



Department
of Health



Derby City Primary Care Trust and Derbyshire County Primary Care Trust

2012-13 Annual Report and Accounts

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Derby City Primary Care Trust and Derbyshire County Primary Care Trust

2012-13 Annual Report



NHS Derby City and NHS Derbyshire County

Annual Report 2012/13

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This document forms the Annual Reports for NHS Derby City and NHS Derbyshire County.

1 Introduction

During 2012/13 NHS Derby City and NHS Derbyshire County were the local Primary Care Trusts (PCTs) for Derby and Derbyshire, with responsibility for health care across the whole area. Since 2011 the PCTs worked together as a Cluster with a single Chief Executive and senior team. As part of this ongoing reform of the NHS, PCTs were abolished on 31 March 2013, with many of their responsibilities being taken on by Clinical Commissioning Groups (CCGs). The past year has therefore been a time of transition from the PCT cluster to CCGs and other new organisations within and outside the NHS.

Development of Clinical Commissioning Groups

Clinical Commissioning Groups are taking on many of the functions of the PCTs, ensuring strong clinical input to the commissioning and development of services. CCGs are made up of groups of GP practices, and are chaired by a local GP. They have all been through a stringent authorisation process, and all four Derbyshire CCGs were authorised without conditions – unique within the Midlands and East area.

The configuration of the CCGs is as follows:

CCG	Population coverage	Number of practices
NHS Southern Derbyshire	524,747	57
NHS North Derbyshire	287,627	38
NHS Hardwick	102,160	16
NHS Erewash	96,985	13

The CCGs serve the population of Derbyshire County and Derby City (excluding Glossop), with Derby City being part of the Southern Derbyshire CCG. NHS Hardwick CCG serves Clay Cross, Bolsover and surrounding areas, while NHS North Derbyshire CCG covers the rest of north Derbyshire including the High Peak and North Dales. NHS Erewash CCG serves the population covered by Erewash Borough Council, its main town being Ilkeston.

Commissioning Support Services

In parallel to the development of the CCGs, work has been underway to establish a Commissioning Support Unit (CSU) to support CCGs in undertaking their commissioning responsibilities and delivering the best possible outcomes for patients.

The CSU supports a number of CCGs, benefiting from economies of scale and the sharing of expertise across a wide area. The local CSU, known as GEM (Greater East Midlands) will incorporate both nationally organised services such as business intelligence, major clinical procurements, communications and engagement, finance and HR, and local support for areas including Continuing Care, quality assurance and patient safety. As with CCGs, CSUs have also had to complete a national authorisation process before they are able to operate fully.

Public Health Transition

A key element of the Government's reform of the NHS is the integration of Public Health with local authorities and the establishment of Health and Wellbeing Boards.

The transition of public health responsibilities and budgets to local authorities and other successor organisations has been a major focus of work for the whole of this year. Both Derbyshire County and Derby City Councils have worked actively with the PCT Cluster to lay the foundations of a smooth transition to local authorities in April 2013. This has involved a lot of complex planning as something like 100 staff will need to migrate across to new organisations, as well as around £80,000,000 worth of contracts.

Local authorities have also established Health and Wellbeing Boards to oversee everything that relates to health and wellbeing in its patch. The two Boards have developed high level strategies based on a Joint Strategic Needs Assessment (JSNA) which identifies the needs of the local population.

2 Commissioning Healthcare

As explained in section one, the responsibility for commissioning services, and the associated staff and resources, were devolved to the Clinical Commissioning Groups (CCGs) in July 2011 to enable them to build their organisations ahead of April 2013. So, for example, NHS Southern Derbyshire CCG now takes a lead role in the contract with Royal Derby Hospitals, while NHS North Derbyshire CCG leads on the contract with Chesterfield Royal Hospital.

Acute Hospital Care

The CCGs have contracts with a number of major hospitals both within Derbyshire and on its borders – for example Nottingham University Hospitals and the Sheffield Teaching Hospital. The two main contracts within Derbyshire, however, are with Royal Derby Hospitals (with a contract value of over £300million) and Chesterfield Royal Hospital (over £160million).

Chesterfield Royal Hospital

The Hospital has seen a number of positive developments over the past year. Lifeblood, the thrombosis charity has awarded a special commendation certificate for the innovative way that the Hospital is preventing venous thromboembolism.

Quality Health undertook a patient experience survey for those with cancer on behalf of the Department of Health and Chesterfield has come out in the top ten across the country.

In other developments the Women's Health Unit and Trinity ward have been completely revamped in the style of the Chesterfield Birth Centre to offer a more homely environment for mothers and their babies. The Hospital has also invested £1.5million in order to boost the number of qualified nurses across the Trust.

Royal Derby Hospitals

In 2012/13 the PCTs worked closely with Derby Hospitals NHS Foundation Trust in order to provide high quality services to our patients. The involvement of clinicians in the commissioning of services has been a focus this year. Clinical Improvement Groups (CIGs) in core service areas have been established to enable GPs and hospital consultants, with managerial support, to work together to improve patient pathways and ensure equity of treatment.

There has been a range of outcomes from the different CIGs and as a direct result we have already seen some pathways and services being transformed for the benefit of patients, whilst also positively impacting upon hospital clinicians and GPs.

Patient experiences have also been improved by ensuring that patients are treated in the most appropriate procedure setting. Based upon GPs and hospital clinicians reviewing clinical best practice some changes have been made; for example procedures taking place as an outpatient appointment rather than a day case. This initiative has saved the NHS £1million in the last year at Derby Hospitals.

Effective referrals from primary care, and improvements to pathways led by the CIGs have resulted in 92.5% of all admitted patients receiving their treatment within 18 weeks (national

target 90%), and 97.6% of all non-admitted patients receiving their treatment within 18 weeks (national target 95%).

There has been significant pressures on A&E performance as a result of a very cold winter. Despite failing to achieve the year-end 95% target for patients waiting less than four hours for treatment, this year did see the target delivered or bettered in seven successive months. 2012/13 has seen strong delivery of cancer targets, with all waiting times being better than the national targets.

Primary Care

Primary care refers to the services provided by GP practices, dentists, pharmacists, opticians and their teams. The Government reforms of the NHS in England will have a significant impact upon how primary care is delivered in the future. The development of Clinical Commissioning Groups (CCGs) across Derbyshire will provide support to primary care services locally, but the responsibility for the actual commissioning of primary care services will move from the PCTs to the NHS Commissioning Board

Dental Services

Funding secured from the Department of Health means that a minimum of 1,000 additional Minor Oral Surgery cases will be completed over the next year. This funding will have a major impact on waiting lists for these treatments and for orthodontics, particularly in the city where waiting lists are longer.

GP Developments

A purpose-built medical centre in Clay Cross opened its doors to patients on 1 October 2012. The Bridge Street surgery is the new home for doctors, nurses and practitioners from Clay Cross Medical Centre, and can cater for 5,500 patients, with plans in place to increase this number as the multi-million regeneration in the area gets under way.

Plans are also underway to replace unfit buildings in Creswell and Langwith. The contract for the surgery at Creswell and its Langwith branch was secured by Primary Provider Ltd, who are now working with the local NHS to secure improved premises.

A new surgery at Inkersall also opened in December, as part of the Holywell Medical Group.

Urgent Care

Making sure that people can get care urgently when they need it is vitally important, and is particularly challenging at certain times, for example during extreme weather conditions, or extended Bank Holidays when some services are closed. A number of initiatives are in place or being developed in Derbyshire to ensure the local health system can cope.

NHS 111 Service

NHS 111 is now in place across the whole of Derbyshire. It is available 24 hours a day, 365 days a year. Calls from landlines and mobile phones are free. If any patient is found to need an ambulance, staff operating the new 111 service can dial an ambulance for them immediately via their computer system. This new service was rolled out in phases and finally covered the whole area in September 2012. To date call volumes have been higher than

expected, and as an independent survey from CFEP UK shows levels of patient satisfaction are very high.

Winter Wise Campaign

Winter's combination of bad weather and Bank Holidays can put health services under pressure. In order to ensure that people stay healthy and are aware of the alternatives available should they need care, a winter communications plan is agreed each year. For 2012/13 the PCTs repeated their successful Be Winterwise campaign, with top ten tips for winter being promoted through printed material, video, websites, local media and local events. Local health and social care organisations worked together to make sure the information was distributed as widely as possible.

Mental Health Services

The PCTs successfully transferred lead Mental Health and Learning Disabilities commissioning arrangements to NHS Hardwick CCG, acting on behalf of the other Derbyshire CCGs.

A major achievement has been the procurement of Improved Access to Psychological Therapies (IAPT) for primary care through an Any Qualified Provider (AQP) approach. From April 2013 onwards all areas of the County will have access to an IAPT provider.

Work has continued with the local authority on developing services to people with autism and there is now a pathway for diagnosis which has seen a substantial increase in referrals. Both councils have also been working with the local NHS to improve services for people with Dementia. Engagement events have taken place and, responding to the results of this work, increased investment in activities such as 'singing for the brain' has been made. Training for care home staff in dementia has also been provided and a clinical summit arranged with the aim of increasing dementia diagnosis and agreeing a refreshed strategy for dementia going forward.

A key area of work has been the increased demand for acute mental health beds which resulted in people being sent out of Derbyshire. A crisis house has been piloted as an alternative to admission, alongside increased investment in home support staff. Derbyshire Health Care Foundation Trust has been working on reducing ward sizes to improve patient experience, and as a consequence of these initiatives there has been a significant reduction in out of area placements.

Learning Disability Services

A clinical reference group for Learning Disability has been established to support good practice, innovation and CCG engagement with clinicians from provider organisations and the councils.

Some joint investment has been agreed with the local authorities so that we can fully progress all of the government's recommendations following the Winterbourne Review. All patients have been reviewed and work has started on a revised pathway to support people with complex needs out of hospital settings.

Derbyshire County Council is working with the NHS to review the short breaks service, and there are plans to continue the engagement and review into 2013 with consultation on any

proposals in the autumn. The work to date shows that there could be improved access, improved choice and increased take up of support.

Community Health Services

Derbyshire Community Health Services (DCHS) have worked with the PCTs in 2012/13 to begin the transformation of services that will allow more people to be treated and cared for within the community rather than in a hospital bed. They have engaged with the four CCGs to discuss how local services should be structured and have begun to shift resources into the community teams to meet those requirements.

One of the major success stories this year has been the development of a Single Point of Access model that facilitates the improved flow of patients through the health and social care system. This has been a joint initiative between the commissioners, the acute hospitals and social services so that acute admissions are either prevented or arrangements are made to speed up discharge by joint working to ensure that appropriate measures are put in place to allow patients to be cared for in a community setting.

DCHS have continued to reap the benefit of the JONAH system that allows them to manage their inpatient beds and rehab patients and ensure that their discharge is on time. Length of stay and the number of delayed transfers of care have both dropped this year, freeing up beds and resources to deal with more patients. Community JONAH will be rolled out in 2013/14 which will allow them to manage patient care within a community setting.

DCHS has also been working towards achieving Foundation Trust status. As one of the first two Community service providers to go through the process, they have been subject to wide ranging assessment and audit throughout the year and hope to achieve authorisation in 2013/14.

East Midlands Ambulance Service

Derbyshire is the lead commissioner for East Midlands Ambulance Service. For 2012/13 the Trust did not meet the A19 (95% within 19 minutes for category A calls). The commissioning team have worked closely with the Trust to agree actions to improve performance.

3 Stakeholders and Staff

As a public service, the NHS has a duty to engage with the public, patients and other local stakeholders. It is also vital that the NHS values and supports its staff, and this has been particularly true over the past year as the NHS reforms have come into play.

Engagement Update

During a year of very significant changes in the local and national NHS, the PCTs and CCGs have continued to share information with the public about the changes and ensure that local people are engaged in decision making about changes to services that will affect themselves and their families.

Recognising the fact that other difficult decisions will have to be made, the public were invited to a series of public meetings across the county around '21st Century Healthcare'. Those attending were given an outline of the new NHS structures and the financial savings that have to be made in the NHS over the next few years. They were involved in developing a set of decision making principles that will be applied to all proposed service changes, ensuring consistency and fairness. Further consultation and engagement, particularly relating to moves towards more integrated care, is planned for 2013.

Developing engagement with CCGs

A significant part of the CCGs' new role of holding healthcare budgets and commissioning services for local people will involve continuing to engage patients and the public in decision making. The PCTs have worked with the new organisations to develop effective engagement plans that will continue to build on the processes and engagement activities that are already happening across Derbyshire. These include developing various patient groups, public events and consultations, working with Derby and Derbyshire LINK/HealthWatch, and developing newsletters and websites to keep the public informed.

Most GP practices in Derbyshire now have a Patient Participation Group (PPG) and the new organisations all recognise the value of these groups at practice and CCG level. They are a representative patient voice who will work with service commissioners and be equipped to challenge decisions that they do not feel are being made in the interest of patients. Members of the different PPGs are being encouraged to network with each other through regular meetings in each CCG. They are giving and receiving information, being involved decision making and learning from each other to ensure their individual groups are empowered and informed enough to make a difference.

Complaints Report

For 2012/13 the PCT Cluster continued to operate the complaints services for both the statutory PCTs using a single merged team. Because complaints was a statutory function of the PCTs this report sets out the specific numbers of cases handled by each of the Cluster's PCTs but the remainder of this report is written from a Cluster perspective.

Complaints received by the Cluster were handled in accordance with the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009. The complaints team also implemented the Health Service Ombudsman Principles for Remedy in managing individual complaints. The Cluster regarded these principles as being essential in

shaping its approach to complaints as they enabled identification of lessons that could be learned in order to deliver improvements in services; and they ensured the complainant was at the centre of the complaints handling process. Where it was possible to put things right for the complainant, the Cluster sought to do so. Where this is not possible the Cluster sought to ensure improvements were made so that lessons learned from the complaint were acted upon.

County Complaints

For the County PCT 131 written complaints were received over the period 1 April 2012 to 28 February 2013 compared to 126 received in 2011/2012, of which 30 specifically relate to the functions of NHS Derbyshire County. Of the 30 PCT commissioning complaints received, five were fully upheld, one partly upheld.

City Complaints

For the City PCT 89 complaints were received over the period 1 April 2012 to 28 February 2013 compared to 121 received in 2011/2012, of which 8 specifically relate to the functions of NHS Derby City. The main reason for the drop in numbers is a significant drop in the number of complaints regarding the PCT's commissioning activity. Of the complaints received, challenges to PCT policy for fertility treatment and Procedures of Low Clinical Value, which includes 2nd eye cataract and varicose vein surgery, account for 50% of the complaints received.

Of the eight PCT commissioning complaints received, one has been fully upheld and one partly upheld.

Key Achievements

- Managing and maintaining the quality of the complaints service during the transition to new NHS bodies that will be replacing the functions of the PCTs from 1 April 2013 onwards.
- Changing the reporting mechanism to ensure CCGs received specific reports relating to complaints from their registered and resident population.
- Working with emergent CCGs and the local commissioning support unit to develop a complaints handling service offering that will ensure the CCGs are able to meet the duties and standards expected of them in handling complaints made to them about the NHS.
- Ensuring that any complaints that necessarily remained open on 1 April 2013 are transferred to an appropriate body for completion.

Lessons Learned

A number of key lessons arising from the complaints work have been learned and acted upon:

- Amendments made to the Out of Hours Pharmacy cover arrangements system.
- Guidance issued to all GP practices around the appropriate scheduling of child immunisations and the need to ensure timely recall.
- Options are to be considered to improve local access to specialist endodontic treatment, not currently available.

Supporting Staff

It is recognised that this is a difficult time for staff and we have invested in programmes to help staff to manage change. This is underpinned by having access to various internal support services where necessary. We have run two staff support programmes - Managing Change in the city and Fairplace in the county - which have been well attended and received, where staff have been able to access programmes such as self-marketing, job hunting techniques and managing your career through change. This work is in addition to the ongoing support for staff through the Resolve service, and implementation of key policies such as the Equal Opportunities Policy.

Staff Engagement

A series of communication channels have continued to operate within the PCT cluster to ensure all staff are kept up to date with key information throughout this time of change:

- Regular staff meetings and meetings with union representatives for staff moving to the new structures within and outside the NHS
- Open Door sessions with the Director of HR
- Weekly updates and a monthly newsletter
- 1:1 Meetings have been held between line managers and staff at regular intervals to ensure that all staff have protected time with their line manager to discuss the implications of organisational change on them and their role

As progress has been made towards transition, new processes have been put in place by CCGs, Public Health and others to ensure staff continue to be informed and involved as they transfer to new organisations.

Staff sickness absence

NHS Derbyshire County	2012/13	2011/12
Total days lost	1,911	19,612
Total staff years	297	2,655
Average working days lost	6.44	7.39

The above figures have been calculated based on the relevant calendar year rather than financial year. The comparator figures for 2011-12 included Derbyshire Community Health Services (DCHS) staff. On the 31 March 2011, 98.01% of the total PCT staff, in terms of whole time equivalent numbers, transferred to DCHS NHS Trust when the organisation became a Trust in its own right and so are not included in the 2012 figures.

NHS Derby City	2012/13	2011/12
Total days lost	1432	1,981
Total staff years	147	325
Average working days lost	9.7	6.1

4 Performance

PCTs are required to meet, or ensure their provider services meet, a wide range of targets across all aspects of health care. Monitoring these targets assures the PCTs that local services are achieving what they should, and means that local stakeholders and members of the public can compare local performance with that from around the country. Performance is continually monitored and reported throughout the year, with Performance Reports going to the PCT cluster board every month.

Some key performance targets which support the organisations' strategic aims are detailed in the tables below.

National Quality Measures:		Period	Standard / Plan	NHS Derby City			NHS Derby City Trend	NHS Derbyshire County			NHS Derbyshire County Trend
				Current Month	Current Quarter	Year To Date		Current Month	Current Quarter	Year To Date	
Preventing people from dying prematurely	Cancer - 31 day definitive treatment	Jan-13	96%	96.2%	96.2%	98.1%		99.1%	99.1%	98.3%	
	Cancer - 31 day subsequent treatment - surgery	Jan-13	94%	92.1%	92.1%	97.0%		94.1%	94.1%	96.5%	
	Cancer - 31 day subsequent treatment - drug	Jan-13	98%	98.8%	98.8%	98.8%		99.2%	99.2%	99.6%	
	Cancer - 31 day subsequent treatment - radiotherapy	Jan-13	94%	97.6%	97.6%	95.4%		100.0%	100.0%	98.6%	
	Cancer - 62 day standard	Jan-13	85%	72.5%	72.5%	83.8%		87.7%	87.7%	87.5%	
	Cancer - 62 day screening	Jan-13	90%	50.0%	50.0%	92.9%		96.3%	96.3%	94.3%	
Enhancing quality of life for people with long term conditions	Cancer - 62 day upgrade	Jan-13	No standard	100.0%	100.0%	89.1%		100.0%	100.0%	95.5%	
	Early intervention in psychosis	Jan-13	Plan / Actual	3 / 3	3 / 3	34 / 36		8 / 13	8 / 13	80 / 93	
	Crisis Resolution - home treatment	Jan-13	Plan / Actual	43 / 55	43 / 55	430 / 479		106 / 86	106 / 86	1000 / 897	
	CPA Follow up	Jan-13	95%	100.0%	100.0%	99.5%		97.2%	97.2%	98.8%	
	IAPT - % of estimated need serviced by IAPT*	Feb-13	Plan / Actual	10% / 11%	2.1% / 2.6%	10.0% / 9.3%		12% / 0.8%	2.3% / 1.7%	## / 8.1%	
	IAPT - % treated that are moving to recovery	Feb-13	Plan / Actual	86.1% / 93.3%	86.1% / 84.8%	86.1% / 86.1%		84.6% / 84.9%	84.6% / 89.9%	84.6% / 82.7%	

Trends given in this summary table are for 2011/12 plus the activity in 2012/13 to date
 * The data for this indicator is pending confirmation by the services providing IAPT.

National Quality Measures:		Period	Standard / Plan	NHS Derby City		NHS Derby City Trend	NHS Derbyshire County		NHS Derbyshire County Trend
				Jul '11 - Mar '12 Survey	Jan '12 - Sep '12 Survey		Jul '11 - Mar '12 Survey	Jan '12 - Sep '12 Survey	
Enhancing quality of life for people with long term conditions	Long term conditions - people feeling independent	Comparison of the two latest releases of data Jul '11 - Mar '12 & Jan'12-Sep'12	Improvement	84.4%	85.1%	↑	87.2%	86.6%	↓

National Quality Measures:		Period	Standard / Plan	NHS Derby City			NHS Derby City Trend	NHS Derbyshire County			NHS Derbyshire County Trend
				Current Month	Current Quarter	Year To Date		Current Month	Current Quarter	Year To Date	
Ensuring that people have a positive experience of care	A&E total time*	Feb-13	95%	93.4%	92.3%	94.5%		94.3%	95.1%	96.2%	
	RTT Admitted	Jan-13	90%	91.4%	91.4%	93.3%		92.7%	92.7%	94.2%	
	RTT Non-admitted	Jan-13	95%	97.2%	97.2%	97.8%		98.1%	98.1%	98.4%	
	RTT Incompletes	Jan-13	92%	93.5%	93.5%	95.0%		94.9%	94.9%	95.3%	
	Diagnostic Test Waiting Time - Over 6 weeks	Jan-13	1%	0.7%	0.7%	0.8%		0.5%	0.5%	0.6%	
	Cancer - 2 week wait	Jan-13	93%	95.3%	95.3%	95.1%		93.4%	93.4%	95.8%	
Safe environment	Cancer - Breast symptom 2 week wait	Jan-13	93%	89.9%	89.9%	94.9%		96.7%	96.7%	96.6%	
	Mixed sex accommodation	Jan-13	0	0	0	3		0	0	7	
	MRSA (PCO)	Feb-13	Plan / Actual	0 / 0	1 / 0	4 / 0		1 / 0	2 / 2	11 / 7	
Public Health	C.difficile (PCO)	Feb-13	Plan / Actual	9 / 11	18 / 18	63 / 74		19 / 9	38 / 42	206 / 226	
	Health checks - % eligible offered an NHS Health Check	Jan-13	Plan / Actual	20% / 20%	20% / 20%	1% / 25%		17% / 10%	17% / 10%	0.8% / 0.9%	
	Health checks - % eligible receiving an NHS Health Check	Jan-13	Plan / Actual	16% / 0.8%	16% / 0.8%	0.8% / 0.6%		10% / 0.7%	10% / 0.7%	0.6% / 6.1%	

Trends given in this summary table are for 2011/12 plus the activity in 2012/13 to date
 * - This is a provider level indicator, therefore the figures given are for the lead commissioned acute providers, Derby Hospitals FT for NHS Derby City & Chesterfield Royal Hospital FT for NHS Derbyshire County

National Quality Measures:		Period	Standard / Plan	England Rate @ Q2 10/11 (Latest Available)	NHS Derby City		NHS Derbyshire County		NHS Derbyshire Cluster			
					11/12 Q2	12/13 Q2	11/12 Q2	12/13 Q2	11/12 Q2	12/13 Q2		
Ensuring that people have a positive experience of care	Unplanned hospitalisation for Chronic ACSC conditions (Adults) †	Quarter 2 (July to Sept)	Guidance states that performance should improve	226.0	242.3	249.3	↑	215.3	176.8	221.3	192.9	↓
	85.5			72.2	66.9	↓	52.5	56.8	↓	57.6	59.4	↓
	251.8			242.3	249.3	↓	268.5	210.6	↓	270.6	218.9	↓

† - Actual indicates the number of resident admissions for the relevant quarter. Indirectly Standardised Rates are calculated using the ONS mid year estimates from 2010/11 for the resident population for each PCT. Data is based on SUS extracts and is currently provisional pending validation against HES data. A year on year comparison is shown for Q2 11/12 & 12/13 - England rate at Q2 is shown for 10/11 as this is the latest available national data.

National Quality Measures:		Period	Standard / Plan	EMAS			EMAS Trend	NHS Derby City			NHS Derby City Trend	NHS Derbyshire County			NHS Derbyshire County Trend
				Current Month	Current Quarter	Year To Date		Current Month	Current Quarter	Year To Date		Current Month	Current Quarter	Year To Date	
Preventing people from dying prematurely	Ambulance Cat A (8 mins)	Feb-13	75%	75.8%	74.0%	73.8%		91.4%	90.8%	90.3%		72.7%	70.0%	67.5%	
	Ambulance RED1 (8 mins)	Feb-13	75%	71.8%	69.4%	70.0%		87.6%	88.4%	90.4%		70.0%	63.7%	63.9%	
	Ambulance RED2 (8 mins)	Feb-13	75%	76.3%	74.5%	73.2%		91.9%	91.0%	90.3%		73.0%	70.7%	68.6%	
	Ambulance Cat A (19 mins)	Feb-13	95%	94.0%	93.3%	93.8%		99.1%	98.8%	98.1%		94.3%	93.6%	93.6%	

Trends given in this summary table for Cat A are for 2011/12 plus the activity in 2012/13 to date, for the RED1 and RED2 figures the trends are given from April 2012.

Red 1 & Red 2:
Red 1 and Red 2 figures at 8 mins have been provided however they must be reviewed with a caveat. EMAS have highlighted various data issues with the Red 1 and Red 2 figures including coding issues, issues with the telephony system and the period used for the data reporting. This is an on-going issue which other ambulance trusts are also currently experiencing.
Red 1 calls are time critical, for example a case where a patient has gone into cardiac arrest. Red 2 calls are still considered to be serious but less time critical.

Clinical Quality and Safety

The Clinical Quality teams from NHS Derby City and NHS Derbyshire County provide assurance to the cluster board on the quality and patient safety of the services commissioned. Each Clinical Commissioning Group has now appointed a Chief Nurse to ensure that this focus is maintained going forward.

The annual cycle of clinical quality activity includes:

- Development of Quality Schedules
- Monitoring of contracts through Contract Management Boards and Quality Assurance Groups
- Analysing data and identifying themes for targeted performance management such as Infection Control and Delivering Single Sex Accommodation
- A minimum of four quality visits a year for each main contract
- Monitoring and review of providers' Serious Untoward Incidents
- Advice on quality indicators for service specifications
- Regular reports to the cluster board and CCG Governing Bodies.

Patient safety is a key element of all Quality Assurance Group meetings with providers, and includes infection prevention and control and serious incident reporting. An early warning system has been developed to manage risks associated with patient safety.

Information Governance

Information governance continues to be a high priority for both PCTs and the emerging Clinical Commissioning Groups. It is recognised that the most significant risk to confidentiality and information security is human behaviour. A comprehensive mandatory programme of staff training to maintain awareness of confidentiality and information security has been delivered, supported by the publication of an information governance handbook for all staff.

There were no personal data breaches classed as Serious Untoward Incidents during 2012/13.

Risk and Preparedness

In order to promote and embed risk management systems, during 2012/13 the risk management team has been working with the Clinical Commissioning Groups and the public health teams on the mapping of their risk processes and commissioning objectives. Accordingly, all Derbyshire CCGs now have assurance frameworks in place. A process of

escalating system-wide risks has been agreed, linking in with risk registers for each of the emerging organisations.

Up until 31 March 2013, NHS Derby City and NHS Derbyshire County continued to meet their responsibilities as Category 1 Responders as defined by the Civil Contingencies Act 2004. We have participated in multi-agency plans and exercises designed to test our response to a range of emergencies to ensure our emergency preparedness remains robust. We have in place a Major Incident Plan that is fully compliant with the requirements of the NHS Emergency Planning Guidance 2005 and all associated guidance.

Sustainability

An estate rationalisation programme has proved extremely successful with the consolidation of staff into a smaller number of sites across Derbyshire. The programme will significantly reduce the PCTs' carbon footprints, save money to ensure best use of limited resources and improve the standard of accommodation for staff.

A new Sustainable Development Plan incorporating good practice and targets from both the City and the County Carbon Management Plans was also agreed during 2012/13.

Board Membership

The table below provides details of the membership of the PCT Cluster Board during 2012/13.

