Department of Health

NHS

Brent Teaching Primary Care Trust

2012-13 Annual Report and Accounts

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Brent Teaching Primary Care Trust

2012-13 Annual Report

NHS Brent

Annual Report for 2012/13

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Chair and Chief Executive NHS North West London joint statement

Welcome to the annual report for NHS Brent covering the primary care trust's (PCT's) final year, from 1 April 2012 to 31 March 2013. This report reviews the work of the PCT and highlights what we achieved working closely with our partners.

NHS Brent was part of a cluster of eight PCTs in North West London. The eight PCTs were Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Kensington & Chelsea and Westminster.

In April 2011, we re-organised the management of the eight PCTs into three sub clusters, each with a common management team: Brent and Harrow, Inner North West London (Hammersmith & Fulham, Kensington & Chelsea, and Westminster) and Outer North West London (Ealing, Hillingdon and Hounslow). This change helped to reduce management costs while maintaining a local focus.

In April 2012, we took this one step further, with further integration of the management of the PCTs. For the remainder of the year, we had a single senior team overseeing the work of all eight PCTs, with the PCT boards having the same members and meeting at the same time.

Together, these PCTs had responsibility to buy and oversee healthcare for the residents of their areas – nearly two million people in total across North West London. Their job was to work with GPs, other community based professionals and hospitals to improve healthcare for residents, and to make it easier to access services when they need them.

The challenge for the PCTs in 2012/13 was both to meet the ever increasing health demands of the populations they served while balancing their budgets. While the NHS's overall budget has been protected, demands and costs are increasing, so the task for the health service is to improve efficiency while maintaining high quality. To help us achieve this, with clinical colleagues across North West London, we developed 'Shaping a Healthier Future', a strategy to improve the quality of and access to services across North West London. To help develop these plans, the North West London PCTs worked with GPs, hospitals, community service providers, mental health trusts and local authorities. We also had an extensive programme of patient and public involvement in order to listen to and take into account people's views.

The year also saw a new organisational structure starting to be developed as a result of the reforms to healthcare commissioning contained in the Health and Social Care Act 2012. Through a carefully planned transition, we set up new GP-led clinical commissioning groups in shadow form. The eight clinical commissioning groups in North West London were authorised by the NHS England in 2012/13, which gave them the responsibility for the commissioning of many health care services in their areas from 1 April 2013.

The CCGs decided to manage themselves in two groups of four to best use their expertise and resources while maintaining a crucial local link. The PCTs supported the creation of the new organisations, providing support and guidance to develop the structures and systems, and to appoint and train staff.

We also created the North West London Commissioning Support Unit (NWL CSU) which was also authorised by the Department of Health to provide commissioning support services to the CCGs from April 2013.

The shadow CCGs started to lead the commissioning process from 1 October 2012, including contract negotiations for the provision of healthcare services from 2013/14 onwards. They also specified their commissioning support needs from the NWL CSU.

Since 1 April 2013, PCTs, along with strategic health authorities, no longer exist, and staff in the PCTs moved to the CCGs, NWL CSU, local authority public health teams or the NHS England. We worked closely with staff to make sure that the expertise that they held was not lost to the NHS. Most staff took on roles within the new system, and the NHS has thus fortunately retained much of the experience, skills and relationships developed during the life of the PCTs.

We would like to record our thanks to our many partners – GPs, patient representatives, other primary and community care providers, NHS Trusts, local authorities and voluntary sector organisations, for working with us so energetically to meet our shared aims.

Lastly, we would like to thank all the dedicated staff across the North West London PCTs who continued to work so hard through these major changes. The changes affected people personally but it is to their immense credit that they remained focused on ensuring that the very best healthcare possible is provided to residents in North West London.

Jeff Zitron
Chair NHS North West London
1 April 2012 – 31 March 2013

Anne Rainsberry
Chief Executive NHS North West London
1 April 2012 – 31 March 2013

Chair and Chief Officer NHS Brent Clinical Commissioning Group joint statement

'Working together to improve services for patients' is how 2012/13 can be best summed up for NHS Brent and the organisations it worked with.

It was the strong partnership between NHS Brent with its local GPs and neighbouring clinical commissioning groups, NHS provider organisations, the local authority, the voluntary sector and with NHS North West London that enabled us to improve services for patients in 2012/13.

In this annual report you can read about the many examples of how NHS Brent worked with its partners to improve services for patients, including developing the new NHS Brent Clinical Commissioning Group and the development of an integrated health and social care service.

Delivering more services in a community setting was a key theme of the 'Shaping a healthier future' consultation to improve NHS services across North West London, including Brent. There have understandably been many concerns from local residents about the proposals, and we will continue to work hard to ensure we get the best possible services for Brent. We have also made clear that changes to hospital services can only take place once there have been significant improvements to community based services.

Partnership working with NHS North West London and our neighbouring clinical commissioning groups has been very important as we developed the new structures for the commissioning of primary care services in Brent. We are pleased to say that Brent Clinical Commissioning Group was authorised by the National Commissioning Board (now called NHS England) and took on its full statutory responsibilities from April 2013.

In 2012 we worked with the Ealing, Harrow and Hillingdon clinical commissioning groups to create a joint federation which enabled us to share a number of our staff costs including the chief officer, chief financial officer and clinical quality lead without affecting our autonomy.

We also worked collaboratively with the four CCGs in inner North West London – West London, Central West London, Hammersmith & Fulham and Hounslow clinical commissioning groups. This allowed us the best opportunity to commission services with improved outcomes for the residents of Brent, as well as sharing knowledge and best practice, and a joint Director of Strategy.

Some of our most important partnership work was with Brent Council and Brent Local Involvement Network (LINk). In April 2013, as part of the health and social care reforms, LINk was replaced by the new Healthwatch Brent organisation and we look forward to working closely with them in 2013/14.

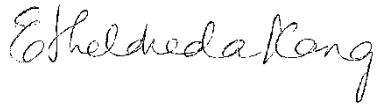
During 2012/13 all staff in NHS Brent went through a restructuring process as part of the changes underway across the NHS. Staff moved either to work in the clinical

commissioning group, the new commissioning support unit, local authority public health teams, or in the new NHS England. However, some staff were not able to secure a role and they were supported to find alternative employment.

Organisational restructuring is always a stressful process for everyone involved, and we would like to pay tribute to the hard work by all staff throughout the year, even though everyone's personal future was uncertain. Organisations are only as good as their people, and the progress and successes we have achieved in Brent in 2012/13 is a reflection of the high calibre of staff we were fortunate to have working for us.

We would also like to pay tribute to clinical leads and the management team for all their hard work and contribution which put Brent CCG in a very good position to start its work as a statutory body.

2012/13 was a challenging year and this year looks like being just as challenging. However, we are confident that with a continued focus on quality patient outcomes and the hard work undertaken by everyone in 2012/13 we have a solid base on which to move forward.



Dr Etheldreda Kong
Chair and local GP
NHS Brent Clinical Commissioning Group

Rob Larkman
Chief Officer
NHS Brent Clinical Commissioning Group

The NHS in Brent

NHS Brent

NHS Brent was established in 2002, and covered the same area as the London Borough of Brent. It was dissolved, along with all primary care trusts, on 1 April 2013.

NHS Brent commissioned all NHS services provided by GPs, pharmacists, prescriptions, dentists and opticians for the 264,000 residents in the borough. It also paid for hospital care on behalf of patients registered with Brent GPs, care for mental health patients and community services. It worked with local partners and the community to ensure that it provided the services residents needed and wanted in a joined-up way. It also worked with Brent Council to help promote good health among residents and to support vulnerable people who were eligible for social care.

Changes to the NHS in Brent

Major changes to the way primary and secondary care is commissioned across the NHS were introduced on 1 April 2013 as a result of the coming into force of the Government's Health and Social Care Act 2012.

The key changes to primary care in Brent were as follows:

Clinical commissioning groups

The primary care trust NHS Brent was dissolved on 1 April 2013 and responsibility for the commissioning of acute, mental health and community NHS care passed to NHS Brent Clinical Commissioning Group. This gave GPs and other clinicians the responsibility for using resources to secure high quality services for their patients.

Brent CCG's Governing Body is made up of GPs, a senior nurse, a secondary care doctor, lay members and a chief officer and chief financial officer. Authorisation of Brent CCG followed a rigorous assessment process by the NHS National Commissioning Board (now called NHS England) which ensured that the CCG was competent and effective and ready to take on the task of commissioning healthcare services from 1 April 2013.

Brent CCG works collaboratively with three of its neighbouring CCGs – Ealing, Harrow and Hillingdon CCGs. Many of its providers are shared between the four CCGs and working together enables them to make decisions jointly where that makes sense and manage financial resources to address its patients' needs.

NHS England

NHS England took on many of the functions of the former primary care trusts with regard to the commissioning of primary health care services, as well as some of the nationally-based functions previously undertaken by the Department of Health. This includes GP services, pharmaceutical and primary ophthalmic services, dental

services and some other specialist services. It is a single national organisation with many of its functions carried out at a local level.

Public health

From April 2013 local authorities were given a new duty to improve the health of their population. To help Brent Council fulfill this duty, the public health team that was previously based in NHS Brent moved over to become part of the council. A national body, Public Health England, was established to protect and improve the nation's health and wellbeing, and to reduce health inequalities.

Commissioning support units

Commissioning support units provide a range of business functions designed to help clinical commissioning groups make better decisions for their patients and improve health services. North West London Commissioning Support Unit provides commissioning support to the eight CCGs in North West London, including Brent CCG.

Healthwatch England

Brent Local Involvement Networks (Brent LINk), which used to look after the interests of users of local health and social care services, has been replaced by Healthwatch Brent, part of Healthwatch England. Healthwatch England is the new, independent consumer champion for health and social care in England.

Health and wellbeing board

A new health and wellbeing board was established for Brent that brought together the leaders of the local health and social care systems to work towards a common purpose to improve services and outcomes. The board members work together to develop a joint strategic needs assessment and joint health and wellbeing strategy for the borough. Integrating services, joint commissioning and pooling resources is central to translating the board's needs assessment and joint strategy into action.

The London Borough of Brent

Brent is a place of contrasts. Home of the iconic Wembley Stadium, Wembley Arena and the spectacular Swaminarayan Hindu Temple, the borough is the destination for thousands of British and international visitors every year. Brent is served by some of the best road and rail transport links in London, and is used to hosting major national events such as the FA cup final.

Overall life expectancy is in line with the rest of London, but there are significant health inequalities within the borough. Over 130 different languages are spoken in Brent schools. Brent is the most ethnically heterogeneous borough in the country; the chances of two people in Brent being from different ethnic groups are higher than anywhere else in the country

Brent is ranked amongst the top 15 per cent most-deprived areas of the country, with deprivation characterised by high levels of long-term unemployment, low average incomes and a reliance on benefits and social housing. Children and young people are particularly affected, with a third of children in Brent living in a low income household and a fifth in a single-adult household and the proportion of our young people living in acute deprivation is rising.

The gap in life expectancy for men between the most affluent and the most deprived parts of the borough is 8.8 years. The population is relatively young with 43 per cent of residents under 30 years of age and over 30,000 people are over the age of 65.

Performance against national indicators

NHS Brent has a statutory duty to report on the performance of key services against the national operating framework indicators for 2012/13.

In 2012/13 NHS Brent met the following national indicators:

- Clostridium difficile: reducing the number of outbreaks
- Ambulance response times: category A response within 8 minutes
- Ambulance response times: category A response within 19 minutes
- 18 weeks referral to treatment: non-admitted performance within 18 weeks
- 18 weeks referral to treatment: incomplete pathways performance within 18 weeks
- Cancer two week wait – percentage seen within two weeks of an urgent GP referral for suspected cancer.

NHS Brent did not fully meet the following indicators:

- Methicillin-resistant *Staphylococcus aureus* bacteraemia: 9 cases against a tolerance of 8 cases
- 18 weeks referral to treatment – admitted performance within 18 weeks: 89.8 per cent against a target of 90 per cent.
- Cancer 62 day wait percentage treated in 62 days from urgent GP referral for suspected cancer: 84.1 per cent against a target of 90 per cent.
- Childhood immunisation levels continued to be a challenge for all PCT's with performance slipping from 2011/12 levels. Action plans were agreed with providers and best practice shared across all of North West London PCTs.

Key highlights for 2012/13

NHS Brent Clinical Commissioning Group

2012/13 was a successful transition year for Brent CCG, working in shadow form with NHS Brent, and taking on more delegated responsibilities. The authorisation

process marked a major milestone on the journey to taking on full responsibility for commissioning health services for Brent from 1 April 2013.

A robust governance structure was established, set out in its constitution, to which all GP practices in Brent signed up to. The structures, systems and processes that enabled the CCG to be an effective and forward thinking clinical commissioning group were established and began operating.

Developing an integrated health and social care service

The short term assessment, rehabilitation and re-enablement service (STARRS) was successful in supporting people at home. STARRS aims to reduce hospital admissions and help reduce the length of stay of patients in hospital by continuing their care at home. Patients are referred by clinicians from one of three hospitals or by their GP. For certain patients, the STARRS programme meant they did not have to go to hospital to receive rapid assessment and medical support but received this promptly in their own home.

Brent CCG's new strategy was aligned with Brent Council's joint health and wellbeing strategy. The strategy was developed through extensive engagement to address the findings of the joint strategic needs assessment for Brent. By integrating the strategy with Brent Council's plans, it will enable resources to have greater impact, and create a shared vision with local partners and communities about the priorities for local services. NHS Brent supported the development of the Health and Wellbeing Board, which oversees effective collaboration between Brent CCG and Brent Council.

Improving primary care in Brent

GP networks of care were established as part of the out of hospital strategy. These networks allow GP practices to manage more patients in a primary care setting.

Significant progress was made to reduce the number of GP practices under review against the general practice outcome standards and framework for London. Brent moved up from the second lowest to the median range. The high performing practices included both big and small practices, which bodes well for the future development of plans for primary care in Brent. Training was provided for member practices to support professional and organisational development.

The new NHS 111 phone service commenced in February 2013, making it easier for people to access local NHS healthcare services when they need medical help fast but it's not a 999 emergency.

Public health in Brent

Maintaining focus on performance resulted in a number of improvements on the 2011/12 performance which subsequently delivered better health outcomes for the local population.

NHS Brent continued to seek improvements in the performance of key health services through implementing the borough's health and wellbeing strategy, targeting better self care and improving the quality of health for the population. Key achievements for the year included:

- Steady increase in uptake of all childhood immunisations, including MMR and HPV which is given in schools.
- Considerable reduction in hospital and community acquired infections such as clostridium difficile and MRSA infections.
- The NHS health checks programme continued its successful rollout with over 9500 completed health checks carried out in 2012/13 (third highest number across London).
- Ensuring at least 95 per cent of patients with diabetes were offered retinopathy screening.
- Ensuring that mental health commissioning arrangements are in place to improve the quality, access and outcomes for people needing mental health support in a number of areas.
- Over twelve months, the Brent drugs and alcohol team was the highest performer across London with regards to the numbers of adults successfully completing drug treatment programmes. A key ingredient of this success has been the systematic involvement of user groups to help tailor local services.
- A steady increase in the number of smoking quitters with the Brent Stop Smoking Service, which is ranked second across all of London.
- A steady increase in uptake of all childhood immunisations, including MMR and HPV which is given in schools. A range of successful initiatives have been implemented with professionals and community groups, including the development of a mobile nursing team, employment of a community project worker and work with early years settings.

