve due to disposal of donated and government granted assets	(2,548)	0
Additions / (reductions) in the general fund due to the transfer of assets from / (to) NHS bodies and the Department of Health	0	0
Additions / (reductions) in "other reserves"	<u>0</u>	<u>0</u>
	(6,231)	3,593
Prior period adjustment - other	0	0
	<u>(6,231)</u>	<u>3,593</u>

Balance sheet as at 31 March 2009

	2008/09 £000s	2007/08 £000s
FIXED ASSETS		
Intangible assets	95	0
Tangible assets	47,510	51,495
Investments	0	0
Financial assets	0	0
	<u>47,605</u>	<u>51,495</u>
CURRENT ASSETS		
Stocks and work in progress	0	0
Debtors	8,729	14,371
Other financial assets	0	0
Cash at bank and in hand	14	11
	<u>8,743</u>	<u>14,382</u>
TOTAL CURRENT ASSETS	8,743	14,382
CREDITORS: Amounts falling due within one year	(68,279)	(60,418)
Other financial liabilities falling due within one year	0	0
	<u>(68,279)</u>	<u>(60,418)</u>
NET CURRENT ASSETS / LIABILITIES	(59,536)	(46,036)
TOTAL ASSETS LESS CURRENT LIABILITIES	(11,931)	5,459
Creditors: Amounts falling due after more than one year	(1,705)	(2,360)
Other financial liabilities falling due after more than one year	0	0
Provisions for liabilities and charges	(4,106)	(7,673)
TOTAL ASSETS EMPLOYED	(17,742)	(4,574)
FINANCED BY:		
TAXPAYERS EQUITY		
General fund	(33,327)	(26,667)
Revaluation reserve	14,313	17,946
Donated asset reserve	1,272	1,598
Government granted reserve	0	2,549
Other reserve	0	0
	<u>(17,742)</u>	<u>(4,574)</u>

Cash flow statement for the year ended 31 March 2009

	2008/09 £000s	2007/08 £000s
OPERATING ACTIVITIES		
Net cash outflow from operating activities	(752,020)	(716,034)
SERVICING OF FINANCE AND RETURNS ON INVESTMENT		
Interest paid	0	0
Interest received	0	0
Interest element of finance leases	0	0
Net cash inflow/outflow from servicing finance and returns on investment	<u>0</u>	<u>0</u>
CAPITAL EXPENDITURE		
Payments to acquire intangible assets	0	0
Receipts from sale of intangible assets	0	0
Payments to acquire tangible assets	(5,519)	(1,761)
Receipts from sale of tangible assets	228	693
Payments to acquire fixed asset investments	0	0
Receipts from sale of fixed asset investments	0	0
Payments to acquire financial instruments	0	0
Receipts from sale of financial instruments	0	0
Net cash inflow/(outflow) from capital expenditure	<u>(5,291)</u>	<u>(1,068)</u>
Net cash inflow/(outflow) before financing and management of liquid assets	(757,311)	(717,102)
MANAGEMENT OF LIQUID RESOURCES		
(Purchase) of other current asset investments	0	0
Sale of other current asset investments	0	0
Net cash inflow/(outflow) from management of liquid resources	<u>0</u>	<u>0</u>
Net cash inflow/(outflow) before financing	(757,311)	(717,102)
FINANCING		
Net Parliamentary funding	757,314	717,110
Other capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of finance lease rental payments	0	0
Cash transfers (to)/from other NHS bodies	0	0
Net cash inflow/(outflow) from financing	<u>757,314</u>	<u>717,110</u>
Increase/(decrease) in cash	<u>3</u>	<u>8</u>

Financial performance targets for the year ended 31 March 2009

Operational financial balance

NHS Cumbria's performance for 2008/09 is as follows:	2008/09	2007/08
	£000	£000
Total net operating cost for the financial year	763,535	717,308
Less: Non-discretionary expenditure	4,261	4,088
Operating costs less non-discretionary expenditure	759,274	713,220
Final revenue resource limit for year	759,507	713,750
Under/(over) spend against revenue resource limit	233	530

Capital resource limit

NHS Cumbria is required to keep within its capital resource limit	2008/09	2007/08
		£000
£000		
Gross capital expenditure	5,543	2,715
Add: loss in respect of disposals of donated assets	0	0
Less: net book value of assets disposed of	(187)	(693)
Less: capital grants	0	0
Less: donations	0	0
Charge against the capital resource limit	5,356	2,022
Capital resource limit	5,378	2,223
(Over) / under spend against capital resource limit	22	201