Mark Todd, Chair	
George Tansley, Non-Executive Director*	
Brian Walsh, Non-Executive Director	
Pauline Ambrey, Non-Executive Director	
Ian Forrest, Non-Executive Director	
Ian Gibbard, Non-Executive Director*	
Paul Devlin, Non-Executive Director*	
Alison McKinna, Non-Executive Director *	Until 31 August 2012
David Black, Medical Director	Until 30 September 2012
Maggie Boyd, Director of Nursing	Until 30 September 2012
Andy Leary, Director of Finance	Until 30 September 2012
Ian Matthews, Senior Clinical Advisor	
Georgina McLennan, Assoc. Director of Corporate Governance	
Karen Rhodes, Associate Director of Human Resources	
David Sharp, Chief Executive	Until 30 September 2012
Phil DaSilva, Director of Commissioning Development	Until 15 December 2012
Trish Thompson, Director of External Relations	Until 30 September 2012
Derek Ward, Director of Public Health - City	
Martin Whittle, Director of Assurance	
Bruce Laurence, Director of Public Health - County	Until 5 February 2013
Derek Bray, Chief Executive	From 1 October 2012
Helen Pledger, Director Of Finance	From 1 October 2012
Vikki Taylor, Director Of Commissioning	From 1 October 2012
Doug Black, Medical Director	From 1 October 2012
Barbara Stuttle, Nurse Director	From 1 November 2012

Julie Bolus, Nurse Director	From 1 December 2012
Elaine Michel, Director of Public Health - County	From 6 February 2013

* Audit Committee members

Declarations of Interest

The table below provides details of Directors' declarations of interest.

Name	Designation	Interest
Pauline Ambry	Non-Executive Director	Trustee for creative support, a charity providing housing support and care to vulnerable adults including people with learning difficulties, mental health, frail elderly. Creative Support mainly contracts for social care services but sometimes NHS services.
Paul Devlin	Non-Executive Director	Head of Inclusion at Action for Children. Partner is a member of Derbyshire Community Health Services NHS Trust Board, an Operations Director of British Red Cross and Chair of Chesterfield Sexual Abuse and Incest Line
Ian Gibbard	Non-Executive Director & Chair of Audit Committee	Director of University of Derby (Company limited by guarantee) Director of High Peak CAB (Company limited by guarantee). Both organisations contract for NHS services.
Bruce Laurence	Acting Director of Public Health County	Trustee of Emergency Nutrition network. I work with Derbyshire County Council that has numerous links, including financial ones with the PCT.
Andy Leary	Director of Finance, Performance and Informatics	Parish Councillor - Winthorpe and Langford Parish Council
Dr Ian Matthews	Senior Clinical Advisor	Partner at Dr Gates and Partners, Chapel St Medical Centre, Spondon. The practice is a member of Southern Derbyshire Clinical Commissioning Group and the DCN Locality.
Alison McKinna	Non-Executive Director	Husband employed by Derbyshire Community Health Services NHS Trust.
George Tansley	Non-Executive Director	Director of Etete Ltd
Mark Todd	Chairman	Chair of Trustees, Motor Neurone Disease Association.
Brian Walsh	Non-Executive Director	Chairman of Keyring: National charity for people with Learning Disabilities.

4 Finance Report

This section includes the financial review and remuneration reports. These are 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 statutory accounts contain comprehensive, detailed information about the financial performance of the PCTs as well as the Annual Governance Statement.

Financial Review

The main source of funding for the Primary Care Trusts is allocations (Parliamentary Funding) from the Department of Health. The Revenue Resource for 2012/13 for Derbyshire County was just over £1.2billion, for Derby City it was £473million.

Both NHS Derby City and NHS Derbyshire County successfully achieved all four of their financial targets during the year. The position of the PCTs against these targets in 2012/13 is as follows:

Revenue

PCTs are required to keep within their revenue resource limit. NHS Derby City was £4,490,000 below its revenue resource limit of £473.5million. This surplus represents the amount that the PCT was required to achieve in order to meet its share of the NHS national target.

For 2012/13 NHS Derbyshire County was required to deliver a surplus of £12million in order to meet its share of the NHS national target. This was achieved with a final underspend of £12,407,000 below its revenue resource limit of £1,223.1million.

Capital

PCTs receive a separate allocation to cover capital expenditure on assets over £5,000 in value which will be used for a period of more than one year. In 2012/13 NHS Derbyshire County utilised £413,000 against a capital resource limit of £1,174,000. In 2012/13 NHS Derby City utilised £152,000 of its available capital resource which comprised a resource limit of 40,000 plus proceeds of £417,000 from the sale of surplus assets.

Cash

PCTs are also allocated a cash limit by the Department of Health, which is the amount of cash needed to support their revenue and capital expenditure. This limit is slightly less than the combined total of revenue and capital resource limits, reflecting the fact that the actual payment of some expenditure falls into a different accounting period to the one covered by this report. For 2012-13, NHS Derby City operated within its allocated cash limit of £466.8million and NHS Derbyshire County within its allocated cash limit of £1,203.1million.

Better Payment Practice Code

The Better Payment Practice Code (BBPC) requires the PCTs to pay all valid invoices by the due date, or within 30 days of receipt of a valid invoice, whichever is later. Both PCTs have a formal performance target of paying 95% of valid invoices by the due date or within 30 days of receipt, whichever is the later. Performance for the PCTs is shown in the tables below.

NHS Derbyshire County

	2012-13	2012-13	2011-12	2011-12
	Number	£000	Number	£000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	19,193	93,099	20,174	91,986
Total Non-NHS Trade Invoices Paid Within Target	18,993	92,198	19,990	90,803
Percentage of NHS Trade Invoices Paid Within Target	98.96%	99.03%	99.09%	98.71%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	5,211	806,564	5,323	791,143
Total NHS Trade Invoices Paid Within Target	5,168	805,976	5,295	791,012
Percentage of NHS Trade Invoices Paid Within Target	99.17%	99.93%	99.47%	99.98%

NHS Derby City

	2012-13	2012-13	2011-12	2011-12
	Number	£000	Number	£000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	8,279	46,619	9,721	50,146
Total Non-NHS Trade Invoices Paid Within Target	8,253	46,464	9,527	50,064
Percentage of NHS Trade Invoices Paid Within Target	99.69%	99.67%	98.00%	99.84%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,729	320,953	3,460	316,158
Total NHS Trade Invoices Paid Within Target	3,724	320,945	3,381	316,158
Percentage of NHS Trade Invoices Paid Within Target	99.87%	100.00%	97.72%	100.00%

Prompt Payments Code

The Prompt Payment Code is a payment initiative developed by Government with The Institute of Credit Management (ICM) to “tackle the crucial issue of late payment and help small businesses”. Details of the code can be found at www.promptpaymentcode.org.uk. Both PCTs have signed up to the code.

External Audit

Grant Thornton is NHS Derby City's external auditor. In 2012/13 fees totalling £104,263 were paid to them in respect of the statutory external audit. The PCT also incurred other non-statutory audit fees of £134,442 including Internal Audit fees with East Midlands Internal Audit Services (hosted by Leicestershire Partnership NHS Trust), payment to the Audit Commission as part of national audit initiative undertaken across the NHS and £750 with Grant Thornton for non-statutory work. As far as the directors are aware, there is no relevant audit information of which the PCT's auditors are unaware. Assurances regarding Auditor independence have been included within reports submitted to the PCT Audit Committee.

NHS Derbyshire County's external auditor for 2012/13 is KPMG. The fee for services carried out in relation to the statutory audit for the year was £158,273. In addition to statutory audit work, there was an additional charge of £12,360, for Closedown and Transition Plans Assurance work. Assurances regarding Auditor independence have been included within reports submitted to the PCT Audit Committee.

The directors of both PCTs have taken all the appropriate steps to make themselves aware of any relevant audit information and to establish that the PCTs' auditors are aware of that information.

Running Costs

The PCTs measure their running costs according to the definitions provided by the Department of Health. Running costs are a measure of the cost to operate a PCT and include both pay and non-pay costs. The costs for the PCTs are given below.

NHS Derbyshire County

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	19,327	14,438	4,889
Weighted population (number in units)	726,424	726,424	726,424
Running costs per head of population (£ per head)	26.61	19.88	6.73

NHS Derby City

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	10,539	8,993	1,546
Weighted population (number in units)	284,272	284,272	284,272
Running costs per head of population (£ per head)	37	32	5

Remuneration Report

The Terms of Service and Remuneration Committee's role is to advise the Board on the appropriate remuneration and terms of service for the Chief Executive and the senior executive management team. During the year the following members served on the PCTs' Committee:

- Mark Todd Chairman (Chair)
- David Sharp Chief Executive
- Alison McKinna Non-Executive Director
- George Tansley Non-Executive Director

It is the policy of the PCTs that Executive Directors are remunerated under the NHS Very Senior Manager Pay Framework. They also benefit from service related pensions and other benefit arrangements that are applicable to all staff. Directors' performance is monitored by the Chairman and Chief Executive against corporate objectives set by the Board. During 2012/13 under the Very Senior Managers Pay Framework no performance related payment was made to directors, in line with the national framework guidance. There have however been payments made under the national clinical excellence reward scheme, in line with guidance these payments are shown as bonus payments in the remuneration report tables below. There were no awards made to past senior managers in the last financial year, and no special severance payments have been made.

Senior manager contracts are substantive and the notice periods for all of them are six months by organisation and three months by individual. Provision for compensation for early termination is in line with Agenda for Change terms and conditions. In the event of early termination the liability to the PCT is one month's pay for each completed year of reckonable service up to a maximum of two years. The PCTs' statutory accounts provide detailed disclosure notes on how pension liabilities are treated in the accounts (see note 7.5 in the full accounts).

Details of salaries and allowances are given in the tables below.

Derbyshire County PCT Salaries and Allowances

The following Remuneration Report for the year ended 31 March 2013 has been audited. This consists of tables of senior managers' salaries and allowances, pension benefits and the accompanying narrative.

The NHS Operating Framework for 2010-2011 required PCTs to develop formal cluster arrangements and as a result of this Derby City PCT and Derbyshire County PCT commenced formally working as a Cluster with effect from 1 April 2011. These arrangements included having a joint Board. With effect from 1st October 2012 there were further changes to Board membership to reflect the appointment of Directors to the Nottinghamshire and Derbyshire Local Area Team of the NHS Commissioning Board (LAT) and the dual responsibilities some directors had up until 31 March 2013.

The senior manager's total salary for the period is shown in the table below, along with prior year comparatives as applicable. The salary below covers all NHS organisations that the senior managers have worked for during 2012-13, rather than just the PCT, the Derbyshire Cluster or the Local Area Team. For Local Area Team managers the prior-year comparators are shown for completeness, even though the managers were not necessarily undertaking work on behalf of the PCT.

Name	Title	2012-13				2011-12			
		Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (rounded to the nearest £100) £00	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (rounded to the nearest £100) £00
Mark Todd	Chairman	35-40				35-40			
David Sharp	Chief Executive	150-155			2	135-140			15
Derek Bray	Chief Executive	135-140			76	35-40			50
Martin Whittle	Director of Operations and Delivery	120-125			34	120-125			47
Maggie Boyd	Director of Clinical Quality & Nursing	115-120			25	110-115			46
Trish Thompson	Director of External Relations	90-95			33	75-80			30
Andy Leary	Director of Finance, Performance & Informatics	120-125				50-55			
Helen Pledger	Director Of Finance	100-105				100-105			
David Black	Medical Director	115-120		20-25		110-115		20-25	
Doug Black	Medical Director	95-100				105-110			
Barbara	Nurse Director	65-70				-	-	-	-

Stuttle									
Julie Bolus	Director of Nursing	30-35				-	-	-	-
Phil Da Silva	Director of Commissioning Development	115-120				115-120			
Vikki Taylor	Director of Commissioning	65-70				45-50			
Bruce Laurence	Director of Public Health – County	105-110		10-15	15	50-55		5-10	15
George Tansley	Non Executive Director	5-10				5-10			
Brian Walsh	Non Executive Director	5-10				5-10			
Pauline Ambrey	Non Executive Director	5-10				5-10			
Paul Devlin	Non Executive Director	5-10				5-10			
Ian Forrest	Non Executive Director	5-10				20-25			
Ian Gibbard	Non Executive Director	10-15				10-15			
Alison McKinna	Non Executive Director	0-5				5-10			
Dr Ian Matthews	Senior Clinical Advisor	60-65				60-65			
Wendy Sunney	Chief Officer, Hardwick Clinical Commissioning Group	30-35				55-60			
Andy Gregory	Chief Officer, Hardwick Clinical Commissioning Group	55-60			46	-	-	-	-
Miles Scott	Chief Finance Officer, Hardwick Clinical Commissioning Group	80-85				xxxxx	xxxxx	xxxxx	xxxxx
Jackie Pendleton	Chief Officer, North Derbyshire Clinical Commissioning Group	95-100				75-80			
Mark Smith	Chief Finance Officer, North Derbyshire Clinical Commissioning Group	90-95				xxxxx	xxxxx	xxxxx	xxxxx
Rakesh Marwaha	Chief Officer, Erewash Clinical Commissioning Group	80-85			40	80-85			36

Charlotte Allen-Neale	Chief Finance Officer, Erewash Clinical Commissioning Group	45-50				xxxxx	xxxxx	xxxxx	xxxxx
Andy Layzell	Chief Officer, Southern Derbyshire Clinical Commissioning Group	110-115			22	95-100			17
Phil Cowley	Chief Finance Officer, Southern Derbyshire Clinical Commissioning Group	85-90			23	xxxxx	xxxxx	xxxxx	xxxxx

There have been several changes in membership in the 2012-13 financial year. The table below reflects changes which are due to Senior Managers leaving or joining the organisation rather than any changes as a result of the dual responsibilities some directors had following their appointments to the Local Area Team.

Member	Post	Start date	End date
Alison McKinna	Non-Executive Director		Aug-12
Andy Gregory	Chief Officer, Hardwick Clinical Commissioning Group	Jun-12	
Wendy Sunney	Chief Officer, Hardwick Clinical Commissioning Group		Sep-12
Phil Da Silva	Director of Commissioning Development		Dec-12
Barbara Stuttle	Nurse Director	Oct-12	
Julie Bolus	Director of Nursing	Dec-12	

Notes:

- B Laurence is employed by the PCT but 50% of his salary costs are recharged to Derbyshire County Council. The figures included in this report are gross, i.e. before any recharge.
- W Sunney is not an employee of the PCT. The remuneration figures included within this report relate to payments made to Ms Sunney in a freelance capacity. The contract between the PCT and Ms Sunney ended in September 2012. No provision for early termination was included within the contract.
- Benefits in kind relates to the provision of leased motor vehicles
- The salaries above and below relate to the period that the senior managers have held office. Therefore, even if an individual held a contract of employment for the entire financial year, only the proportion relating to the senior manager post is shown.
- Prior year comparators have been marked 'xxxxx' where the member's information was not published in 2011-12.
- Prior year comparators have been marked '-' where the member was appointed to Board during the 2012-13 financial year.
- All Board and Executive Committee member's remuneration has been determined in compliance with NHS guidelines.

In addition to the remuneration details included above, the PCT is also required to report the share of the relevant components of remuneration. This information is shown in the table below.

Where Board members work across the Derbyshire Cluster their costs are apportioned equally across the PCTs, net of any recharges of costs to other organisations.

Where Board members work across the Local Area Team the costs are apportioned as agreed between the relevant organisations. The figures below represent the costs incurred by the PCT under these arrangements.

Where the work of senior managers is directly attributable to only one PCT, e.g. Clinical Commissioning Group Chief Operating Officer, then the total costs are shown.

Prior year comparative information is not included below as the Local Area Team arrangements were not in place during that period

Name	Title	2012-13			
		Salary (bands of £5,000)	Other Remunerati on (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in Kind (rounded to the nearest £100)
		£000	£000	£000	£00
Mark Todd	Chairman	15-20			
David Sharp	Chief Executive	75-80			1
Derek Bray	Chief Executive	30-35			
Martin Whittle	Director of Operations and Delivery	5-10			13
Maggie Boyd	Director of Clinical Quality & Nursing	55-60			13
Trish Thompson	Director of External Relations	45-50			16
Andy Leary	Director of Finance, Performance & Informatics	60-65			
Helen Pledger	Director Of Finance	20-25			
David Black	Medical Director	55-60		10-15	
Doug Black	Medical Director	5-10			
Barbara Stuttle	Nurse Director	15-20			
Julie Bolus	Director of Nursing	10-15			
Phil Da Silva	Director of Commissioning Development	55-60			
Vikki Taylor	Director of Commissioning	15-20			
Bruce Laurence	Director of Public Health – County	105-110		10-15	15

George Tansley	Non-Executive Director	0-5			
Brian Walsh	Non-Executive Director	0-5			
Pauline Ambrey	Non-Executive Director	0-5			
Paul Devlin	Non-Executive Director	0-5			
Ian Forrest	Non-Executive Director	0-5			
Ian Gibbard	Non-Executive Director	5-10			
Alison McKinna	Non-Executive Director	0-5			
Dr Ian Matthews	Senior Clinical Advisor	30-35			
Wendy Sunney	Chief Officer, Hardwick Clinical Commissioning Group	30-35			
Andy Gregory	Chief Officer, Hardwick Clinical Commissioning Group	55-60			46
Miles Scott	Chief Finance Officer, Hardwick Clinical Commissioning Group	80-85			
Jackie Pendleton	Chief Officer, North Derbyshire Clinical Commissioning Group	95-100			
Mark Smith	Chief Finance Officer, North Derbyshire Clinical Commissioning Group	90-95			
Rakesh Marwaha	Chief Officer, Erewash Clinical Commissioning Group	80-85			40
Charlotte Allen-Neale	Chief Finance Officer, Erewash Clinical Commissioning Group	45-50			
Andy Layzell	Chief Officer, Southern Derbyshire Clinical Commissioning Group	55-60			11
Phil Cowley	Chief Finance Officer, Southern Derbyshire Clinical Commissioning Group	40-45			12

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

The banded remuneration of the highest paid employee in Derbyshire County PCT in the financial year 2012-13 was £102,500 (£137,500 in 2011-12). This was 3.2 times (4 times in 2011-12) the median remuneration of the workforce, which was £32,573 (£34,189 in 2011-12).

In 2012-13 there were no employees who received remuneration in excess of the highest-paid director.

Using the latest Department of Health guidance where there is a cluster or sharing arrangement of a Director or Senior Manager it is the cost to the PCT of an individual that identifies them as "highest paid" and not the total of the individual's remuneration. In 2012-13 several Directors operated in shared posts across different NHS organisations. The PCT has only included its share of these shared/cluster posts.

In 2012-13 a greater number of shared post and cluster arrangements were in place compared to the previous year. This has resulted in a reduction of Director costs when compared to 2011-12.

Full time equivalent remuneration ranged from £6,063 to £102,500 (£7,882 to £150,224 in 2011-12). Total full time equivalent remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

<i>Pension Entitlements of Senior Managers in relation to the Permanent Board</i>		Real Increase in Pension at age 60 (bands of £2,500)	Real Increase in Pension Lump Sum at aged 60 (bands of £2500)	Total Accrued Pension at age 60 at 31 March 2013 (bands of £5000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2013	Real Increase/ (Decrease) in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
Name	Title	£000	£000	£000	£000	£000	£000	£000	£00
David Sharp	Chief Executive	0-2.5	2.5-5	45-50	135-140	672	752	45	0
Derek Bray*	Chief Executive	0-2.5	2.5-5	30-35	95-100	521	577	28	0
Martin Whittle	Director of Operations and Delivery	-	-	45-50	140-145	881	937	10	0
Maggie Boyd	Director of Clinical Quality & Nursing	-	-	35-40	115-120	702	748	10	0
Trish Thompson	Director of External Relations	0-2.5	5-7.5	25-30	85-90	445	517	49	0
Andy Leary	Director of Finance, Performance & Informatics	0-2.5	2.5-5	45-50	140-145	829	925	53	0
Helen Pledger	Director Of Finance	2.5-5	12.5-15	15-20	55-60	200	275	65	0
David Black	Medical Director	0-2.5	0-2.5	40-45	120-125	641	694	19	0
Doug Black	Medical Director	0-2.5	0-2.5	60-65	180-185	1,311	1,428	50	0
Julie Bolus	Director of Nursing	0-2.5	0-2.5	30-35	90-95	451	526	17	0
Phil Da Silva	Director of Commissioning Development	-	-	45-50	140-145	958	0	N/A	0
Vikki Taylor	Director of Commissioning	0-2.5	2.5-5	15-20	55-60	234	265	19	0
Bruce Laurence	Director of Public Health – County	0-2.5	0-2.5	25-30	85-90	479	530	26	0
Dr Ian Matthews	Senior Clinical Advisor	5-7.5	15-17.5	55-60	165-170	867	1,041	129	0
Andy Gregory	Chief Officer, Hardwick	N/A	N/A	10-15	40-45	N/A	209	N/A	0

	Clinical Commissioning Group								
Miles Scott	Chief Finance Officer, Hardwick Clinical Commissioning Group	0-2.5	0-2.5	15-20	45-50	295	324	14	0
Jackie Pendleton	Chief Officer, North Derbyshire Clinical Commissioning Group	5-7.5	15-17.5	20-25	65-70	312	439	110	0
Mark Smith	Chief Finance Officer, North Derbyshire Clinical Commissioning Group	-	-	25-30	85-90	520	540	-6	0
Rakesh Marwaha	Chief Officer, Erewash Clinical Commissioning Group	0-2.5	0-2.5	15-20	45-50	206	227	10	0
Charlotte Allen-Neale	Chief Finance Officer, Erewash Clinical Commissioning Group	0-2.5	5-7.5	10-15	30-35	116	148	26	0
Andy Layzell	Chief Officer, Southern Derbyshire Clinical Commissioning Group	-	-	40-45	120-125	875	908	-12	0
Phil Cowley	Chief Finance Officer, Southern Derbyshire Clinical Commissioning Group	0-2.5	2.5-5	10-15	30-35	182	218	26	0

Notes:

- The prior year pension figures for Derek Bray have been revised because of an error notified to the PCT by NHS Pensions.
- As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.
- Where prior year pension data is not available the disclosures are marked N/A.

The above information is based upon all NHS organisations that the senior managers have worked for during 2012-13, rather than just the PCT, the Derbyshire Cluster or the Local Area Team.

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.

Reporting related to the Review of Tax Arrangements of Public Sector Appointees

In line with Treasury guidance the PCT is required to disclose information about “off-payroll engagements”. The information relating to Derbyshire County PCT is given below:

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

Number in place on 31 January 2012	1
Of which the number that have since come onto the organisation's payroll	0
Of which the number that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the PCT to seek assurance as to their tax obligations	0
Of which the number that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
Of which the number that have come to an end	1
Total	1

New off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than six months:

No. of new engagements	0
Of which the number 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 the number for whom assurance has been accepted and received	0
Of which the number for whom assurance has been accepted and not received	0
Of which the number that have been terminated as a result of assurance not being received	0
Total	0

Derby City PCT Salaries and Allowances

The following Remuneration Report for the year ended 31 March 2013 has been audited. This consists of tables of senior managers' salaries and allowances, pension benefits and the accompanying narrative.

The NHS Operating Framework for 2010-2011 required PCTs to develop formal cluster arrangements and as a result of this Derby City PCT and Derbyshire County PCT commenced formally working as a Cluster with effect from 1 April 2011. These arrangements included having a joint Board. With effect from 1 October 2012 there were further changes to Board membership to reflect the appointment of Directors to the Nottinghamshire and Derbyshire Local Area Team of the NHS Commissioning Board (LAT) and the dual responsibilities some directors had up until 31 March 2013.

The senior manager's total salary for the period is shown in the table below, along with prior year comparatives as applicable. The salary below covers all NHS organisations that the senior managers have worked for during 2012-13, rather than just the PCT, the Derbyshire Cluster or the Local Area Team. For Local Area Team managers the prior-year comparators are shown for completeness, even though the managers were not necessarily undertaking work on behalf of the PCT.

Name	Title	2012-13				2011-12			
		Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in Kind (rounded to the nearest £100)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in Kind (rounded to the nearest £100)
		£000	£000	£000	£00	£000	£000	£000	£00
Mark Todd	Chairman	35-40				35-40			
David Sharp	Chief Executive	150-155			2	135-140			15
Derek Bray	Chief Executive	135-140			76	35-40			50
Martin Whittle	Director of Operations and Delivery	120-125			34	120-125			47
Maggie Boyd	Director of Clinical Quality & Nursing	115-120			25	110-115			46
Trish Thompson	Director of External Relations	90-95			33	75-80			30
Andy Leary	Director of Finance, Performance & Informatics	120-125				50-55			
Helen Pledger	Director Of Finance	100-105				100-105			
David Black	Medical Director	115-120		20-25		110-115		20-25	
Doug Black	Medical Director	95-100				105-110			
Barbara Stuttle	Nurse Director	65-70				-	-	-	-
Julie Bolus	Director of Nursing	30-35				-	-	-	-
Phil Da Silva	Director of Commissioning Development	115-120				115-120			
Vikki Taylor	Director of Commissioning	65-70				45-50			

Derek Ward	Director of Public Health – City	110-115			44	90-95			2
George Tansley	Non-Executive Director	5-10				5-10			
Brian Walsh	Non-Executive Director	5-10				5-10			
Pauline Ambrey	Non-Executive Director	5-10				5-10			
Paul Devlin	Non-Executive Director	5-10				5-10			
Ian Forrest	Non-Executive Director	5-10				20-25			
Ian Gibbard	Non-Executive Director	10-15				10-15			
Alison McKinna	Non-Executive Director	0-5				5-10			
Dr Ian Matthews	Senior Clinical Advisor	60-65				60-65			
Andy Layzell	Chief Officer, Southern Derbyshire Clinical Commissioning Group	110-115			22	95-100			17
Phil Cowley	Chief Finance Officer, Southern Derbyshire Clinical Commissioning Group	85-90			23	xxxxx	xxxxx	xxxxx	xxxxx

There have been several changes in membership in the 2012-13 financial year. The table below reflects changes which are due to Senior Managers leaving or joining the organisation rather than any changes as a result of the dual responsibilities some directors had following their appointments to the Local Area Team.

Member	Post	Start date	End date
Alison McKinna	Non-Executive Director		Aug-12
Phil Da Silva	Director of Commissioning Development		Dec-12
Barbara Stuttle	Nurse Director	Oct-12	
Julie Bolus	Director of Nursing	Dec-12	

Notes:

- Benefits in kind relates to the provision of leased motor vehicles
- Prior year comparators have been marked 'xxxxx' where the member's information was not published in 2011-12.
- Prior year comparators have been marked '-' where the member was appointed to Board during the 2012-13 financial year.
- All Board and Executive Committee member's remuneration has been determined in compliance with NHS guidelines.

In addition to the remuneration details included above, the PCT is also required to report the share of the relevant components of remuneration. This information is shown in the table below.

Where Board members work across the Derbyshire Cluster their costs are apportioned equally across the PCTs, net of any recharges of costs to other organisations.

Where Board members work across the Local Area Team the costs are apportioned as agreed between the relevant organisations. The figures below represent the costs incurred by the PCT under these arrangements.

Where the work of senior managers is directly attributable to only one PCT, e.g. Clinical Commissioning Group Chief Operating Officer, then the total costs are shown.

Prior year comparative information is not included below as the Local Area Team arrangements were not in place during that period.