Engaging patients and the public

NHS Brent underlined its commitment to make patients an integral part of the health service, by placing increased emphasis on their input to the work of the new CCG. In 2012/13, a patient and public engagement model was developed - the EDEN (equality, diversity and engagement) strategy - which operates at each level of the CCG - practice, locality and CCG wide.

A subcommittee of the board dedicated to EDEN was established to monitor progress of the strategy. The EDEN Committee comprised senior managers of the CCG and 16 local lay advisors with voting rights, including the five chairs of local GP practice patient participation groups, the LINk/Healthwatch chair and eight specialist health interest representatives, drawn from within the borough.

Brent Health and Wellbeing Board

The new Brent Health and Wellbeing board was established in 2013, as well as the successful refresh of the Brent joint strategic needs assessment and the development of the new strategy for the board. Partnership work with Brent Council also contributed to the development of innovative new public heath interventions which included:

- a new breastfeeding peer support service which in its first year made more than 1528 contacts with new local mothers to support them to initiate and continue breastfeeding;
- the development of a new group-based Intensive Lifestyle Intervention service to help residents with pre-diabetes;
- the establishment of an Early Years Healthy Settings Framework to work with nurseries, play groups and child-minders to promote physical activity, healthy eating, oral health and immunisation; and
- an investment to tender for the installation and maintenance and five new outdoor gyms in local Brent parks to promote physical activity.

Shaping a Healthier Future

The Shaping a Healthier Future programme across North West London aims to improve healthcare for the two million people living in the area.

It is led by the clinical commissioning groups and clinicians who have seen first-hand the health inequalities and changing needs in the area. NW London has a growing and ageing population and at present specialists are too thinly spread over too many sites and some facilities are inadequate.

The aim of the programme is to ensure that the right care is delivered in the right places. Clinicians believe that more investment needs to be made in local healthcare so that it is of a more consistently high standard.

The Shaping a Healthier Future vision is to:

- Bring care nearer to patients' homes so people are encouraged to access care earlier and more regularly to identify diseases so they can be more successfully treated and to better manage long term conditions;
- Concentrate complex services (including A&Es) in five major hospitals in order to ensure senior doctors can be present at evenings and weekends as well as during the day and improve the safety and quality of services. Other sites would become local hospitals and elective hospitals, while specialist hospitals would remain largely as they are;
- Develop a more co-ordinated, seamless system that works better to keep people well and independent in the community, improves their quality of life and not just the quality of care they receive and relieve pressures on NHS services.

All nine current acute hospitals in North West London (Charing Cross Hospital, Chelsea and Westminster Hospital, Central Middlesex Hospital, Ealing Hospital, Hammersmith Hospital, Hillingdon Hospital, Northwick Park Hospital, St Mary's Hospital and West Middlesex Hospital) would continue to provide local hospital services, including a 24/7 urgent care centre (UCC) and outpatient and diagnostic services. These UCCs would be able to treat most illnesses and injuries that people go to hospital for. Those who do need to go to an A&E would generally dial 999 and

an ambulance would take them to the nearest major hospital. On average this would take no more than six minutes longer than it does currently.

In determining which hospitals should become major hospitals, the programme assessed the options in great detail, looking at which would deliver the best clinical quality of care and access to care, whether they were affordable and could be delivered, and which would be best for research and education. This resulted in three options that were consulted on, including one preferred option.

Between 2 July and 8 October 2012, the programme ran a public consultation, attending over 200 meetings; arranging two road shows in all eight boroughs plus additional road shows in the neighbouring boroughs of Camden, Richmond and Wandsworth; sending over 73,000 consultation documents out to libraries, doctors' surgeries, pharmacies, hospitals, town halls; and taking part in three major public debates.

Clinicians and managers considered all consultation responses and reconsidered the proposals in light of all the issues and concerns. A number of changes were made to the proposals as a result of issues raised during the consultation. The final recommendations were discussed at a meeting of the Joint Committee of Primary Care Trusts (JCPCT) which represented the eight primary care trusts in North West London.

At this meeting the JCPCT unanimously agreed to give the go ahead to:

- investing over £190m more in out of hospital care to improve community facilities and the care provided by GPs and others across NW London.
- investing in five major hospitals at Chelsea and Westminster; Hillingdon; Northwick Park; St Mary's; and West Middlesex.
- developing two hospitals – Central Middlesex and Hammersmith – as hospitals specialising in elective or planned care (for example, pre-planned procedures such as hip operations), as well as having a 24/7 urgent care centre.
- looking at further proposals for Ealing and Charing Cross hospitals, which were originally going to be local hospitals (also with urgent care centres) but may now have more services put into them, depending on further planning and costing work.

This is a large programme of change and final implementation will take between three to five years in total. Improvements to services outside hospital – such as GP and other local NHS facilities in the community – will happen first. The major changes to hospital will not happen until these community facilities have first been improved.

More detail can be found on the Shaping a Healthier Future website at www.healthiernorthwestlondon.nhs.uk

Compliments and complaints

Complaints are an important source of feedback on the quality of local health services. A national complaints process applies to all NHS organisations and seeks to provide complainants with an explanation and address their concerns The NHS always seeks to learn from complaints and improve procedures to prevent problems being repeated. The NHS complaints procedure adheres to the principles of remedy published by the Parliamentary and Health Service Ombudsman.

In 2012/13 NHS Brent received a total of 82 complaints (compared to 60 in 2011/12). These related to primary care services, including general practice, dentists, optometrists and pharmacists.

Informal complaints and concerns raised though the Patient Advice and Liaison Service were also a useful source of information on the quality of service local people receive from the NHS.

Emergency planning

The 2004 Civil Contingencies Act (CCA) provides the framework for national civil protection and emergency planning. It outlines the duties, roles and responsibilities required for local responders to deal with the efforts of serious emergencies and major incidents. Primary care trusts are defined as category one responders and are therefore responsible for complying with the six key elements of the CCA.

Emergency preparedness resilience and recovery was a cluster function in North West London, with the eight boroughs of Ealing, Hammersmith & Fulham, Westminster, Kensington & Chelsea, Hillingdon, Hounslow, Brent and Harrow served by a joint team. The team possessed a wealth of local knowledge developed over many years of responding, planning and exercising with local responders in the health community and local authorities.

There were a number of major national events that the emergency planning team were involved in during 2012/13. The team were integral members of the planning in North West London for the Diamond Jubilee and the Olympics and Paralympic Games, ensuring and assuring that the health providers and commissioned services within the cluster could deliver all critical services should an incident happen.

The team also supported NHS North West London, community providers, mental health, acute trusts and the directly commissioned services to develop business continuity procedures. The on-call system was reviewed and revised and all staff participating in the on-call rota received training on the process that had been put in place. An extensive training programme was delivered to primary care, specifically in relation hazardous materials. The team delivered various training sessions throughout the health community, tailored to meet individual's needs, focusing on the organisations ability to respond and recover should an incident occur. The emergency planning function transferred to NHS England early in 2013.

The legacy of the North West London emergency planning team is a comprehensive, detailed portfolio of emergency plans to support the response and recovery of the health community should an incident occur.

Taking care of our environment

A North West London-wide waste strategy was introduced which focused on increasing recycling rates, thus saving money through reducing the amount of waste being sent to landfill, saving on landfill tax . Throughout the year recycling was introduced to sites that had not previously had any, and recycling rates steadily improved.

Several initiatives throughout NW London were invested in, including the installation of more remotely monitored meter readers at health centre and clinic sites across the cluster, which allows regular monitoring of electricity and gas consumption data. Anomalies are spotted more effectively and irregular usage investigated and managed. Energy efficient lighting was installed in some sites and wherever boiler replacement was carried out, they were replaced with the most energy efficient model possible.

A travel survey was conducted during the year to ascertain staff travel habits and included calculating carbon footprint for individual staff which encouraged them to look at how they could change their travel arrangements. Cycle maintenance kits were provided at various sites where there were a high percentage of cyclists and could be used for basic maintenance work.

New contract clauses were developed, including key performance indicators to ensure that all provider contracts include sustainability as standard. Display energy certificates (DECs) were put in place in buildings where was is a legal requirement to display one.

Utility contracts were renegotiated within the Office of Government Commerce framework, thus providing stability for the next two years. New contracts included the purchase of some green energy as part of the commitment to carbon reduction.

Breaches of data protection

There were no breaches of data protection reported in NHS Brent in 2012/13.

About our workforce

Following the introduction of a single management structure across the eight PCTs, an effective working partnership with staff trade unions was established. This helped to collectively address the challenges of working through the transition to nine separate organisations, as well as the transfer of public health teams to their respective local authorities, and the movement of other staff to other NHS organisations.

The cluster chief executive and her senior team held regular staff briefings across the PCTs to facilitate engagement and discussion with employees about the transition process. Dedicated newsletters and areas on the intranet created opportunities for staff to receive and discuss updates on plans for the future of the NHS, including the successor organisations coming into place in 2013.

A consultation with staff and staff side representatives took place on structures for the commissioning support unit (CSU) and CCGs, and on the matching and recruitment process for the CSU.

Staff were supported throughout the transition period, and given CV and interview training in order to fully prepare themselves for job interviews where they were not matched across to similar roles in the new organizations. Staff that were unable to secure roles in the new structures in NW London were encouraged and supported to find roles elsewhere either in other NHS organisations or more widely.

Equality and diversity and disabled employees

Equality is not solely a minority issue - it is important for everyone and directly or indirectly affects the whole population.

NHS Brent served a diverse population and had a wide staff demographic. As a large employer and as a commissioner of services, it remained constantly committed to promoting diversity and equality by eliminating discrimination and complying fully with the statutory duties under the single equality scheme.

Staff sickness absence	2012/13	2011/12
Total days lost	1,523	3,029
Total staff years	238	3.75
Average working days lost	6.4	8.08

Note: These figures are based on calendar year and not financial year. Total Staff Years relates to the number of Whole Time Equivalents in post during the calendar year. The staff sickness figures are for the merged management structure for Brent and Harrow PCTs including staff on secondment.

The Treasury requires NHS bodies to publish information on off payroll engagements. Information on the off payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012 is not available to the PCT.

Information on all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months is set out below, based on information collated by the Human Resources department at NHS North West London cluster.

Heading	FTE
No. of new engagements	4
No. of new engagements which include contractual clauses giving the organisation the right to request assurance in relation to income tax and National insurance obligations	4
Of which:	
No. for whom assurance has been accepted and received	4
No. for whom assurance has been accepted and not received	0
No that have been terminated as a result of assurance not being received	0
Total	4

Statement of the responsibilities of the signing officer of the primary care trust 2012/13 accounts

The Department of Health's Accounting Officer has designated the role of signing officer for the final accounts of Brent Primary Care Trust to discharge the following responsibilities for the Department of Health:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the primary care trust;

- the expenditure and income of the primary care trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; 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, and from the assurances provided by the PCT Accountable Officer until 31 March 2013, I am assured that the responsibilities have been properly discharged.

Signed.....

Date.....

Richard Douglas
Signing Officer

Annual governance statement

The annual governance statement is published as part of the full annual accounts and is available at www.brentccg.nhs.uk

Charging for information and principles of remedy

A statement that the entity has complied with Treasury's guidance on setting charges for information is required. This guidance is available as *Appendix 6.3 to Treasury's MPM.* In the unlikely event that an entity has not complied with this guidance (e.g. on commercial sensitivity grounds), the Department of Health should be consulted.

NHS bodies are required to include a reference in their annual reports to *Principles for Remedy* and state to what extent such principles have been adopted by the body and form part of its complaints handling procedure.

Summary financial statement

Primary Care Trusts were required to achieve three statutory financial duties. NHS Brent's performance against each is summarised below:

- Revenue Resource Limit (RRL) – To contain revenue expenditure within the notified revenue resource limit of **£576.6m**. For 2012/13 the PCT achieved a surplus of **£25.8m** against the RRL.

- Capital Resource Limit (CRL) - To contain capital expenditure within the notified capital resource limit of **£990k** For 2012/13 the PCT achieved a surplus of **£46k** against the CRL.

- Cash Limit – To contain receipts and payments within the annual cash limit published by the Department of Health of **£555.3m**. Compared to its cash limit the PCT underspent by **£4.4m**

During 2012/13 there was an in year transfer of Resource Limit of £15m from Brent PCT to Hillingdon PCT. This was with the agreement with the Shadow CCG that an agreed repayment profile would be reflected in Hillingdon CCG's future year plans. Further details of the PCT's performance against its statutory and other financial duties are set out below in the summary financial statements.

Jonathan Wise
Director of Finance
23rd May 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure		
Gross employee benefits	**12,056**	9,866
Other costs	**554,752**	548,710
Income	**(18,711)**	(16,628)
Net operating costs before interest	**548,097**	541,948
Investment income	**(50)**	(31)
Other (Gains)/Losses	**55**	75
Finance costs	**2,755**	1,603
Net operating costs for the financial year	**550,857**	543,595
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	**550,857**	**543,595**
Of which:		
Administration Costs		
Gross employee benefits	**10,885**	9,692
Other costs	**16,715**	15,862
Income	**(8,150)**	(6,942)
Net administration costs before interest	**19,450**	**18,612**
Investment income	**0**	0
Other (Gains)/Losses	**55**	75
Finance costs	**1,474**	1,492
Net administration costs for the financial year	**20,979**	**20,179**
Programme Expenditure		
Gross employee benefits	**1,171**	174
Other costs	**538,037**	532,848
Income	**(10,561)**	(9,686)
Net programme expenditure before interest	**528,647**	**523,336**
Investment income	**(50)**	(31)
Other (Gains)/Losses	**0**	0
Finance costs	**1,281**	111
Net programme expenditure for the financial year	**529,878**	**523,416**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**1,048**	1,558
Net (gain) on revaluation of property, plant & equipment	**(177)**	(1,250)
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*	**551,728**	**543,903**

Statement of Financial Position at 31 March 2013

	31 March 2013	31 March 2012
	£000	£000
Non-current assets:		
Property, plant and equipment	**62,045**	63,532
Intangible assets	**0**	49
investment property	**0**	0
Other financial assets	**173**	180
Trade and other receivables	**9**	8
Total non-current assets	**62,227**	63,769
Current assets:		
Inventories	**0**	0
Trade and other receivables	**1,591**	2,945
Other financial assets	**0**	0
Other current assets	**0**	0
Cash and cash equivalents	**143**	12
Total current assets	**1,734**	2,957
Non-current assets held for sale	**0**	0
Total current assets	**1,734**	2,957
Total assets	**63,961**	66,726
Current liabilities		
Trade and other payables	**(39,431)**	(45,873)
Other liabilities	**0**	0
Provisions	**(8,990)**	(301)
Borrowings	**(907)**	(858)
Other financial liabilities	**0**	0
Total current liabilities	**(49,328)**	(47,032)
Non-current assets plus/less net current assets/liabilities	**14,633**	19,694
Non-current liabilities		
Trade and other payables	0	0
Other Liabilities	0	0
Provisions	(273)	(3,800)
Borrowings	(27,817)	(28,724)
Other financial liabilities	0	0
Total non-current liabilities	**(28,090)**	(32,524)
Total Assets Employed:	**(13,457)**	(12,830)
Financed by taxpayers' equity:		
General fund	(24,189)	(24,514)
Revaluation reserve	10,732	11,684
Other reserves	0	0
Total taxpayers' equity:	**(13,457)**	(12,830)