Provider full cost recovery

NHS Cumbria is required to recover full costs in relation to its provider functions. The performance for 2008/09 is as follows:	2008/09	2007/08
	£000	£000
Provider gross operating cost	66,831	60,453
Less: miscellaneous income relating to provider functions	(8,474)	(5,684)
Net operating cost	58,357	54,769
Less: costs met from NHS Cumbria's own allocation	(58,357)	(54,956)
Under / (over) recovery of costs	0	(187)

Salary and Pension entitlements of Senior Managers

A). Remuneration to 31/03/09

Name	Title	Start Date	2008/09			2007/08		
			Salary (bands of £5000)	Other Remuneration (bands of £5,000)	Taxable Benefits of Lease Car (rounded to nearest £100)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Taxable Benefits of Lease Car (rounded to nearest £100)
			£000	£000	£	£000	£000	£
Executive Directors								
Sue Page	Chief Executive	01/11/2006	170-175		4,400	155-160		3,200
Alan Horne	Chief Operating Officer*					30-35		
Nigel Maguire	Director of Market Development	06/10/2006	120-125		4,100	110-115		
John Critchley	Director of Resources	23/04/2007	130-135		7,800	110-115		
Ross Forbes	Director of Corporate Affairs	01/01/2007	120-125		7,300	110-115		
John Ashton	Director of Public Health**	01/01/2007	175-180		2,100	225-230		
Diane Ridgeway	Director of Clinical Services	14/12/2007	90-95		12,100	25-30		
Non Executive Directors								
Maggie Chadwick	Chairperson	01/10/2006	35-40			35-40		
Allan Buckley	Non Executive Director	01/03/2007	5-10			5-10		
Peter Nuttall	Non Executive Director	01/03/2007	5-10			5-10		
Ian Gordon	Non Executive Director	01/03/2007	10-15			10-15		
Keith Little	Non Executive Director	01/03/2007	5-10			5-10		
Shirley Reveley	Non Executive Director	01/03/2007	5-10			5-10		
Mary Dowling	Non Executive Director	01/03/2007	5-10			5-10		
Bob McCulloch	Non Executive Director	01/10/2006	5-10			5-10		
Executive Committee Members								
Ian Mitchell	Chairperson - GP Representative***	01/10/2006	180-185		8,100	110-115		
Mike Bewick	Medical Director	09/07/2007	180-185			35-40		
Fayyaz Chaudhri	GP Commissioning Lead	21/11/2006	25-30			15-20		
Peter Weaving	GP Commissioning Lead	01/09/2007	25-30			20-25		
Hugh Reeves	GP Commissioning Lead	01/11/2007	25-30			30-35		
David Rogers	GP Commissioning Lead	01/09/2007	40-45			20-25		
Geoff Joliffe	GP Commissioning Lead	01/09/2007	25-30			45-50		
Helen Jervis	GP Commissioning Lead	14/05/2007	40-45			25-30		
Irving Cobden	Clinical Director	01/09/2007	150-155			80-85		
Anagha Harrison	AHP Representative	21/11/2006	5-10	60-65	600	0-5	60-65	500
Sheila Richardson	Nurse Representative	21/11/2006	5-10	45-50	1,000	0-5	50-55	600

*On secondment from 30/06/07.

**The Director of Public Health, fully funded by the primary care trust, is a joint post with Cumbria County Council. Salary includes a nationally funded award.

***Now employed full-time by the primary care trust.

The chair and non-executive directors are members of the Remuneration and Terms of Reference Committee. Amendments to directors' remuneration and terms and conditions are considered and approved by the Remuneration and Terms of Service Committee.

Clear performance objectives are agreed with

directors. These are shared with the Remuneration and Terms of Service Committee and are regularly monitored throughout the year.

All the directors' contracts are open. Any notice periods and termination payments are in line with national policy.