Name	Title	2012-13			
		Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in Kind (rounded to the nearest £100)
		£000	£000	£000	£00
Mark Todd	Chairman	15-20			
David Sharp	Chief Executive	75-80			1
Derek Bray	Chief Executive	30-35			
Martin Whittle	Director of Operations and Delivery	5-10			13
Maggie Boyd	Director of Clinical Quality & Nursing	55-60			13
Trish Thompson	Director of External Relations	45-50			16
Andy Leary	Director of Finance, Performance & Informatics	60-65			
Helen Pledger	Director Of Finance	20-25			
David Black	Medical Director	55-60		10-15	
Doug Black	Medical Director	5-10			
Barbara Stuttle	Nurse Director	15-20			
Julie Bolus	Director of Nursing	10-15			
Phil Da Silva	Director of Commissioning Development	55-60			
Vikki Taylor	Director of Commissioning	15-20			
Derek Ward	Director of Public Health – City	110-115			44
George Tansley	Non-Executive Director	0-5			
Brian Walsh	Non-Executive Director	0-5			
Pauline Ambrey	Non-Executive Director	0-5			
Paul Devlin	Non-Executive Director	0-5			
Ian Forrest	Non-Executive Director	0-5			
Ian Gibbard	Non-Executive Director	5-10			
Alison McKinna	Non-Executive Director	0-5			
Dr Ian Matthews	Senior Clinical Advisor	30-35			
Andy Layzell	Chief Officer, Southern Derbyshire Clinical Commissioning Group	55-60			11

Phil Cowley	Chief Finance Officer, Southern Derbyshire Clinical Commissioning Group	40-45		12
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Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The midpoint of the banded remuneration of the highest paid director in Derby City PCT in the financial year 2012-13 was £152,500; within the £150,000 to £155,000 band. (£110,095 in 2011-12) This was 4.5 times (3.4 times in 2011-12) the median remuneration of the workforce of £34,189 (£32,573 in 2011-12).

In 2012-13 there were no employees who received remuneration in excess of the highest-paid director.

Full time equivalent remuneration ranged from £7,000 to £145,000. Total full time equivalent remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

<i>Pension Entitlements of Senior Managers in relation to the Permanent Board</i>		Real Increase in Pension at age 60 (bands of £2,500)	Real Increase in Pension Lump Sum at aged 60 (bands of £2500)	Total Accrued Pension at age 60 at 31 March 2013 (bands of £500)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2013	Real Increase/ (Decrease) in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
Name	Title	£000	£000	£000	£000	£000	£000	£000	£00
David Sharp	Chief Executive	0-2.5	2.5-5	45-50	135-140	672	752	45	0
Derek Bray*	Chief Executive	0-2.5	2.5-5	30-35	95-100	521	577	28	0
Martin Whittle	Director of Operations and Delivery	-	-	45-50	140-145	881	937	10	0
Maggie Boyd	Director of Clinical Quality & Nursing	-	-	35-40	115-120	702	748	10	0
Trish Thompson	Director of External Relations	0-2.5	5-7.5	25-30	85-90	445	517	49	0
Andy Leary	Director of Finance, Performance & Informatics	0-2.5	2.5-5	45-50	140-145	829	925	53	0
Helen Pledger	Director Of Finance	2.5-5	12.5-15	15-20	55-60	200	275	65	0
David Black	Medical Director	0-2.5	0-2.5	40-45	120-125	641	694	19	0
Doug Black	Medical Director	0-2.5	0-2.5	60-65	180-185	1,311	1,428	50	0
Julie Bolus	Director of Nursing	0-2.5	0-2.5	30-35	90-95	451	526	17	0
Phil Da Silva	Director of Commissioning Development	-	-	45-50	140-145	958	0	N/A	0
Vikki Taylor	Director of Commissioning	0-2.5	2.5-5	15-20	55-60	234	265	19	0

	g								
Derek Ward	Director of Public Health – City	0-2.5	-	0-5	-	6	24	18	0
Dr Ian Matthews	Senior Clinical Advisor	5-7.5	15-17.5	55-60	165-170	867	1,041	129	0
Andy Layzell	Chief Officer, Southern Derbyshire Clinical Commissioning Group	-	-	40-45	120-125	875	908	-12	0
Phil Cowley	Chief Finance Officer, Southern Derbyshire Clinical Commissioning Group	0-2.5	2.5-5	10-15	30-35	182	218	26	0

Notes:

- The prior year pension figures for Derek Bray have been revised because of an error notified to the PCT by NHS Pensions.
- As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.
- Where prior year pension data is not available the disclosures are marked N/A.
- The above information is based upon all NHS organisations that the senior managers have worked for during 2012-13, rather than just the PCT, the Derbyshire Cluster or the Local Area Team.

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.

Reporting related to the Review of Tax Arrangements of Public Sector Appointees

In line with Treasury guidance the PCT is required to disclose information about “off-payroll engagements”. The information relating to Derby City PCT is given below.

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

Number in place on 31 January 2012	0
Of which the number that have since come onto the organisation's payroll	0
Of which the number that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the PCT to seek assurance as to their tax obligations	0
Of which the number that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
Of which the number that have come to an end	0
Total	0

New off-payroll engagements between 23 August 2012 and 31 March 2013 for more than £220 per day and more than six months

No. of new engagements	0
Of which the number 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 the number for whom assurance has been accepted and received	0
Of which the number for whom assurance has been accepted and not received	0
Of which the number that have been terminated as a result of assurance not being received	0
Total	0



Department
of Health



Derby City Primary Care Trust

2012-13 Accounts

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Derby City Primary Care Trust

2012-13 Accounts

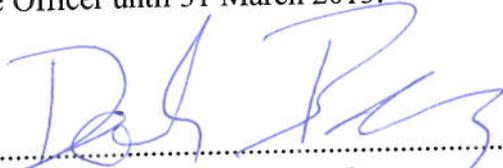
2012-13 Annual Accounts of Derby City Primary Care Trust

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

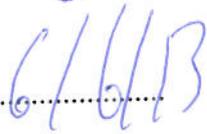
The Department of Health's Accounting Officer designates the Signing Officer of the accounts of PCTs in England, an officer of the Department of Health, to discharge the following responsibilities for the Department, to ensure that for the year ended 31 March 2013:

- 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.

Signed..........Designated Signing Officer

Name: 

Date.....

2012-13 Annual Accounts of Derby City 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;

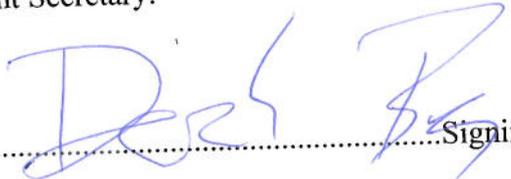
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

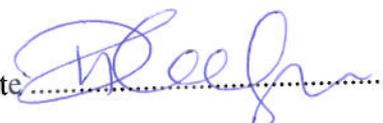
- ensure that the PCT kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the primary care trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

- 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.

6/6/13 Date.....  Signing Officer

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

ANNUAL GOVERNANCE STATEMENT

1. INTRODUCTION

This year has seen the focus shift from the establishment of the NHS Derby City and NHS Derbyshire County PCTs Cluster to the successful transition to new bodies established under the Health and Social Care Act 2012, which resulted in the PCT's abolition on 31st March 2013. The Clustering arrangements established during 2011-12 remained in place during 2012/13 with the operation of a single executive team for the two PCTs and a single Board directing the business of both PCTs. As in 2011-12 this Statement will reflect and highlight those areas of joint enterprise, and those where the PCTs are required to report separately on matters affecting the individual legal entities.

One of the key Governance changes that occurred during the year was the establishment of the NHS Commissioning Board's Area Team (AT) for Derbyshire and Nottinghamshire, which assumed the Executive responsibility for the PCT on 1st October 2012. The AT's Executive Directors have worked alongside the PCT's non-Executive Board members to ensure the Cluster Board remained an effective vehicle for delivering the PCT's governance responsibilities.

2. SCOPE OF RESPONSIBILITY

Arising from the schemes of delegation approved by the Derby City PCT in 2011/12 the PCT's Board functions continued to be discharged during 2012/13 by a joint committee known as the Cluster Board. Therefore, any references to the Board within this document refer to the Cluster Board, unless specifically stated that it was the Board of Derby City PCT that met to approve a decision.

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

As the Accountable Officer for Derby City Primary Care Trust (PCT) I am able to provide assurance that the PCT (through the Cluster structure) has in place robust accountability arrangements, not only for the discharge of my own responsibilities, but also in the achievement of performance targets and strategic objectives.

The PCT (through the Cluster structure) continued to be subject to reviews by the Midlands and East Strategic Health Authority (SHA). This is carried out via a combination of formal processes (e.g. Annual and quarterly Reviews) and more service driven reviews of our Clinical Governance, Finance and Operating Framework arrangements.

As well as being held to account for organisational performance, Derby City PCT through the establishment of the CCGs continued to work alongside other health and social care partners to operate within a Health Community Planning Framework, ensuring delivery of appropriate and more wide ranging NHS Targets.

Throughout the year CCGs have assumed more of the PCT's responsibilities in order to prepare them for full authorisation and statutory body status. One such example is where the CCGs took on the PCT's relationships with Local Strategic Partners within the Derby City locality, and the ownership of joint targets for the improvement of Health Outcomes. The adoption of the recommendations from the Director of Public Health Report and involvement of officers in the development of sustainable communities strategies at County and District level, and joint production of the Joint Strategic Needs Assessments provides further evidence of the on-going joint approach.

There continued to be close working as part of implementing 'Liberating the NHS' with regular scheduled meetings at senior officer level with the City Council. There is City PCT and Council membership of Regional Transition Networks, and at the steering groups for the transition of City public health functions. The City Health and Wellbeing Boards include representation from the PCT; local government including District councils; all relevant CCGs (COO and GPs); and other agencies including local key providers (Mental Health, Acute Hospital etc), LINKs (progressing to HealthWatch), and Derby University. A significant element of this work was the transfer of the public health functions, assets and resources to the City Council as part of the NHS reforms and this work was completed on schedule enabling the correct form of legal transfer to be enacted on 1st April 2013.

3. GOVERNANCE FRAMEWORK

Cluster Board

Throughout 2012/13 the Cluster Board has operated as a single entity with shared members on the Boards of both of the Cluster PCTs. In October 2012 the entire team of Executive Directors changed with the appointment of the NHS CB Area Team's Executive Director team, which assumed the accountability and responsibility for the PCT's executive director functions.

During 2012/13 the Cluster Board met 11 times in total and the attendance records for the Board are included as Appendix 1.

The Board has also addressed a wide range of issues and a summary of these is included as Appendix 2.

The Cluster Board has been effective in discharging the functions of the PCT Board, and has successfully steered the PCT through the changes and challenges brought about by the implementation of the NHS reforms, ensuring a smooth transition to the NHS Commissioning Board, CCGs and the GEM CSU.

Cluster Board Sub-Committees

At the commencement of 2012/13 the Cluster Board had in place the following sub-committees:

- Joint Audit Committee
- Governance Committee
- Remuneration and Terms of Service Committee
- Erewash CCG Board
- Hardwick CCG Board
- North Derbyshire CCG Board
- Southern Derbyshire CCG Board

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- Commissioning Support Organisation Steering Group
- Public Health Transition Group

From October 2012 onwards the Cluster also established, on behalf of the Cluster PCTs, a Transition and Closedown Group (T&CG), and latterly (in January 2013) a Commissioning Support Transition Group reporting into the T&CG. Both of these groups were tasked with ensuring the closedown of both PCTs was carried out effectively and all transfers to appropriate successor bodies was properly completed.

Joint Audit Committee

This committee was established with Derby County PCT to act as a single committee on behalf of both PCTs under the Cluster's governance arrangements. It was constituted in line with the provisions of the NHS Audit Committee handbook and oversaw the audit of the 2011/12 accounts for both PCTs, the internal and external audit plans and the risk management and internal control processes (financial and quality), including control processes around counter fraud.

During 2012/13 the Committee met 6 times and, in addition to the above, other key reports it considered were:

- A series of reports on the Payments by Results Assurance Framework for the PCT and some key providers;
- QIPP review follow-up work;
- Information Governance validation;
- CCG Governance benchmarking;
- Care Homes contract monitoring;

The Committee also considered monthly reports on the Waiver log and losses and special payments. The Committee has also taken an overview of the actions being put in place to manage the post-31st March closedown processes.

Governance Committee

The Governance Committee played a critical role in establishing and regularly reviewing the Governance Framework of the Cluster, and in maintaining an overview of the progress towards the authorisation of CCGs and the Commissioning Support Unit. It also ensured the routine governance business of the Cluster was maintained during the transition period.

The Committee played an important role in helping to manage the transition to the new NHS system, including having amongst its members representatives from each CCG, and also receiving regular update reports from the Public Health Transition Group and the QIPP QCAG

The Governance Committee, working on behalf of the Board, approved a range of policies for the Cluster that have included a Cluster-wide persistent and vexatious complainants policy; cluster-wide governance policies; organisational change and redundancy policy; and an absence policy.

The Governance Committee had an assurance role for the Cluster's performance across a wide range of targets and quality measures, including the CCGs' delivery of QIPP and other financial targets and the quality of plans to achieve them.

However, as part of a mid-year review of Cluster resources, systems and processes it was decided to stand the Committee down at the end of October 2012, partly in recognition of the increasing autonomy the CCGs would acquire as a result of their authorisation in December 2012 and January 2013. Governance continued to be exercised in this transition by direct attendance at Cluster Board of the Chief Officers or Chairs of each CCG. At its final meeting, the Committee received a report on how its functions would be picked up by other committees or parts of the NHS system for the remainder of 2012-13: this was important in ensuring no let-up in the scrutiny and monitoring of statutory functions and performance.

In total the Committee met 6 times prior to it being stood down at the end of October 2012.

QIPP Coordination and Assurance Group (QCAG)

The PCT established a QIPP Co-ordination and Assurance Group (QCAG) to oversee the PCT's QIPP programme for 2012/13. It comprised of representatives of the CCGs and the Cluster and provided a detailed level of QIPP plans, which were drilled down and managed at a CCG level. The group reported each month to the Cluster's Governance Committee, which added a further level of scrutiny.

Transition and Closedown Group

The Transition and Closedown Group was established in Autumn 2012 with the remit to ensure that:

- there was a smooth and successful transition of PCT staff, functions, assets and documents to the successor organisations by 31st March 2013;
- staff members were supported to ensure that they moved smoothly into their new organisations and worked to ensure that staff experienced a 'soft landing' with their destination;
- the two statutory PCTs were successfully closed down by end June 2013; and
- a strong legacy and handover was transferred to the successor organisations.

The group was chaired by the Cluster Chair, with senior staff having clear leadership roles for key functional transfers. Internal Audit were involved in the establishment and operational review of transition processes and significant assurance provided that controls were adequate.

The Group has worked to a tight operational plan and has received monthly reports from a range of workstreams focussing on closing down and transitioning functions as appropriate. This work has also been supported by a transition and close down risk register.

Completion of Handover and Closure Documents

The PCT has produced and published a hand-over document as required by the Midlands and East Strategic Health Authority, and this has informed much of the hand-over work to the CCGs and other new organisations created by the NHS reforms. To support this document a Library of Knowledge was established that stored all the supporting documents reference in the hand-over document, and will continue to be available for a period of time after the PCT has ceased to function.

Accounts Scrutiny and Sign-Off

The accountability arrangements for the 2012/13 financial accounts were in line with the nationally defined accounts scrutiny and sign off process. From 1st April 2013 when PCTs were abolished, Local Area Team Directors continued to discharge the responsibilities associated with the closedown, until completion. For the PCTs this entailed the set-up of local delivery teams to secure an effective accounts preparation and audit process. The LAT Directors, as PCT accountable officers, have responsibility for signing the accounts and the supporting statements.

Audit committee arrangements were also specified nationally to ensure that the essential scrutiny and governance function provided by an audit committee was retained, despite PCT closure. The Department of Health facilitated the establishment of audit committees to support the final accounts process, thereby providing a mechanism with the appropriate status to discharge the necessary responsibilities. The non-executive directors that formed the committee were identified locally and sourced from the existing PCT cluster audit committees

The System of Internal Control

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

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

The systems of internal control were in place in Derby City Primary Care Trust for the whole year ending 31st March 2013.

4. CAPACITY TO HANDLE RISK

The PCT Corporate Entity

For the period of this statement the PCT, as a corporate entity, vested all its capacity to handle risk in the systems and structures of the Cluster, and therefore for the purposes of this statement it will be the Cluster's capacity to handle risk that is described.

The Cluster

For the period up to 30th September 2012 the Cluster Chief Executive had ultimate responsibility for risk management and to this end was held to account through the Cluster Board, the Cluster Governance Committee, and the Cluster Audit Committee for the effectiveness of Cluster (and hence PCT) processes. For the period from 1st October 2012 to 31st March 2013 this responsibility passed to the Chief Executive of the NHS Commissioning Board's (NHS CB) Area Team for Derbyshire and Nottinghamshire. It is in this capacity that I am providing this statement.

Day to day responsibility for risk management was delegated to all Executive Directors of the Board with executive leadership being vested in the Cluster Director of Finance (up to 30th September 2013) and the NHS CB Area Team Director of Nursing and Clinical Quality from 1st October 2012, then the Transition Director from December 2012 to 31st March 2013.

In conjunction with these structures all appropriate staff are provided with training in the principles of risk management / assessment in order for them to manage and treat appropriate levels of risk within their designated authority and day to day duties. Detailed procedures and guidelines are set out in the Cluster Risk Management Strategy (which was approved by the Governance Committee in October 2011) providing Directors, managers and staff with the appropriate tools to identify, score and treat risk properly.

Clinical Commissioning Groups

During 2012/13 the PCT, through the mechanism of the Cluster, has continued to support the development of four Clinical Commissioning Groups (CCGs) in Derbyshire. Initially they were established as sub-committees of the Cluster Board but during 2012/13 all four of them successfully negotiated the authorisation process and have been established as statutory bodies who will take on their full range of statutory responsibilities on 1st April 2013.

Throughout the year the following mechanisms were used to provide an environment in which risks could be identified and managed:

- Board to board meetings between the Cluster Board and the Governing Bodies;
- CCG leaders attended Cluster Board meetings; and
- CCG leaders attended meetings of the Governance Committee.

Greater East Midlands Commissioning Support Unit (GEM)

In addition to supporting the development of the CCGs the Cluster has been actively involved in the establishment of the Greater East Midlands Commissioning Support Unit (GEM). Each Cluster within the GEM area established a Steering Group and an Operational Group to ensure that each Cluster received assurances on the establishment of GEM and the processes by which staff and assets would be transferred to the new body. Each area developed its own local risk register that fed into GEM's corporate risk register, which has been reviewed on a monthly basis by the Senior Management Team.

5. THE RISK AND CONTROL FRAMEWORK

Risk Management

The PCT adopted a revised Risk Management Strategy in October 2011. It was agreed at the Governance Committee that no further changes or revisions were required in 2012/13. The strategy outlined the Cluster's approach to risk and the manner in which it sought to eliminate and control all risks. Staff at all levels of the organisation were able to identify and record risk, with appropriate levels of staff trained to evaluate and treat the risk accordingly.

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Risk management was embedded in the activities of the organisation. Through its main sub-committees (CCG Boards, Governance Committee, Audit Committee) and line management structures, the PCT was able to ensure accountability for risk at all levels of the organisation.

By ensuring that all staff were aware of their responsibilities for both governance (all elements) and health and safety, a substantial amount of progress was made towards ensuring ownership of risk by staff. This was evidenced by staff engagement in providing regular updates on risks that have enabled the Governance Committee and Board members to receive and act upon monthly risk register reports.

A key output from the risk management system was that each month the Cluster Board (acting on behalf of the PCT Board) received a report on the high scoring corporate risks that impacted on the successful achievement of the Cluster's strategic objectives. In addition the Governance Committee received monthly reports on the high scoring risks, and those due for a review in that month.

Identified Major Risks in 2012/13

As a result of the PCT's risk management process it was able to identify the following as its major risks for 2012/13:

- Lack of capability and capacity due to loss of key staff/ experience/ skills leads to inability to deliver business as usual within the cluster and ability to create an effective CSU. This was mitigated by an effective HR process that mapped current roles to positions within the new organisations and a combination of "lift and shift" and pooling/slotting and matching processes.
- Fragmentation of duties and uncertainty during transition regarding responsibilities leading to poor performance. This was one of the highest scoring risks at the commencement of the year, but as can be seen from this statement a comprehensive range of mechanisms and processes were put in place to ensure such fragmentation did not occur.
- The successful authorisation of the emergent CCGs in a state enabling them to take on their new statutory functions from 1st April 2013. This was successfully achieved with all four CCGs being approved with all green indicators.
- Ensuring all staff transferred to their destination organisations by 31st December 2012, and that the number of redundancies were kept to an absolute minimum. There was a tightly managed HR process that achieved this on the due date, with all letters setting out new employment arrangements post-1st April being issued to all affected staff.
- Successful delivery of the QIPP plan, and the savings identified in it. These savings were essential for balancing the PCT's finances and driving quality, innovation and efficiency. This risk was managed by the establishment of the QCAG (see page V) which reported monthly to the Cluster's Governance Committee.

Corporate Objectives and the Board Assurance Framework

The Board approved its Corporate Objectives for 2012/13 at its meeting on 4th April 2012. The PCT's Assurance Framework was approved by the Governance Committee in June 2012, following an exercise to integrate CCG key strategic risks into the Cluster risk portfolio. Through the Assurance Framework process the PCT has identified its principal risks and the controls in place to mitigate against their occurrence.

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The framework has been proactively reviewed by senior staff on a regular basis. The Quarter 4 assurance framework for 2012/13 was refocused to reflect the PCT's closedown and transition role and was signed off by the Cluster Board in March 2013.

Internal and External Audit

Both Internal and External Audit carry out independent reviews of systems and processes within the organisation. Recommendations and action plans are put in place following these reviews to ensure controls are safe and adequate, providing safeguard of assets and resources. Key risks highlighted in these reports are also added to the Cluster's Assurance Framework. Action plans are routinely tracked through the quarterly Audit Committee meetings.

Counter Fraud & Deterrence

During 2012/13 the PCT continued to commission a counter fraud service from East Midlands Independent Assurance Services with Gary Roe acting as the PCT's Local Counter Fraud Specialist (LCFS). The LCFS regularly met with the Director of Finance to review the Counter Fraud plan and discuss cases. The LCFS also presented quarterly reports to the PCT's Audit Committee.

The PCT also took part in a quality assurance pilot and rated green on all standards being met.

Information Governance

The Director of Finance and Informatics was the Executive Lead on the Board for Information Governance and was also the Senior Information Risk Officer (SIRO). The Chief Operating Officer for Erewash CCG was the Deputy SIRO. The Accountable Officer, the Board and Executive Director Team received comprehensive and reliable assurances from the Lead Director, Assistant Director of Informatics, the Information Governance Committee (reporting to the Governance Committee) and via specific Information Governance Policies & Procedures issued to staff.

The Information Governance Committee was a joint committee established with Derbyshire County PCT and was chaired by the Information Governance Lead for Transition and Senior Information Risk Owner (SIRO). The Committee received regular assurance reports on how the risks to information are being managed and controlled throughout the PCT, particularly during transition and closedown. The Committee met a total of 9 times during 2012/13

The Caldicott Guardian was the Director of Nursing for the PCT Clusters across Derbyshire and Nottinghamshire.

Throughout 2012/13 the work undertaken to improve the PCT's compliance with the Information Governance Toolkit levels has strengthened the processes around mapping of information flows of personal data within the organisation and understanding the risks associated with records as they transfer to other organisations.

Data Security

At Derby City PCT all Information Governance incidents are taken extremely seriously. These include incidents relating to person identifiable data loss, any breach of confidentiality, the insecure disposal of information and any other incidents where staff or patient information may have been at risk.

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All staff are trained and encouraged to report all incidents and near misses to ensure we can investigate the reason for an incident occurring and take measures to prevent the incident happening again.

Appendix B of the Department of Health Guidance on Information Governance Assurance issued in May 2008 (Gateway reference 9912) only requires serious untoward data security breaches rated at level 3 or above to be declared in this statement. In 2012/13 there were no reported serious incidents involving personal data.

There were no cases reported to the Information Commissioner in 2012/13.

Equality, Diversity and Human Rights.

Control measures were in place to ensure that the organisation complied with its obligations under equality, diversity and human rights' legislation. The Director of Engagement led in this area on behalf of the Board and was assisted in this role by the Assistant Director of Equality, Inclusion and Human Rights. Equality and Inclusion (E&I) assurance reports, and relevant legal and Department of Health updates, have been presented to the PCT Board, with operational E&I reports presented on a regular basis to the Governance Committee throughout the year. Action plans were in place to address identified gaps in control.

Following the adoption of the Equality Delivery System (EDS) in 2011/12 all committee reports included a section on how the report met the objectives of the EDS and this was an embedded process throughout 2012/13.

Sustainability

The Cluster has a Trust-wide commitment to reduce its carbon footprint from the 2008/09 baseline by 2013. A new Sustainable Development Plan incorporating good practice and targets from both the City and the County Carbon Management Plans has been produced and been to Board for approval.

The estate rationalisation programme has proved extremely successful and most of the surplus properties have now been disposed of further reducing the PCT's carbon footprint, saving money to ensure best use of limited resources and improve the standard of accommodation for staff. Multi-functional devices with the capability to copy, fax and print have now been rolled out to most PCT premises.

Work has begun with the Clinical Commissioning Groups to develop a baseline to formulate a Sustainable Development Management Plans for their future needs.

6. SIGNIFICANT ISSUES

Other than the matters previously referred to in section 5 above there were no significant issues arising in 2012/13 that warrant additional reporting in this statement.

7. REVIEW OF EFFECTIVENESS

As Accountable Officer, I have responsibility for reviewing the effectiveness of the Cluster's governance systems. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of their annual programme of internal audit work. The Head of Internal Audit's annual opinion on the system of internal control is based on an agreed programme of work undertaken throughout the financial year. This has resulted in a SIGNIFICANT ASSURANCE opinion for the year. Executive Directors within the organisation, who have responsibility for the development and maintenance of the system of internal control, provide me with assurance.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. The Framework for 2012/13 was actively managed and regularly reviewed by the Governance Committee and the Board, and I am satisfied that it reflected the key challenges faced by the organisation at the start of the business year, and that it changed appropriately to reflect the development of the new NHS structures as the year progressed.

My review is also informed via assurances provided by:-

- NHS Midlands and East (Strategic Health Authority);
- Grant Thornton (External Audit), and
- Internal Audit reviews

I have also been advised on the implications of the results of my review of the effectiveness of the system of internal control by the:-

- Cluster Board
- Executive Team
- Audit Committee
- Governance Committee
- Information Governance Committee
- Safety & Security Committee

The PCT had a robust process in place to allow ongoing maintenance and review of the effectiveness of the system of internal control. PCT Directors held day to day responsibility for ensuring that controls exist within their designated areas of responsibility.

Existence and robustness of controls were tested by the PCTs Auditors, with any identified weaknesses being reported to the Audit Committee, as appropriate.

Additional assurances were received during the course of the year in respect of the PCT's Assurance Framework and associated Action Plan, mainly from the PCT's Internal Auditors.

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There has been no evidence presented to myself or the Board to suggest that at any time during 2012/13 the PCT has acted outside of its statutory authorities and duties. The PCT has complied with the provisions of the Corporate Governance Code and there have been no matters where non-compliance has taken place.

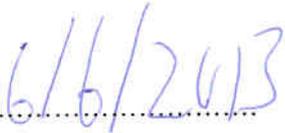
My review confirms that Derby City Primary Care Trust had a generally sound system of internal control that supported the achievement of its policies, aims and objectives.

Signed



Designated Signing Officer for the PCT
and Accountable Officer for the PCT until 31st March 2013: Derek Bray

Dated



INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF DERBY CITY PCT

We have audited the financial statements of Derby City 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 page 38;
- the table of pension benefits of senior managers and related narrative notes on page 42; and
- the table of pay multiples and related narrative notes on page 41.

This report is made solely to the Department of Health's accounting officer in respect of Derby City 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 Department of Health's accounting officer and the PCT 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 PCT's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the PCT; 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 Derby City 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 PCT, or an officer of the PCT, 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 PCT 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.