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	**(548,097)**	(541,948)
Depreciation and Amortisation	**1,560**	1,844
Impairments and Reversals	**49**	(2)
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	**(1,475)**	(1,494)
Release of PFI/deferred credit	**0**	0
(Increase)/Decrease in Inventories	**0**	0
(Increase)/Decrease in Trade and Other Receivables	**1,353**	(35)
(Increase)/Decrease in Other Current Assets	**0**	0
Increase/(Decrease) in Trade and Other Payables	**(6,398)**	1,097
(Increase)/Decrease in Other Current Liabilities	**0**	0
Provisions Utilised	**(4,889)**	(438)
Increase/(Decrease) in Provisions	**8,770**	335
Net Cash Inflow/(Outflow) from Operating Activities	**(549,127)**	**(540,641)**
Cash flows from investing activities		
Interest Received	**50**	31
(Payments) for Property, Plant and Equipment	**(1,042)**	(745)
(Payments) for Intangible Assets	**0**	0
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	0
Proceeds of disposal of assets held for sale (PPE)	**0**	0
Proceeds of disposal of assets held for sale (Intangible)	**0**	0
Proceeds from Disposal of Other Financial Assets	**0**	0
Proceeds from the disposal of Financial Assets (LIFT)	**0**	0
Loans Made in Respect of LIFT	**0**	0
Loans Repaid in Respect of LIFT	**6**	6
Rental Revenue	**0**	0
Net Cash Inflow/(Outflow) from Investing Activities	**(986)**	**(708)**
Net cash inflow/(outflow) before financing	**(550,113)**	**(541,349)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**(857)**	(835)
Net Parliamentary Funding	**551,101**	542,160
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	**550,244**	**541,325**
Net increase/(decrease) in cash and cash equivalents	**131**	**(24)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**12**	**36**
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	**143**	**12**

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	**(24,514)**	**11,684**	**0**	**(12,830)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(550,857)			**(550,857)**
Net gain on revaluation of property, plant, equipment		177		**177**
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		(1,048)		**(1,048)**
Movements in other reserves			0	**0**
Transfers between reserves*	81	(81)		**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	**(550,776)**	**(952)**	**0**	**(551,728)**
Net Parliamentary funding	551,101			**551,101**
Balance at 31 March 2013	**(24,189)**	**10,732**	**0**	**(13,457)**

Balance at 1 April 2011	**-23174**	**12087**	**0**	**(11,087)**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(543,595)			(543,595)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,250		1,250
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		0		0
Impairments and Reversals		(1,558)		(1,558)
Movements in other reserves			0	0
Transfers between reserves*	95	(95)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
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	(543,500)	(403)	0	(543,903)
Net Parliamentary funding	542,160			542,160
Balance at 31 March 2012	**(24,514)**	**11,684**	**0**	**(12,830)**

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		543,595
Net operating cost plus (gain)/loss on transfers by absorption	**550,857**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**576,652**	565,171
Under/(Over)spend Against Revenue Resource Limit (RRL)	25,795	21,576

Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**990**	1,131
Charge to Capital Resource Limit	**944**	1,106
(Over)/Underspend Against CRL	**46**	**25**

Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**551,101**	542,160
Cash Limit	**555,513**	548,221
Under/(Over)spend Against Cash Limit	**4,412**	**6,061**

Reconciliation of Cash Drawings to Parliamentary Funding (current year)	2012-13 £000
Total cash received from DH (Gross)	494,877
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**494,877**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	14,564
Plus: drugs reimbursement (central charge to cash limits)	41,660
Parliamentary funding credited to General Fund	**551,101**

Audit arrangements

External audit services during 2012/13 were provided to NHS Brent by the KPMG LLP. Audit fees paid to the PCT's external auditors amounted to £102,000 plus VAT in respect of the following services:

Audit services (the statutory audit and related services) – £98,000
Further assurance services (unrelated to the statutory audit) – £4,000

Better payment practice code

This code requires NHS Brent to pay all valid invoices within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier. The extent of the PCT's compliance with the Code is summarised below:

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	**21,077**	**73,789**	19,137	62,927
Total Non-NHS Trade Invoices Paid Within Target	**20,063**	**70,815**	18,031	59,232
Percentage of Non NHS Trade Invoices Paid Within Target	95.19%	95.97%	94.22%	94.13%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,141**	**435,520**	4,038	427,566
Total NHS Trade Invoices Paid Within Target	**3,919**	**427,150**	3,840	419,074
Percentage of NHS Trade Invoices Paid Within Target	94.64%	98.08%	95.10%	98.01%

NHS Brent is an approved signatory of the prompt payment code. This is a government initiative to tackle the issue of late payment in the UK. Approved signatories undertake to:

- pay suppliers on time; and
- give clear guidance to suppliers;

Related party transactions

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 Brent Primary Care Trust. The following related party transactions were reported by the shadow clinical commissioning board that relate to Brent Primary Care Trust. The general medical services (GMS) payments shown below relates to services provided by the practice which the shadow clinical commissioning member is a partner rather than payments to shadow clinical commissioning members themselves. The

payment is the total paid to the practices as a whole before taking into account practice expenses in delivering services .

Clinical Commissioning Board - PMS or GMS Costs

	2012/13	2011/12
Dr A Shah	340,264	310,438
Dr A Craig	910,474	897,756
Dr A Patel (ceased 30th September 2012)	195,396	382,928
Dr C Armstrong	702,940	652,002
Dr J Mahmoodi	316,232	310,968
Dr S Basham	1,248,007	1,196,743
Dr E Kong	1,117,812	1,076,597
Dr S Ansari	657,750	605,002

A lay member of the clinical commissioning board Ms I Iny does consultancy work for the NHS, Department of Health and Local Authorities. Her husband also has undertaken consultancy work for NHS Harrow.

Dr A Shah and Dr E Kong both held shares in Harmoni Ltd which was sold during 2012/13 to Care UK. Dr E Kong and D S Ansari are shareholders with Harness Care Co-Operative. Both companies had dealings with Brent Primary Care Trust during 2012/13.

During 2012/13 Harmoni was awarded the tender to provide the NHS 111 service on behalf of Hounslow, Ealing, Brent and Harrow PCT's from March 2013. Of the GPs named above only Dr C Armstrong sat on the procurement panel. The tender approval was provided by the North West London Cluster Board.

Members of the cluster board with related party transactions include Sarah Cuthbert whose husband is a partner in Deloitte. Deloitte are external auditors for Hillingdon and Harrow PCTs and also have worked on 'Shaping a Healthier Future' during the year. Mark Spencer held shares with Harmoni Ltd.

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

	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000
A Primary Care Trusts				
Harrow PCT	130	143	237	58
Westminster PCT	1,653	3,456	11	314
Croydon PCT	5	43,161	268	0
Kensington and Chelsea PCT	60	404	0	0
Ealing PCT	140	725	0	36
Hammersmith and Fulham PCT	191	130	0	25
B Trusts				
North West London Hospitals NHS Trust	1,554	124,498		187
Imperial College Healthcare NHS Trust	-	61,243		725
Royal National Orthopaedic Hospital NHS Trust	-	3,342	125	
Barnet & Chase Farm Hospitals NHS Trust	-	- 4,179		279
Central London Community Healthcare NHS Trust	-	2,635		388
Ealing Hospital NHS Trust	4,522	32,218	30	1,413
London Ambulance Services NHS Trust	-	9,552		74
B Foundation				
Central And North West London MH NHS Foundation Trust	575	40,475	434	2,026
Chelsea And Westminster Hospital NHS Foundation Trust	-	4,294		70
Royal Brompton And Harefield NHS Foundation Trust	-	6,619		218
University College London NHS Foundation Trust	-	11,782		344
Royal Free Hamstead NHS Trust	-	16,031		266
Great Ormond Street Hospital NHS Trust	-	3,538		289
D Others				
London Strategic Health Authority	-	1,760		
E Local Councils				
Brent London Borough Council	13,628	224	10	1,122

Remuneration report

Membership of the remuneration and terms of services committee

Membership of the remuneration and terms of services committee were:

- Martin Roberts, Non-Executive Director (Chair)
- Jeff Zitron, Non-Executive Director
- Trish Longdon, Non-Executive Director
- Arif Kamal, Non-Executive Director

The committee advised the board on appropriate remuneration and terms of service for the chief executive and trust directors. The committee monitored and evaluated the performance of the chief executive, directors and individual officer members of the professional executive committee – having proper regard to the PCT's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate.

The committee reported the basis for its recommendations to the board which used the committee's report as the basis for its decisions on remuneration. However, the board remained accountable for taking final decisions on the remuneration and terms off service for the chief executive and trust

Directors

For directors' pay increases, the following factors were considered:

- current national market rates of comparable director posts;
- the individual performance of directors;
- internal comparators;
- changes to director portfolios;
- NHS pay awards for other staff groups;
- any national guidance relating to maximum pay bill increases;
- significant recruitment and/or retention issues; and
- the financial position of the PCT.

Performance measurement

Directors' performance was appraised on an annual basis by the chief executive. The chief executive's performance was appraised on an annual basis by the chief executive of the former strategic health authority, in this case NHS London.

Summary and explanation of policy on duration of contracts, and notice periods and termination payments

Senior managers were permanent employees of NHS Brent, and in the event of redundancy, they were subject to standard NHS severance packages.

Senior managers' remuneration

NHS Brent was required to disclose the relationship between the remuneration of the highest-paid director and the median remuneration of the organisation's workforce. The calculation for the median remuneration does not include agency employees covering vacancy staff as this information is impracticable to retrieve.

The banded remuneration of the highest paid director in NHS Brent in the financial year 2012/13 was £90,071 (2011/12, £91,072). This was 3.7 times (2011/12, 3.8) the median remuneration of the workforce, which was £24,590 (2011/12, £23,895).

In 2012/13 three (2011/12, two) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £8,310 to £101,829 (2011/12 £11,435-£99,262). Total remuneration included salary, nonconsolidated performance-related pay, benefits-in-kind as well as severance payments. It did not include employer pension contributions and the cash equivalent transfer value of pensions. No employee was paid any bonuses in 2012/13.

Cluster arrangements

The eight PCTs in North West London – NHS Brent, NHS Ealing, NHS Hammersmith & Fulham, NHS Harrow, NHS Hillingdon, NHS Kensington & Chelsea and NHS Westminster – operated collectively under a cluster arrangement from 1 April 2012 to 31 March 2013.

The costs of the shared posts remained with their employing PCT. The proportion of remuneration for NHS Brent is set out below.

SALARIES AND ALLOWANCES		2012/13			2011/12		
Name and Title	Note	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000
Non Executives							
Mr C Somani		5-10			5-10		
Mr A Kamal		0-5			0-5		
Executive Directors							
Mr R Larkman	1	85-90			80-85		
Mr J Wise		75-80			65-70		0-5

1. On secondment from Camden PCT

Clinical commissioning groups

The Health and Social Care Act 2012 sets out the new structure for the commissioning of NHS services. This saw primary care trusts dissolved 1 April 2013 and replaced by GP-led clinical commissioning groups (CCGs).

There were eight CCGs created in North West London:

- NHS Brent CCG

- NHS Central London (Westminster) CCG
- NHS Ealing CCG
- NHS Hammersmith and Fulham CCG
- NHS Harrow CCG
- NHS Hillingdon CCG
- NHS Hounslow CCG
- NHS West London (Kensington and Chelsea, Queen's Park and Paddington) CCG

The NWL CCGs operated in shadow form from 1 October 2012, with the following responsibilities:

- ensuring a rigorous assurance and reporting process during the shadow period from 1 October 2012 – 31 March 2013.
- agree governance that reflects new responsibilities.
- liberate CCGs to lead 13/14 commissioning round whilst providing effective support.
- support development of CCGs proactive risk management.
- fully align with national guidance - Nolan Principles.
- clarify accountability and responsibility – reflecting London changes.
- ensure CCGs governance is capable of receiving relevant PCTs Committee business.
- continue resource shift to enable CCGs capacity and capabilities.
- reduce complexity and avoid duplication – adding value not work.
- build on well developed arrangements to manage a safe and orderly transition and closure programme.

The membership of the Shadow Clinical Commissioning Board was as follows.

SALARIES AND ALLOWANCES		2012/13			2011/12		
Name and Title	Note	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000
Non Executives							
Mr C Somani		5-10			5-10		
Ms I Iny		5-10			0-5		
Executive Directors							
Mr R Larkman	1	85-90			80-85		
Mr J Wise		75-80			65-70		0-5
Mrs J Ohlson		90-95			90-95		
Brent CCB							
Dr C Armstrong		25-30			25-30		
Dr A Craig		55-60			50-55		
Dr J Mahmoodi		35-40			25-30		
Dr E Kong		75-80	10-15		50-55		
Dr S Ansari		40-45			25-30		
Dr S Basham		25-30			25-30		
Dr Ashwin Patel		10-15			25-30		
Dr A Shah		50-55			50-55		

1. On secondment from Camden PCT

Pension Benefits

Cluster Board

		Real Increase in pension at age 60 and related lump sum (bands of £2,500)		Total accrued pension at age 60 and related lump sum (bands of £5,000)		Cash Equivalent Transfer Value			
		Pension	Lump Sum	Pension	Lump Sum	at 31 March 2012	at 31 March 2013	Real increase	Employer's contribution to growth in CETV for the year
		£000	£000	£000	£000	£000	£000	£000	£000
A Rainsberry: Chief Executive	1	0	0	55-60	165-170	880	940	14	10
D Elkeles: Director of Strategy/Chief Officer designate, CWHH CCGs	2	0-2.5	2.5-5	20-25	60-65	242	281	27	19
R Larkman: Chief Officer designate BEHH CCGs (from 1 October 2012)	6	0-2.5	2.5-5	35-40	105-110	644	751	36	25
C Parker: Director of Finance, Hammersmith and Fulham, Hounslow, Kensington and Chelsea and Westminster PCTs (from 1 October 2012)	5	0-2.5	0-2.5	20-25	70-75	297	324	6	4
D Slegg: Director of Finance (until 30 September 2012)	4	2.5-5	5-10	65-70	195-200	1216	1439	80	56
J Wise: Director of Finance, Brent, Ealing, Harrow and Hillingdon PCTs (from 1 October 2012)	3	0-2.5	5-7.5	45-50	140-145	747	878	46	32
S Weldon: Director of Commissioning and Performance (until 30 September 2012)	2	0-2.5	2.5-5	20-25	70-75	309	378	26	19
M Spencer: Medical Director	2	0	0	50-55	155-160	948	1021	23	16
A Howe: Director of Public Health	3	0-2.5	2.5-5	25-30	85-90	453	519	42	30
D Chaffer: Director of Nursing (until 30 June 2012)	2	0-2.5	0-2.5	30-35	90-95	544	611	10	7
J Webster: Acting Director of Nursing (from 1 July 2012)	4	0-2.5	5-7.5	25-30	85-90	389	467	44	31

The pension costs of the shared posts remained with their employing PCT. The proportion of pension costs for NHS Brent is set out below.