B). Pension Benefits to 31/03/09

Name	Title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at age 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2009 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2009 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2009 £000	Cash Equivalent Transfer Value at 31 March 2008 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Sue Page	Chief Executive	2.5-5.0	7.5-10.0	55-60	165-170	1,051	776	256	179
Nigel Maguire	Director of Market Development	0.0-2.5	5.0-7.5	40-45	120-125	674	496	166	116
John Critchley	Director of Resources	0.0-2.5	5.0-7.5	40-45	120-125	737	540	184	129
Ross Forbes	Director of Corporate Affairs	0.0-2.5	2.5-5.0	0-5	5-10	64	27	37	26
John Ashton	Director of Public Health	(57.5)-(60.0)	(172.5)-(175.0)	0-5	10-15	0	0	0	0
Diane Ridgeway	Director of Clinical Services	0.0-2.5	2.5-5.0	5-10	20-25	145	99	44	31
Irving Cobden	Clinical Director	0.0-2.5	5.0-7.5	75-80	230-235	1,900	1,323	544	381
Ian Mitchell	PEC Chairperson	5.0-7.5	15.0-17.5	40-45	125-130	856	619	222	155
Mike Bewick	Medical Director	0.0-2.5	2.5-5.0	40-45	130-135	899	662	221	155
Anagha Harrison	AHP Representative	0.0-2.5	2.5-5.0	20-25	70-75	483	354	121	85
Sheila Richardson	Nurse Representative	0.0-2.5	2.5-5.0	10-15	30-35	282	187	91	64

Cash Equivalent Transfer Values

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

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

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

There is a significant difference in some of the CETVs for 2009. This is as a result of the underlying factors used in completing these calculations following the Occupational Pension Scheme (Transfer Value Amendment) Regulations, which came into force on 1 October 2008.

Self employed GPs who are members of the Professional Executive Committee (PEC) may have pension entitlements. However, the proportion of those entitlements that relates to their membership of the PEC is not significant compared to the proportion that relates to their work as practitioners independent of the primary care trust. It is therefore not appropriate to disclose the pension entitlements.

6.8 Audit arrangements

The Audit Commission is the nominated external auditor for the primary care trust:

Clive Portman
District Auditor
The Audit Commission
Aspinall House
Aspinall Close
Middlebrook
Horwich
Bolton
BL6 6QQ

The Audit Commission provided external audit services for NHS Cumbria at a cost of £305,952.

The Audit Committee maintains a close scrutiny of NHS Cumbria's internal control systems, through the reports received from Internal Audit and through regular access to the records of the work of other Board committees. The committee has received no reports which might lead to doubt that the provisions of the Statement of Internal Control are not effectively in place. The directors who served on the Audit Committee for NHSCumbria during 2008/09 are:

I Gordon (Chair)
K Little
R McCulloch
S Reveley

6.9 Reporting under International Financial Reporting Standards (IFRS)

The NHS moves to accounting under IFRS from 1 April 2009. NHS Cumbria has undertaken a review, in line with a project plan approved by the Audit Committee, of all key areas affected by IFRS and a summary of the financial impact of this change has been submitted to the Department of Health. NHS Cumbria's financial plans for 2009/10 are compliant with the requirements of IFRS accounting.

6.10 Directors' other interests

Maggie Chadwick

Honorary Fellow, Lancaster University
Management School

Director of Cumbria Vision

Keith Anthony Little

Elected member of Cumbria County Council and
Maryport Town Council

Director of Allerdale Citizens Advice Bureau

Mary T Dowling

Director, South Lakes Housing, Kendal
Trustee, Grange and District Community First
Responders

HR Consultant, North Lancashire Teaching PCT
Member, Independent Remuneration Panel,
South Lakeland DC

Robert H McCulloch

Trustee, South Lakes Society for the Blind
Chair, South Cumbria Low Vision Group

Director, SLSB Enterprises Ltd

Allan Buckley

Member, Branch Development Committee of
the Alzheimers Society, Eden and Keswick
Branch

Director of Eden Valley Hospice (until 10 June
2008)

Ian Gordon

Member, Cumbria Partnership NHS Foundation
Trust

John Ashton

£1 shareholder, Liverpool Housing Trust

Governor, Alder Hey Children's Hospital,
Liverpool

Chair of Trustees, Garston Cultural Village,
Liverpool

Trustee, Merseyside Fire Support Network

Wife is Director of Public Health for Central
Lancashire PCT

Son is Public Health Practitioner with Knowsley
PCT

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The Annual General Meeting of NHS Cumbria (Cumbria Teaching Primary Care Trust) shall be held at 6pm on 2 September 2009 at Newton Rigg Campus, University of Cumbria, Penrith CA11 0AH.

Contact us

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Cumbria Teaching Primary Care Trust