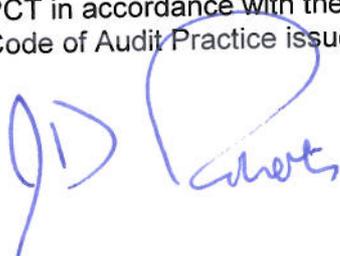
We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission, we have considered the results of the following:

- our review of the annual governance statement.

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 Derby City PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Jon Roberts
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP
Colmore Plaza
Colmore Circus
Birmingham
B4 6AT

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	7,364	10,740
Other costs	5.1	475,019	474,849
Income	4	(14,395)	(12,786)
Net operating costs before interest		467,988	472,803
Investment income	9	(73)	(80)
Other (Gains)/Losses	10	(37)	(101)
Finance costs	11	1,086	1,062
Net operating costs for the financial year		468,964	473,684
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
Net (gain)/loss on transfers by absorption		0	
Net Operating Costs for the Financial Year including absorption transfers		468,964	473,684
Of which:			
Administration Costs			
Gross employee benefits	7.1	5,397	5,899
Other costs	5.1	6,320	6,898
Income	4	(1,178)	(945)
Net administration costs before interest		10,539	11,852
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net administration costs for the financial year		10,539	11,852
Programme Expenditure			
Gross employee benefits	7.1	1,967	4,841
Other costs	5.1	468,699	467,951
Income	4	(13,217)	(11,841)
Net programme expenditure before interest		457,449	460,951
Investment income	9	(73)	(80)
Other (Gains)/Losses	10	(37)	(101)
Finance costs	11	1,086	1,062
Net programme expenditure for the financial year		458,425	461,832
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		383	93
Net (gain) on revaluation of property, plant & equipment		(452)	(658)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		0	
Release of Reserves to Statement of Comprehensive Net Expenditure		0	
Net actuarial (gain)/loss on pension schemes		0	0
Reclassification Adjustments			
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total comprehensive net expenditure for the year*		468,895	473,119

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 1 to 43 form part of this account.

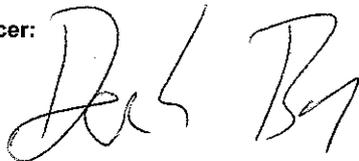
**Statement of Financial Position at
31 March 2013**

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	14,241	15,288
Intangible assets	13	43	111
Investment property	15	0	0
Other financial assets	21	504	526
Trade and other receivables	19	0	0
Total non-current assets		<u>14,788</u>	<u>15,925</u>
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	2,608	4,393
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	183	6
Total current assets		<u>2,791</u>	<u>4,399</u>
Non-current assets held for sale	24	300	700
Total current assets		<u>3,091</u>	<u>5,099</u>
Total assets		<u>17,879</u>	<u>21,024</u>
Current liabilities			
Trade and other payables	25	(24,426)	(23,444)
Other liabilities	26,28	0	0
Provisions	32	(3,344)	(758)
Borrowings	27	(87)	(143)
Other financial liabilities	36.2	0	0
Total current liabilities		<u>(27,857)</u>	<u>(24,345)</u>
Non-current assets plus/less net current assets/liabilities		<u>(9,978)</u>	<u>(3,321)</u>
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	0	0
Borrowings	27	(10,962)	(11,049)
Other financial liabilities	36.2	0	0
Total non-current liabilities		<u>(10,962)</u>	<u>(11,049)</u>
Total Assets Employed:		<u>(20,940)</u>	<u>(14,370)</u>
Financed by taxpayers' equity:			
General fund		(22,198)	(15,572)
Revaluation reserve		1,258	1,202
Other reserves		0	0
Total taxpayers' equity:		<u>(20,940)</u>	<u>(14,370)</u>

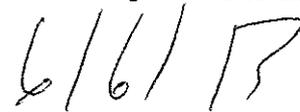
The notes on pages 5 to 43 form part of this account.

The financial statements on pages 1 to 43 were approved by the Audit Committee on 6th June 2013 and signed on its behalf by

Designated Signing Officer:



Date:



**Statement of Financial Position at
31 March 2013**

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	14,241	15,288
Intangible assets	13	43	111
Investment property	15	0	0
Other financial assets	21	504	526
Trade and other receivables	19	0	0
Total non-current assets		14,788	15,925
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	2,608	4,393
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	183	6
Total current assets		2,791	4,399
Non-current assets held for sale	24	300	700
Total current assets		3,091	5,099
Total assets		17,879	21,024
Current liabilities			
Trade and other payables	25	(24,426)	(23,444)
Other liabilities	26,28	0	0
Provisions	32	(3,344)	(758)
Borrowings	27	(87)	(143)
Other financial liabilities	36.2	0	0
Total current liabilities		(27,857)	(24,345)
Non-current assets plus/less net current assets/liabilities		(9,978)	(3,321)
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	0	0
Borrowings	27	(10,962)	(11,049)
Other financial liabilities	36.2	0	0
Total non-current liabilities		(10,962)	(11,049)
Total Assets Employed:		(20,940)	(14,370)
Financed by taxpayers' equity:			
General fund		(22,198)	(15,572)
Revaluation reserve		1,258	1,202
Other reserves		0	0
Total taxpayers' equity:		(20,940)	(14,370)

The notes on pages 5 to 43 form part of this account.

The financial statements on pages 1 to 43 were approved by the Audit Committee on 6th June 2013 and signed on its behalf by

Designated Signing Officer:

Date:

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(15,572)	1,203	0	(14,369)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(468,964)			(468,964)
Net gain on revaluation of property, plant, equipment		452		452
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		(383)		(383)
Movements in other reserves			0	0
Transfers between reserves*	14	(14)		0
Release of Reserves to SOCNE		0		0
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	(468,950)	55	0	(468,895)
Net Parliamentary funding	462,324			462,324
Balance at 31 March 2013	(22,198)	1,258	0	(20,940)
Balance at 1 April 2011	(4,788)	1311	0	(3,477)
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(473,684)			(473,684)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		748		748
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		(65)		(65)
Impairments and Reversals		(93)		(93)
Movements in other reserves			0	0
Transfers between reserves	674	(674)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		(24)		(24)
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(473,010)	(108)	0	(473,118)
Net Parliamentary funding	462,226			462,226
Balance at 31 March 2012	(15,572)	1,203	0	(14,369)

**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	(467,988)	(472,803)
Depreciation and Amortisation	1,296	878
Impairments and Reversals	23	528
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	(1,086)	(1,062)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	0	0
(Increase)/Decrease in Trade and Other Receivables	1,260	3,801
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	943	(382)
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(387)	(10)
Increase/(Decrease) in Provisions	2,973	758
Net Cash Inflow/(Outflow) from Operating Activities	(462,966)	(468,292)
Cash flows from investing activities		
Interest Received	73	80
(Payments) for Property, Plant and Equipment	(113)	(367)
(Payments) for Intangible Assets	0	(39)
(Payments) for Other Financial Assets	0	0
(Payments) for Financial Assets (LIFT)	0	0
Proceeds of disposal of assets held for sale (PPE)	980	6,500
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	43
Loans Made in Respect of LIFT	0	0
Loans Repaid in Respect of LIFT	22	0
Rental Revenue	0	0
Net Cash Inflow/(Outflow) from Investing Activities	962	6,217
Net cash inflow/(outflow) before financing	(462,004)	(462,075)
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(143)	(159)
Net Parliamentary Funding	462,324	462,226
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	462,181	462,067
Net increase/(decrease) in cash and cash equivalents	177	(8)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	6	14
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	183	6

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.

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.

Going Concern

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Derby City PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42.1 Events after the Reporting Period. These transfers reflect the requirements of the Health and Social Care Act as to where services should transfer to. Note 42.1 provides details of where the successor bodies. 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 general disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

Although revaluations and impairments have been recognised in the period these have been routine within the annual cycle of activity and are not considered to be material.

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.

The LIFT (Local Improvement Finance Trust) lease plus contracts relate to the lease of healthcare facilities along with the provision of various services for a 25 year period. The PCT has determined that this contract should be considered as an IFRIC 12 service concession, since the contract is for the provision of services, which are controlled by the PCT, in relation to an infrastructure asset. The PCT also has a significant interest in the residual value of the asset, via an option to buy the facilities in the last 6 months of the contract.

1. Accounting policies (continued)

The PCT considers that it is reasonably likely that this option will be exercised, and therefore has recorded the finance option price of the building as a bullet lease payment. Consequently the assets are being depreciated over a normal useful life of approximately 57 years, rather than the lease term.

If in the future the PCT decides not to exercise this option, then the final bullet payment will never become payable, and the assets will have to be depreciated over the lease term. This will result in a material restatement of the PCT financial statements.

Key sources of estimation uncertainty

There are no 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.

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 Care Trust Designation

Derby City Primary Care Trust is not a designated Care Trust.

1.4 Pooled budgets

The PCT has entered into a pooled budget with Derby City Council Local Authority. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for Children's Respite Care activities and a memorandum note to the accounts provides details of the joint income and expenditure. Refer to Note 40.

The pool is hosted by Derby City 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.

A Partnership Board has been established on which both partner organisations as well as patients and associated voluntary sector organisations are represented. This Board is responsible for the overall financial and operational management of the pooled budget but delegates day to day management to the host partner, Derby City Council.

1.5 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.

1.6 Administration and Programme Costs

Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure).

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. Accounting policies (continued)

1.7 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

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present 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. Accounting policies (continued)

1.8 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the PCT's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the PCT; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at amortized historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.9 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 or where shorter the lease term.

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)

1.10 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.

1.11 Government grants

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a government grant reserve is no longer maintained. The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset in the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the PCT's cash management.

1.14 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).

Details of losses and special payments are disclosed in note 38 of these accounts.

1.15 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. The total value of clinical negligence provisions carried by the NHSLA on behalf of the PCT is disclosed at Note 32.

1. Accounting policies (continued)

1.16 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, *except for bonuses earned but not yet taken which, like leave earned but not yet taken is not accrued for at the year end, on the grounds of immateriality.

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.

There are no employees who are members of the Local Government Superannuation Scheme.

1.17 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Statement of Comprehensive Net Expenditure on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.18 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.

1.19 Grant making

Under section 256 of the National Health Service Act 2006, the PCT has the power to make grants to local authorities, voluntary bodies and registered social landlords to finance capital or revenue schemes. A liability in respect of these grants is recognised when the PCT has a present legal or constructive obligation which occurs when all of the conditions attached to the payment have been met.

1.20 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. Accounting policies (continued)

1.21 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.

The PCT as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the PCT's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the PCT's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.22 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.

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 arising 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)

1.23 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. The PCT's financial assets are included under the "Loans and Receivables" category

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.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

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.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

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.

The PCT holds a fixed asset investment in a company established to implement Local Improvement Finance Trust (LIFT) schemes. This investment takes the form of a loan to the company and interest on this loan is accounted for within interest receivable. There has been no significant relevant change in the predicted performance of the company since the investment was made and in the absence of direct sales evidence on the value of these investments, we consider that there is no evidence on which to base any revaluation of these investments. These investments are therefore held on the balance sheet at cost and are subject to an annual impairment review.

1. Accounting policies (continued)

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. The PCT's financial liabilities are included under the "other" category.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.24 Private Finance Initiative (PFI) and NHS LIFT transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes (including NHS LIFT) where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The PCT therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

a) Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

b) PFI and LIFT assets, liabilities, and finance costs

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the PCT's approach for each relevant class of asset in accordance with the principles of IAS 16.

LIFT assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at the present value of the minimum lease payments in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the PCT's approach for each relevant class of asset in accordance with the principles of IAS 16.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

A LIFT liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the present value of the minimum lease payments and is subsequently measured as a finance lease liability in accordance with IAS 17.

1. Accounting policies (continued)

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Net Expenditure.

c) Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the PCT's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the PCT to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the PCT's Statement of Comprehensive Net Expenditure.

Other assets contributed by the PCT to the operator

Assets contributed (e.g. cash payments, surplus property) by the PCT to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the PCT, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.25 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

Following a review of operations the PCT has concluded that it has only one operating segment covering the operations of the whole organisation, that of commissioning healthcare. All sub sections of the organisation are therefore either deemed to be part of our commissioning activities or are not sufficiently material to warrant separate disclosure.

Net expenditure of £468,964,000 (2011/12 £473,684,000) is therefore classified in one operating segment, Commissioning of Healthcare.

2.1 External customers with 10% or more of total expenditure

	2012-13 £000
Royal Derby Hospital	192,407
Nottingham University Hospital	5,305
Derbyshire Community Health Services Trust	6,837
Derbyshire Healthcare FT	39,669
East Midlands Ambulance Service	7,690
Total	<u>251,908</u>

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		473,684
Net operating cost plus (gain)/loss on transfers by absorption	468,964	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>473,454</u>	<u>476,666</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>4,490</u>	<u>2,982</u>

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	40	(6,602)
Charge to Capital Resource Limit	(265)	(6,749)
(Over)/Underspend Against CRL	<u>305</u>	<u>147</u>

3.3 Provider full cost recovery duty

The PCT no longer has a Provider function.

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	462,323	462,229
Cash Limit	466,810	462,229
Under/(Over)spend Against Cash Limit	<u>4,487</u>	<u>0</u>

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

	2012-13 £000
Total cash received from DH (Gross)	407,769
Less: Trade Income from DH	(2)
Less/(Plus): movement in DH working balances	0
Sub total: net advances	<u>407,767</u>
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	9,158
Plus: drugs reimbursement (central charge to cash limits)	45,399
Parliamentary funding credited to General Fund	<u>462,324</u>

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	190	0	190	205
Dental Charge income from Contractor-Led GDS & PDS	3,003	0	3,003	2,953
Dental Charge income from Trust-Led GDS & PDS	0	0	0	0
Prescription Charge income	2,141	0	2,141	2,070
Strategic Health Authorities	1	1	0	0
NHS Trusts	898	0	898	394
NHS Foundation Trusts	2,214	11	2,203	1,694
Primary Care Trusts Contributions to DATs	0	0	0	0
Primary Care Trusts - Other	1,788	1,166	622	1,042
Primary Care Trusts - Lead Commissioning	1,998	0	1,998	2,253
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	2	0	2	1
Recoveries in respect of employee benefits	0	0	0	0
Local Authorities	519	0	519	515
Patient Transport Services	0	0	0	0
Education, Training and Research	1,270	0	1,270	1,220
Non-NHS: Private Patients	0	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	0	0	0	0
NHS Injury Costs Recovery	0	0	0	0
Other Non-NHS Patient Care Services	0	0	0	0
Charitable and Other Contributions to Expenditure	0	0	0	0
Receipt of donated assets	0	0	0	0
Receipt of Government granted assets	0	0	0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	304	0	304	293
Other revenue	67	0	67	146
Total miscellaneous revenue	14,395	1,178	13,217	12,786

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	52,091		52,091	49,986
Non-Healthcare	513	513	0	559
Total	52,604	513	52,091	50,545
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	23,588	953	22,635	23,392
Goods and services (other, excl Trusts, FT and PCT))	23	22	1	17
Total	23,611	975	22,636	23,409
Goods and Services from Foundation Trusts	238,334	738	237,596	243,809
Purchase of Healthcare from Non-NHS bodies	40,787	0	40,787	36,781
Social Care from Independent Providers	0	0	0	0
Expenditure on Drugs Action Teams	2,951	0	2,951	2,444
Non-GMS Services from GPs	1,274	0	1,274	1,255
Contractor Led GDS & PDS (excluding employee benefits)	12,581	0	12,581	12,065
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0	0	0	0
Chair, Non-executive Directors & PEC remuneration	75	75	0	72
Executive committee members costs	8	8	0	54
Consultancy Services	624	614	10	664
Prescribing Costs	38,337	0	38,337	39,646
G/PMS, APMS and PCTMS (excluding employee benefits)	41,559	0	41,559	40,567
Pharmaceutical Services	0	0	0	0
Local Pharmaceutical Services Pilots	0	0	0	0
New Pharmacy Contract	10,854	0	10,854	10,517
General Ophthalmic Services	3,457	0	3,457	3,287
Supplies and Services - Clinical	3	2	1	71
Supplies and Services - General	912	283	629	955
Establishment	1,779	1,634	145	1,991
Transport	2	0	2	64
Premises	2,378	405	1,973	3,237
Impairments & Reversals of Property, plant and equipment	23	0	23	22
Impairments and Reversals of non-current assets held for sale	0	0	0	506
Depreciation	1,228	673	555	807
Amortisation	68	68	0	71
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	0	0	0	(2)
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	104	104	0	174
Other Auditors Remuneration	134	134	0	150
Clinical Negligence Costs	15	0	15	117
Education and Training	101	94	7	801
Grants for capital purposes	726	0	726	20
Grants for revenue purposes	0	0	0	99
Impairments and reversals for investment properties	0	0	0	0
Other	490	0	490	651
Total Operating costs charged to Statement of Comprehensive Net Expenditure	475,019	6,320	468,699	474,849
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	405	405	0	451
Other Employee Benefits	6,959	4,992	1,967	10,289
Total Employee Benefits charged to SOGNE	7,364	5,397	1,967	10,740
Total Operating Costs	482,383	11,717	470,666	485,589

PCT Officer Board Members' costs above include £0 for early retirements prior to 6th March 1995 (2011/12 £0)

Other Employee Benefits above include £0 for early retirements prior to 6th March 1995 (2011/12 £0).

Employee Benefits above include total employer pension contributions in 2012/13 of £740,059 (2011/12 £826,032.55)

Other Auditors' Remuneration is for services relating to Internal Audit, PBR data validation and the National Fraud Initiative.

Analysis of grants reported in total operating costs

For capital purposes

Grants to fund Capital Projects - GMS	726	0	726	0
Grants to Local Authorities to Fund Capital Projects	0	0	0	20
Grants to Private Sector to Fund Capital Projects	0	0	0	0
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	726	0	726	20
Grants to fund revenue expenditure				
To Local Authorities	0	0	0	0
To Private Sector	0	0	0	99
To Other	0	0	0	0
Total Revenue Grants	0	0	0	99
Total Grants	726	0	726	119

	Total	Commissioning Public Health Services	
PCT Running Costs 2012-13			
Running costs (£000s)	10,539	8,993	1,546
Weighted population (number in units)*	284,272	284,272	284,272
Running costs per head of population (£ per head)	37	32	5

PCT Running Costs 2011-12

Running costs (£000s)	11,852	10,281	1,571
Weighted population (number in units)	284,272	284,272	284,272
Running costs per head of population (£ per head)	42	36	6

* 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	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	41,559	40,567
Prescribing costs	38,337	39,646
Contractor led GDS & PDS	12,581	12,065
Trust led GDS & PDS	0	0
General Ophthalmic Services	3,457	3,287
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	10,854	10,517
Non-GMS Services from GPs	1,274	1,255
Other	0	0
Total Primary Healthcare purchased	<u>108,062</u>	<u>107,337</u>
Purchase of Secondary Healthcare		
Learning Difficulties	5,142	4,948
Mental Illness	52,324	50,857
Maternity	14,037	14,551
General and Acute	230,331	229,328
Accident and emergency	16,088	16,687
Community Health Services	34,070	35,308
Other Contractual	752	676
Total Secondary Healthcare Purchased	<u>352,744</u>	<u>352,355</u>
Grant Funding		
Grants for capital purposes	726	20
Grants for revenue purposes	0	99
Total Healthcare Purchased by PCT	<u>461,532</u>	<u>459,811</u>
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	239,357	242,772

6. Operating Leases

NHS Derby City have a number of operating leases in place. In respect of properties, the PCT leases properties for use in delivering community health services. These properties have been acquired at different times and so the leases will have different terms and conditions. The lease conditions determine how much rent is paid, when it is reviewed and how much it may escalate by. The PCT has also entered into leases in respect of lease cars for use by employees. Lease costs of these cars are shared between the PCT and employee. Terms and conditions of these leases are agreed prior to commencement of the lease and fixed for the whole term. The PCT's contribution to such leases is fixed according to certain pre-determined criteria linked to the role of the employee.

6.1 PCT as lessee	Land £000	Buildings £000	Other £000	2012-13	2011-12
				Total £000	£000
Payments recognised as an expense					
Minimum lease payments				719	914
Contingent rents				0	0
Sub-lease payments				0	0
Total				719	914
Payable:					
No later than one year	17	606	50	673	440
Between one and five years	67	1,813	30	1,910	2,620
After five years	993	200	0	1,193	2,181
Total	1,077	2,619	80	3,776	5,241

Total future sublease payments expected to be received. 0 0

6.2 PCT as lessor

The PCT sub lets a number of properties to providers of healthcare services. Terms and conditions of these sub lets are determined on a case by case basis and are normally dependent on the type of property being sub let. Agreements with lessees are on an arms length basis and the PCT will normally seek professional advice prior to entering into such arrangements.

Recognised as income	2012-13	2011-12
	£000	£000
Rental Revenue	304	293
Contingent rents	0	0
Total	304	293
Receivable:		
No later than one year	304	293
Between one and five years	1,214	1,171
After five years	4,280	4,419
Total	5,798	5,883

6.3 GP Premises

NHS Derby City has entered into certain financial arrangements involving the use of GP premises. Disclosure requirements are detailed in the following documents:

- IAS 17 Leases
- SIC 27 Evaluating the substance of transactions involving the legal form of a lease
- IFRIC 4 Determining whether an arrangement contains a lease.

The PCT has lease arrangements as part of its contract with GP practices but, because there is no defined term in the arrangements entered into, it is not possible to analyse the arrangement over financial years and therefore disclose them as either a finance or an operating lease. The financial value included in the Statement of Comprehensive Net Expenditure for 2012/13 is £2,660,097 (2011/12 £2,607,983).

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	6,159	4,522	1,637	5,959	4,322	1,637	200	200	0
Social security costs	461	334	127	461	334	127	0	0	0
Employer Contributions to NHS BSA - Pensions Division	740	537	203	740	537	203	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	4	4	0	4	4	0	0	0	0
Total employee benefits	7,364	5,397	1,967	7,164	5,197	1,967	200	200	0
Less recoveries in respect of employee benefits (table below)	0	0	0	0	0	0	0	0	0
Total - Net Employee Benefits including capitalised costs	7,364	5,397	1,967	7,164	5,197	1,967	200	200	0
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	7,364	5,397	1,967	7,164	5,197	1,967	200	200	0
Recognised as:									
Commissioning employee benefits	7,364			7,164			200		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	7,364			7,164			200		

Employee Benefits - Revenue

There are no employee benefits relating to revenue.

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	6,875	6,781	94
Social security costs	498	498	0
Employer Contributions to NHS BSA - Pensions Division	826	826	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	2,541	2,541	0
Total gross employee benefits	10,740	10,646	94
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	10,740	10,646	94
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	10,740	10,646	94
Recognised as:			
Commissioning employee benefits	10,740		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	10,740		

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	3	3	0	3	2	1
Ambulance staff	0	0	0	0	0	0
Administration and estates	121	115	6	133	124	9
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	23	23	0	22	22	0
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	8	8	0	9	9	0
Social Care Staff	0	0	0	0	0	0
Other	2	2	0	1	1	0
TOTAL	156	150	6	168	158	10
Of the above - staff engaged on capital projects	0	0	0	0	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,432	1,981
Total Staff Years	147	325
Average working Days Lost	9.74	6.10

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	0	1
Total additional pensions liabilities accrued in the year	£000s 0	£000s 155

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12			Total number of exit packages by cost band
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Number	
	Number	Number	Number	Number	Number	Number	
Lees than £10,000	0	0	0	0	15	15	
£10,001-£25,000	0	1	1	0	16	16	
£25,001-£50,000	0	0	0	0	5	5	
£50,001-£100,000	0	2	2	0	12	12	
£100,001 - £150,000	0	1	1	0	5	5	
£150,001 - £200,000	0	0	0	0	0	0	
>£200,000	0	0	0	0	1	1	
Total number of exit packages by type (total cost)	0	4	4	0	54	54	
	£s	£s	£s	£s	£s	£s	
Total resource cost	0	281,049	281,049	0	2,178,000	2,178,000	

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 of the NHS Scheme. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

The total includes a payment of £70,000 in respect of a Compromise Agreement settlement for one employee.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

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) Full actuarial (funding) 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) Accounting 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 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.

[Where the organisation has employees who are members of other schemes, disclosures will be required in respect of them too.]

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	8,279	46,619	9,721	50,146
Total Non-NHS Trade Invoices Paid Within Target	8,253	46,464	9,527	50,064
Percentage of NHS Trade Invoices Paid Within Target	<u>99.69%</u>	<u>99.67%</u>	<u>98.00%</u>	<u>99.84%</u>
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,729	320,953	3,460	316,158
Total NHS Trade Invoices Paid Within Target	3,724	320,945	3,381	316,158
Percentage of NHS Trade Invoices Paid Within Target	<u>99.87%</u>	<u>100.00%</u>	<u>97.72%</u>	<u>100.00%</u>

The Better Payment Practice Code requires the PCT to pay all valid invoices by the due date, or within 30 days of receipt of a valid invoice, whichever is later. The PCT has a formal performance target of paying 95% of valid invoices by the due date or within 30 days of receipt, whichever is the later.

8.2 The Late Payment of Commercial Debts (Interest) Act 1998

There was no interest relating to late payments during 2012/13.

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	73	0	73	80
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	73	0	73	80
Total investment income	73	0	73	80

10. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Gain/(Loss) on disposal of assets other than by sale (PPE)	(17)	0	(17)	101
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0	0	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	0	0	0	0
Gain/(Loss) on disposal of assets held for sale	54	0	54	0
Gain/(Loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets carried at fair value through the SoCNE	0	0	0	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	0	0	0	0
Change in fair value of investment property	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	37	0	37	101

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	3	0	3	7
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	875	0	875	886
- contingent finance cost	208	0	208	169
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	1,086	0	1,086	1,062
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	0
Total	1,086	0	1,086	1,062

12.1 Property, plant and equipment

	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
2012-13									
Cost or valuation:									
At 1 April 2012	1,038	13,551	0	0	331	0	973	345	16,238
Additions of Assets Under Construction				77					77
Additions Purchased	0	6	0		19	0	50	0	75
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	0	77	0	(77)	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	(376)	0	0	(8)	0	0	0	(384)
Upward revaluation/positive indexation	305	147	0	0	0	0	0	0	452
Impairments/negative indexation	(30)	(353)	0	0	0	0	0	0	(383)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	1,313	13,052	0	0	342	0	1,023	345	16,075
Depreciation									
At 1 April 2012	0	275	0	0	168	0	429	78	950
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	(360)	0		(7)	0	0	0	(367)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	0	23	0	0	0	0	0	0	23
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	561	0		38	0	594	35	1,228
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	499	0	0	199	0	1,023	113	1,834
Net Book Value at 31 March 2013	1,313	12,553	0	0	143	0	0	232	14,241
Purchased	1,313	12,553	0	0	143	0	0	232	14,241
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	1,313	12,553	0	0	143	0	0	232	14,241
Asset financing:									
Owned	910	3,422	0	0	143	0	0	232	4,707
Held on finance lease	0	86	0	0	0	0	0	0	86
On-SOFP PFI contracts	403	9,045	0	0	0	0	0	0	9,448
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	1,313	12,553	0	0	143	0	0	232	14,241

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	183	1,012	0	0	4	0	0	2	1,201
Movements	275	(219)	0	0	0	0	0	0	56
At 31 March 2013	458	793	0	0	4	0	0	2	1,257

Movements on the Revaluation Reserve for Land and Buildings are due to indexation (69K) and asset disposals (-13K).