PENSION BENEFITS	Real Increase in pension at age 60 and related lump sum		Total accrued pension at age 60 and related lump sum		Cash Equivalent Transfer Value			
Name and Title	(bands of £2,500)		(bands of £5,000)					
	Pension	Lump Sum	Pension	Lump Sum	at 31 March 2012	at 31 March 2013	Real increase	Employer's contribution to
	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors								
Rob Larkman	0-2.5	2.5-5	20-25	65-70	399	465	57	40
Mr J Wise	0-2.5	5-7.5	25-30	85-90	463	544	45	32

The pension details for the Shadow Clinical Commissioning Board was as follows.

PENSION BENEFITS	Real Increase in pension at age 60 and related lump sum		Total accrued pension at age 60 and related lump sum		Cash Equivalent Transfer Value			
Name and Title	(bands of £2,500)		(bands of £5,000)					
	Pension	Lump Sum	Pension	Lump Sum	at 31 March 2012	at 31 March 2013	Real increase	Employer's contribution to
	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors								
Rob Larkman	0-2.5	2.5-5	20-25	65-70	399	465	57	40
Mr J Wise	0-2.5	5-7.5	25-30	85-90	463	544	45	32
Mrs J Ohlson	0	0	30-35	90-95	565	602	6	4

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 other pension scheme or arrangement when a 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.

Exit packages

Exit package cost band (including any special payment element)	*Number of compulsory redundancies Number	*Cost of compulsory redundancies £000s	Number of other departures agreed Number	Cost of other departures agreed £000s	Total number of exit packages Number	Total cost of exit packages £000s	Number of departures where special payments have been made Number	Cost of special payment element included in exit packages £000s
Less than £10,000	5.00	29			5.00	29		
£10,000 - £25,000	6.00	106			6.00	106		
£25,001 - £50,000	3.00	110			3.00	110		
£50,001 - £100,000	2.00	167			2.00	167		
£100,001 - £150,000	2.00	255			2.00	255		
£150,001 - £200,000					0.00	0		
>£200,000					0.00	0		
Total	**18.00**	**667**	**0.00**	**0**	**18.00**	**667**	**0.00**	**0**

PCT running costs

	Total	Commissioning	Public Health Services
PCT Running Costs 2012-13			
Running costs (£000s)	**21,398**	18,647	2,751
Weighted population (number in units)*	**285,433**	285,433	285,433
Running costs per head of population (£ per head)	**75**	**65**	**10**
PCT Running Costs 2011-12			
Running costs (£000s)	**20,449**	18,327	2,122
Weighted population (number in units)	**285,433**	285,433	285,433
Running costs per head of population (£ per head)	**72**	**64**	**7**

* 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

Independent auditor's statement

INDEPENDENT AUDITOR'S REPORT TO THE SIGNING OFFICER OF BRENT TEACHING PRIMARY CARE TRUST ON THE SUMMARY FINANCIAL STATEMENT

We have examined the summary financial statement for the year ended 31 March 2013 set out on pages 20 to 26.

This report is made solely to the responsible officer of Brent Teaching 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 Primary Care Trust 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 Responsible Officer of the Primary Care Trust for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Signing Officer is responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

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

Basis of opinion

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

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of Brent Teaching Primary Care Trust for the year ended 31 March 2013 on which we have issued an unqualified opinion.

Philip Johnstone for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London E14 5GL

6 June 2013

Contact details

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Department of Health

NHS

Brent Teaching Primary Care Trust

2012-13 Accounts

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Brent Teaching Primary Care Trust

2012-13 Accounts

FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2013 have been prepared by NHS Brent under section 98 (2) of the National Health service Act 1977 (as amended by section 24 (2) of the National Health Service and Community Care Act 1990) in the form which the Secretary of state has, with the approval of the Treasury directed.

Brent Primary Care Trust was established with effect from 1 April 2002 as per Statutory Instrument 2002 No 1005 dated 20 March 2002.

The Name of the Brent Primary Care Trust was changed to Brent Teaching Primary Care Trust with effect from 21 October 2003 as per Statutory Instrument 2003 No 2649 dated 7 October 2003. From 1 April 2009 it is now known as NHS Brent.

Index of Financial Statements
For the year ended 31 March 2013

STATEMENT OF THE RESPONSIBILITIES OF THE SIGNING OFFICER OF THE PRIMARY CARE TRUST 2012-13 ACCOUNTS

The Department of Health's Accounting Officer has designated the role of signing officer for the final accounts of Brent Primary Care Trust to discharge the following responsibilities for the Department of Health:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the primary care trust;

- the expenditure and income of the primary care trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; 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, and from the assurances provided by the PCT Accountable Officer until 31 March 2013, I am assured that the responsibilities have been properly discharged.

Signed.....

Date.....6/6/13

Appendix 1

2012/13 ACCOUNTS CERTIFICATE OF ASSURANCE TO THE DEPARTMENT OF HEALTH DIRECTOR GENERAL, STRATEGY FINANCE AND NHS

I am aware that as signing officer designated by the Department of Health Accounting Officer, you are required to sign the accounts and supporting certificates of Brent Primary Care Trust (PCT) in order to comply with the Department's 2012/13 accounts finalisation process.

To assist you in that process, I can confirm that for the year ended 31 March 2013 based on my own knowledge of internal control matters and through experience in my role as Accountable Officer until 31 March 2013, the PCT:

- had in place effective management systems to safeguard public funds and assets and assist in the implementation of corporate governance;
- kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the PCT;
- took reasonable steps for the prevention and detection of fraud and other irregularities;
- achieved value for money from the resources available to the PCT;
- applied income and expenditure to the purposes intended by Parliament and conformed to the authorities which governed them; and
- had effective and sound financial management systems in place.

I also confirm that in my role overseeing the preparation of the annual statutory accounts, the accounts were prepared in the 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. As required 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.

Accountable Officer

Name: Anne Rainsberry

Signed: 

Date: 24th May 2013

Director of Finance

Jonathan Wise

24/5/13

Appendix 2

2012/13 ACCOUNTS CERTIFICATE OF FINANCIAL ASSURANCE TO THE DEPARTMENT OF HEALTH DIRECTOR GENERAL, STRATEGY FINANCE AND NHS

I am aware that as signing officer designated by the Department of Health Accounting Officer, you are required to sign the accounts and supporting certificates of Brent Primary Care Trust (PCT) in order to comply with the Department's 2012/13 accounts finalisation process.

To assist you in that process, I can confirm that in my role managing the preparation of the annual statutory accounts, the accounts were prepared in the 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. As required 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.

Accountable Officer

Name: Anne Rainsberry

Signed:

Date: 24th May 2013

Director of Finance

Jonathan Wise

24/5/13

INDEPENDENT AUDITOR'S REPORT TO THE SIGNING OFFICER OF BRENT TEACHING PRIMARY CARE TRUST

We have audited the financial statements of Brent Teaching Primary Care Trust for the year ended 31 March 2013 on pages 1 to 58. 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 Brent Teaching 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 Primary Care Trust those matters we are required to state to him 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 Primary Care Trust 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 set out on page 3, 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 Primary Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Primary Care Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Brent Teaching 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 Primary Care Trust'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 Primary Care Trust; and
- our locally determined risk work relating to the Primary Care Trust abolition and the transition to new local commissioning arrangements.

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

Certificate

We certify that we have completed the audit of the accounts of Brent Teaching 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.

Philip Johnstone for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

7 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	**12,056**	9,866
Other costs	5.1	**554,752**	548,710
Income	4	**(18,711)**	(16,628)
Net operating costs before interest		**548,097**	541,948
Investment income	9	**(50)**	(31)
Other (Gains)/Losses	10	**55**	75
Finance costs	11	**2,755**	1,603
Net operating costs for the financial year		**550,857**	543,595
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		**550,857**	**543,595**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**10,885**	9,692
Other costs	5.1	**16,715**	15,862
Income	4	**(8,150)**	(6,942)
Net administration costs before interest		**19,450**	**18,612**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**55**	75
Finance costs	11	**1,474**	1,492
Net administration costs for the financial year		**20,979**	**20,179**
Programme Expenditure			
Gross employee benefits	7.1	**1,171**	174
Other costs	5.1	**538,037**	532,848
Income	4	**(10,561)**	(9,686)
Net programme expenditure before interest		**528,647**	**523,336**
Investment income	9	**(50)**	(31)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**1,281**	111
Net programme expenditure for the financial year		**529,878**	**523,416**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**1,048**	1,558
Net (gain) on revaluation of property, plant & equipment	**(177)**	(1,250)
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*	**551,728**	**543,903**

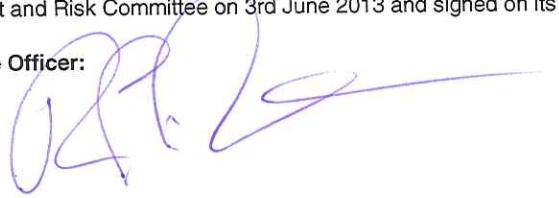
*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 13 to 58 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**62,045**	63,532
Intangible assets	13	**0**	49
investment property	15	**0**	0
Other financial assets	21	**173**	180
Trade and other receivables	19	**9**	8
Total non-current assets		**62,227**	63,769
Current assets:			
Inventories	18	**0**	0
Trade and other receivables	19	**1,591**	2,945
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**143**	12
Total current assets		**1,734**	2,957
Non-current assets held for sale	24	**0**	0
Total current assets		**1,734**	2,957
Total assets		**63,961**	66,726
Current liabilities			
Trade and other payables	25	**(39,431)**	(45,873)
Other liabilities	26,28	**0**	0
Provisions	32	**(8,990)**	(301)
Borrowings	27	**(907)**	(858)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(49,328)**	(47,032)
Non-current assets plus/less net current assets/liabilities		**14,633**	19,694
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(273)	(3,800)
Borrowings	27	(27,817)	(28,724)
Other financial liabilities	36.2	0	0
Total non-current liabilities		**(28,090)**	(32,524)
Total Assets Employed:		**(13,457)**	(12,830)
Financed by taxpayers' equity:			
General fund		(24,189)	(24,514)
Revaluation reserve		10,732	11,684
Other reserves		0	0
Total taxpayers' equity:		**(13,457)**	(12,830)

The notes on pages 13 to 58 form part of this account.

The financial statements on pages 1-58 were approved by the North West London Audit Sub Committee of the Department of Health's Audit and Risk Committee on 3rd June 2013 and signed on its behalf by

Responsible Officer: 

Date: 6/6/13

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	**(24,514)**	**11,684**	**0**	**(12,830)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(550,857)			**(550,857)**
Net gain on revaluation of property, plant, equipment		177		**177**
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		(1,048)		**(1,048)**
Movements in other reserves			0	**0**
Transfers between reserves*	81	(81)		**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	**(550,776)**	**(952)**	**0**	**(551,728)**
Net Parliamentary funding	551,101			**551,101**
Balance at 31 March 2013	**(24,189)**	**10,732**	**0**	**(13,457)**

Balance at 1 April 2011	**-23174**	**12087**	**0**	**(11,087)**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(543,595)			(543,595)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,250		1,250
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		0		0
Impairments and Reversals		(1,558)		(1,558)
Movements in other reserves			0	0
Transfers between reserves*	95	(95)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
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	(543,500)	(403)	0	(543,903)
Net Parliamentary funding	542,160			542,160
Balance at 31 March 2012	**(24,514)**	**11,684**	**0**	**(12,830)**

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	**(548,097)**	(541,948)
Depreciation and Amortisation	**1,560**	1,844
Impairments and Reversals	**49**	(2)
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	**(1,475)**	(1,494)
Release of PFI/deferred credit	**0**	0
(Increase)/Decrease in Inventories	**0**	0
(Increase)/Decrease in Trade and Other Receivables	**1,353**	(35)
(Increase)/Decrease in Other Current Assets	**0**	0
Increase/(Decrease) in Trade and Other Payables	**(6,398)**	1,097
(Increase)/Decrease in Other Current Liabilities	**0**	0
Provisions Utilised	**(4,889)**	(438)
Increase/(Decrease) in Provisions	**8,770**	335
Net Cash Inflow/(Outflow) from Operating Activities	**(549,127)**	**(540,641)**
Cash flows from investing activities		
Interest Received	**50**	31
(Payments) for Property, Plant and Equipment	**(1,042)**	(745)
(Payments) for Intangible Assets	**0**	0
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	0
Proceeds of disposal of assets held for sale (PPE)	**0**	0
Proceeds of disposal of assets held for sale (Intangible)	**0**	0
Proceeds from Disposal of Other Financial Assets	**0**	0
Proceeds from the disposal of Financial Assets (LIFT)	**0**	0
Loans Made in Respect of LIFT	**0**	0
Loans Repaid in Respect of LIFT	**6**	6
Rental Revenue	**0**	0
Net Cash Inflow/(Outflow) from Investing Activities	**(986)**	**(708)**
Net cash inflow/(outflow) before financing	**(550,113)**	**(541,349)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**(857)**	(835)
Net Parliamentary Funding	**551,101**	542,160
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	**550,244**	**541,325**
Net increase/(decrease) in cash and cash equivalents	**131**	**(24)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**12**	**36**
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	**143**	**12**

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.

Under the provisions of the Health and Social Care Act 2012, Name PCT/SHA was dissolved on 31 March 2013. The PCT's/SHA's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42.1 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

Details of revaluations and impairments of Property, Plant and Equipment are included in note 1.6 and are considered routine within the annual cycle of activity whereby the District Valuation Office undertake a full revaluation every five years with annual desktop reviews.

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.

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.

PFI & LIFT
The PCT has determined that the LIFT & PFI buildings under IFRS has moved from being treated as Operating Leases to Finance Leases. The Operating Cost Statement only reflects the service charge and Interest payment element of the rent. These values have been calculated using the Department of Health Model. The assets have been capitalised and a long term liability with the relevant parties is shown in the accounts.

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

Asset Valuation
NHS Bodies are required to ensure that assets are carried at current cost using a suitable method selected by them. The Department of Health no longer issues indices therefore other indices which are widely recognised and in common use should be used instead. A full review was undertaken in April 2009 by the District Valuer of all land and buildings and as the PCT determined that there where no suitable indices available to reflect the closing valuation of its assets it therefore instructed the District Valuers to undertake a desktop review of its properties as at 31st March 2013.

The desktop review did not involve physical inspection of the sites but was instead based on the District Valuers knowledge of the local market.

The PCT has used the asset lives as determined by the District Valuer for each building in order to calculate depreciation. For more detailed notes on the depreciation policy see note 1.6

Prescription Pricing Authority

The Prescription Pricing Authority (PPA) currently provides us with details of the monthly expenditure incurred by Independent Contactors in respect of Pharmacy contract payments and drug costs. There is approximately a two to three month delay in notifying the PCT of its expenditure for a particular month. The PCT has therefore applied estimation techniques based on previous trends, expenditure profiles, forecasts from PPA and local knowledge from our Prescribing Advisors. This method has been used for many years and in previous years has not led to any material differences being identified.

Cost data has been received up to the end of January for drugs and up to the end of December for the Pharmacy contract.

Dental Contract

Any under or over performance on the 2012/13 contract has been estimated based on current performance of the contract and also adjusted for the time lag as reported by Dental Payments Board. Actual data will be received at the end of June 2013.