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	77
Dwellings	0
Plant & Machinery	0
Balance as at YTD	77

12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account £000	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
2011-12	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	5,088	12,561	0	695	331	0	1,146	204	20,025
Additions - purchased	0	6	0	129	0	0	68	0	203
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	671	0	(824)	0	0	12	141	0
Reclassified as held for sale	(4,000)	0	0	0	0	0	0	0	(4,000)
Disposals other than by sale	0	(72)	0	0	0	0	(253)	0	(325)
Revaluation & indexation gains	29	719	0	0	0	0	0	0	748
Impairments	(64)	(29)	0	0	0	0	0	0	(93)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatic	(15)	(305)	0	0	0	0	0	0	(320)
At 31 March 2012	1,038	13,551	0	0	331	0	973	345	16,238
Depreciation									
At 1 April 2011	0	92	0		130	0	497	47	766
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	(72)	0		0	0	(253)	0	(325)
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	15	7	0	0	0	0	0	0	22
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	553	0		38	0	185	31	807
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatic	(15)	(305)	0	0	0	0	0	0	(320)
At 31 March 2012	0	275	0	0	168	0	429	78	950
Net Book Value at 31 March 2012	1,038	13,276	0	0	163	0	544	267	15,288
Purchased	1,038	13,276	0	0	163	0	544	267	15,288
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	1,038	13,276	0	0	163	0	544	267	15,288
Asset financing:									
Owned	635	3,743	0	0	163	0	544	267	5,352
Held on finance lease	0	93	0	0	0	0	0	0	93
On-SOFP PFI contracts	403	9,440	0	0	0	0	0	0	9,843
PFI residual: interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	1,038	13,276	0	0	163	0	544	267	15,288

12.3 Property, plant and equipment

Valuation of Land and Buildings:

The latest valuations were carried out by independent experts, providing valuations as at 31 March 2013, as part of a rolling programme of valuations. The last valuations carried out were as at 31 March 2012.

The valuations were carried out by Robbie Mapletoft BSc (Hons) Urb Est Surv MRICS (Senior Consultant Surveyor). He is employed by the Valuation Office Agency (VOA) which is independent and external to the PCT.

The valuations have been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards – Global and UK 7th Edition.

Public sector bodies including the NHS are required to apply the Revaluation model set out in IAS 16 and value their capital assets to fair value. Fair value is defined in IAS16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. The valuation of each property is therefore on the basis of Market Value. The Market Value used in arriving at fair value for operational assets is therefore subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

The method of valuation has not changed from that used in the last set of PCT Accounts for 2011/12.

The PCT has not received any compensation from third parties for assets impaired, lost or given up.

For assets carried at Existing Use Value the value is not materially different from Market Value.

13.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2012-13						
At 1 April 2012	0	415	0	0	0	415
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(9)	0	0	0	(9)
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	406	0	0	0	406
Amortisation						
At 1 April 2012	0	304	0	0	0	304
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(9)	0	0	0	(9)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	68	0	0	0	68
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	363	0	0	0	363
Net Book Value at 31 March 2013	0	43	0	0	0	43
Net Book Value at 31 March 2013 comprises						
Purchased	0	43	0	0	0	43
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	43	0	0	0	43

Revaluation reserve balance for intangible non-current assets

	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
At 1 April 2012	0	0	0	0	0	0
Movements	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	0	0

13.2 Intangible non-current assets

	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
2011-12						
At 1 April 2011	0	376	0	0	0	376
Additions - purchased	0	39	0	0	0	39
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	415	0	0	0	415
Amortisation						
At 1 April 2011	0	233	0	0	0	233
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	71	0	0	0	71
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
At 31 March 2012	0	304	0	0	0	304
Net Book Value at 31 March 2012	0	111	0	0	0	111
Net Book Value at 31 March 2012 comprises						
Purchased	0	111	0	0	0	111
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	111	0	0	0	111

13.3 Economic Lives of Non-Current Assets

Estimated remaining economic lives of assets at 31 March 2013:

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	0	1
Property, Plant and Equipment		
Buildings exc Dwellings	0	52
Plant & Machinery	0	4
Information Technology	0	4
Furniture and Fittings	2	9

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			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	23		23
Total charged to Annually Managed Expenditure	23		23
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	383		
Total impairments for PPE charged to reserves	383		
Total Impairments of Property, Plant and Equipment	406	0	23
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	0		
Total Impairments of Intangibles	0	0	0
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	0		0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	0		
Total Impairments of Financial Assets	0	0	0
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of non-current assets held for sale	0	0	0
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of Inventories	0	0	0
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total Investment Property impairments charged to SoCNE	0	0	0
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	0		
Total Investment Property Impairments	0	0	0
Total Impairments charged to Revaluation Reserve	383		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	23		23
Overall Total Impairments	406	0	23
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE -DEL	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME	0	0	0

15 Investment property

The PCT does not have any investment property.

16 Commitments

16.1 Capital commitments

The PCT does not have any capital commitments as at 31 March 2013.

16.2 Other financial commitments

The PCT does not have any other financial commitments as at 31 March 2013.

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	447	0	1,679	0
Balances with Local Authorities	412	0	2,230	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	935	0	2,532	0
Balances with Public Corporations and Trading Funds	92	0	178	0
Balances with bodies external to government	722	0	17,807	0
At 31 March 2013	2,608	0	24,426	0
prior period:				
Balances with other Central Government Bodies	1,241	0	2,482	0
Balances with Local Authorities	39	0	367	0
Balances with NHS Trusts and Foundation Trusts	856	0	3,258	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,257	0	17,337	0
At 31 March 2012	4,393	0	23,444	0

18 Inventories

The PCT does not hold any inventories as at 31 March 2013.

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	1,382	1,932	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	568	548	0	0
Non-NHS receivables - capital	0	525	0	0
Non-NHS prepayments and accrued income	559	1,208	0	0
Provision for the impairment of receivables	0	0	0	0
VAT	92	165	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	7	15	0	0
Total	2,608	4,393	0	0
Total current and non current	2,608	4,393		
Included above:				
Prepaid pensions contributions	0	0		

The majority of trade is with other NHS bodies, including other Primary Care Trusts as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary. The PCT fully expects to recover all amounts outstanding. Where there is doubt about recovery a provision has been made.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	63	227
By three to six months	0	0
By more than six months	0	1
Total	63	228

19.3 Provision for impairment of receivables

The PCT has not made a provision for impairment of receivables during 2012/13.

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	477	49	526
Additions	0	0	0
Disposals	(22)	0	(22)
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	455	49	504
Balance at 1 April 2011	521	49	570
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(44)	0	(44)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	477	49	526

21.1 Other financial assets - Current

The PCT does not have any other current financial assets as at 31 March 2013.

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	526	570
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	(22)	(44)
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	504	526

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	0	0
Capital Income	(22)	0

22 Other current assets

The PCT does not have any other current assets as at 31 March 2013.

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	6	0
Net change in year	177	6
Closing balance	183	6
Made up of		
Cash with Government Banking Service	183	3
Commercial banks	0	3
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	183	6
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	183	6
Patients' money held by the PCT, not included above	0	0

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	541	159	0	0	0	0	0	0	0	700
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0
Less assets sold in the year	(281)	(119)	0	0	0	0	0	0	0	(400)
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	260	40	0	0	0	0	0	0	0	300
Liabilities associated with assets held for sale at 31 March 2013	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2011	2,419	1,800	0	0	0	0	0	0	0	4,219
Plus assets classified as held for sale in the year	4,000	0	0	0	0	0	0	0	0	4,000
Less assets sold in the year	(5,417)	(1,531)	0	0	0	0	0	0	0	(6,948)
Less impairment of assets held for sale	(461)	(110)	0	0	0	0	0	0	0	(571)
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2012	541	159	0	0	0	0	0	0	0	700
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	0

Revaluation reserve balances in respect of non-current assets held for sale were £000:

At 31 March 2012	1
At 31 March 2013	1

The assets sold in year relate to two buildings and their associated land.

These assets become available for sale following reviews by the Primary Care Trust.

The sale of the remaining properties is being actively marketed and it is expected that these assets will be disposed of in the next financial year.

There was no gain or loss required to be recognised when assets were classified as held for resale.

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0		
NHS payables - revenue	4,211	5,622	0	0
NHS payables - capital	0	8	0	0
NHS accruals and deferred income	0	110	0	0
Family Health Services (FHS) payables	12,798	11,315		
Non-NHS payables - revenue	1,531	599	0	0
Non-NHS payables - capital	74	27	0	0
Non_NHS accruals and deferred income	4,828	5,754	0	0
Social security costs	82	0		
VAT	0	0	0	0
Tax	96	0		
Payments received on account	0	0	0	0
Other	806	9	0	0
Total	24,426	23,444	0	0
Total payables (current and non-current)	24,426	23,444		

Other payables include £0 (2011/12 £0) in respect of payments due in future years under arrangements to buy out the liability for early retirements over 5 instalments, and £528,806 (2011/12 £0) in respect of outstanding pensions contributions at 31st March

26 Other liabilities

The PCT does not have any other liabilities as at 31 March 2013.

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	75	115	10,962	11,038
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	12	28	0	11
Other (describe)	0	0	0	0
Total	87	143	10,962	11,049
Total other liabilities (current and non-current)	11,049	11,192		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	87	0	87
1 - 2 Years	117	0	117
2 - 5 Years	282	0	282
Over 5 Years	10,563	0	10,563
TOTAL	11,049	0	11,049

28 Other financial liabilities

The PCT does not have any other financial liabilities as at 31 March 2013.

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	110	0	0	0
Deferred income addition	45	110	0	0
Transfer of deferred income	(110)	0	0	0
Current deferred Income at 31 March 2013	45	110	0	0
Total other liabilities (current and non-current)	45	110		

30 Finance lease obligations

The PCT has a contractual lease obligation in respect of the Nottingham Nations Independent Treatment Centre (ISTC). Nottingham PCT is the host PCT for the ISTC and, under IFRS, each PCT contracted to use the facility is obliged to capitalise a share of the asset and the attendant finance lease obligation. The lease runs for five years and will end in 2013/14. Under this arrangement any contingent rents, escalation clauses or other contractual conditions will be borne by the host PCT, NHS Nottingham City.

Amounts payable under finance leases (Buildings)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	12	28	12	28
Between one and five years	0	11	0	11
After five years	0	0	0	0
Less future finance charges	0	0		
Present value of minimum lease payments	12	39	12	39
Included in:				
Current borrowings			12	28
Non-current borrowings			0	11
			12	39

Amounts payable under finance leases (Land)

There were no payments under finance leases (Land) during 2012/13.

Amounts payable under finance leases (Other)

There were no payments under finance leases (Other) during 2012/13.

Finance leases as lessee

There are no Future Sublease Payments Expected to be received or Contingent Rent

31 Finance lease receivables as lessor

Amounts receivable under finance leases (buildings)

The PCT has no amounts receivable under finance leases (buildings) as at 31 March 2013.

Amounts receivable under finance leases (land)

The PCT has no amounts receivable under finance leases (land) as at 31 March 2013.

Amounts receivable under finance leases (other)

The PCT has no amounts receivable under finance leases (other) as at 31 March 2013.

32 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	758	0	0	10	0	0	0	0	0	748
Arising During the Year	3,344	0	0	0	0	2,994	0	0	0	350
Utilised During the Year	(387)	0	0	0	0	0	0	0	0	(387)
Reversed Unused	(371)	0	0	(10)	0	0	0	0	0	(361)
Unwinding of Discount	0	0	0	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	3,344	0	0	0	0	2,994	0	0	0	350
Expected Timing of Cash Flows:										
No Later than One Year	3,344	0	0	0	0	2,994	0	0	0	350
Later than One Year and not later than Five Years	0	0	0	0	0	0	0	0	0	0
Later than Five Years	0	0	0	0	0	0	0	0	0	0

**Amount Included in the Provisions of the NHS Litigation
Authority in Respect of Clinical Negligence Liabilities:**

As at 31 March 2013	171
As at 31 March 2012	280

The redundancy provision of 350K is a contribution to the redundancy costs at Derbyshire Community Health Services NHS Trust in respect of the transfer of the Freshstart Service to Derby City Council.

Following the publication, in February 2003, of a report by the Ombudsman on NHS funding for long term care the PCT has reviewed the criteria applied by the previous Southern Derbyshire Health Authority when assessing a patient's eligibility for NHS funded long term care. The review has identified that the criteria were not in accordance with the law and therefore the PCT may be required to make repayments to patients who have paid for their own long term care. During the year the Department of Health widely advertised a final deadline in respect of claims for costs of Continuing Healthcare. This resulted in a large increase in outstanding cases and as a result, in 2012/13 the PCT have accrued for £2,994K (2011/12 £0) as a Provision.

Carbon Reduction Commitment Energy Efficiency Scheme (CRC):

The PCT is registered as an "Information Declarer" but not a "Participant" in the CRC Scheme, based on its use of electricity in 2008. Only participants have a potential liability for costs so there is no provision in the PCT Accounts.

33 Contingencies**Contingent liabilities**

The PCT had no contingent liabilities as at 31 March 2013.

34 PFI and LIFT - additional information

NHS LIFT schemes involve NHS bodies procuring the design, build, financing and operation of healthcare facilities from a private sector entity. A dedicated company is established for this purpose (a 'LIFTco') in which, typically, a private sector company holds a majority shareholding (normally 60%) with the remaining shareholding split between NHS bodies and Community Health Partnerships (an entity which is wholly owned by the Department of Health).

The PCT has 3 lease plus arrangements with Southern Derbyshire LIFTco.

Under Leaseplus agreements, the LIFTco acquires the site and builds the facility but at the end of the contract the NHS body does not automatically acquire it. Instead, it frequently has an option to purchase the site and facility at a price linked to its fair value (the exact pricing arrangement is described later in the document). In some cases, the land may have been sold to the LIFTco by the NHS body prior to the start of the agreement. The lease plus contract payments are increased each year by applying the February RPI index.

The lease plus contracts are for a 25 year period and terminate between 2031 - 2033

During the last 6 months of the lease, the PCT has the option to purchase the facilities at open market value less a potential discount, the value of the discount depends on the open market value as at the date the option is exercised.

Under the provisions of The Health and Social Care Act 2012 ownership of any shareholding not held by Community Health partnerships transfers to them from 1st April 2013, including the shareholding held by Derby City PCT.

34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI

THE PCT had no PFI schemes as at 31 March 2013.

34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due

THE PCT had no PFI schemes as at 31 March 2013.

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT

	31 March 2013 £000	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	273	230
Total	273	230

Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.

LIFT Scheme Expiry Date:

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	289	270
Later than One Year, No Later than Five Years	1,216	1,169
Later than Five Years	6,140	6,387
Total	7,645	7,826

The estimated annual payments in future years are expected to be materially different from those which the NHS Trust is committed to make during the next year. The likely financial effect of this is:

	31 March 2013 £000	31 March 2012 £000
Estimated capital value of project - off SOFP LIFT	0	0
Value of Deferred Assets - off SOFP LIFT	0	0
Value of Residual Interest - off SOFP LIFT	0	0

Imputed "finance lease" obligations for on SOFP LIFT Contracts due

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	941	990
Later than One Year, No Later than Five Years	3,790	3,795
Later than Five Years	21,686	22,622
Subtotal	26,417	27,407
Less: Interest Element	(15,380)	(16,254)
Total	11,037	11,153

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	191	0	191
Interest Expense	1,083	0	1,083
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other Expenditure	273	0	273
Revenue Receivable from subleasing	(304)	0	(304)
Total IFRS Expenditure (IFRIC12)	1,243	0	1,243
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	0	0	0
Net IFRS change (IFRIC12)	1,243	0	1,243
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12			
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		

36 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 risk.

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.

36.1 Financial Assets

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			0
Receivables - NHS		1,382		1,382
Receivables - non-NHS		575		575
Cash at bank and in hand		183		183
Other financial assets	0	504	0	504
Total at 31 March 2013	0	2,644	0	2,644
Embedded derivatives	0			0
Receivables - NHS		1,932		1,932
Receivables - non-NHS		1,253		1,253
Cash at bank and in hand		6		6
Other financial assets	0	526	0	526
Total at 31 March 2012	0	3,717	0	3,717

36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		4,211	4,211
Non-NHS payables		19,886	19,886
Other borrowings		0	0
PFI & finance lease obligations		11,049	11,049
Other financial liabilities	0	0	0
Total at 31 March 2013	0	35,146	35,146
Embedded derivatives	0		0
NHS payables		5,630	5,630
Non-NHS payables		17,704	17,704
Other borrowings		0	0
PFI & finance lease obligations		11,192	11,192
Other financial liabilities	0	0	0
Total at 31 March 2012	0	34,526	34,526

37 Related party transactions

During the year 3 (2011/12 5) of the Board Members or members of the key management staff or parties related to them have undertaken material related party transactions with Derby City Primary Care Trust .

Details of the related party transactions with these individuals are as follows:

Name	Related party	2012/13 Payments to Related Party	2012/13 Receipts from Related Party	2012/13 Amounts owed to Related Party	2012/13 Amounts due from Related Party
		£	£	£	£
Dr P Lacey	GP Charnwood Surgery	1,523,544	0	33,053	0
Dr I Matthews	GP Chapel St Surgery	1,385,568	0	24,247	0
Dr P Wood	GP Park Farm Medical Surgery	1,243,513	0	23,122	0
Dr P Wood	First Provider	143,360	0	0	0
Dr P Wood	First Diabetes	155,396	0	0	0

Name	Related party	2011/12 Payments to Related Party	2011/12 Receipts from Related Party	2011/12 Amounts owed to Related Party	2011/12 Amounts due from Related Party
		£	£	£	£
Dr P Lacey	GP Charnwood Surgery	1,504,052	0	42,806	6,864
Dr I Matthews	GP Chapel St Surgery	1,354,473	0	42,486	0
Dr P Wood	GP Park Farm Medical Surgery	1,190,322	0	40,135	0
Dr B Bates	GP Overdale Surgery	1,071,561	0	51,476	0
Dr S Khosla	GP Charnwood Surgery	1,505,777	0	42,806	6,864
Dr P Wood	First Provider	190,998	0	7,188	0
Dr P Wood	First Diabetes	93,652	0	0	0
Dr B Bates	First Provider	190,998	0	7,188	0
Dr B Bates	First Diabetes	93,652	0	0	0

All of the above transactions represent contract payments to GP practices and independent contractor organisations for the delivery of primary care services in which the above named members are partners or directors. Payments to GP practices are consistent with payments made to other practices in Derby and are made net of GP contributions to superannuation, courier service costs, clinical waste disposal and Local Medical Committee costs.

Derbyshire Health United (DHU) is regarded as a related party as they have provided GP Primary Care Out of Hours services on behalf of the PCT during the year. DHU is controlled by local GPs who may also undertake GP work on a sub-contract basis from time to time and who may also be a member of the PCT's Executive Committee.

The value of payments made to DHU in 2012/13 was £4,578,351 (2011/12 £4,121,378).

The Department of Health is regarded as a related party. During the year Derby City Primary Care Trust 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. These entities are listed below:

Burton Hospitals NHS Foundation Trust
 Chesterfield Royal Hospital NHS Foundation Trust
 Derbyshire Community Health Services NHS Trust
 Derbyshire County PCT
 Derby Hospitals NHS Foundation Trust
 Derbyshire Healthcare NHS Foundation Trust
 East Midlands Ambulance Service NHS Trust
 Leicestershire County and Rutland Primary Care Trust
 Leicestershire Partnership NHS Trust
 Nottingham City Primary Care Trust
 Nottinghamshire Healthcare NHS Trust
 Nottingham University Hospitals NHS Trust
 NHS Business Services Authority
 NHS East Midlands
 NHS Litigation Authority
 Sheffield Children's NHS Foundation Trust
 Sheffield Teaching NHS Foundation Trust
 University Hospitals of Leicester NHS Trust

In addition, the Primary Care Trust has had a significant number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with HM Revenue & Customs in respect of Income Tax, National Insurance and VAT.

Derby City and Derbyshire County Councils in respect of Joint Enterprises.

Prescription Pricing Authority in respect of Pharmaceutical Contractor payments.

The Primary Care Trust has not received any revenue or capital payments from any charitable funds of which the Trustees are also members of the Primary Care Trust Board.

38 Losses and special payments

The total number of losses cases in 2012-13 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	0	0
Special payments - PCT management costs	70,000	1
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	<u>0</u>	<u>0</u>
Total special payments	<u>70,000</u>	<u>1</u>
Total losses and special payments	<u>70,000</u>	<u>1</u>

The total number of losses cases in 2011-12 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	2,111	1
Special payments - PCT management costs	10,000	1
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	<u>2,111</u>	<u>1</u>
Total special payments	<u>10,000</u>	<u>1</u>
Total losses and special payments	<u>12,111</u>	<u>2</u>

39 Third party assets

Derby City PCT have no third party assets.

40 Children's Respite Centre pooled budget

Derby City PCT has a pooled budget arrangement with Derby City Council. The Council is the host.

The PCT's share of the income and expenditure handled by the pooled budget in the financial year was:

	2012/13 Total Pooled Budget £'000	2012/13 Derby City PCT share £'000	2011/12 Total Pooled Budget £'000	2011/12 Derby City PCT share £'000
Income	1,969	971	1,949	971
Expenditure -				
Residential services	1,078	662	1,078	662
Outreach service	327	104	327	104
Fieldwork teams	5	0	5	0
Administration	559	205	539	205
Total	<u>1969</u>	<u>971</u>	<u>1,949</u>	<u>971</u>
Balance carried forward	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Included in the income and expenditure account is £971,334 of expenditure (£971,334 in 2011/12).

All of NHS Derby City's share of any under spend arising on the pool is carried forward in the accounts of Derby City Council.

41 Cashflows relating to exceptional items

There are no cashflows relating to exceptional items to report for the PCT.

42.1 Events after the end of the reporting period - PCT Closure and Succession

The PCT closed on the 31st March 2013. Under the provisions of The Health and Social Care Act 2012 the PCT's functions, assets and liabilities transferred to the following public sector entities:

Southern Derbyshire Clinical Commissioning Group and the National Commissioning Board will take over the bulk of the PCT's commissioning responsibilities; and

Derby City Council and Public Health England will take over the Public Health commissioning responsibilities.

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CLUSTER BOARD 2012/13

Attendee	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan '13	Feb '13	March '13
George Tansley, NED	☒	☑	☑	☑	☑	☑	☑		☑	☑	☒	☑	☑	☑	☒
Brian Walsh, NED	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑	☑	☒	☑	☒
Mark Todd, Chair	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑	☑	☑	☑	☑
Pauline Ambrey, NED	☒	☑	☑	☒	☑	☑	☑		☑	☑	☑	☑	☑	☑	☑
Ian Forrest, NED	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑	☑	☑	☑	☑
Ian Gibbard, NED	☑	☑	☑	☑	☑	☑	☑		☒	☒	☒	☑	☑	☑	☑
Paul Devlin, NED	☑	☑	☑	☑	☒	☑	☑		☒	☑	☑	☑	☑	☑	☑
Alison McKinna, NED - left 31/8/12	☑	☑	☑	☑	☑	☒	☑								
David Black, Medical Director	☑	☑	☑	☑	☑	☒	☑		☒						
Maggie Boyd, Director of Nursing	☒	☑	☑	☑	☑	☒	☑		☑						
Andy Leary, Director of Finance	☑	☑	☑	☑	☑	☑	☑		☑						
Ian Matthews, Snr Clinical Advisor	☒	☑	☑	☒	☒	☒	☒		☒	☒	☑	☑	☑	☒	☑
Georgina McLennan, Assoc D of Corp Gov	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑	☑	☑	☑	☑
Karen Rhodes, Assoc D of HR	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑	☑	☑	☑	☑
David Sharp, Chief Exec	☑	☑	☑	☒	☑	☑	☒		☒						
Phil DaSilva, D of Comms Deve until 15/12/1	☒	☑	☑	☒	☑	☑	☑		☑	☑	☒	☒			
Trish Thompson, D of External Rels	☑	☑	☑	☑	☑	☑	☑		☑						
Derek Ward, DPH City	☑	☒	☑	☒	☑	☒	☑		☑	☒	☒	☑	☑	☑	☑
Martin Whittle, D of Assurance	☑	☑	☑	☑	☒	☒	☒		☒	☑	☒	☒	☑	☑	☑
Bruce Laurence, DPH County	☒	☑	☑	☑	☒	☑	☒		☒	☑	☑	☒	☒		
Derek Bray, Chief Exec from 1/10/12										☑	☑	☑	☑	☑	☑
Helen Pledger, Director of Finance 1/10/12										☑	☒	☑	☑	☑	☑
Vikki Taylor, Director of Commissioning 1/10/12										☑	☑	☑	☑	☑	☒
Doug Black, Medical Director 1/10/12										☑	☒	☑	☑	☑	☑
Barbara Stuttle, Nurse Director 1/11/12											☑	☑	☒	☒	☒
Julie Bolus, Nurse Director 1/12/12													☑	☑	☑
Elaine Michel, DPH County 6/2/13														☑	☒
Combined DPH Attendance	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑	☑	☑	☑	☑
☑															
☒															

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Cluster Board 2012/13

Strategic Items

Strategic Reports

Transformation / System Reform

Psychodynamic Therapies Consultation
Derbyshire County Health and Wellbeing Strategy
Derbyshire System Integrated Plan
Midlands & East Strategic Health Authority Ambitions
Clinical Commissioning Group Authorisation Timetable and Process
Cluster Governance in Transition
Scheme of Delegation for the Establishment of an Interim CSO Board
Clinical Commissioning for Ambulance Services
Public Sector Equality Duty - Safe and Sustainable
East Midlands Specialised Commissioning Group - Objectives 2012/13
Offender Health Commissioning Update Report
Consultation on the Draft Derbyshire Health and Wellbeing Strategy 2012
Maintaining Quality During the Transition Preparing for Handover
Quality in Transition x 2
Derbyshire Approach to Quality Impact Assessments (QIAs)
Update on the Re-provision of Maternity Services
Making Every Contact Count (MECC)
Derbyshire Locked/Unlocked Rehabilitation Services for People with a Learning Disability
Winterbourne Report
Derby City Health and Wellbeing Strategy
Clinical Commissioning Group Authorisation Progress Update (monthly until Dec 12)
Cluster Governance Update 2012/13
Derbyshire Cluster Carbon Management Report
Friends and Family Test Update
Offender Health Commissioning Update Report
PCT Legacy Document Update
Seasonal Influenza Briefing
Accountable Officer Transition Arrangements
Third Sector/Section 28s
Derbyshire Winter Plan 2012/13
Cluster Accountabilities During Transition
Never Events Reporting Structure
Francis Report Potential Implications
Transition Documentation Feedback

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Patient Story

September - Dignity in Care

November - Complex Needs/Access

January - Careers/Dementia

Human Resources

Organisational Development Framework Update (monthly standing Item)

Other Matters

Establishment Agreement for Midlands and East Specialised Commissioning Group

The Big Conversation about the Quality of Nursing Care across Derby City and Derbyshire

Contracts Position Update 2012/13

Audit Committee Annual Report

Quality Accounts

Derbyshire Cluster Annual Accountability Review

Managing Quality in Transition and Quality in the New Health System

Annual Report 2011/12

Responsible Officer

NHS Complaint Handling Transition

Savile Allegations

Quality Improvement Productivity and Prevention (QIPP) Update



Department
of Health



Derbyshire County Primary Care Trust

2012-13 Accounts

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Derbyshire County Primary Care Trust

2012-13 Accounts

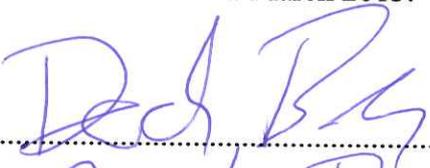
2012-13 Annual Accounts of Derbyshire County Primary Care Trust

**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.

Signed..........Designated Signing Officer

Name: 

Date.....

2012-13 Annual Accounts of Derbyshire County Primary Care Trust

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

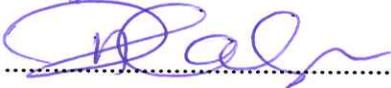
Primary Care Trusts as NHS bodies are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the primary care trust and 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.

6/6/13 Date  Signing Officer

6/6/13 Date  Finance Signing Officer

INDEPENDENT AUDITOR'S REPORT TO THE SIGNING OFFICER OF DERBYSHIRE COUNTY PCT

We have audited the financial statements of Derbyshire County Primary Care Trust for the year ended 31 March 2013 which 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 associated 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.

This report is made solely to the signing officer of Derbyshire County Primary Care Trust in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the signing officer of the PCT those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the signing officer of the PCT for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Signing Officer and auditor

As explained more fully in the Statement of Signing Officer's Responsibilities, the Signing Officer is responsible for the preparation of financial statements which 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 PCT's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the PCT; 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Derbyshire County Primary Care Trust as at 31 March 2013 and of its expenditure and income 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 regularity prescribed by the Code of Audit Practice 2010 for local NHS bodies

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 other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared 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; and
- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with the Department of Health's requirements;
- any referrals to the Secretary of State have been made under section 19 of the Audit Commission Act 1998; or
- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of, the audit.

Conclusion on the PCT's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the PCT has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us 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 2010 for local NHS bodies, having regard to the guidance issued by the Audit Commission in November 2012. We have considered the results of the following:

- our review of the Governance Statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent that the results of this work impact on our responsibilities at the PCT; and
- our locally determined risk-based work on transition and closedown planning.

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

Certificate

We certify that we have completed the audit of the accounts of Derbyshire County Primary Care Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission.

A handwritten signature in purple ink, appearing to be 'Sue Sunderland', written in a cursive style.

Sue Sunderland for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

7th June 2013

GOVERNANCE STATEMENT 2012-13

DERBYSHIRE COUNTY PRIMARY CARE TRUST (5N6)

1. INTRODUCTION

This year has seen the focus shift from the establishment of the NHS Derby City and NHS Derbyshire County PCTs Cluster to the successful transition to new bodies established under the Health and Social Care Act 2012, which resulted in the PCT's abolition on 31st March 2013. The Clustering arrangements established during 2011-12 remained in place during 2012/13 with the operation of a single executive team for the two PCTs and a single Board directing the business of both PCTs. As in 2011-12 this Statement will reflect and highlight those areas of joint enterprise, and those where the PCTs are required to report separately on matters affecting the individual legal entities.

One of the key Governance changes that occurred during the year was the establishment of the NHS Commissioning Board's Area Team (AT) for Derbyshire and Nottinghamshire, which assumed the Executive responsibility for the PCT on 1st October 2012. The AT's Executive Directors have worked alongside the PCT's non-Executive Board members to ensure the Cluster Board remained an effective vehicle for delivering the PCT's governance responsibilities.

2. SCOPE OF RESPONSIBILITY

Arising from the schemes of delegation approved by the Derbyshire County PCT in 2011/12 the PCT's Board functions continued to be discharged during 2012/13 by a joint committee known as the Cluster Board. Therefore, any references to the Board within this document refer to the Cluster Board, unless specifically stated that it was the Board of Derbyshire County PCT that met to approve a decision.

The Cluster Board, acting under delegated authority from the PCT Board, is accountable for internal control of the PCT. As Accountable Officer for this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the PCT and Cluster policies, aims and objectives. I also have responsibility for safeguarding the public funds and the PCT's assets¹ for which I am personally responsible, as set out in the Accountable Officer Memorandum.

As the Accountable Officer for Derbyshire County Primary Care Trust (PCT) I am able to provide assurance that the PCT (through the Cluster structure) has in place robust accountability arrangements, not only for the discharge of my

¹As the Cluster is not a formal legal entity it has no authority to own assets in its name. It is responsible, however, for managing the PCT's assets on its behalf.

own responsibilities, but also in the achievement of performance targets and strategic objectives.

The PCT (through the Cluster structure) continued to be subject to reviews by the Midlands and East Strategic Health Authority (SHA). This is carried out via a combination of formal processes (e.g. Annual and quarterly Reviews) and more service driven reviews of our Clinical Governance, Finance and Operating Framework arrangements.

As well as being held to account for organisational performance, Derbyshire County PCT through the establishment of the CCGs continued to work alongside other health and social care partners to operate within a Health Community Planning Framework, ensuring delivery of appropriate and more wide ranging NHS Targets.

Throughout the year CCGs have assumed more of the PCT's responsibilities in order to prepare them for full authorisation and statutory body status. One such example is where the CCGs took on the PCT's relationships with Local Strategic Partners within the Derbyshire locality, and the ownership of joint targets for the improvement of Health Outcomes. The adoption of the recommendations from the Director of Public Health Report and involvement of officers in the development of sustainable communities strategies at County and District level, and joint production of the Joint Strategic Needs Assessments provides further evidence of the on-going joint approach.

There continued to be close working as part of implementing 'Liberating the NHS' with regular scheduled meetings at senior officer level with the County and the City Council. There is County and City PCT and Council membership of Regional Transition Networks, and at the steering groups for the transition of City and County public health functions. Both the City and the County Health and Wellbeing Boards include representation from the PCT; local government including District councils; all relevant CCGs (COO and GPs); and other agencies including local key providers (Mental Health, Acute Hospital etc), LINKs (progressing to HealthWatch), and Derby University. A significant element of this work was the transfer of the public health functions, assets and resources to the County and City Councils as part of the NHS reforms and this work was completed on schedule enabling the correct form of legal transfer to be enacted on 1st April 2013.

3. GOVERNANCE FRAMEWORK

Cluster Board

Throughout 2012/13 the Cluster Board has operated as a single entity with shared members on the Boards of both of the Cluster PCTs. In October 2012 the entire team of Executive Directors changed with the appointment of the NHS CB Area Team's Executive Director team, which assumed the accountability and responsibility for the PCT's executive director functions.

During 2012/13 the Cluster Board met 11 times in total and the attendance records for the Board are included as Appendix 1.

The Board has also addressed a wide range of issues and a summary of these is included as Appendix 2.

The Cluster Board has been effective in discharging the functions of the PCT Board, and has successfully steered the PCT through the changes and challenges brought about by the implementation of the NHS reforms, ensuring a smooth transition to the NHS Commissioning Board, CCGs and the GEM CSU.

Cluster Board Sub-Committees

At the commencement of 2012/13 the Cluster Board had in place the following sub-committees:

- Joint Audit Committee
- Governance Committee
- Remuneration and Terms of Service Committee
- Erewash CCG Board
- Hardwick CCG Board
- North Derbyshire CCG Board
- Southern Derbyshire CCG Board
- Commissioning Support Organisation Steering Group
- Public Health Transition Group

From October 2012 onwards the Cluster also established, on behalf of the Cluster PCTs, a Transition and Closedown Group (T&CG), and latterly (in January 2013) a Commissioning Support Transition Group reporting into the T&CG. Both of these groups were tasked with ensuring the closedown of both PCTs was carried out effectively and all transfers to appropriate successor bodies was properly completed.

Joint Audit Committee

This committee was jointly established with Derby City PCT to act as a single committee on behalf of both PCTs under the Cluster's governance arrangements. It was constituted in line with the provisions of the NHS Audit Committee handbook and oversaw the audit of the 2011/12 accounts for both PCTs; the internal and external audit plans; and the risk management and internal control processes (financial and quality), including control processes around counter fraud.

During 2012/13 the Committee met 6 times and, in addition to the above, other key reports it considered were:

- A series of reports on the Payments by Results Assurance Framework for the PCT and some key providers;

- QIPP review follow-up work;
- Information Governance validation;
- CCG Governance benchmarking;
- Care Homes contract monitoring;
- HMRC PAYE Compliance Audit Derbyshire County (referenced in the 2011/12 AGS);

The Committee also considered monthly reports on the Waiver log and losses and special payments. The Committee has also taken an overview of the actions being put in place to manage the post-31st March closedown processes.

Governance Committee

The Governance Committee played a critical role in establishing and regularly reviewing the Governance Framework of the Cluster, and in maintaining an overview of the progress towards the authorisation of CCGs and the Commissioning Support Unit. It also ensured the routine governance business of the Cluster was maintained during the transition period.

The Committee played an important role in helping to manage the transition to the new NHS system, including having amongst its members representatives from each CCG, and also receiving regular update reports from the Public Health Transition Group and the QIPP QCAG

The Governance Committee, working on behalf of the Board, approved a range of policies for the Cluster that have included a Cluster-wide persistent and vexatious complainants policy; cluster-wide governance policies; organisational change and redundancy policy; and an absence policy.

The Governance Committee had an assurance role for the Cluster's performance across a wide range of targets and quality measures, including the CCGs' delivery of QIPP and other financial targets and the quality of plans to achieve them.

However, as part of a mid-year review of Cluster resources, systems and processes it was decided to stand the Committee down at the end of October 2012, partly in recognition of the increasing autonomy the CCGs would acquire as a result of their authorisation in December 2012 and January 2013. Governance continued to be exercised in this transition by direct attendance at Cluster Board of the Chief Officers or Chairs of each CCG. At its final meeting, the Committee received a report on how its functions would be picked up by other committees or parts of the NHS system for the remainder of 2012-13: this was important in ensuring no let-up in the scrutiny and monitoring of statutory functions and performance.

In total the Committee met 6 times prior to it being stood down at the end of October 2012.

QIPP Coordination and Assurance Group (QCAG)

The PCT established a QIPP Co-ordination and Assurance Group (QCAG) to oversee the PCT's QIPP programme for 2012/13. It comprised of representatives of the CCGs and the Cluster and provided a detailed level of QIPP plans, which were drilled down and managed at a CCG level. The group met monthly and reported to the Cluster's Governance Committee, which added a further level of scrutiny.

Transition and Closedown Group

The Transition and Closedown Group was established in Autumn 2012 with the remit to ensure that:

- there was a smooth and successful transition of PCT staff, functions, assets and documents to the successor organisations by 31st March 2013;
- staff members were supported to ensure that they moved smoothly into their new organisations and worked to ensure that staff experienced a 'soft landing' with their destination;
- the two statutory PCTs were successfully closed down by end June 2013; and
- a strong legacy and handover was transferred to the successor organisations.

The group was chaired by the Cluster Chair, with senior staff having clear leadership roles for key functional transfers. Internal Audit were involved in the establishment and operational review of transition processes and significant assurance provided that controls were adequate.

The Group has worked to a tight operational plan and has received monthly reports from a range of workstreams focussing on closing down and transitioning functions as appropriate. This work has also been supported by a transition and close down risk register.

Completion of Handover and Closure Documents

The PCT has produced and published a hand-over document as required by the Midlands and East Strategic Health Authority, and this has informed much of the hand-over work to the CCGs and other new organisations created by the NHS reforms. To support this document a Library of Knowledge was established that stored all the supporting documents reference in the hand-over document, and will continue to be available for a period of time after the PCT has ceased to function.

Accounts Scrutiny and Sign-Off

The accountability arrangements for the 2012/13 financial accounts were in line with the nationally defined accounts scrutiny and sign off process. From 1st April 2013 when PCTs were abolished, Local Area Team Directors continued to discharge the responsibilities associated with the closedown, until completion. For the PCTs this entailed the set-up of local delivery teams to secure an effective accounts preparation and audit process. The LAT Directors, as PCT accountable officers, have responsibility for signing the accounts and the supporting statements.

Audit committee arrangements were also specified nationally to ensure that the essential scrutiny and governance function provided by an audit committee was retained, despite PCT closure. The Department of Health facilitated the establishment of audit committees to support the final accounts process, thereby providing a mechanism with the appropriate status to discharge the necessary responsibilities. The non-executive directors that formed the committee were identified locally and sourced from the existing PCT cluster audit committees

The System of Internal Control

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

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

The systems of internal control were in place in Derbyshire County Primary Care Trust for the whole year ending 31st March 2013.

4. CAPACITY TO HANDLE RISK

THE PCT CORPORATE ENTITY

For the period of this statement the PCT, as a corporate entity, vested all its capacity to handle risk in the systems and structures of the Cluster, and therefore for the purposes of this statement it will be the Cluster's capacity to handle risk that is described.

THE CLUSTER

For the period up to 30th September 2012 the Cluster Chief Executive had ultimate responsibility for risk management and to this end was held to account through the Cluster Board, the Cluster Governance Committee, and the Cluster Audit Committee for the effectiveness of Cluster (and hence PCT) processes. For the period from 1st October 2012 to 31st March 2013 this responsibility passed to the Chief Executive of the NHS Commissioning Board's (NHS CB) Area Team for Derbyshire and Nottinghamshire. It is in this capacity that I am providing this statement.

Day to day responsibility for risk management was delegated to all Executive Directors of the Board with executive leadership being vested in the Cluster Director of Finance (up to 30th September 2013) and the NHS CB Area Team Director of Nursing and Clinical Quality from 1st October 2012, then the Transition Director from December 2012 to 31st March 2013.

In conjunction with these structures all appropriate staff are provided with training in the principles of risk management / assessment in order for them to manage and treat appropriate levels of risk within their designated authority and day to day duties. Detailed procedures and guidelines are set out in the Cluster Risk Management Strategy (which was approved by the Governance Committee in October 2011) providing Directors, managers and staff with the appropriate tools to identify, score and treat risk properly.

CLINICAL COMMISSIONING GROUPS

During 2012/13 the PCT, through the mechanism of the Cluster, has continued to support the development of four Clinical Commissioning Groups (CCGs) in Derbyshire. Initially they were established as sub-committees of the Cluster Board but during 2012/13 all four of them successfully negotiated the authorisation process and have been established as statutory bodies who will take on their full range of statutory responsibilities on 1st April 2013.

Throughout the year the following mechanisms were used to provide an environment in which risks could be identified and managed:

- Board to board meetings between the Cluster Board and the Governing Bodies;
- CCG leaders attended Cluster Board meetings; and
- CCG leaders attended meetings of the Governance Committee.

GREATER EAST MIDLANDS COMMISSIONING SUPPORT UNIT (GEM)

In addition to supporting the development of the CCGs the Cluster has been actively involved in the establishment of the Greater East Midlands Commissioning Support Unit (GEM). Each Cluster within the GEM area established a Steering Group and an Operational Group to ensure that each

Cluster received assurances on the establishment of GEM and the processes by which staff and assets would be transferred to the new body. Each area developed its own local risk register that fed into GEM's corporate risk register, which has been reviewed on a monthly basis by the Senior Management Team.

5. THE RISK AND CONTROL FRAMEWORK

RISK MANAGEMENT

The PCT adopted a revised Risk Management Strategy in October 2011. It was agreed at the Governance Committee that no further changes or revisions were required in 2012/13. The strategy outlined the Cluster's approach to risk and the manner in which it sought to eliminate and control all risks. Staff at all levels of the organisation were able to identify and record risk, with appropriate levels of staff trained to evaluate and treat the risk accordingly.

Risk management was embedded in the activities of the organisation. Through its main sub-committees (CCG Boards, Governance Committee, Audit Committee) and line management structures, the PCT was able to ensure accountability for risk at all levels of the organisation.

By ensuring that all staff were aware of their responsibilities for both governance (all elements) and health and safety, a substantial amount of progress was made towards ensuring ownership of risk by staff. This was evidenced by staff engagement in providing regular updates on risks that have enabled the Governance Committee and Board members to receive and act upon monthly risk register reports.

A key output from the risk management system was that each month the Cluster Board (acting on behalf of the PCT Board) received a report on the high scoring corporate risks that impacted on the successful achievement of the Cluster's strategic objectives. In addition the Governance Committee received monthly reports on the high scoring risks, and those due for a review in that month.

IDENTIFIED MAJOR RISKS IN 2012/13

As a result of the PCT's risk management process it was able to identify the following as its major risks for 2012/13:

- Lack of capability and capacity due to loss of key staff/ experience/ skills leads to inability to deliver business as usual within the cluster and ability to create an effective CSU. This was mitigated by an effective HR process that mapped current roles to positions within the new organisations and a combination of "lift and shift" and pooling/slotting and matching processes.

- Fragmentation of duties and uncertainty during transition regarding responsibilities leading to poor performance. This was one of the highest scoring risks at the commencement of the year, but as can be seen from this statement a comprehensive range of mechanisms and processes were put in place to ensure such fragmentation did not occur.
- The successful authorisation of the emergent CCGs in a state enabling them to take on their new statutory functions from 1st April 2013. This was successfully achieved with all four CCGs being approved with all green indicators.
- Ensuring all staff transferred to their destination organisations by 31st December 2012, and that the number of redundancies were kept to an absolute minimum. There was a tightly managed HR process that achieved this on the due date, with all letters setting out new employment arrangements post-1st April being issued to all affected staff.
- Successful delivery of the QIPP plan, and the savings identified in it. These savings were essential for balancing the PCT's finances and driving quality, innovation and efficiency. This risk was managed by the establishment of the QCAG (see page V) which reported monthly to the Cluster's Governance Committee.

CORPORATE OBJECTIVES AND THE BOARD ASSURANCE FRAMEWORK

The Board approved its Corporate Objectives for 2012/13 at its meeting on 4th April 2012. The PCT's Assurance Framework was approved by the Governance Committee in June 2012, following an exercise to integrate CCG key strategic risks into the Cluster risk portfolio. Through the Assurance Framework process the PCT has identified its principal risks and the controls in place to mitigate against their occurrence.

The framework has been proactively reviewed by senior staff on a regular basis. The Quarter 4 assurance framework for 2012/13 was refocused to reflect the PCT's closedown and transition role and was signed off by the Cluster Board in March 2013.

INTERNAL AND EXTERNAL AUDIT

Both Internal and External Audit carry out independent reviews of systems and processes within the organisation. Recommendations and action plans are put in place following these reviews to ensure controls are safe and adequate, providing safeguard of assets and resources. Key risks highlighted in these reports are also added to the Cluster's Assurance Framework. Action plans are routinely tracked through the quarterly Audit Committee meetings.

COUNTER FRAUD & DETERRENCE

During 2012/13 the PCT continued to commission a counter fraud service from East Midlands Independent Assurance Services with Gary Roe acting as the PCT's Local Counter Fraud Specialist (LCFS). The LCFS regularly met with the Director of Finance to review the Counter Fraud plan and discuss cases. The LCFS also presented quarterly reports to the PCT's Audit Committee.

INFORMATION GOVERNANCE

The Cluster's Director of Finance and Informatics was the Executive Lead on the Board for Information Governance and was also the Senior Information Risk Officer (SIRO). The Chief Operating Officer for Erewash CCG was the Deputy SIRO. The Accountable Officer, the Board and Executive Director Team received comprehensive and reliable assurances from the Lead Director, Assistant Director of Informatics, the Information Governance Committee (reporting to the Governance Committee) and via specific Information Governance Policies & Procedures issued to staff.

The Information Governance Committee was a joint committee established with Derby City PCT and was chaired by the Information Governance Lead for Transition and Senior Information Risk Owner (SIRO). The Committee received regular assurance reports on how the risks to information are being managed and controlled throughout the PCT, particularly during transition and closedown. The Committee met a total of 9 times during 2012/13

The Caldicott Guardian was the Director of Nursing for the PCT Clusters across Derbyshire and Nottinghamshire.

Throughout 2012/13 the work undertaken to improve the PCT's compliance with the Information Governance Toolkit levels has strengthened the processes around mapping of information flows of personal data within the organisation and understanding the risks associated with records as they transfer to other organisations.

DATA SECURITY

At Derbyshire County PCT all Information Governance incidents are taken extremely seriously. These include incidents relating to person identifiable data loss, any breach of confidentiality, the insecure disposal of information and any other incidents where staff or patient information may have been at risk.

All staff are trained and encouraged to report all incidents and near misses to ensure we can investigate the reason for an incident occurring and take measures to prevent the incident happening again.

Appendix B of the Department of Health Guidance on Information Governance Assurance issued in May 2008 (Gateway reference 9912) only requires

serious untoward data security breaches rated at level 3 or above to be declared in this statement. In 2012/13 there were no reported serious incidents involving personal data.

There were no cases reported to the Information Commissioner in 2012/13.

EQUALITY, DIVERSITY AND HUMAN RIGHTS.

Control measures were in place to ensure that the organisation complied with its obligations under equality, diversity and human rights' legislation. The Director of Engagement led in this area on behalf of the Board and was assisted in this role by the Assistant Director of Equality, Inclusion and Human Rights. Equality and Inclusion (E&I) assurance reports, and relevant legal and Department of Health updates, have been presented to the PCT Board, with operational E&I reports presented on a regular basis to the Governance Committee throughout the year. Action plans were in place to address identified gaps in control.

Following the adoption of the Equality Delivery System (EDS) in 2011/12 all committee reports included a section on how the report met the objectives of the EDS and this was an embedded process throughout 2012/13.

SUSTAINABILITY

The Cluster has a Trust-wide commitment to reduce its carbon footprint from the 2008/09 baseline by 2013. A new Sustainable Development Plan incorporating good practice and targets from both the City and the County Carbon Management Plans has been produced and been to Board for approval.

The estate rationalisation programme has proved extremely successful and most of the surplus properties have now been disposed of further reducing the PCT's carbon footprint, saving money to ensure best use of limited resources and improve the standard of accommodation for staff. Multi-functional devices with the capability to copy, fax and print have now been rolled out to most PCT premises.

Work has begun with the Clinical Commissioning Groups to develop a baseline to formulate a Sustainable Development Management Plans for their future needs.

6. SIGNIFICANT ISSUES

Other than the matters previously referred to in section 5 above there were no significant issues arising in 2012/13 that warrant additional reporting in this statement.

7. REVIEW OF EFFECTIVENESS

As Accountable Officer, I have responsibility for reviewing the effectiveness of the Cluster's governance systems and compliance with relevant legislation and guidance. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of their annual programme of internal audit work. The Head of Internal Audit's annual opinion on the system of internal control is based on an agreed programme of work undertaken throughout the financial year. This has resulted in a SIGNIFICANT ASSURANCE opinion for the year. Executive Directors within the organisation, who have responsibility for the development and maintenance of the system of internal control, provide me with assurance.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. The Framework for 2012/13 was actively managed and regularly reviewed by the Governance Committee and the Board, and I am satisfied that it reflected the key challenges faced by the organisation at the start of the business year, and that it changed appropriately to reflect the development of the new NHS structures as the year progressed.

My review is also informed via assurances provided by:-

- NHS Midlands and East (Strategic Health Authority);
- KPMG (External Audit), and
- Internal Audit reviews

I have also been advised on the implications of the results of my review of the effectiveness of the system of internal control by the:-

- Cluster Board
- Executive Team
- Audit Committee
- Governance Committee
- Information Governance Committee
- Safety & Security Committee

The PCT had a robust process in place to allow ongoing maintenance and review of the effectiveness of the system of internal control. PCT Directors held day to day responsibility for ensuring that controls exist within their designated areas of responsibility.

Existence and robustness of controls were tested by the PCTs Auditors, with any identified weaknesses being reported to the Audit Committee, as appropriate.

Additional assurances were received during the course of the year in respect of the PCT's Assurance Framework and associated Action Plan, mainly from the PCT's Internal Auditors.

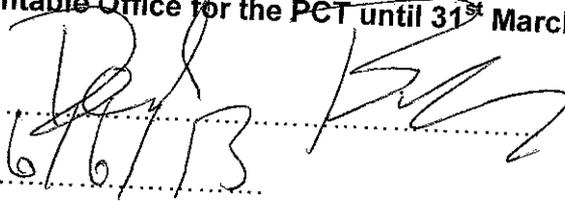
There has been no evidence presented to myself or the Board to suggest that at any time during 2012/13 the PCT has acted outside of its statutory authorities and duties. The PCT has complied with the provisions of the Corporate Governance Code and there have been no matters where non-compliance has taken place.

My review confirms that Derbyshire County Primary Care Trust had a generally sound system of internal control that supported the achievement of its policies, aims and objectives.

**Designated Signing Officer for the PCT
and Accountable Office for the PCT until 31st March 2013: Derek Bray**

Signed

Dated



The image shows a handwritten signature in black ink, which appears to be 'Derek Bray', written over a dotted line. Below the signature, the date '6/6/13' is handwritten in black ink over another dotted line.

**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	15,491	18,769
Other costs	5.1	1,235,497	1,194,567
Income	4	(43,243)	(40,581)
Net operating costs before interest		1,207,745	1,172,755
Investment income	9	(741)	(938)
Other (Gains)/Losses	10	0	(229)
Finance costs	11	3,651	3,607
Net operating costs for the financial year		1,210,655	1,175,195
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
Net (gain)/loss on transfers by absorption		0	
Net Operating Costs for the Financial Year including absorption transfers		1,210,655	1,175,195
Of which:			
Administration Costs			
Gross employee benefits	7.1	11,286	10,897
Other costs	5.1	10,280	10,514
Income	4	(2,239)	(1,710)
Net administration costs before interest		19,327	19,701
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	10
Net administration costs for the financial year		19,327	19,711
Programme Expenditure			
Gross employee benefits	7.1	4,205	7,872
Other costs	5.1	1,225,217	1,184,053
Income	4	(41,004)	(38,871)
Net programme expenditure before interest		1,188,418	1,153,054
Investment income	9	(741)	(938)
Other (Gains)/Losses	10	0	(229)
Finance costs	11	3,651	3,597
Net programme expenditure for the financial year		1,191,328	1,155,484
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	14	315	732
Net (gain) on revaluation of property, plant & equipment	12.1	(3,022)	(7,136)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		0	
Release of Reserves to Statement of Comprehensive Net Expenditure		0	
Net actuarial (gain)/loss on pension schemes		0	0
Reclassification Adjustments			
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total comprehensive net expenditure for the year		1,207,948	1,168,791

Notes 1 to 42 form part of this account.

Statement of Financial Position at 31 March 2013

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	139,497	141,611
Intangible assets	13	51	77
investment property	15	0	0
Other financial assets	36.1	774	789
Trade and other receivables	19	10,409	10,504
Total non-current assets		150,731	152,981
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	6,061	16,746
Other financial assets	21	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	992	4
Total current assets		7,053	16,750
Non-current assets held for sale	24	1,000	1,757
Total current assets		8,053	18,507
Total assets		158,784	171,488
Current liabilities			
Trade and other payables	25	(54,871)	(51,247)
Other liabilities	26,28	0	0
Provisions	32	(2,574)	(2,592)
Borrowings	27	(831)	(1,053)
Other financial liabilities	36.2	0	0
Total current liabilities		(58,276)	(54,892)
Non-current assets plus/less net current assets/liabilities		100,508	116,596
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	26,28	0	0
Provisions	32	(11,127)	(5,079)
Borrowings	27	(44,589)	(45,420)
Other financial liabilities	36.2	0	0
Total non-current liabilities		(55,716)	(50,499)
Total Assets Employed:		44,792	66,097
Financed by taxpayers' equity:			
General fund		19,110	35,187
Revaluation reserve		25,682	30,910
Other reserves		0	0
Total taxpayers' equity:		44,792	66,097

Notes 1 to 42 form part of this account.

The financial statements were approved by the Audit Committee on 6th June 2013 and signed on its behalf by

Designated Signing Officer:

Date:

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	35,187	30,910	0	66,097
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(1,210,655)	0	0	(1,210,655)
Net gain on revaluation of property, plant, equipment	0	3,022	0	3,022
Net gain on revaluation of intangible assets	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	(315)	0	(315)
Movements in other reserves	0	0	0	0
Transfers between reserves	7,935	(7,935)	0	0
Release of Reserves to SOCNE	0	0	0	0
Reclassification Adjustments	0	0	0	0
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
Total recognised income and expense for 2012-13	(1,202,720)	(5,228)	0	(1,207,948)
Net Parliamentary funding	1,186,643	0	0	1,186,643
Balance at 31 March 2013	19,110	25,682	0	44,792
Balance at 1 April 2011	8,616	25,143	0	33,759
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(1,175,195)	0	0	(1,175,195)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	7,136	0	7,136
Net Gain / (loss) on Revaluation of Intangible Assets	0	0	0	0
Net Gain / (loss) on Revaluation of Financial Assets	0	0	0	0
Net Gain / (loss) on Assets Held for Sale	0	0	0	0
Impairments and Reversals	0	(732)	0	(732)
Movements in other reserves	0	0	0	0
Transfers between reserves	637	(637)	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification Adjustments	0	0	0	0
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
Total recognised income and expense for 2011-12	(1,174,558)	5,767	0	(1,168,791)
Net Parliamentary funding	1,201,129	0	0	1,201,129
Balance at 31 March 2012	35,187	30,910	0	66,097

There was a movement of £7,935,000 from the Revaluation Reserve to General Fund.