Quality & Outcome Framework
Quality & Outcome Framework (QOF) Achievement for 2011/12 has been estimated on the basis of the current QMAS data which reports the clinical and part of the organisational achievements which represents 93% of the total. The final figure will be available once the GP Survey results are published on the 17th June 2013. (*date tbc)*

Recognition of Expenditure
The PCT has used various techniques to estimate the appropriate levels of income and expenditure to be included in the accounts. These include basing forecasts on actual expenditure incurred to date extrapolated to a full year, using internal databases (such as Continuing Care), local knowledge from managers and past experience has also been used to determine the appropriate levels of income and expenditure to be included. This method has been used for many years and in previous years has not led to any material differences being highlighted.

Flex & Freeze Data for Acute Contracts

Flex data is now known as monthly reconciliation data and freeze data as monthly post reconciliation data. As the terms imply there is a monthly closedown of the data. Post reconciliation data gets rolled into the next monthly reconciliation data. Trusts use the monthly reconciliation data to inform their monthly SLA Monitoring (SLAM) reports. The latest available SLAM information, Month 11 SLAM data available at the year of March, has been used for year-end accruals. In addition the accrual has been informed by the year-end Agreement of balances exercise and Trust's own accruals statements.

Brent Management Recharge to Harrow

All corporate costs are initially paid by Brent with an appropriate proportion recharged to Harrow. The recharge is based on actual costs for areas which are specific to one PCT (e.g. Public Health) and for shared departments (such as Finance) the split is based on the respective size (as measured by the Resource Limits). The split for 2012/13 has been determined at 62% for Brent and 38% for Harrow. An annual invoice to Harrow has been raised by Brent at the beginning of the year based on the budgeted amounts. In month 11 a full reconciliation of actual expenditure was undertaken and this resulted in no change therefore no further adjustments to this will be made.

Retrospective Claims for NHS Continuing Care Funding
On the 15th March 2012 the Department of Health announced deadlines for individuals to request an assessment of eligibility for NHS Continuing Healthcare Care funding, for cases during the period 1 April 2004 – 31 March 2012.

The deadline for notifying PCT's were as follows

Phase 1 Claim Period 1 April 2004 – 31 March 2011 a deadline of 30 September 2012
Phase 2 Claim Period 1 April 2011 – 31 March 2012 a deadline of 31 March 2013

Brent PCT is still in the process of gathering all the necessary information to enable an assessment to take place therefore for these accounts both a provision and a contingent liability has been calculated using the following methodology.

Provision
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

For each of the two phases the total estimated liability has been calculated using:
a) an average length of claim based on a sample of both living and deceased claimants within each phase.
b) an average weekly nursing home cost based on a sample of the current nursing home costs.

To the total estimated liability the following has been applied
c) a standard interest rate
d) costs of undertaking the assessment.
e) for each phase a judgment on the likelihood of success.

Contingent Liability
A contingent liability has been shown representing the value of those judged to be likely to be unsuccessful in the provision calculation (i.e. if 60% likelihood has been applied to the total estimated liability then the balance of 40% has been shown as a contingent liability).

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 London Borough of Brent Local Authority. Under the arrangement funds are pooled under S75 of the Health Act 2006 for Learning Disabilities activities and an Integrated Equipment Service

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

1.4 Taxation

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

1.5 Administration and Programme Costs

Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure).
From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme"
For PCTs, the Department has defined "admin and programme" in terms of running costs.

The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.

Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury budgetary control arrrangements 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. A full revaluation was undertaken by the District Valuers during 2009-2010. Indices are no longer provided therefore a desktop review of the carrying values was undertaken in March 2013 by the District Valuer. This has resulted in an upward movement of £177k on some of the values (this includes Sudbury £82k, Monks £46k, as well as smaller increases on the other properties). There has also been impairments of £1m charged to the Revaluation Reserve (this includes Wembley Building £498k, Willesden £502k as well as smaller impairments on the other properties).

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 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.

1.8 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 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.

1.10 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).

1.11 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)

1.12 Employee benefits

All salary costs including retirement benefits are initially paid by Brent and are recharged to Harrow through the Management Recharge (see note 1.1).

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.

1.13 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.

1.14 Other expenses

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

1. Accounting policies (continued)

1.15 Contingencies

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

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

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

For the Continuing Care Contingent Liability see note 1.1

1.16 Leases

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

The PCT as lessee

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

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

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

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

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.

1.17 Provisions

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

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

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

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

For the Continuing Care Provision see note 1.1

1. Accounting policies (continued)

1.18 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

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.

Fixed asset investments

£80 of shares in LiftCo are held as a Fixed asset investments are recorded at historic cost as they do not have a "quoted" market price nor an active market in which they could be traded..

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.

1.19 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 fair value of the PFI 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. Accounting policies (continued)

1.20 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

1.21 Events after the Reporting Period

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

NHS England
Brent Clinical Commissioning Group
London Borough of Brent

Certain assets have transferred to NHS Property Services, NHS Trusts, Department of Health and Community Health Partnership on 31 March 2013. These were considered operational at the year end, and so have not been impaired in the PCT books. It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment.

2 Operating segments

From 1st April 2011 Brent Community Services previously an operating segment within Brent PCT formed an Integrated Care Organisation with Ealing Hospital and the costs of the services transferred forms part of the Service Level Agreement with Ealing Hospital.

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		543,595
Net operating cost plus (gain)/loss on transfers by absorption	**550,857**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**576,652**	565,171
Under/(Over)spend Against Revenue Resource Limit (RRL)	25,795	21,576

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	**990**	1,131
Charge to Capital Resource Limit	**944**	1,106
(Over)/Underspend Against CRL	**46**	**25**

3.3 Provider full cost recovery duty

From 1st April 2011 Brent Community Services formally an operating segment within Brent PCT formed an Integrated Care Organisation with Ealing Hospital and the costs of the services transferred forms part of the Service Level Agreement with Ealing Hospital.

Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**551,101**	542,160
Cash Limit	**555,513**	548,221
Under/(Over)spend Against Cash Limit	**4,412**	**6,061**

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

	2012-13 £000
Total cash received from DH (Gross)	494,877
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**494,877**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	14,564
Plus: drugs reimbursement (central charge to cash limits)	41,660
Parliamentary funding credited to General Fund	**551,101**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	347
Dental Charge income from Contractor-Led GDS & PDS	**2,464**		2,464	2,518
Dental Charge income from Trust-Led GDS & PDS	**0**		0	0
Prescription Charge income	**2,073**		2,073	1,998
Strategic Health Authorities	**1,749**	0	1,749	1,666
NHS Trusts	**908**	44	864	754
NHS Foundation Trusts	**34**	0	34	6
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**1,818**	776	1,042	1,038
Primary Care Trusts - Lead Commissioning	**0**	0	0	0
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	**0**	0	0	2
Recoveries in respect of employee benefits	**1,444**	1,444	0	917
Local Authorities	**1,024**	0	1,024	436
Patient Transport Services	**0**		0	0
Education, Training and Research	**739**	0	739	819
Non-NHS: Private Patients	**0**		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**		0	0
NHS Injury Costs Recovery	**0**		0	0
Other Non-NHS Patient Care Services	**0**	0	0	0
Charitable and Other Contributions to Expenditure	**0**		0	0
Receipt of donated assets	**0**		0	0
Receipt of Government granted assets	**0**		0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**5,865**	5,865	0	5,125
Other revenue	**593**	21	572	1,002
Total miscellaneous revenue	**18,711**	**8,150**	**10,561**	**16,628**

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	**44,236**		44,236	29,541
Non-Healthcare	**3,176**	3,176	0	1,801
Total	**47,412**	**3,176**	**44,236**	**31,342**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**246,416**	28	246,388	280,034
Goods and services (other, excl Trusts, FT and PCT))	**1,173**	0	1,173	1,453
Total	**247,589**	**28**	**247,561**	**281,487**
Goods and Services from Foundation Trusts	**92,652**	0	92,652	72,766
Purchase of Healthcare from Non-NHS bodies	**36,621**		36,621	33,552
Social Care from Independent Providers	**0**		0	0
Expenditure on Drugs Action Teams	**0**		0	40
Non-GMS Services from GPs	**2,883**	0	2,883	1,818
Contractor Led GDS & PDS (excluding employee benefits)	**17,187**		17,187	17,073
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**0**		0	0
Chair, Non-executive Directors & PEC remuneration	**14**	14	0	67
Executive committee members costs	**412**	412	0	406
Consultancy Services	**1,024**	992	32	1,167
Prescribing Costs	**34,153**		34,153	37,190
G/PMS, APMS and PCTMS (excluding employee benefits)	**42,738**	0	42,738	42,361
Pharmaceutical Services	**0**		0	0
Local Pharmaceutical Services Pilots	**0**		0	0
New Pharmacy Contract	**9,627**		9,627	9,622
General Ophthalmic Services	**3,212**		3,212	2,802
Supplies and Services - Clinical	**355**	0	355	450
Supplies and Services - General	**332**	332	0	334
Establishment	**1,642**	1,163	479	1,681
Transport	**42**	40	2	16
Premises	**8,490**	8,130	360	8,487
Impairments & Reversals of Property, plant and equipment	**49**	0	49	(2)
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation	**1,511**	1,511	0	1,834
Amortisation	**49**	49	0	10
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**(406)**	0	(406)	122
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**0**	0	0	0
Audit Fees	**97**	97	0	182
Other Auditors Remuneration	**43**	43	0	155
Clinical Negligence Costs	**0**	0	0	0
Education and Training	**2,049**	162	1,887	1,768
Grants for capital purposes	**0**	0	0	0
Grants for revenue purposes	**0**	0	0	0
Impairments and reversals for investment properties	**0**	0	0	0
Other	**4,975**	566	4,409	1,980
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**554,752**	**16,715**	**538,037**	**548,710**
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	**418**	418	0	890
Other Employee Benefits	**11,638**	10,467	1,171	8,976
Total Employee Benefits charged to SOCNE	**12,056**	**10,885**	**1,171**	**9,866**
Total Operating Costs	**566,808**	**27,600**	**539,208**	**558,576**

Brent PCT employs two Executive members of the North West London Cluster Board. The majority of the NWL Cluster Board members are employed by Westminster PCT as the host. These costs are then recharged from Westminster PCT as part of the overall recharge we receive for the NWL Cluster and is charged against the 'Goods and Services from other PCTs' lines above and is £2,866k.

Any Non Executive Members of the Cluster Board employed by the PCT are shown on the 'Chair, Non Executive Directors and PEC Remuneration' line above.

The Shadow CCG Board costs are shown on the 'Executive Committee Members Costs' line above.

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**21,398**	18,647	2,751
Weighted population (number in units)*	**285,433**	285,433	285,433
Running costs per head of population (£ per head)	**75**	**65**	**10**
PCT Running Costs 2011-12			
Running costs (£000s)	**20,449**	18,327	2,122
Weighted population (number in units)	**285,433**	285,433	285,433
Running costs per head of population (£ per head)	**72**	**64**	**7**

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	42,738	42,361
Prescribing costs	34,153	37,190
Contractor led GDS & PDS	17,187	17,077
Trust led GDS & PDS	0	0
General Ophthalmic Services	3,212	2,802
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	9,627	9,622
Non-GMS Services from GPs	2,883	1,818
Other	0	45
Total Primary Healthcare purchased	**109,800**	110,915
Purchase of Secondary Healthcare		
Learning Difficulties	6,342	6,737
Mental Illness	50,625	51,121
Maternity	22,715	23,382
General and Acute	256,547	247,602
Accident and emergency	9,329	22,377
Community Health Services	59,587	36,539
Other Contractual	20,645	32,399
Total Secondary Healthcare Purchased	**425,790**	420,157
Grant Funding		
Grants for capital purposes	0	0
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**535,590**	**531,072**
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	92,652	72,684

6. Operating Leases

During 2009/10 the PCT has entered into two leases in respect of health centres, namely Hillside and Chalkhill. Hillside lease is for a

Both buildings are to be used for the provision of Healthcare.

Brent PCT has also entered into certain financial arrangements involving the use of GP premises. Under:
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

Brent PCT has determined that those operating leases must be recognised, but, as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. The financial value included in the operating Cost Statement for 2012/13 is £2,388,535 (2011/12 £2,367,027) .

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				**518**	518
Contingent rents				**0**	0
Sub-lease payments				**234**	234
Total				**752**	**752**
Payable:					
No later than one year	**0**	**752**	**0**	**752**	752
Between one and five years	**0**	**3,007**	**0**	**3,007**	3,007
After five years	**0**	**10,052**	**0**	**10,052**	10,803
Total	**0**	**13,811**	**0**	**13,811**	**14,562**
Total future sublease payments expected to be received				4,236	4,470

6.2 PCT as lessor

Brent PCT has also entered into certain financial arrangements involving the renting of premises to GP's. Under:

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

Brent PCT has determined that those operating rentals must be recognised, but, as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. Also all PCT Estates will transfer on the 31st March 2013 to other organisations therefore only one years income has been shown.

In addition also from time to time individual rooms are hired out.

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**5,865**	5,125
Contingent rents	**0**	0
Total	**5865**	5,125
Receivable:		
No later than one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Total	**0**	0

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	**9,158**	8,677	481	**4,664**	4,664	0	**4,494**	4,013	481
Social security costs	**927**	927	0	**927**	927	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**1,281**	1,281	0	**1,281**	1,281	0	**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	**690**	0	690	**690**	0	690	**0**	0	0
Total employee benefits	**12,056**	**10,885**	**1,171**	**7,562**	**6,872**	**690**	**4,494**	**4,013**	**481**
Less recoveries in respect of employee benefits (table below)	**(1,444)**	(1,444)	0	**(1,444)**	**(1,444)**	**0**	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**10,612**	**9,441**	**1,171**	**6,118**	**5,428**	**690**	**4,494**	**4,013**	**481**
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**12,056**	**10,885**	**1,171**	**7,562**	**6,872**	**690**	**4,494**	**4,013**	**481**
Recognised as:									
Commissioning employee benefits	**12,056**			**7,562**			**4,494**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**12,056**			**7,562**			**4,494**		

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	**1,444**	1,444	0	**1,444**	1,444	0	**0**	0	0
Social Security costs	**0**	0	0	**0**	0	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**0**	0	0	**0**	0	0	**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	**1,444**	**1,444**	**0**	**1,444**	**1,444**	**0**	**0**	**0**	**0**

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	**7,459**	6,043	1,416
Social security costs	**904**	904	0
Employer Contributions to NHS BSA - Pensions Division	**1,329**	1,329	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**174**	0	174
Total gross employee benefits	**9,866**	**8,276**	**1,590**
Less recoveries in respect of employee benefits	**(917)**	(917)	0
Total - Net Employee Benefits including capitalised costs	**8,949**	**7,359**	**1,590**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**9,866**	**8,276**	**1,590**
Recognised as:			
Commissioning employee benefits	**9,866**		
Provider employee benefits	**0**		
Gross Employee Benefits excluding capitalised costs	**9,866**		

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**	3	0
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**169**	126	43	**148**	123	25
Healthcare assistants and other support staff	**4**	4	0	**2**	2	0
Nursing, midwifery and health visiting staff	**6**	6	0	**6**	6	0
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**6**	6	0	**6**	6	0
Social Care Staff	**0**	0	0	**0**	0	0
Other	**0**	0	0	**2**	2	1
TOTAL	**189**	**146**	**43**	**168**	**142**	**26**
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	**1,523**	**3,029**
Total Staff Years	**238**	**375**
Average working Days Lost	6.40	8.08

Figures given are in calendar years.
Total Staff Years relates to the number of Whole Time Equivalents in post during the calendar year.
The staff sickness above is for the merged management structure for Brent and Harrow PCT including staff on secondment.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**0**	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	**0**	15

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***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**
Lees than £10,000	**5**	**0**	**5**	0	0	**0**
£10,001-£25,000	**6**	**0**	**6**	2	0	**2**
£25,001-£50,000	**3**	**0**	**3**	2	0	**2**
£50,001-£100,000	**2**	**0**	**2**	1	0	**1**
£100,001 - £150,000	**2**	**0**	**2**	0	0	**0**
£150,001 - £200,000	**0**	**0**	**0**	0	0	**0**
>£200,000	**0**	**0**	**0**	0	0	**0**
Total number of exit packages by type (total cost	**18**	**0**	**18**	**5**	**0**	**5**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	667,430	0	**667,430**	173,000	0	**173,000**

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.

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	**21,077**	**73,789**	19,137	62,927
Total Non-NHS Trade Invoices Paid Within Target	**20,063**	**70,815**	18,031	59,232
Percentage of Non NHS Trade Invoices Paid Within Target	95.19%	95.97%	94.22%	94.13%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,141**	**435,520**	4,038	427,566
Total NHS Trade Invoices Paid Within Target	**3,919**	**427,150**	3,840	419,074
Percentage of NHS Trade Invoices Paid Within Target	94.64%	98.08%	95.10%	98.01%

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	**0**	**0**	**0**	0
Subtotal	**0**	**0**	**0**	0
Interest Income				
LIFT: equity dividends receivable	**20**	**0**	**20**	0
LIFT: loan interest receivable	**30**	**0**	**30**	31
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	**50**	**0**	**50**	31
Total investment income	**50**	**0**	**50**	31

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)	**(55)**	**(55)**	**0**	(75)
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	**(55)**	**(55)**	**0**	(75)

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	**0**	**0**	**0**	0
Interest on obligations under PFI contracts:				
- main finance cost	**761**	**761**	**0**	782
- contingent finance cost	**0**	**0**	**0**	0
Interest on obligations under LIFT contracts:				
- main finance cost	**713**	**713**	**0**	710
- contingent finance cost	**0**	**0**	**0**	0
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	**0**
Total interest expense	**1,474**	**1,474**	**0**	**1,492**
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**1,281**		**1,281**	111
Total	**2,755**	**1,474**	**1,281**	**1,603**

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	**16,199**	**53,098**	**0**	**0**	**740**	**0**	**4,280**	**0**	**74,317**
Additions of Assets Under Construction				0					**0**
Additions Purchased	0	946	0		53	0	0	0	**999**
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	0	0	0	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	(55)	0	0	0	0	0	0	**(55)**
Upward revaluation/positive indexation	0	177	0	0	0	0	0	0	**177**
Impairments/negative indexation	0	(1,048)	0	0	0	0	0	0	**(1,048)**
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	**16,199**	**53,118**	**0**	**0**	**793**	**0**	**4,280**	**0**	**74,390**
Depreciation									
At 1 April 2012	**0**	**6,067**	**0**	**0**	**611**	**0**	**4,107**	**0**	**10,785**
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	0	0		0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	0	49	0	0	0	0	0	0	**49**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	1,359	0		54	0	98	0	**1,511**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**0**	**7,475**	**0**	**0**	**665**	**0**	**4,205**	**0**	**12,345**
Net Book Value at 31 March 2013	**16,199**	**45,643**	**0**	**0**	**128**	**0**	**75**	**0**	**62,045**
Purchased	16,199	45,643	0	0	128	0	75	0	**62,045**
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	**16,199**	**45,643**	**0**	**0**	**128**	**0**	**75**	**0**	**62,045**
Asset financing:									
Owned	16,199	13,896	0	0	128	0	75	0	**30,298**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	31,747	0	0	0	0	0	0	**31,747**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**16,199**	**45,643**	**0**	**0**	**128**	**0**	**75**	**0**	**62,045**

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	**6,921**	**4,753**	**0**	**0**	**10**	**0**	**0**	**0**	**11,684**
Movements (specify)	(14)	(936)	0	0	(2)	0	0	0	**(952)**
At 31 March 2013	**6,907**	**3,817**	**0**	**0**	**8**	**0**	**0**	**0**	**10,732**

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:									
At 1 April 2011	**15,459**	**53,040**	**0**	**0**	**740**	**0**	**4,280**	**0**	**73,519**
Additions - purchased	0	1,181	0	0	0	0	0	0	**1,181**
Additions - donated	0	0	0	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	0	0	0	**0**
Reclassifications	(338)	338	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals other than by sale	0	(75)	0	0	0	0	0	0	**(75)**
Revaluation & indexation gains	1,078	172	0	0	0	0	0	0	**1,250**
Impairments	0	(1,558)	0	0	0	0	0	0	**(1,558)**
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	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**16,199**	**53,098**	**0**	**0**	**740**	**0**	**4,280**	**0**	**74,317**
Depreciation									
At 1 April 2011	**0**	**4,677**	**0**		**570**	**0**	**3,706**	**0**	**8,953**
Reclassifications		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	0	0		0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversal of Impairments	0	(2)	0	0	0	0	0	0	**(2)**
Charged During the Year	0	1,392	0		41	0	401	0	**1,834**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatic	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**0**	**6,067**	**0**	**0**	**611**	**0**	**4,107**	**0**	**10,785**
Net Book Value at 31 March 2012	**16,199**	**47,031**	**0**	**0**	**129**	**0**	**173**	**0**	**63,532**
Purchased	16,199	47,031	0	0	129	0	173	0	**63,532**
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	**16,199**	**47,031**	**0**	**0**	**129**	**0**	**173**	**0**	**63,532**
Asset financing:									
Owned	16,199	13,937	0	0	129	0	173	0	**30,438**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	33,094	0	0	0	0	0	0	**33,094**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**16,199**	**47,031**	**0**	**0**	**129**	**0**	**173**	**0**	**63,532**

12.3 Property, plant and equipment

Donated Assets
NHS Brent does not have any donated assets

Property

Valuation Methodology

Land and Buildings were independently valued by the District Valuation Office during 2009/10 and they provided a valuation as at 1st April 2009 and in the case of the buildings the estimated remaining life (ranging from 8 to 88 years). NHS Brent has depreciated all assets over their remaining life and has not assumed any residual value. They have subsequently undertaken a desktop review to update the values in 31st March 2011, 31st March 2012 and 31st March 2013.

The District Valuation Office valued the specialised properties adopting the modern equivalent assets approach methodology. For specialised operational assets, if there is no market-based evidence of fair value because of the specialised nature of the property and the item is rarely sold, except as part of a continuing business, fair value is estimated using a depreciated replacement cost approach subject to the assumption of continuing use.

Where depreciated replacement cost (DRC) has been used, it is confirmed that the valuer has had regard to the RICS Valuation Information Paper No. 10 *The Depreciated Replacement Cost (DRC) Method of Valuation for Financial Reporting,* as supplemented by Treasury guidance.

This method has been adopted for the following properties:
Wembley Centre for Health and Care
Stag Lane Clinic
Sudbury Primary Care Trust
Willesden Centre for Health and Care
Monks Park Clinic

Properties which are not specialised have been valued on an Existing Use Value basis which has been done by adopting the comparable method. The properties valued on this basis are as follows:
New Kingswood Nursing Home
Kinch Grove
Beechcroft Gardens
Lindsay Drive
Manor Drive

These properties are being used for clients with learning difficulties. It was seen from District Valuers inspections these properties are residential properties in residential locations. To value these they referred to sales of similar properties in the locality, and reflected where necessary the value of any adaptations and improvements which have been carried out.

Minor User Rights
The valuation for Kilburn Square has again been based on the existing use basis, however a rental approach has been adopted. These properties are occupied under a minor user rights agreement. Therefore the valuation has been based on the increase in rental value that would be achieved following the improvements which have been carried out by NHS Brent. The increase is then capitalised into perpetuity on the assumption there is no term certain for the PCT occupation.

Plant & Equipment

Operational equipment is carried at current value. Where assets are at low value, and/or have short useful economic lives, these are carried at depreciated historic cost as a proxy for current value. Equipment surplus to requirements is valued at net recoverable amount.
Plant & Equipment are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. The following lives are attributed:
Short life engineering plant and equipment - 5 years
Medium life engineering plant and equipment – 10 years
Long life engineering plant and equipment – 15 years

Vehicles – 7 years
Furniture – 10 years
IT equipment – 3 years
Soft furnishings – 7 years
Short life medical and other equipment – 5 years
Medium life medical equipment – 10 years
Long life medical equipment – 15 years
Mainframe-type IT installations – l8 years or as advised by IT at time of purchase

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2012	**0**	**105**	**0**	**0**	**0**	**105**
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	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**
At 31 March 2013	**0**	**105**	**0**	**0**	**0**	**105**
Amortisation						
At 1 April 2012	**0**	**56**	**0**	**0**	**0**	**56**
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	49	0	0	0	**49**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**105**	**0**	**0**	**0**	**105**
Net Book Value at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2013 comprises						
Purchased	0	0	0	0	0	**0**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**

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 (specify)	0	0	0	0	0	**0**
At 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**

13.2 Intangible non-current assets

2011-12	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2011	**0**	**105**	**0**	**0**	**0**	**105**
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	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**	**105**	**0**	**0**	**0**	**105**
Amortisation						
At 1 April 2011	**0**	**46**	**0**	**0**	**0**	**46**
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	10	0	0	0	**10**
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**	**56**	**0**	**0**	**0**	**56**
Net Book Value at 31 March 2012	**0**	**49**	**0**	**0**	**0**	**49**
Net Book Value at 31 March 2012 comprises						
Purchased	0	49	0	0	0	**49**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**49**	**0**	**0**	**0**	**49**

13.3 Intangible non-current assets

Intangible assets which can be valued, are capable of being used in a PCT's activities for more than one year and have a cost equal to or greater than £5,000; are capitalised.

NHS Brent had previously capitalised a 10 year computer software licence it purchased for use in the Retinal screening Department. The asset has been fully depreciated as it is no longer under Brent PCT's managerial control.

Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	0	0
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings exc Dwellings	6	89
Dwellings	0	0
Plant & Machinery	0	7
Transport Equipment	0	0
Information Technology	0	1
Furniture and Fittings	0	0

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	49		49
Total charged to Annually Managed Expenditure	**49**		**49**
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	1,048		
Total impairments for PPE charged to reserves	**1,048**		
Total Impairments of Property, Plant and Equipment	**1,097**	**0**	**49**
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	1,048		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	49		49
Overall Total Impairments	**1,097**	**0**	**49**
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

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. A full revaluation was undertaken by the District Valuers during 2009-2010. Indices are no longer provided therefore a desktop review of the carrying values was undertaken in March 2012 by the District Valuer. There has been impairments of £1m charged to the Revaluation Reserve (this includes Wembley Building £498k, Willesden £502k as well as smaller impairments on the other properties).

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

16.2 Other financial commitments

The PCT does not have other financial commitments

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	556	0	886	0
Balances with Local Authorities	10	0	1,122	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	733	0	11,372	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	292	9	26,051	0
At 31 March 2013	**1,591**	**9**	**39,431**	**0**
prior period:				
Balances with other Central Government Bodies	1,616	0	1,301	0
Balances with Local Authorities	334	0	1,809	0
Balances with NHS Trusts and Foundation Trusts	904	0	10,044	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	91	8	32,719	0
At 31 March 2012	**2,945**	**8**	**45,873**	**0**

18 Inventories

The PCT held no stock at the balance sheet date (2011/12 nil)

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	**568**	2,128	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**408**	4	**0**	0
Non-NHS receivables - revenue	**225**	682	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**85**	124	**0**	0
Provision for the impairment of receivables	**(13)**	(419)	**0**	0
VAT	**313**	388	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**9**	8
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**5**	38	**0**	0
Total	**1,591**	2,945	**9**	8
Total current and non current	**1,600**	2,953		
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	**10**	0
By three to six months	**0**	0
By more than six months	**0**	0
Total	**10**	0

19.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**(419)**	0
Amount written off during the year	**0**	0
Amount recovered during the year	**0**	0
(Increase)/decrease in receivables impaired	**406**	0
Balance at 31 March 2013	**(13)**	0

This is a provision for impairments based on managements judgement on the likelihood of debts being settled.

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**180**	**0**	**180**
Additions	**0**	**0**	**0**
Disposals	**0**	**0**	**0**
Loan repayments	**0**	**0**	**0**
Revaluations	**0**	**0**	**0**
Loans repayable within 12 months	**(7)**	**0**	**(7)**
Balance at 31 March 2013	**173**	**0**	**173**
Balance at 1 April 2011	186	0	186
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	(6)	0	(6)
Balance at 31 March 2012	**180**	**0**	**180**

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	**0**	0

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**180**	0
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	(7)	0
Disposals	0	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	**173**	0

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	**0**	0
Capital Income	**(7)**	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	**0**	0

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**12**	0
Net change in year	**131**	0
Closing balance	**143**	0
Made up of		
Cash with Government Banking Service	**143**	12
Commercial banks	**0**	0
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**143**	12
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**143**	12
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

The PCT does not have any non-current assets for sale

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	**63**	65		
NHS payables - revenue	**6,833**	8,656	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**5,339**	2,689	**0**	0
Family Health Services (FHS) payables	**0**	0		
Non-NHS payables - revenue	**2,633**	1,621	**0**	0
Non-NHS payables - capital	**432**	476	**0**	0
Non_NHS accruals and deferred income	**21,948**	30,233	**0**	0
Social security costs	**3**	0		
VAT	**0**	0	**0**	0
Tax	**83**	0		
Payments received on account	**0**	0	**0**	0
Other	2,097	2,133	0	0
Total	**39,431**	45,873	**0**	0
Total payables (current and non-current)	**39,431**	**45,873**		

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 *[specify]*	**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	**652**	630	**20,441**	21,093
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**255**	228	**7,376**	7,631
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**0**	0
Other (describe)	**0**	0	**0**	0
Total	**907**	**858**	**27,817**	**28,724**
Total other liabilities (current and non-current)	**28,724**	**29,582**		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	**Other £000s**	**Total £000s**
0 - 1 Years	0	907	**907**
1 - 2 Years	0	1,778	**1,778**
2 - 5 Years	0	2,926	**2,926**
Over 5 Years	0	23,113	**23,113**
TOTAL	**0**	**28,724**	**28,724**

28 Other financial liabilities

The PCT does not have any Other Financial Liabilities

29 Deferred income

The PCT does not have any deferred income

30 Finance lease obligations

The PCT does not have any Finance Leases

31 Finance lease receivables as lessor

The PCT does not have any Finance Leases

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	**4,101**	0	2,598	0	0	0	0	0	1,503	0
Arising During the Year	**8,962**	0	2	0	0	8,960	0	0	0	0
Utilised During the Year	**(4,889)**	0	(3,386)	0	0	0	0	0	(1,503)	0
Reversed Unused	**(192)**	0	(192)	0	0	0	0	0	0	0
Unwinding of Discount	**1,281**	0	1,281	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from otherPublic Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**9,263**	**0**	**303**	**0**	**0**	**8,960**	**0**	**0**	**0**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**8,990**	**0**	**30**	**0**	**0**	**8,960**	**0**	**0**	**0**	**0**
Later than One Year and not later than Five Years	**120**	**0**	**120**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Later than Five Years	**153**	**0**	**153**	**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	64
As at 31 March 2012	85