£6,573,000 relates to a correction of historical balances.

£870,000 relates to the additional depreciation on assets which have been revalued upwards.

£493,000 relates to assets which have been reclassified as held for sale and sold.

**Statement of cash flows for the year ended
31 March 2013**

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest	SOCNE	(1,207,745)	(1,172,755)
Depreciation and Amortisation	12.1 & 13.1	5,373	4,781
Impairments and Reversals	12	644	227
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		(3,532)	(3,450)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	118
(Increase)/Decrease in Trade and Other Receivables	SOFP	10,780	(7,313)
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables	SOFP	6,609	(26,075)
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised	32	(1,391)	(941)
Increase/(Decrease) in Provisions	32	7,302	2,277
Net Cash Inflow/(Outflow) from Operating Activities		(1,181,960)	(1,203,131)
Cash flows from investing activities			
Interest Received		94	128
(Payments) for Property, Plant and Equipment	12	(4,781)	(365)
(Payments) for Intangible Assets		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		(1,053)	(1,019)
Proceeds of disposal of assets held for sale (PPE)		1,383	478
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		15	100
Rental Revenue		647	810
Net Cash Inflow/(Outflow) from Investing Activities		(3,695)	132
Net cash inflow/(outflow) before financing		(1,185,655)	(1,202,999)
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		1,186,643	1,201,129
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		1,186,643	1,201,129
Net increase/(decrease) in cash and cash equivalents		988	(1,870)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		4	5
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 *		992	(1,865)

* The prior year figures above do not include the transfer of Current Asset and Liabilities relating to TCS (Transforming Community Services).

	2011-12 £000
The 2011-12 TCS adjustments were as follows:	
Cash and Cash Equivalent total from 2011-12 above	(1,865)
(Increase)/Decrease in Inventories	(118)
(Increase)/Decrease in Trade and Other Receivables	(3,653)
Increase/(Decrease) in Trade and Other Payables	5,640
Actual closing Cash and Cash Equivalents total as at 31st March 2012	4

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 PCT 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.

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.

In accordance with the directed accounting policy from the Secretary of State, the PCT does not consolidate the NHS charitable funds for which it is the corporate trustee.

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.

Going Concern

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Derbyshire County PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42 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 general disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

Although revaluations and impairments have been recognised in the period these have been routine within the annual cycle of activity and are not considered to be material.

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.

The LIFT (Local Improvement Finance Trust) lease plus contracts relate to the lease of healthcare facilities along with the provision of various services . The PCT has determined that this contract should be considered as an IFRIC 12 service concession, since the contract is for the provision of services, which are controlled by the PCT, in relation to an infrastructure asset. The PCT also has a significant interest in the residual value of the asset, via an option to buy the facilities in the last 6 months of the contract.

The PCT considers that it is reasonably likely that this option will be exercised, and therefore has recorded the finance option price of the building as a bullet lease payment. Consequently the assets are being depreciated over a normal useful life of approximately 57 years, rather than the lease term.

If in the future the PCT decides not to exercise this option, then the final bullet payment will never become payable, and the assets will have to be depreciated over the lease term. This will result in a material restatement of the PCT financial statements.

Key sources of estimation uncertainty

The key sources of estimation uncertainty within the accounts are deemed to be in relation to the valuation of assets, the assessment of asset lives and the calculation of the provision for Continuing Healthcare. The relevant notes to the accounts are Note 12.3 and Note 32.

The PCT has mitigated the risks resulting from these estimation uncertainties by using previous knowledge and experience and seeking professional advice as appropriate. On this basis there are no 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.

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 Derbyshire County Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for integrated care activity and equipment and a memorandum note to the accounts provides details of the joint income and expenditure.

The pool is hosted by Derbyshire County Council. As a commissioner of healthcare services, the PCT makes contributions to the pool, which are then used to purchase healthcare services and equipment. 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). 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. Accounting policies (continued)

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

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present 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. Accounting policies (continued)

1.7 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the PCT's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the PCT; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at amortised historic cost as the intangible asset values are sufficiently low and their lives sufficiently short that this is not considered to be materially different from fair value.

1.8 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)

1.9 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.

1.10 Government grants

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a government grant reserve is no longer maintained. The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.11 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset in the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.12 Inventories

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

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the PCT's cash management.

1.14 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).

1.15 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. The total value of clinical negligence provisions carried by the NHSLA on behalf of the PCT is disclosed at Note 32.

1. Accounting policies (continued)

1.16 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.

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.

1.17 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred. The PCT does not undertake any research or development activities which would meet the criteria for capitalisation.

1.18 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.

1.19 Partially Completed Spells

Where a service provider can demonstrate that it is certain to receive income for a treatment or spell once a patient is admitted and treatment begins, the PCT will recognise expenditure for that treatment or spell from that point. Expenditure relating to those spells that are part-completed at the year-end is apportioned across financial years as notified by the service provider.

1.20 Grant making

Under section 256 of the National Health Service Act 2006, the PCT has the power to make grants to local authorities, voluntary bodies and registered social landlords to finance capital or revenue schemes. A liability in respect of these grants is recognised when the PCT has a present legal or constructive obligation which occurs when all of the conditions attached to the payment have been met.

1.21 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. The PCT does not carry any allowances as assets.

1. Accounting policies (continued)

1.22 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.

1.23 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.

The PCT as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the PCT's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the PCT's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.24 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Resulting exchange gains and losses are taken to the Statement of Comprehensive Net Expenditure.

1.25 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 arising 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)

1.26 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. The PCT's financial assets are included under the "available for sale" and "loans and receivables" categories.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the Statement of Comprehensive Net Expenditure on de-recognition. These assets are held at historic cost and reviewed for impairment.

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.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques. The PCT considers that the fair values of financial assets and liabilities are materially the same as the carrying value, so no valuations have been undertaken.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

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.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

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.

1. Accounting policies (continued)

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. All of the PCT's financial liabilities are included under the "other" category.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.27 Private Finance Initiative (PFI) and NHS LIFT transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes (including NHS LIFT) where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The PCT therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

a) Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

b) LIFT assets, liabilities, and finance costs

LIFT assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the PCT's approach for each relevant class of asset in accordance with the principles of IAS 16.

A LIFT liability is recognised at the same time as the LIFT assets are recognised. It is measured initially at the fair value of the LIFT assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

1. Accounting policies (continued)

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Net Expenditure.

c) Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the PCT's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the PCT to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the PCT's Statement of Comprehensive Net Expenditure.

Other assets contributed by the PCT to the operator

Assets contributed (e.g. cash payments, surplus property) by the PCT to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the PCT, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.28 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 applied the Accounting Standard IFRS8 - Operating Segments and deemed that a segment will be reported if the net expenditure exceeds 10% of the PCTs total expenditure.

In April 2012 the PCT restructured its ledger so that PCT successor bodies could report in shadow format for a full year prior to succeeding the PCT.

During the year the PCT has reported to its Board a financial position split down by Clinical Commissioning Group, Public Health, National Commissioning Board, Property Services and Commissioning Support Unit. Not all the PCT successor elements are reported as a segment as their expenditure total falls below the 10% threshold. Where this is the case they will be consolidated and reported as 'Other'. Erewash Clinical Commissioning Group (CCG) falls just below the 10% threshold, however, for completeness the Erewash CCG figures are reported so that readers of the Accounts can see the four Clinical Commissioning Groups that will take over from the PCT

PCT successor Bodies were not reported in 2011-12. Therefore prior year comparators are not available.

Net assets have not been apportioned by PCT successor bodies during the year. These have been under common PCT control so will not be reported separately.

Expenditure with other NHS bodies exceeds 10% of expenditure. A list of NHS and other local and central government bodies with which the PCT has significant values of transactions is given in Note 37 to the accounts.

	North Derbyshire CCG 2012-13 £000	Southern Derbyshire CCG 2012-13 £000	Hardwick CCG 2012-13 £000	Erewash CCG 2012-13 £000	National Commissioning Board 2012-13 £000	Other 2012-13 £000	PCT TOTAL 2012-13 £000	PCT TOTAL 2011-12 £000
Expenditure	<u>378,527</u>	<u>278,101</u>	<u>139,334</u>	<u>117,293</u>	<u>299,768</u>	<u>37,963</u>	<u>1,250,986</u>	<u>1,213,336</u>
Net Operating Costs								
Segment net operating costs	375,694	276,452	138,550	116,208	274,573	29,178	1,210,655	1,175,195
Common costs	0	0	0	0	0	0	0	0
Total Net Operating Costs	<u>375,694</u>	<u>276,452</u>	<u>138,550</u>	<u>116,208</u>	<u>274,573</u>	<u>29,178</u>	<u>1,210,655</u>	<u>1,175,195</u>
Net Assets:								
Segment net assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,792</u>	<u>66,097</u>

3. Financial Performance Targets**3.1 Revenue Resource Limit**

The PCTs' performance for the year ended 2012-13 is as follows:

	2012-13	2011-12
	£000	£000
Total Net Operating Cost for the Financial Year	1,210,655	1,175,195
Net operating cost plus (gain)/loss on transfers by absorption	0	0
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>1,223,062</u>	<u>1,183,223</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>12,407</u>	<u>8,028</u>

3.2 Capital Resource Limit

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

	2012-13	2011-12
	£000	£000
Capital Resource Limit	1,174	2,031
Charge to Capital Resource Limit	413	2,031
(Over)/Underspend Against CRL	<u>761</u>	<u>0</u>

In addition to the reported Capital Resource Limit the PCT also received capital receipts of £1,383,000. See Note 24.

3.3 Under/(Over)spend against cash limit

	2012-13	2011-12
	£000	£000
Total Charge to Cash Limit	1,186,643	1,201,129
Cash Limit	<u>1,203,143</u>	<u>1,202,129</u>
Under/(Over)spend Against Cash Limit	<u>16,500</u>	<u>1,000</u>

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

	2012-13
	£000
Total cash received from DH (Gross)	1,040,313
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	<u>1,040,313</u>
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	26,593
Plus: drugs reimbursement (central charge to cash limits)	119,737
Parliamentary funding credited to General Fund	<u>1,186,643</u>

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	7	0	7	0
Dental Charge income from Contractor-Led GDS & PDS	9,627	0	9,627	9,370
Dental Charge income from Trust-Led GDS & PDS	0	0	0	0
Prescription Charge income	7,355	0	7,355	5,826
Strategic Health Authorities	119	93	26	63
NHS Trusts	978	928	50	536
NHS Foundation Trusts	813	79	734	700
Primary Care Trusts Contributions to DATs	0	0	0	0
Primary Care Trusts - Other	4,231	324	3,907	3,679
Primary Care Trusts - Lead Commissioning	0	0	0	62
English RAB Special Health Authorities	20	0	20	0
NDPBs and Others (CGA)	111	20	91	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	43	43	0	53
Recoveries in respect of employee benefits	566	501	65	448
Local Authorities	1,554	71	1,483	2,395
Patient Transport Services	0	0	0	0
Education, Training and Research	5,316	0	5,316	4,818
Non-NHS: Private Patients	0	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	0	0	0	0
NHS Injury Costs Recovery	0	0	0	0
Other Non-NHS Patient Care Services	0	0	0	0
Charitable and Other Contributions to Expenditure	0	0	0	0
Receipt of donated assets	0	0	0	6
Receipt of Government granted assets	0	0	0	0
Rental revenue from finance leases	50	0	50	25
Rental revenue from operating leases	12,080	48	12,032	11,747
Other revenue	373	132	241	853
Total miscellaneous revenue	43,243	2,239	41,004	40,581

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	101,206	0	101,206	95,697
Non-Healthcare	1,576	1,426	150	1,928
Total	102,782	1,426	101,356	97,625
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	217,641	849	216,792	215,398
Goods and services (other, excl Trusts, FT and PCT))	369	142	227	443
Total	218,010	991	217,019	215,841
Goods and Services from Foundation Trusts	477,001	504	476,497	465,038
Purchase of Healthcare from Non-NHS bodies	119,858	0	119,858	107,305
Social Care from Independent Providers	0	0	0	341
Expenditure on Drugs Action Teams	816	0	816	1,408
Non-GMS Services from GPs	588	0	588	621
Contractor Led GDS & PDS (excluding employee benefits)	37,336	0	37,336	36,244
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0	0	0	0
Chair, Non-executive Directors & PEC remuneration	63	63	0	74
Executive committee members costs	3	3	0	0
Consultancy Services	910	795	115	509
Prescribing Costs	101,362	0	101,362	105,232
G/PMS, APMS and PCTMS (excluding employee benefits)	109,743	0	109,743	105,706
Pharmaceutical Services	910	0	910	1,018
Local Pharmaceutical Services Pilots	0	0	0	0
New Pharmacy Contract	33,894	0	33,894	29,371
General Ophthalmic Services	6,498	0	6,498	6,044
Supplies and Services - Clinical	531	3	528	325
Supplies and Services - General	39	33	6	6
Establishment	1,722	1,290	432	2,488
Transport	91	62	29	134
Premises	1,990	758	1,232	2,754
Impairments & Reversals of Property, plant and equipment	644	0	644	227
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	5,347	399	4,948	4,755
Amortisation	26	13	13	26
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	(7)	0	(7)	7
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	158	158	0	245
Other Auditors Remuneration	12	12	0	36
Clinical Negligence Costs	28	0	28	0
Education and Training	5,945	207	5,738	5,258
Grants for capital purposes	1,579	0	1,579	25
Grants for revenue purposes	3,629	0	3,629	3,376
Impairments and reversals for investment properties	0	0	0	0
Other	3,989	3,563	426	2,528
Total Operating costs charged to Statement of Comprehensive Net Expenditure	1,235,497	10,280	1,225,217	1,194,567
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	826	826	0	1,001
Other Employee Benefits	14,665	10,460	4,205	17,768
Total Employee Benefits charged to SOCNE	15,491	11,286	4,205	18,769
Total Operating Costs	1,250,988	21,566	1,229,422	1,213,336
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	1,215	0	1,215	0
Grants to Local Authorities to Fund Capital Projects	0	0	0	25
Grants to Private Sector to Fund Capital Projects	364	0	364	0
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	1,579	0	1,579	25
Grants to fund revenue expenditure				
To Local Authorities	403	0	403	502
To Private Sector	3,226	0	3,226	2,874
To Other	0	0	0	0
Total Revenue Grants	3,629	0	3,629	3,376
Total Grants	5,208	0	5,208	3,401
	Total	Commissioning Services	Public Health	
PCT Running Costs 2012-13				
Running costs (£000s)	19,327	14,438	4,889	
Weighted population (number in units)*	726,424	726,424	726,424	
Running costs per head of population (£ per head)	26.61	19.88	6.73	
PCT Running Costs 2011-12				
Running costs (£000s)	19,711	15,045	4,666	
Weighted population (number in units)	726,424	726,424	726,424	
Running costs per head of population (£ per head)	27.13	20.71	6.42	

* Weighted population figures are not available for 2012-13 as the weighted capitation formula for PCT allocations was not updated for 2012-13. 2011-12 weighted populations have therefore been used to calculate 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	109,743	105,706
Prescribing costs	101,362	105,232
Contractor led GDS & PDS	37,336	36,244
Trust led GDS & PDS	0	0
General Ophthalmic Services	6,498	6,044
Department of Health Initiative Funding	0	0
Pharmaceutical services	910	1,018
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	33,894	29,371
Non-GMS Services from GPs	588	621
Other	0	0
Total Primary Healthcare purchased	290,331	284,236
Purchase of Secondary Healthcare		
Learning Difficulties	23,130	21,648
Mental Illness	88,213	87,361
Maternity	22,168	24,185
General and Acute	541,077	505,635
Accident and emergency	35,636	36,756
Community Health Services	181,519	170,728
Other Contractual	18,636	34,942
Total Secondary Healthcare Purchased	910,379	881,255
Grant Funding		
Grants for capital purposes	1,579	25
Grants for revenue purposes	3,629	3,376
Total Healthcare Purchased by PCT	1,205,918	1,168,892
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	341
Healthcare from NHS FTs included above	475,542	464,321

6. Operating Leases

The costs set out below are for payments on leased cars, buildings and land.

The terms are standard operating lease terms, with no obligation or incentive to purchase at the end of the lease period and no contingent rents.

Derbyshire County PCT also has financial arrangements involving the use of GP premises. After consideration of:

- IAS 17 Leases
- SIC 27 Evaluating the substance of transactions involving the legal form of a lease
- IFRIC 4 Determining whether an arrangement contains a lease

the PCT determined that operating leases must be recognised. But, as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangement over financial years.

The financial value included in the Operating Costs Statement for 2012-13 is £8,840,432

The comparable value for 2011-12 was £8,759,033.

6.1 PCT as lessee				2012-13	2011-12
	Land £000	Buildings £000	Other £000	Total £000	£000
Payments recognised as an expense					
Minimum lease payments				257	1,101
Contingent rents				0	0
Sub-lease payments				70	70
Total				327	1,171
Payable:					
No later than one year	0	146	33	179	588
Between one and five years	0	195	66	261	1,423
After five years	0	576	0	576	1,090
Total	0	917	99	1,016	3,101
Total future sublease payments expected to be received				117	186

6.2 PCT as lessor

Derbyshire County PCT receives rental income from the lease of health buildings.

The terms of these leases are standard operating lease terms, with no obligation or incentive to purchase at the end of the lease period. Some lease agreements are linked to the Retail Price Index (RPI). Those increases in lease income due to RPI are classified as contingent rents.

The arrangements for Derbyshire Community Health Services (DCHS) to lease properties, including LIFT properties, are accounted for as operating leases in 2012-13. Only 1 year's worth of receivable is recognised below, on the basis that the service contract with DCHS is an annual rolling contract. However, it is anticipated that, in respect of the LIFT properties, these will continue to be occupied by a service provider and the PCT will continue to receive income in order to pay for the long term payable shown in Note 34.3 and 34.4 in this respect.

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	11,432	11,244
Contingent rents	648	503
Total	12,080	11,747
Receivable:		
No later than one year	12,168	11,830
Between one and five years	6,033	5,832
After five years	30,585	30,690
Total	48,786	48,352

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	12,728	9,218	3,510	12,224	8,714	3,510	504	504	0
Social security costs	1,067	777	290	1,026	736	290	41	41	0
Employer Contributions to NHS BSA - Pensions Division	1,553	1,148	405	1,490	1,085	405	63	63	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	143	143	0	143	143	0	0	0	0
Total employee benefits	15,491	11,286	4,205	14,883	10,678	4,205	608	608	0
Less recoveries in respect of employee benefits (table below)	(566)	(501)	(65)	(566)	(501)	(65)	0	0	0
Total - Net Employee Benefits including capitalised costs	14,925	10,785	4,140	14,317	10,177	4,140	608	608	0
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	15,491	11,286	4,205	14,883	10,678	4,205	608	608	0
Recognised as:									
Commissioning employee benefits	15,491			14,883			608		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	15,491			14,883			608		

	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 - Revenue									
Salaries and wages	449	397	52	449	397	52	0	0	0
Social Security costs	46	41	5	46	41	5	0	0	0
Employer Contributions to NHS BSA - Pensions Division	71	63	8	71	63	8	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other Post Employment Benefits	0	0	0	0	0	0	0	0	0
Other Employment Benefits	0	0	0	0	0	0	0	0	0
Termination Benefits	0	0	0	0	0	0	0	0	0
TOTAL excluding capitalised costs	566	501	65	566	501	65	0	0	0

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	13,375	12,925	450
Social security costs	1,039	1,010	29
Employer Contributions to NHS BSA - Pensions Division	1,684	1,637	47
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	2,671	2,671	0
Total gross employee benefits	18,769	18,243	526
Less recoveries in respect of employee benefits	(448)	(448)	0
Total - Net Employee Benefits including capitalised costs	18,321	17,795	526
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	18,769	18,243	526
Recognised as:			
Commissioning employee benefits	18,769		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	18,769		

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	8.5	8.5	0.0	13.6	13.6	0.0
Ambulance staff	0.0	0.0	0.0	0.0	0.0	0.0
Administration and estates	232.4	227.9	4.5	254.0	249.7	4.3
Healthcare assistants and other support staff	0.1	0.1	0.0	0.6	0.6	0.0
Nursing, midwifery and health visiting staff	38.6	38.6	0.0	43.3	43.3	0.0
Nursing, midwifery and health visiting learners	0.0	0.0	0.0	0.0	0.0	0.0
Scientific, therapeutic and technical staff	19.2	19.2	0.0	19.5	19.5	0.0
Social Care Staff	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.9	2.9	0.0	2.5	2.5	0.0
TOTAL	301.7	297.2	4.5	333.5	329.2	4.3
Of the above - staff engaged on capital projects	0.0	0.0	0.0	0.0	0.0	0.0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,911	19,612
Total Staff Years	297	2,655
Average working Days Lost	6.44	7.39

The above figures have been calculated based on the relevant calendar year rather than financial year.

The comparator figures for 2011-12 included DCHS staff. DCHS became a Trust in its own right in April 2011 so are not included in the 2012 figures.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	2	3
Total additional pensions liabilities accrued in the year	£000s 103	£000s 192

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Less than £10,000	0	1	1	0	3	3
£10,001-£25,000	0	1	1	0	10	10
£25,001-£50,000	0	4	4	0	11	11
£50,001-£100,000	0	0	0	0	12	12
£100,001 - £150,000	0	0	0	0	5	5
£150,001 - £200,000	0	0	0	0	1	1
>£200,000	0	0	0	0	1	1
Total number of exit packages by type (total cost)	0	6	6	0	43	43
	£s	£s	£s	£s	£s	£s
Total resource cost	0	143,145	143,145	0	2,671,000	2,671,000

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 of the NHS Scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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	19,193	93,099	20,174	91,986
Total Non-NHS Trade Invoices Paid Within Target	18,993	92,198	19,990	90,803
Percentage of NHS Trade Invoices Paid Within Target	98.96%	99.03%	99.09%	98.71%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	5,211	806,564	5,323	791,143
Total NHS Trade Invoices Paid Within Target	5,168	805,976	5,295	791,012
Percentage of NHS Trade Invoices Paid Within Target	99.17%	99.93%	99.47%	99.98%

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.

8.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2012-13 £000	2011-12 £000
Amounts included in finance costs from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	647	0	647	810
Subtotal	647	0	647	810
Interest Income				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	94	0	94	128
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	94	0	94	128
Total investment income	741	0	741	938

10. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Gain/(Loss) on disposal of assets other than by sale (PPE)	0	0	0	229
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0	0	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	0	0	0	0
Gain (Loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets carried at fair value through the SoCNE	0	0	0	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	0	0	0	0
Change in fair value of investment property	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	0	0	0	229

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	34	0	34	57
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	2,852	0	2,852	2,892
- contingent finance cost	646	0	646	501
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	3,532	0	3,532	3,450
Other finance costs	0	0	0	0
Provisions - unwinding of discount	119	0	119	157
Total	3,651	0	3,651	3,607

12.1 Property, plant and equipment

	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
2012-13									
Cost or valuation:									
At 1 April 2012	25,256	110,238	0	2,094	5,209	0	3,020	1,953	147,770
Additions of Assets Under Construction	0	0	0	1,796	0	0	0	0	1,796
Additions Purchased	0	0	0	0	0	0	0	0	0
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	2,705	0	(2,911)	55	0	37	114	0
Reclassifications as Held for Sale	(100)	(119)	0	0	(555)	0	0	(18)	(792)
Disposals other than for sale	0	(1,998)	0	0	(2,034)	0	(1,458)	0	(5,490)
Upward revaluation/positive indexation	5	3,017	0	0	0	0	0	0	3,022
Impairments/negative indexation	(5)	(310)	0	0	0	0	0	0	(315)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	25,156	113,533	0	979	2,675	0	1,599	2,049	145,991
Depreciation									
At 1 April 2012	0	0	0	132	3,678	0	2,136	213	6,159
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	(160)	0	0	(6)	(166)
Disposals other than for sale	0	(1,998)	0	0	(2,034)	0	(1,458)	0	(5,490)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	0	598	0	9	0	0	9	42	658
Reversal of Impairments	0	(14)	0	0	0	0	0	0	(14)
Charged During the Year	0	4,476	0	0	269	0	384	218	5,347
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	3,062	0	141	1,753	0	1,071	467	6,494
Net Book Value at 31 March 2013	25,156	110,471	0	838	922	0	528	1,582	139,497
Purchased	25,156	107,373	0	838	903	0	528	1,582	136,380
Donated	0	3,098	0	0	19	0	0	0	3,117
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	25,156	110,471	0	838	922	0	528	1,582	139,497
Asset financing:									
Owned	25,156	74,029	0	838	922	0	528	1,582	103,055
Held on finance lease	0	1,024	0	0	0	0	0	0	1,024
On-SOFP PFI contracts	0	35,418	0	0	0	0	0	0	35,418
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	25,156	110,471	0	838	922	0	528	1,582	139,497

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	10,770	19,764	0	0	373	0	0	3	30,910
Movements (detailed below)	(5,735)	834	0	0	(327)	0	0	0	(5,228)
At 31 March 2013	<u>5,035</u>	<u>20,598</u>	<u>0</u>	<u>0</u>	<u>46</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>25,682</u>

Revaluation Reserve Movements 2012-13

	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
Revaluation Gain	5	3,017	0	0	0	0	0	0	3,022
Revaluation Loss	(5)	(310)	0	0	0	0	0	0	(315)
Transfer to General Fund	(5,735)	(1,873)			(327)			0	(7,935)
Total Movement	<u>(5,735)</u>	<u>834</u>	<u>0</u>	<u>0</u>	<u>(327)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,228)</u>

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	1,701
Dwellings	0
Plant & Machinery	95
Balance as at YTD	<u>1,796</u>

12.2 Property, plant and equipment

	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
2011-12									
Cost or valuation:									
At 1 April 2011	26,725	103,597	0	3,662	5,333	0	4,424	1,623	145,364
Additions - purchased	0	0	0	2,280	0	0	0	0	2,280
Additions - donated	0	6	0	0	0	0	0	0	6
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	3,331	0	(3,848)	68	0	113	336	0
Reclassified as held for sale	(576)	(182)	0	0	(6)	0	0	0	(764)
Disposals other than by sale	0	0	0	0	(186)	0	(1,517)	(5)	(1,708)
Revaluation & indexation gains	123	7,013	0	0	0	0	0	0	7,136
Impairments	(716)	(15)	0	0	0	0	0	(1)	(732)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	(300)	(3,512)	0	0	0	0	0	0	(3,812)
At 31 March 2012	25,256	110,238	0	2,094	5,209	0	3,020	1,953	147,770
Depreciation									
At 1 April 2011	0	0	0	0	3,459	0	3,218	22	6,699
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	(2)	0	0	0	0	0	0	(2)
Disposals other than for sale	0	0	0	0	(186)	0	(1,517)	(5)	(1,708)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	300	2,113	0	132	20	0	0	4	2,569
Reversal of Impairments	0	(2,342)	0	0	0	0	0	0	(2,342)
Charged During the Year	0	3,743	0	0	385	0	435	192	4,755
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	(300)	(3,512)	0	0	0	0	0	0	(3,812)
At 31 March 2012	0	0	0	132	3,678	0	2,136	213	6,159
Net Book Value at 31 March 2012	25,256	110,238	0	1,962	1,531	0	884	1,740	141,611
Purchased	25,256	107,131	0	1,962	1,504	0	884	1,740	138,477
Donated	0	3,107	0	0	27	0	0	0	3,134
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	25,256	110,238	0	1,962	1,531	0	884	1,740	141,611
Asset financing:									
Owned	21,476	76,031	0	1,962	1,531	0	884	1,740	103,624
Held on finance lease	0	1,102	0	0	0	0	0	0	1,102
On-SOFP PFI contracts	3,780	33,105	0	0	0	0	0	0	36,885
PFI residual: interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	25,256	110,238	0	1,962	1,531	0	884	1,740	141,611

12.3 Property, plant and equipment

All land and building assets were revalued as at 1 April 2009. All land and buildings previously valued using a depreciated replacement cost were valued by the District Valuer on a Modern Equivalent Assets (MEA) valuation basis. This means that the valuation is based on the depreciated cost of rebuilding the asset using modern materials and not on a like for like basis.