£3k is included in pension relating to other staff in respect of the provisions of the NHS Litigation Authority at 31/3/2013 in respect of clinical negligence liabilities of the PCT (31/03/11 £16k). The remainder relates to Injury Benefits

The Continuing Care Provision is in respect of Retrospective claims see note 1.1

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other *[give details]*	**(5,172)**	(1)
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(5,172)**	(1)
Contingent Assets		
Contingent Assets *[give details]*	**0**	0
Net Value of Contingent Assets	**0**	0

Contingencies are as follows:

1. At the 31st March 2013 the PCT has no contingent liability (2011/12 £1,121) to the NHS Litigation Authority.

2. the £5,172k contingent liability is in respect or the retrospective continuing care outstanding claims (see note 1.1) as the final outcome and the resultant financial effects remain uncertain at the year end. The value reported is the worst case scenario

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	**2,713**	2,518
Total	**2,713**	**2,518**
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI		
No Later than One Year	**2,713**	2,518
Later than One Year, No Later than Five Years	**10,852**	10,072
Later than Five Years	**46,121**	45,324
Total	**59,686**	57,914

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make materially different from those which the 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 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	**1,391**	1,391
Later than One Year, No Later than Five Years	**5,565**	5,565
Later than Five Years	**23,650**	25,042
Subtotal	**30,606**	31,998
Less: Interest Element	**(9,513)**	(10,275)
Total	**21,093**	21,723

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	**291**	251
Total	**291**	251

	31 March 2013 £000	31 March 2012 £000
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	**291**	251
Later than One Year, No Later than Five Years	**1,163**	1,005
Later than Five Years	**4,085**	3,768
Total	**5,539**	5,024

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	**977**	942
Later than One Year, No Later than Five Years	**3,738**	3,758
Later than Five Years	**17,398**	18,354
Subtotal	**22,113**	23,054
Less: Interest Element	**(14,482)**	(15,195)
Total	**7,631**	7,859

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	**984**	984	0
Interest Expense	**1,475**	1,475	0
Impairment charge - AME	**0**		0
Impairment charge - DEL	**0**	0	0
Other Expenditure	**3,005**	3,005	0
Revenue Receivable from subleasing	**0**	0	0
Total IFRS Expenditure (IFRIC12)	**5,464**	**5,464**	**0**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**(5,100)**	(5,100)	0
Net IFRS change (IFRIC12)	**364**	**364**	**0**

Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12	
Capital expenditure 2012-13	0
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	351

Monks Park Lift

The operator (LiftCo) is required to make the newly created service asset and facilities available to the PCT for use as Community Health Centre accommodation and in accordance with the output specification set out in the Lease Plus Agreement. The Lift facility includes the majority of the features typically included in a service concession according to IFRIC 12 and in particular meets the definition of infrastructure within IFRIC 12 in that this is used for provision of a public service. the assets were constructed specifically for the purpose of the arrangement and LiftCo is obligated to manage and maintain the property and the PCT has the right to expect provision of the specified service.

The construction work was completed and the newly created asset made available on 1st June 2006 and will continue to be available until 31st May 2031.

The initial value at inception of the Lift scheme recognised is the present value of minimum lease payments on the assumption that the PCT will not exercise the option to purchase the infrastructure asset on expiry of the initial term of the Lease Plus agreement.

The payment mechanism in the Lease plus agreement provides for the amount the PCT must pay Liftco for the use of the service assets and do not allow Liftco to charge the PCT for access to these assets. The treatment for the Lease Plus payment is accounted by splitting them into two separate elements namely, payment for services (including pass through and utilities costs), payment for the property (comprising repayment of the liability, finance charge and contingent rental) and payment for lifecycle replacement.

The Lease Plus agreement provide the Operator's (Liftco) rights and responsibilities shall cease on expiry of the term of 25 years as defined in the LPA.

In addition the agreement provides that the PCT may exercise an option to purchase the service assets on expiry of the term and at an amount based on the asset's Open Market value (OMV) held within the financial model. While residual value risk is shared between the PCT and Liftco. the PCT has significant control over over the asset's residual interest., because the PCT 's option to purchase will restrict Liftco's right to sell or pledge the infrastructure asset on expiry of the term.

The basis for re-pricing or renegotiation is determined on the basis of the Lease Plus Agreement. The possibility of option being exercised would require formal valuation of estimated residual value and where option price is expected at the outset to be not sufficiently below expected fair value of the asset at end of the contract then no presumption of the exercise being exercised would arise.

Therefore the property associated with the service is recorded as a tangible asset in accordance with IAS16 and the associated long term liability to pay for the asset in accordance with IAS17.

Sudbury Court LIFT

The operator (LiftCo) is required to make the newly created service asset and facilities available to the PCT for use as Community Health Centre accommodation and in accordance with the output specification set out in the Lease Plus Agreement. The Lift facility includes the majority of the features typically included in a service concession according to IFRIC 12 and in particular meets the definition of infrastructure within IFRIC 12 in that this is used for provision of a public service. the assets were constructed specifically for the purpose of the arrangement and LiftCo is obligated to manage and maintain the property and the PCT has the right to expect provision of the specified service.

The construction work was completed and the newly created asset made available on 1st November 2007 and will continue to be available until 31st October 2032.

The initial value at inception of the Lift scheme recognised is the present value of minimum lease payments on the assumption that the PCT will not exercise the option to purchase the infrastructure asset on expiry of the initial term of the Lease Plus agreement.

The payment mechanism in the Lease plus agreement provides for the amount the PCT must pay Liftco for the use of the service assets and do not allow Liftco to charge the PCT for access to these assets. The treatment for the Lease Plus payment is accounted by splitting them into two separate elements namely, payment for services (including pass through and utilities costs), payment for the property (comprising repayment of the liability, finance charge and contingent rental) and payment for lifecycle replacement.

The Lease Plus agreement provide the Operator's (Liftco) rights and responsibilities shall cease on expiry of the term of 25 years as defined in the LPA

In addition the agreement provides that the PCT may exercise an option to purchase the service assets on expiry of the term and at an amount based on the asset's Open Market value (OMV) held within the financial model. While residual value risk is shared between the PCT and Liftco. the PCT has significant control over the asset's residual interest, because the PCT 's option to purchase will restrict Liftco's right to sell or pledge the infrastructure asset on expiry of the term.

The basis for re-pricing or renegotiation is determined on the basis of the Lease Plus Agreement. The possibility of option being exercised would require formal valuation of estimated residual value and where option price is expected at the outset to be not sufficiently below expected fair value of the asset at end of the contract then no presumption of the exercise being exercised would arise.

Therefore the property associated with the service is recorded as a tangible asset in accordance with IAS16 and the associated long term liability to pay for the asset in accordance with IAS17.

Willesden PFI

The operator (Willcare) is required to make the newly created service asset and facilities available to the PCT for use as Community Hospital and in accordance with the output specification set out in the Lease Agreement. The PFI includes the majority of the features typically included in a service concession according to IFRIC 12 and in particular meets the definition of infrastructure within IFRIC 12 in that this is used for provision of a public service. The assets were constructed specifically for the purpose of the arrangement and Willcare is obligated to manage and maintain the property and the PCT has the right to expect provision of the specified service.

The construction work was completed and the newly created asset made available on 1st April 2005 and will continue to be available until 31st March 2035.

The initial value at inception of the PFI scheme recognised is the present value of minimum lease payments on the assumption that the PCT will not exercise the option to purchase the infrastructure asset on expiry of the initial term of the Lease Plus agreement.

The payment mechanism in the Lease agreement provides for the amount the PCT must pay Willcare for the use of the service assets and do not allow Willcare to charge the PCT for access to these assets. The treatment for the Lease payment is accounted by splitting them into two separate elements namely, payment for services (including pass through and utilities costs), payment for the property (comprising repayment of the liability, finance charge and contingent rental) and payment for lifecycle replacement.

The Lease Plus agreement provide the Operator's rights and responsibilities shall cease on expiry of the term of 30 years as defined in the Lease Agreement

In addition the agreement provides that the PCT at the end of the lease agreement owns the asset.

Therefore the property associated with the service is recorded as a tangible asset in accordance with IAS16 and the associated long term liability to pay for the asset in accordance with IAS17.

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 list.

Currency risk

The PCTis 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		976		**976**
Receivables - non-NHS		538		**538**
Cash at bank and in hand		143		**143**
Other financial assets	0	173	0	**173**
Total at 31 March 2013	**0**	**1,830**	**0**	**1,830**
Embedded derivatives	0			0
Receivables - NHS		2,132		2,132
Receivables - non-NHS		1,108		1,108
Cash at bank and in hand		12		12
Other financial assets	0	180	0	180
Total at 31 March 2012	0	3,432	0	3,432

36.2 Financial Liabilities	**At 'fair value through profit and loss' £000**	**Other £000**	**Total £000**
Embedded derivatives	0		**0**
NHS payables		12,172	**12,172**
Non-NHS payables		27,110	**27,110**
Other borrowings		0	**0**
PFI & finance lease obligations		28,724	**28,724**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**68,006**	**68,006**
Embedded derivatives	0		0
NHS payables		11,345	11,345
Non-NHS payables		34,472	34,472
Other borrowings		0	0
PFI & finance lease obligations		29,582	29,582
Other financial liabilities	0	0	0
Total at 31 March 2012	**0**	75,399	75,399

37 Related party transactions

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 Brent Primary Care Trust. The following related party transactions were reported by the Shadow Clinical Commissioning Board that relate to Brent Primary Care Trust. The GMS payments shown below relates to services provided to the practice which the Shadow Clinical Commissioning member is a partner rather than payments to Shadow Clinical Commissioning members themselves. The payment is the total paid to the practices as a whole before taking into account practice expenses in delivering services

Clinical Commissioning Board - PMS or GMS Costs

	2012/13	2011/12
Dr A Shah	340,264	310,438
Dr A Craig	910,474	897,756
Dr A Patel (ceased 30th September 2012)	195,396	382,928
Dr C Armstrong	702,940	652,002
Dr J Mahmoodi	316,232	310,968
Dr S Basham	1,248,007	1,196,743
Dr E Kong	1,117,812	1,076,597
Dr S Ansari	657,750	605,002

A lay member of the Clinical Commissioning Board Ms I Iny does consultancy work for the NHS, Department of Health and Local Authorities. Husband also has undertaken consultancy work for NHS Harrow

Dr A Shah and Dr E Kong both held shares in Harmoni Ltd which was sold during 2012/13 to Care UK. Dr E Kong and D S Ansari are shareholders with Harness Care Co-Operative. Both companies had dealings with Brent Primary Care Trust during 2012/13.

During 2012/13 Harmoni was awarded the tender to provide the 111 service on behalf of Hounslow, Ealing, Brent and Harrow PCT's from March 2013. Of the GPs named above only Dr C Armstrong sat on the procurement panel. The tender approval was provided by the North West London Cluster Board.

Members of the Cluster Board with related party transactions include Sarah Cuthbert whose husband is a Partner in Deloitte. Deloitte are external auditors for Hillingdon and Harrow PCTs and also have worked on 'Shaping a Healthier Future' during the year. Mark Spencer held shares with Harmoni Ltd.

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

	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000
A Primary Care Trusts				
Harrow PCT	130	143	237	58
Westminster PCT	1,653	3,456	11	314
Croydon PCT	5	43,161	268	0
Kensington and Chelsea PCT	60	404	0	0
Ealing PCT	140	725	0	36
Hammersmith and Fulham PCT	191	130	0	25
B Trusts				
North West London Hospitals NHS Trust	1,554	124,498		187
Imperial College Healthcare NHS Trust	-	61,243		725
Royal National Orthopaedic Hospital NHS Trust	-	3,342	125	
Barnet & Chase Farm Hospitals NHS Trust	-	4,179		279
Central London Community Healthcare NHS Trust	-	2,635		388
Ealing Hospital NHS Trust	4,522	32,218	30	1,413
London Ambulance Services NHS Trust	-	9,552		74
B Foundation				
Central And North West London MH NHS Foundation Trust	575	40,475	434	2,026
Chelsea And Westminster Hospital NHS Foundation Trust	-	4,294		70
Royal Brompton And Harefield NHS Foundation Trust	-	6,619		218
University College London NHS Foundation Trust	-	11,782		344
Royal Free Hamstead NHS Trust	-	16,031		266
Great Ormond Street Hospital NHS Trust	-	3,538		289
D Others				
London Strategic Health Authority	-	1,760		
E Local Councils				
Brent London Borough Council	13,628	224	10	1,122

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	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	0	0
Total special payments	0	0
Total losses and special payments	0	0

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	400	1
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	400	1
Total special payments	0	0
Total losses and special payments	400	1

39 Third party assets

There are no third party assets

40 Cashflows relating to exceptional items

None

41 Events after the end of the reporting period

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

NHS England
Brent Clinical Commissioning Group
London Borough of Brent

Certain Land, Property, Plant & Equipment have transferred to NHS Property Services, NHS Trusts and Community Health Partnership on 31 March 2013. These were considered operational at the year end, and so have not been impaired in the PCT books. It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment.The associated Borrowings and Revaluation Reserves have also transferred

Current Assets and Liabilties where the asset or liabilty will be discharged by 30th June 2013 will transfer to the Department of Health. Assets and Liabilities which will not be discharged by the 30th June 2013 will transfer with the function to the receivers above.

Brent Primary Care Trust
Governance Statement 2012-2013

1	**Introduction**

I am assured by the former Chief Executive of Brent PCT (5K5) who was the Accountable Officer responsible for ensuring the proper stewardship of public funds and assets and who was accountable for the overall performance of the executive functions of the PCT, that the work of ensuring the discharge of obligations under Financial Directions was carried out in line with the requirements of the Accountable Officer Memorandum for PCT Chief Executives issued by the Department of Health.

I am assured by the Accountable Officer, that she has carried out her responsibilities which included ensuring the following:

- management systems for safeguarding public funds and assets and assisting in the implementation of corporate governance have been properly monitored;
- achievement of value for money with the resources available;
- expenditure and income were properly accounted for; and
- effective and sound financial management systems were in place.

I am assured by the former Accountable Officer who was accountable to the Chair and Non-Executive members of the PCT Board for ensuring that its decisions were implemented, that the organisation worked effectively, in accordance with Government policy and public service values, and maintained proper financial stewardship. Within the Standing Financial Instructions, it was acknowledged that the Chief Executive was ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State, for ensuring that the PCT Board met its obligation to perform its functions within the available financial resources.

The former Chief Executive and Accountable Officer had overall executive responsibility for the PCT's activities and the achievement of its objectives, responsibility to the Chair and the PCT Board for ensuring that its financial obligations and targets were met and had overall responsibility for the PCT's system of internal control. The essence of that role as Accountable Officer was to ensure that the Trust carried out these functions in a way which ensured the proper stewardship of public money and assets. Effective and sound financial management and information are of fundamental importance. I am assured by the former the Accountable Officer that this occurred.