In order to give a fair value as at 31 March 2013 the PCT has applied a range of appropriate indices supplied by Gerald Eve Chartered Surveyors and Commercial Property Consultants.

Specifically for LIFT asset valuations the PCT used the services of the District Valuer.

Economic Lives of Plant Property and Equipment (at the Point of Bringing the Non Current Assets onto the SOFP)

	Minimum Life (years)	Maximum Life (years)
Software Licences	5	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Buildings excl. Dwellings	50	100
Dwellings	50	50
Plant and Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture and Fittings	10	10

13.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2012-13						
At 1 April 2012	0	198	0	0	0	198
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(66)	0	0	0	(66)
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	132	0	0	0	132
Amortisation						
At 1 April 2012	0	121	0	0	0	121
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(66)	0	0	0	(66)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	26	0	0	0	26
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	81	0	0	0	81
Net Book Value at 31 March 2013	0	51	0	0	0	51
Net Book Value at 31 March 2013 comprises						
Purchased	0	51	0	0	0	51
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	51	0	0	0	51

Revaluation reserve balance for intangible non-current assets

	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
At 1 April 2012	0	0	0	0	0	0
Movements	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	0	0

13.2 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2011-12						
At 1 April 2011	0	234	0	0	0	234
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(36)	0	0	0	(36)
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	198	0	0	0	198
Amortisation						
At 1 April 2011	0	131	0	0	0	131
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(36)	0	0	0	(36)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	26	0	0	0	26
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
At 31 March 2012	0	121	0	0	0	121
Net Book Value at 31 March 2012	0	77	0	0	0	77
Net Book Value at 31 March 2012 comprises						
Purchased	0	77	0	0	0	77
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	77	0	0	0	77

13.3 Intangible non-current assets

Following initial recognition, intangible assets are carried at amortised historic cost. Intangible asset values are sufficiently short that amortised historic cost is not considered to be materially different from fair value.

The only class of intangible assets held by the PCT is purchased computer software. These assets are amortised over their useful economic lives of five years.

Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	5	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings exc Dwellings	50	100
Dwellings	50	50
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture and Fittings	10	10

Open Market Value of Assets at balance sheet date	Land	Buildings excl. dwellings	Dwellings	Total
	£000s	£000s	£000s	£000s
Open Market Value at 31 March 2013	25,156	110,471	0	135,627
Open Market Value at 31 March 2012	25,256	110,238	0	135,494

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			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	644	0	644
Total charged to Annually Managed Expenditure	644	0	644
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	315	0	0
Total impairments for PPE charged to reserves	315	0	0
Total Impairments of Property, Plant and Equipment	959	0	644
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	0	0	0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total impairments for Intangible Assets charged to Reserves	0	0	0
Total Impairments of Intangibles	0	0	0
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Total charged to Annually Managed Expenditure	0	0	0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
TOTAL impairments for Financial Assets charged to reserves	0	0	0
Total Impairments of Financial Assets	0	0	0
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	0	0	0
Total impairments of non-current assets held for sale	0	0	0
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	0	0	0
Total impairments of Inventories	0	0	0
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	0	0	0
Total Investment Property impairments charged to SoCNE	0	0	0
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of Assets in the Course of Construction	0	0	0
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
TOTAL impairments for Investment Property charged to Reserves	0	0	0
Total Investment Property Impairments	0	0	0
Total Impairments charged to Revaluation Reserve	315	0	0
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	644	0	644
Overall Total Impairments	959	0	644
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	644	0	644
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE - DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE - AME*	0	0	0

The £315,000 impairment charged to the Revaluation Reserve does not fall under Admin or Programme. Only income or expenditure that is reported through the Statement of Comprehensive Net Expenditure can be classed as Admin or Programme.

The £315,000 impairment is a movement in the Statement of Financial Position.

15 Investment property

	31 March 2013 £000	31 March 2012 £000
At fair value		
Balance at 1 April 2012	0	0
Additions Through Subsequent Expenditure	0	0
Other Acquisitions	0	0
Disposals	0	0
Property Reclassified as Held for Sale	0	0
Loss from Fair Value Adjustments - Impairments	0	0
Gain from Fair Value Adjustments - Reversal of Impairments	0	0
Gain from Fair Value Adjustments	0	0
Transfers (to)/from Other Public Sector Bodies	0	0
Other Changes	0	0
Balance at 31 March 2013	<u>0</u>	<u>0</u>
Investment property capital transactions in 2012-13		
Capital expenditure	0	0
Capital income	0	0
	<u>0</u>	<u>0</u>

16 Commitments**16.1 Capital commitments**

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2013 £000	31 March 2012 £000
Property, plant and equipment	687	883
Intangible assets	0	20
Total	<u>687</u>	<u>903</u>

16.2 Other financial commitments

The PCT has not entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements).

	31 March 2013 £000	31 March 2012 £000
Not later than one year	0	0
Later than one year and not later than five year	0	0
Later than five years	0	0
Total	<u>0</u>	<u>0</u>

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	1,850	0	1,874	0
Balances with Local Authorities	116	0	3,077	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,249	0	6,774	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,846	10,409	43,146	0
At 31 March 2013	<u>6,061</u>	<u>10,409</u>	<u>54,871</u>	<u>0</u>
prior period:				
Balances with other Central Government Bodies	2,600	0	2,402	0
Balances with Local Authorities	328	0	1,426	0
Balances with NHS Trusts and Foundation Trusts	8,482	0	9,838	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	5,336	10,504	37,581	0
At 31 March 2012	<u>16,746</u>	<u>10,504</u>	<u>51,247</u>	<u>0</u>

18 Inventories

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000
Balance at 1 April 2012	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0
Inventories recognised as an expense in the period	0	0	0	0	0	0	0
Write-down of inventories (including losses)	0	0	0	0	0	0	0
Reversal of write-down previously taken to SoCNE	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0
Balance at 31 March 2013	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	2,733	11,082	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	2,220	3,091	356	388
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	633	2,138	0	0
Provision for the impairment of receivables	(23)	(30)	0	0
VAT	366	334	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	132	124	10,053	10,116
Operating lease receivables	0	0	0	0
Other receivables	0	7	0	0
Total	6,061	16,746	10,409	10,504
Total current and non current	16,470	27,250		
Included above:				
Prepaid pensions contributions	0	0		

The great majority of trade is with other NHS bodies, including other Primary Care Trusts as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	30	528
By three to six months	0	26
By more than six months	100	0
Total	130	554

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(30)	(23)
Amount written off during the year	0	0
Amount recovered during the year	7	0
(Increase)/decrease in receivables impaired	0	(7)
Balance at 31 March 2013	(23)	(30)

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	717	72	789
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(15)	0	(15)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	<u>702</u>	<u>72</u>	<u>774</u>
Balance at 1 April 2011	817	72	889
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(100)	0	(100)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	<u>717</u>	<u>72</u>	<u>789</u>

21.1 Other financial assets - Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	0	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Other Movements	0	0
Closing balance 31 March	<u>0</u>	<u>0</u>

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	789	889
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	(15)	(100)
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	<u>774</u>	<u>789</u>

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	0	0
Capital Income	(15)	0

22 Other current assets

	31 March 2013 £000	31 March 2012 £000
EU Emissions Trading Scheme Allowance	0	0
Other Assets	0	0
Total	<u>0</u>	<u>0</u>

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	4	5
Net change in year	988	(1)
Closing balance	<u>992</u>	<u>4</u>
Made up of		
Cash with Government Banking Service	992	0
Commercial banks	0	4
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	<u>992</u>	<u>4</u>
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	<u>992</u>	<u>4</u>

Patients' money held by the PCT, not included above	0	0
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24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	1,266	491	0	0	0	0	0	0	0	1,757
Plus assets classified as held for sale in the year	100	119	0	0	395	0	0	12	0	626
Less assets sold in the year	(676)	(300)	0	0	(395)	0	0	(12)	0	(1,383)
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	690	310	0	0	0	0	0	0	0	1,000
Liabilities associated with assets held for sale at 31 March 2013	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2011	733	511	0	0	0	0	0	0	0	1,244
Plus assets classified as held for sale in the year	576	180	0	0	6	0	0	0	0	762
Less assets sold in the year	(43)	(200)	0	0	(6)	0	0	0	0	(249)
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2012	1,266	491	0	0	0	0	0	0	0	1,757
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	0
Revaluation reserve balances in respect of non-current assets held for sale were:										
At 31 March 2012	0									
At 31 March 2013	0									

The old St. Oswalds Hospital, which was included in the Held for Sale note last financial year, remains unsold at the end of 2012-13. This site continues to meet the criteria of being 'held for sale'. Market conditions are thought to be the reason it has not yet sold. The land and building values are £690,000 and £310,000 respectively.

During 2012-13 the PCT disposed of the following assets:

Whitworth land £490,000
The Manse land £70,000
The Manse building £143,000
South Normanton Clinic land £16,000
South Normanton Clinic building £39,000
Clay Cross Clinic land £100,000
Clay Cross Clinic building £119,000
Radiology Equipment £395,000
Radiology Fixtures and Fittings £11,000

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0		
NHS payables - revenue	330	808	0	0
NHS payables - capital	93	2,773	0	0
NHS accruals and deferred income	8,182	8,556	0	0
Family Health Services (FHS) payables	22,011	20,407		
Non-NHS payables - revenue	3,916	1,273	0	0
Non-NHS payables - capital	218	523	0	0
Non-NHS accruals and deferred income	19,886	16,019	0	0
Social security costs	93	880		
VAT	0	0	0	0
Tax	32	0		
Payments received on account	0	8	0	0
Other	110	0	0	0
Total	54,871	51,247	0	0
Total payables (current and non-current)	54,871	51,247		

Social security costs include £72,000 (2011-12: £880,000) in respect of outstanding pension contributions.

26 Other liabilities

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
PFI/LIFT deferred credit	0	0	0	0
Lease incentives	0	0	0	0
Other	0	0	0	0
Total	0	0	0	0
Total other liabilities (current and non-current)	0	0		

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	708	712	44,589	45,297
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	123	341	0	123
Other (describe)	0	0	0	0
Total	831	1,053	44,589	45,420
Total other liabilities (current and non-current)	45,420	46,473		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	831	831
1 - 2 Years	0	746	746
2 - 5 Years	0	1,991	1,991
Over 5 Years	0	41,852	41,852
TOTAL	0	45,420	45,420

28 Other financial liabilities

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Embedded Derivatives at Fair Value through SoCNE	0	0	0	0
Financial liabilities carried at fair value through SoCNE	0	0	0	0
Amortised Cost	0	0	0	0
Total	0	0	0	0
Total other liabilities (current and non-current)	0	0		

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	0	1,277	0	0
Deferred income addition	0	(150)	0	0
Transfer of deferred income	0	(1,127)	0	0
Current deferred income at 31 March 2013	0	0	0	0
Total other liabilities (current and non-current)	0	0		

30 Finance lease obligations

Derbyshire County PCT has contracted for healthcare services provided from Nottingham Independent Sector Treatment Centres (ISTC) in 2012-13

Historically the lead PCT for each ISTC contract would account for the full finance lease arrangement with the other contracting PCT only accounting for the provision of healthcare.

Nottingham City PCT is the lead PCT for the Nottingham ISTC and they have determined that splitting the finance lease amongst all participating PCTs would be the most appropriate accounting treatment.

Derbyshire County PCT is not obligated or incentivised to purchase Nottingham ISTC at the end of the lease term on 31st July 2013 and pays no contingent rent.

The reduction in finance lease obligations from 2012 to 2013 is due to payments made in year.

Amounts payable under finance leases (Buildings)

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	123	375	123	341
Between one and five years	0	130	0	123
After five years	0	0	0	0
Less future finance charges	0	(41)		
Present value of minimum lease payments	123	464	123	464
Included in:				
Current borrowings			123	341
Non-current borrowings			0	123
			123	464

Amounts payable under finance leases (Land)

	Minimum lease payments		Present value of minimum lease	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less future finance charges	0	0		
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings			0	0
Non-current borrowings			0	0
			0	0

Amounts payable under finance leases (Other)

	Minimum lease payments		Present value of minimum lease	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less future finance charges	0	0		
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings			0	0
Non-current borrowings			0	0
			0	0

Finance leases as lessee

	31 March 2013 £000	31 March 2012 £000
Future Sublease Payments Expected to be received	0	0
Contingent Rents Recognised as an Expense	0	0

31 Finance lease receivables as lessor

The PCT purchased Barlborough Independent Sector Treatment Centre (ISTC) on the 31st March 2010. CareUK provide the healthcare services from the ISTC and lease the land and buildings from the PCT.

In July 2010 CareUK signed a 30 year lease with the PCT. Under International Financial Reporting Standards (IFRSs), IAS17 "Leases" dictates that the land and buildings elements of the lease are individually assessed to establish if a Finance lease arrangement exists. The assessment concluded that the buildings element of the lease should be accounted for as a Finance Lease, i.e. off-SOFP; and the land element as an operating lease. The amounts due under the Finance lease are detailed below.

Amounts receivable under finance leases (buildings)	Gross investments in leases		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	702	702	132	124
Between one and five years	3,510	3,510	796	749
After five years	16,110	16,743	9,257	9,367
Less future finance charges	(10,137)	(10,715)	-	-
Present value of minimum lease payments	10,185	10,240	10,185	10,240
Less allowance for uncollectible lease payments:	0	0	0	0
Total finance lease receivable recognised in the statement of financial position	10,185	10,240	10,185	10,240
Included in:				
Current finance lease receivables			132	124
Non-current finance lease receivables			10,053	10,116
			10,185	10,240

Amounts receivable under finance leases (land)	Gross investments in leases		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less future finance charges	0	0	-	-
Present value of minimum lease payments	0	0	0	0
Less allowance for uncollectible lease payments:	0	0	0	0
Total finance lease receivable recognised in the statement of financial position	0	0	0	0
Included in:				
Current finance lease receivables			0	0
Non-current finance lease receivables			0	0
			0	0

Amounts receivable under finance leases (other)	Gross investments in leases		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less future finance charges	0	0	-	-
Present value of minimum lease payments	0	0	0	0
Less allowance for uncollectible lease payments:	0	0	0	0
Total finance lease receivable recognised in the statement of financial position	0	0	0	0
Included in:				
Current finance lease receivables			0	0
Non-current finance lease receivables			0	0
			0	0

Finance Leases (as a Lessor)	31 March 2013 £000	31 March 2012 £000
The unguaranteed residual value accruing to the PCT is	6,369	6,369
Accumulated allowance for uncollectible minimum lease payments receivable	0	0
Rental Income	31 March 2013 £000	31 March 2012 £000
Contingent rent	50	25
Other	0	0
Total rental income	50	25
Finance Lease Commitments	31 March 2013 £000s	31 March 2012 £000s
Lease	0	0

32 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	7,671	0	5,083	73	0	462	0	0	667	1,386
Arising During the Year	8,090	0	491	30	0	6,834	0	0	719	16
Utilised During the Year	(1,391)	0	(602)	(70)	0	(122)	0	0	(487)	(110)
Reversed Unused	(788)	0	(79)	0	0	0	0	0	0	(709)
Unwinding of Discount	119	0	119	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	13,701	0	5,012	33	0	7,174	0	0	899	583
Expected Timing of Cash Flows:										
No Later than One Year	2,574	0	534	33	0	693	0	0	899	415
Later than One Year and not later than Five Years	8,472	0	1,866	0	0	6,481	0	0	0	125
Later than Five Years	2,655	0	2,612	0	0	0	0	0	0	43

Amount Included in the Provisions of the NHS Litigation**Authority in Respect of Clinical Negligence Liabilities:**

As at 31 March 2013	323
As at 31 March 2012	869

The pension provision relates to the cost of early retirement of former staff.

Legal claims relate to claims made by staff and visitors. An assessment has been made as to the likelihood of these claims to succeed and provisions made as appropriate. The timing and amount of these payments cannot be known until each case is settled. All these cases are likely to be settled within the next financial year.

The Continuing Care provision relates to potential retrospective Continuing Healthcare claims. Patients are entitled to have their care funded by the NHS if their needs meet the NHS Continuing Healthcare eligibility criteria. If funding is declined the patient or their representative may submit a request for a review of the decision. For Appeals upheld re-imbursement is considered using the Department of Health guidance Continuing Healthcare: Continuing Care Redress (March 2007).

A HMRC Compliance Audit was undertaken during 2011-12. As part of their review, HMRC have asked for further information around the "employment status" of medical staff used, but not directly employed by the Trust. Whilst the PCT is working with HMRC to determine the exact position, a provision, based upon an estimated liability, has been included.

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Other	(4,615)	(19)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(4,615)	(19)
Contingent Assets		
Contingent Assets	0	0
Net Value of Contingent Assets	0	0

The PCT has recognised a contingent liability of £4,537,588 in respect of retrospective Continuing Healthcare claims. This is in addition to the provision referenced above.

The PCT has also recognised contingent liabilities of £27,000 and £50,000 for NHSLA claims and an appeal by a patient respectively.

34 PFI and LIFT - additional information

	31 March 2013 £000	31 March 2012 £000
34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI		
Total charge to operating expenses in year - OFF SOFP PFI	0	0
Service element of on SOFP PFI charged to operating expenses in year	0	0
Total	0	0
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI		
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Total	0	0

	31 March 2013 £000	31 March 2012 £000
Estimated Capital Value of Project - off SOFP PFI	0	0
Value of Deferred Assets - off SOFP PFI	0	0
Value of Reversionary Interest - off SOFP PFI	0	0
34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due		
Analysed by when PFI payments are due		
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Subtotal	0	0
Less: Interest Element	0	0
Total	0	0

34.3 Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT
Derbyshire County PCT does not have any operational PFI or LIFT schemes that are not accounted for on-SOFP.
Derbyshire County PCT has five operational LIFT schemes: Swadlincote, Long Eaton, Alfreton, Ashbourne and Eden.

The arrangement is that Southern Derbyshire LIFT Co will provide and maintain a healthcare facility for the period of the lease and at the end of the term Derbyshire County PCT will have the option to purchase the assets. Ashbourne LIFT is on a 30 year lease, the other schemes are on 25 year leases.
Since the PCT does not have any plans to reprovide the provision of this healthcare from another facility the accounting treatment assumes that the assets will be purchased at the end of the lease term.

Under IFRIC 12 the PCT accounts for the facility as an asset of the PCT in plant, property and equipment and depreciates over the useful economic life of the asset and recognises a lease liability over the term of the lease which includes the final purchase price of the asset at the end of the lease term.

The substance of the contract is that the PCT has a finance lease and the payments made to Southern Derbyshire LIFTCo comprise two elements - imputed finance lease charges and services charges.

	31 March 2013 £000	31 March 2012 £000
Service charges of on Statement of Financial Position (SOFP) LIFT		
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	1,011	997
Total	1,011	997
34.4 Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.		
LIFT Scheme Expiry Date:		
No Later than One Year	1,157	1,058
Later than One Year, No Later than Five Years	5,585	5,132
Later than Five Years	48,083	49,050
Total	54,825	55,240

The estimated annual payments in future years are expected to be materially different from those which the NHS Trust is committed to make during the next year. The likely financial effect of this is:

	31 March 2013 £000	31 March 2012 £000
Estimated capital value of project - off SOFP LIFT	0	0
Value of Deferred Assets - off SOFP LIFT	0	0
Value of Residual Interest - off SOFP LIFT	0	0

	31 March 2013 £000	31 March 2012 £000
34.5 Imputed "finance lease" obligations for on SOFP LIFT Contracts due		
No Later than One Year	4,257	3,564
Later than One Year, No Later than Five Years	17,460	13,754
Later than Five Years	113,336	83,323
Subtotal	135,053	100,641
Less: Interest Element	(89,756)	(54,632)
Total	45,297	46,009

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	327	0	327
Interest Expense	1,745	0	1,745
Impairment charge - AME	491	0	491
Impairment charge - DEL	0	0	0
Other Expenditure	504	0	504
Revenue Receivable from subleasing	0	0	0
Total IFRS Expenditure (IFRIC12)	3,067	0	3,067
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(2,707)	0	(2,707)
Net IFRS change (IFRIC12)	360	0	360
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12			
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		

36 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 risk.

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.

36.1 Financial Assets	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
Receivables - NHS	0	2,733	0	2,733
Receivables - non-NHS	0	13,128	0	13,128
Cash at bank and in hand	0	992	0	992
Other financial assets	0	703	72	775
Total at 31 March 2013	0	17,556	72	17,628
Embedded derivatives	0	0	0	0
Receivables - NHS	0	11,082	0	11,082
Receivables - non-NHS	0	13,695	0	13,695
Cash at bank and in hand	0	4	0	4
Other financial assets	0	718	72	790
Total at 31 March 2012	0	25,499	72	25,571
36.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000	
Embedded derivatives	0	0	0	
NHS payables	0	8,605	8,605	
Non-NHS payables	0	26,256	26,256	
Other borrowings	0	0	0	
PFI & finance lease obligations	0	45,421	45,421	
Other financial liabilities	0	0	0	
Total at 31 March 2013	0	80,282	80,282	
Embedded derivatives	0	0	0	
NHS payables	0	12,137	12,137	
Non-NHS payables	0	22,210	22,210	
Other borrowings	0	464	464	
PFI & finance lease obligations	0	46,009	46,009	
Other financial liabilities	0	0	0	
Total at 31 March 2012	0	80,820	80,820	

The fair values of financial assets and liabilities are not materially different from their carrying value.

37 Related party transactions

Derbyshire County PCT is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Derbyshire County Primary Care Trust other than those set out below:

Name	Related Party	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Ian Gibbard	Director of High Peak CAB	104	0	0	0
Ian Gibbard	Director of University of Derby	233	0	0	0
Jackie Pendleton	Governor of Chesterfield Royal Hospital Foundation Trust	163,574	90	0	99
Jackie Pendleton	Governor of Derbyshire Community Health Services NHS Trust	141,882	11,516	1,448	232
Jackie Pendleton	Non Director Member of Governing Body of Primary Care Commissioning	17	0	0	0
Pauline Ambrey	Trustee of Creative Support	46	0	13	0
Paul Devlin	Partner is a Trustee of Sexual Abuse & Incest Line (SAIL)	52	0	0	0
Paul Devlin	Partner is Operational Director for Red Cross	122	0	0	0
Paul Devlin	Partner is Board member of Derbyshire Community Health Services NHS Trust	141,882	11,516	1,448	232
Alison McKinna	Husband is an employee of Derbyshire Community Health Services NHS Trust	141,882	11,516	1,448	232
Bruce Laurence	Shared post with Derbyshire County Council	46,698	1,557	2,924	116
Dr Ian Matthews	Partner of Chapel Street Medical Centre	1,386	0	24	0
Mark Smith	Trustee of Chesterfield Citizens Advice Bureau	156	0	0	0
Wendy Sunney	Provides management services to Chesterfield Health Provider Ltd	6	0	0	0
Wendy Sunney	Sole proprietor of Smart Management Support	32	0	0	0
Cluster Board	Derby City PCT	3,287	4,303	63	1,069
Cluster Board	Nottinghamshire County PCT	511	0	346	29
Cluster Board	Nottingham City PCT	5,235	6	20	27

Related Party Transactions 2011-12 Comparators

Name	Related Party	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Ian Gibbard	Trustee and Treasurer of High Peak CAB	104	141	0	0
Ian Gibbard	Governor of University of Derby	26	0	0	0
Jackie Pendleton	Governor of Chesterfield Royal Hospital Foundation Trust	155,815	40	566	0
Pauline Ambrey	Trustee of Creative Support	23	0	2	0
Pauline Ambrey	Associate Mental Health Act Manager for Derbyshire Community Health Services	137,239	6,302	933	2,643
Paul Devlin	Partner is a Trustee of Sexual Abuse & Incest Line (SAIL)	39	0	0	0
Paul Devlin	Partner is Operational Director for Red Cross	122	0	0	0
Paul Devlin	Partner is Board member of Derbyshire Community Health Services NHS Trust	137,239	6,302	933	2,643
Ian Forrest	Wife is Trustee of Derbyshire Dales Careline	5	0	0	0
Alison McKinna	Husband is an employee of Derbyshire Community Health Services NHS Trust	137,239	6,302	933	2,643
Cluster Board	Derby City PCT	3,020	3,225	674	704

All transactions have been at arms length as part of Derbyshire County PCT's primary health commissioning and public health responsibilities.

The Department of Health is regarded as a related party. During the year, Derbyshire County Primary Care Trust has had a significant number of transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below: -

Burton Hospitals NHS Foundation Trust	NHS Pensions Agency
Chesterfield Royal Hospitals NHS Foundation Trust	Nottingham City PCT
Christie Hospital NHS Foundation Trust	Nottingham University Hospitals NHS Trust
Derby City PCT	Nottinghamshire County Teaching PCT
Derby Hospitals NHS Foundation Trust	Prescription Pricing Authority
Derbyshire Healthcare NHS Foundation Trust	Sheffield Childrens NHS Foundation Trust
East Midlands Ambulance Services NHS Trust	Sheffield Teaching Hospitals NHS Foundation Trust
East Midlands Strategic Health Authority	Stockport NHS Foundation Trust
Leicestershire County & Rutland PCT	Stockport NHS Foundation Trust
NHS Litigation Authority	Derbyshire Community Health Services NHS Trust

In addition, the Primary Care Trust has had a significant number of transactions with other Government Departments and local Government bodies. Most of these transactions have been with: -

Bolsover District Council
Derbyshire County Council
Derby City Council
HMRC
North East Derbyshire District Council
Nottinghamshire County Council

38 Losses and special payments

The total number of losses cases in 2012-13 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	15,546	3
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	<u>15,546</u>	<u>3</u>
Total special payments	<u>0</u>	<u>0</u>
Total losses and special payments	<u>15,546</u>	<u>3</u>

The total number of losses cases in 2011-12 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	5,116	2
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	<u>5,116</u>	<u>2</u>
Total special payments	<u>0</u>	<u>0</u>
Total losses and special payments	<u>5,116</u>	<u>2</u>

39 Third party assets

There are no third party assets in 2012-13

40 Integrated Community Equipment Services (ICES) Pooled Budget

Derbyshire County PCT has a pooled budget arrangement with Derbyshire County Council. Derbyshire County Council is the host. The memorandum account for the pooled budget is shown below.

Memorandum of the Pooled Budget 1 April 2012 - 31 March 2013

	2012-13 £000s	2011-12 £000s
Funding		
Balance on funding b/f	0	0
Derbyshire County Council	2,244	2,029
Derbyshire County PCT	<u>2,743</u>	<u>2,479</u>
Total Funding	<u>4,987</u>	<u>4,508</u>
Expenditure		
Employee costs	35	44
Administration costs	13	0
Repairs & Maintenance	306	200
Purchase of Equipment	9,155	7,968
less: Collection Rebates	<u>(4,522)</u>	<u>(3,704)</u>
Total Expenditure	<u>4,987</u>	<u>4,508</u>

41 Cashflows relating to exceptional items

There are no exceptional items in 2012-13

42.1 Events after the end of the reporting period

Other than those detailed in Note 42.2 there have been no events, either favourable or unfavourable, that occurred between the end of the reporting period and the date that the financial statements were authorised for issue.

42.2 Events after the end of the reporting period - PCT Closure and Succession

The PCT closed on the 31st March 2013. The four Derbyshire Clinical Commissioning Groups (CCGs) North Derbyshire, Hardwick, Erewash and Southern Derbyshire along with the National Commissioning Board, will take over the bulk of commissioning responsibilities whilst Derbyshire County Council and Public Health England will take over the Public Health commissioning responsibilities.

The PCT's SOFP will be split with assets and liabilities transferring to successor and other NHS bodies using Absorption Accounting. A few residual SOFP balances will transfer to non NHS bodies.