The system of internal control has been in place at Brent PCT for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

With these assurances from the former Accountable Officer I have signed the Summarised Accounts of Health Bodies in England, and the Resource Accounts of the Department of Health. The Summarised Accounts are derived from the statutory accounts of the PCT. Together with the Director of Finance, the former Accountable Officer was responsible for ensuring that the accounts of the PCT were prepared under principles and in a format directed by the Secretary of State with the approval of the Treasury.

Robust arrangements were put in place for the preparation and audit of the accounts of the PCT following closedown of North West London PCTs as statutory bodies. These arrangements are in line with Department of Health Guidance for financial closedown.

A local delivery team was secured to prepare the accounts and a sub-committee of the Department of Health Audit and Risk Committee was established to review the accounts with retained non executive directors, the Director of Finance, the external and internal auditors and myself.

The Codes of Conduct and Accountability incorporated in the Corporate Governance Framework Manual issued to NHS Boards by the Secretary of State were fundamental in exercising my responsibilities for regularity, propriety and probity. Every member of the PCT Board has subscribed to these codes which were adopted in April 2011.

Since April 2011, the PCT has entered into a collaborative arrangement with other PCTs in North West London and underwent significant structural and organisational change.

The "Cluster" of NHS North West London was formed of eight PCTs: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Kensington and Chelsea and Westminster. The Strategic Health Authority confirmed the "Cluster" was compliant with Primary Care Trust regulations and Primary Care Trust Cluster Implementation Guidance. The Strategic Health Authority reviewed the Corporate Governance Framework outlining the shared working arrangements that was agreed by the PCT Board in February 2011 and confirmed it as compliant with PCT regulations and PCT Cluster Implementation Guidance.

The Framework was revised in September 2012 to reflect the transitional development of the new system as described in the Health and Social Care Act 2012. A single management team performed its role on behalf of each of the PCTs, who retained their statutory duties and powers. All PCT statutory functions, powers and duties were mapped to ensure that they were aligned to the new cluster management structure. The former Chief Executive of Brent Primary Care Trust (PCT), and Accountable Officer was also the Accountable Officer for the other seven PCTs.

2 **Governance Framework – NHS North West London**

The PCT was part of a group of eight constituent PCTs which made up the NHS North West London Cluster which was the largest group of Primary Care Trusts in London with a population of 1.9 million and a budget of £3.4 billion which represented 24% of health expenditure in London. The eight PCTs that collaborated were: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Kensington and Chelsea and Westminster.

The governance arrangements from 1 April 2012 to 31 March 2013 changed from the previous year in line with the Department of Health guidance for PCT clustering. With effect from 1 April 2012 the eight PCTs' Board which was the NHS North West London Cluster Board had a membership in common and met in common, in practice operating as a single NWL Cluster Board. The eight PCTs continued to retain their statutory accountability for all duties, functions and responsibilities under NHS regulations and take decisions relating to individual PCTs where required by the relevant regulations. These arrangements were ratified at the Boards' meeting in common on 10 April 2012 and incorporated into a set of Standing Orders, Standing Financial Instructions and Scheme of Delegation. There was a single Accountable Officer for the eight PCTs, the Chief Executive Officer Dr Anne Rainsberry, and the Boards' Chairman was Jeff Zitron.

The following is the membership of the Cluster Board together with the attendance record at formal Board meetings:-

Seven Board meetings were held in the financial year 2012/13

Position	Name	Number of Board Meeting attended
Chairman	Jeff Zitron	7/7
Non-Executive Directors	Trish Longdon	5/7
	Elizabeth Rantzen	6/7
	Fergus Cass	7/7
	Sarah Cuthbert	6/7

	Arif Kamal	7/7
	Chandresh Somani	6/7
	Martin Roberts	6/7
Chief Executive	Anne Rainsberry	6/7
Director of Strategy/Chief Officer designate, CWHH CCGs	Daniel Elkeles	6/7
Chief Officer designate BEHH CCGs (from 1 October 2012)	Rob Larkman	2/3
Director of Finance, Hammersmith and Fulham, Hounslow, Kensington and Chelsea and Westminster PCTs (from 1 October 2012)	Clare Parker	3/3
Director of Finance (until 30 September 2012)	David Slegg	4/4
Director of Finance, Brent, Ealing, Harrow and Hillingdon PCTs (from 1 October 2012)	Jonathan Wise	3/3
Director of Commissioning and Performance (until 30 September 2012)	Simon Weldon	3/4
Medical Director	Mark Spencer	5/5

3 **Board Performance**

A survey of Board members was carried out at the end of 2011/12, which included positive feedback on the chairing and administration of the meetings. The main concerns expressed were over the quantity of business in the context of the rapid change underway in the NHS. During 2012/13 the Board kept its business and governance arrangements under constant review in response to these concerns. The Board supported the implementation of an Interim Operating Model and increasingly relied on the CCG Committee and its Sub Committees as they moved towards authorisation.

Training for Board members was carried out through Board Seminars and executive and non executive away days that were held on a regular basis. At these sessions members were briefed on areas relevant to the work of the PCTs which included interactive workshops for member participation into risk management (including a session on risk appetite), Shaping a Healthier Future and transition to the new NHS.

4 **Governance Framework**

The Cluster Board established the following committees between the eight PCTs:-

Joint Audit Committees
Joint Quality and Clinical Risk Committee
Joint Information Governance Committee
Joint Finance and Performance Committee
Joint Remuneration Committee
Joint Clinical Executive Committee
Joint Health and Safety Committee

The Cluster Board also established, in May 2012, a joint committee of the eight PCTs in North West London with Camden PCT, Richmond PCT and Wandsworth PCT to take decisions on *Shaping a Healthier Future* a programme set up to improve healthcare for the 1.9 million people in North West London.

The PCT established the shadow Brent Clinical Commissioning Group (CCG) Governing Body as a sub committee of the Cluster Board.

In addition, the Cluster set up a number of supporting groups, including the following:-

- Decision Making Group
- Individual Funding Request (IFR) Group
- Patient and Public Advisory Group Cluster Executive Team
- Cluster Executive Team

Terms of Reference were adopted by the Cluster Board for each of these Committees and Groups. In the light of the handover and transition to the new governance arrangements from April 2013 as determined by the Health and Social Care Act 2012, the Board kept the Committees and their terms of reference under review during the year. From September the Governance Framework was supported by an Interim Operating Model of management designed to deliver in-year objectives and smooth transition to the new arrangements.

5 **Committee Functions and Performance**

The following is a summary of the Committee functions and performance:

Joint Audit Committee

The Committee was established in accordance with the guidance in the NHS Audit Handbook. It reviewed the financial management, governance, risk management and internal control in the PCTs and ensured they were adequate and effective. The Audit Committee met seven times during 2012/13 and at its initial meeting considered audit planning, priorities, working methods and the internal audit programme for the year. Regular reports were received on the overall financial position, risk management, counter fraud, internal and external audit and transition. The Committee paid particular attention to receiving assurance on the Joint Boards Assurance Framework, transition and handover and closure arrangements. In addition, the Committee received reports on IT, the Integrated Care Pilot and the review of recommendations from the NHS London report into NHS Croydon.

At its final meeting the Committee agreed its Annual Report to the Board on its work during the year and reviewed the second draft of the Annual Governance Statement.

Joint Quality and Clinical Risk Committee

The Committee kept under review and required assurance on issues affecting the quality of services commissioned across NHS North West London, including patient safety, clinical effectiveness and patient experience. The Quality and Clinical Risk Committee met six times during 2012/13 and received regular reports on quality (quality exception reports), quality and clinical risk register, serious incidents and never events, revalidation, Organisational Health Intelligence reports, transition and handover and closure. The Committee paid particular attention to receiving assurance on action to improve clinical quality at Imperial College Healthcare NHS Trust and the handover and closure of quality and safety in accordance with the guidance issued by the National Quality Board. In addition, the Committee received reports on looked after children in Brent and Harrow, the "Savile" case and the Mid Staffordshire Inquiry.

Joint Information Governance Committee

The Joint Information Governance Committee was a standing group accountable to the North West London Cluster Executive Team Its purpose was to support and drive the broader Information Governance ("IG") agenda and provide assurance that effective IG best practice mechanisms are in place within the North West London Cluster. The Information Governance

Committee met eight times during 2012/13. Information governance risk was managed by reviewing progress towards IG toolkit submission reinforced by audit. Regular reports were received on policies, the risk register, transition and records management.

Joint Finance and Performance Committee

The Committee undertook performance monitoring and oversight of Cluster-wide performance objectives to ensure that appropriate progress was made across NHS North West London. It ensured that progress was coordinated effectively and coherently between the Cluster (eight PCTs) and the eight emerging Clinical Commissioning Groups (established as Committees of the relevant PCT) without unnecessary duplication. It supplemented the work of the Joint Audit Committee, which ensured that the statutory and regulatory requirements of the PCT functions were independently reviewed and assured. The Finance and Performance Committee met six times during 2012/13 and received regular reports on progress against finance and performance targets, risk register, transition and handover and closure. It paid particular attention to PCT Recovery Plans in the context of the Integrated Commissioning Plan.

Joint Remuneration Committee

The Committee kept under review the remuneration and terms of service policy in NHS North West London and ensured that there was a consistent and fair approach to its application. The Remuneration Committee met 13 times during 2012/13 either in person or electronically in accordance with its terms of reference. The prime focus of its work was on employment and contractual issues relating to the transition to the new NHS with effect from 1 April 2013. The Committee considered a number of business cases for redundancy on grounds of organisational change and referred decisions to NHS London for ratification.

Joint Clinical Executive Committee

The Committee provided strong clinical leadership in developing a clinically robust and sustainable commissioning strategy, supporting the development of clinical commissioning, assuring clinical quality and leading communications with stakeholders. The Clinical Executive Committee met on a bi-monthly basis throughout the year. Its main focus of work was in supporting emerging CCGs through the authorisation process and providing clinical input to the strategy *Shaping a Healthier Future in North West London.* The Committee also paid particular attention to the improvement of clinical care at Imperial College Healthcare NHS Trust and to the London Cancer Programme.

Joint Health & Safety Committee

The Committee kept under review and required assurance on issues affecting the health and safety requirements across NHS North West London Cluster. The Health and Safety Committee was established during the year and met six times during 2012/13. The focus of its work during the year was to assure itself that the PCT met its health and safety responsibilities, taking account of commissioned external reviews. It reviewed fire, health and safety and carbon reduction policies prior to endorsement by the Board. The Committee received regular reports on serious incidents, the risk register, implementation of mandatory training and premises assessment. It also received reports on the handover and closure of estates.

Brent Clinical Commissioning Group Shadow Governing Body

The Committee undertook a range of functions on behalf of the PCT Board, including:-

a. the commissioning functions for the practice patients of the members of the Group, and for those resident in the area of the CCG who are not practice patients of any other CCG for services commissioned on a practice patient basis; and commissions services required to be provided on an open access basis for all persons resident in the area of the CCG

b. developed close links with the Borough of Brent and participated in the development of joint strategic needs assessment for the borough and contributed to the Health and Well being board
c. prepared the members of the Group for the submission of an application to the National Commissioning Board for Authorisation
d. carried out such other functions as required under the Accountability Agreement for the purpose of developing the competencies of a Clinical Commissioning Group.

The Clinical Commissioning Group met regularly during 2012/13 and its prime focus was complying with national guidance in order to become authorised as a legal entity with effect from 1 April 2013. A substantial part of its work was the development of its constitution and governance arrangements, while at the same time discharging the commissioning responsibilities delegated to it by the Board. It set up its own Sub Committees to match key Cluster Committees in preparation for taking on its own statutory responsibilities with effect from April 2013. The CCG was authorised, without any conditions, effective from 1 April 2013.

6 Handover and Closure

The Board has kept its arrangements under review throughout the year to ensure that they continued to address the following hierarchy of priorities in accordance with national guidance:-

1 Business as usual
2 Handover and Closure
3 Establishment of new arrangements

The Board agreed to retain its existing committee structure but implemented an Interim Operating Model which ensured that there were clear accountability arrangements to secure in-year delivery and transition to the new system. The arrangements were formalised with changes to the membership of the Board with effect from 1 October 2012. Handover and closure was led by the Transition Director and supported by a Handover and Closure Operational Group (Star Chamber) comprising the leads of all the transition workstreams. Regular reports on progress on handover and closure were received at the Board, Audit Committee and Quality and Clinical Risk Committee. A Handover and Closure Risk Register was maintained and fed into the Board Assurance Framework (BAF) in the same way as other risk registers.

The BAF was shared with the emerging CCG, so that it could inform the development of the CCG's own risk management arrangements and BAF. The Board agreed in September that the Accountable Officer (designate) would review the CCG BAF and risk registers (including scrutiny of the BAF) and agreed that the CCG BAFs and Risk Registers would be reported to the relevant PCT Committee, so that assurance could be provided to the Board. The Audit Committee followed the development of the CCG BAFs and gained assurance that the emerging arrangements were likely to prove adequate and effective.

At Board and Committee level, the risk registers were made available to the CCGs so that they could determine their own risk management arrangements. The PCT adopted a practice of using handover certificates to formalise the handover of functions to successor bodies. The certificates included provision for the identification of outstanding issues and any risks which could impact on delivery in future if not adequately mitigated. These were designed to act as a trigger for discussion at handover meetings with receivers. This process gave the receiving organisation the information with which to assess risks against its own risk appetite and risk management strategy.

7 Framework for Financial Closedown

In accordance with national guidance, arrangements were put in place for financial closedown. This included:-

- preparation and sign off of PCT accounts for 2012/13;

- support for the completion of the Department's resource account;
- transfer of closing balances to residual organisations;
- management of local discharge of balances transferred to the Department;
- management of payroll queries and other related payroll issues; and
- handover of residual balances managed on behalf of the Department.

The PCT Chief Executive and Director of Finance both secured posts in successor bodies but retained responsibility for financial closedown and the Accounts. Staff resources were secured to secure effective accounts preparation by means of agreement with successor organisations for staff who had secured employment and by means of staff appointments under the Retention and Exit Terms Scheme. In addition, staff resources were identified to transfer to, or be available to, the Legacy Management Office.

For scrutiny and audit existing arrangements for both internal and external audit encompassed the work associated with reviewing financial closedown and the completion of final accounts. The Audit Committee members, whether they had secured a role in the new system or not, were asked and agreed to become members of an Audit Sub-Committee of the Department of Health Audit and Risk Committee to support the final accounts process.

8 **Compliance with Corporate Governance Code**

The Board of the PCT met in public and published Board Papers, agenda and minutes on their websites. The Board adhered to the "Nolan Principles" setting out the ways in which holders of Public Office behave in the discharge of their duties and as a guiding principle for decision making. The principles adopted by this Board are:-

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

As a central part of the NHS the Board affirmed its commitment to the rights and values set out in the NHS Constitution and the seven key principles that guide the Board in all its actions:-

- The NHS provides a comprehensive service available to all;
- Access to NHS Services is based on clinical need, not an individual's ability to pay;
- The NHS aspires to the highest standards of excellence and professionalism on the provision of high-quality care that is safe, effective and focussed on the patient experience;
- NHS services must reflect the needs and preferences of patients, their families and carers;
- The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population;
- The NHS is committed to providing best value for taxpayer's money and the most cost-effective, fair and sustainable use of finite resources;
- The NHS is accountable to the public, communities and patients that it serves.

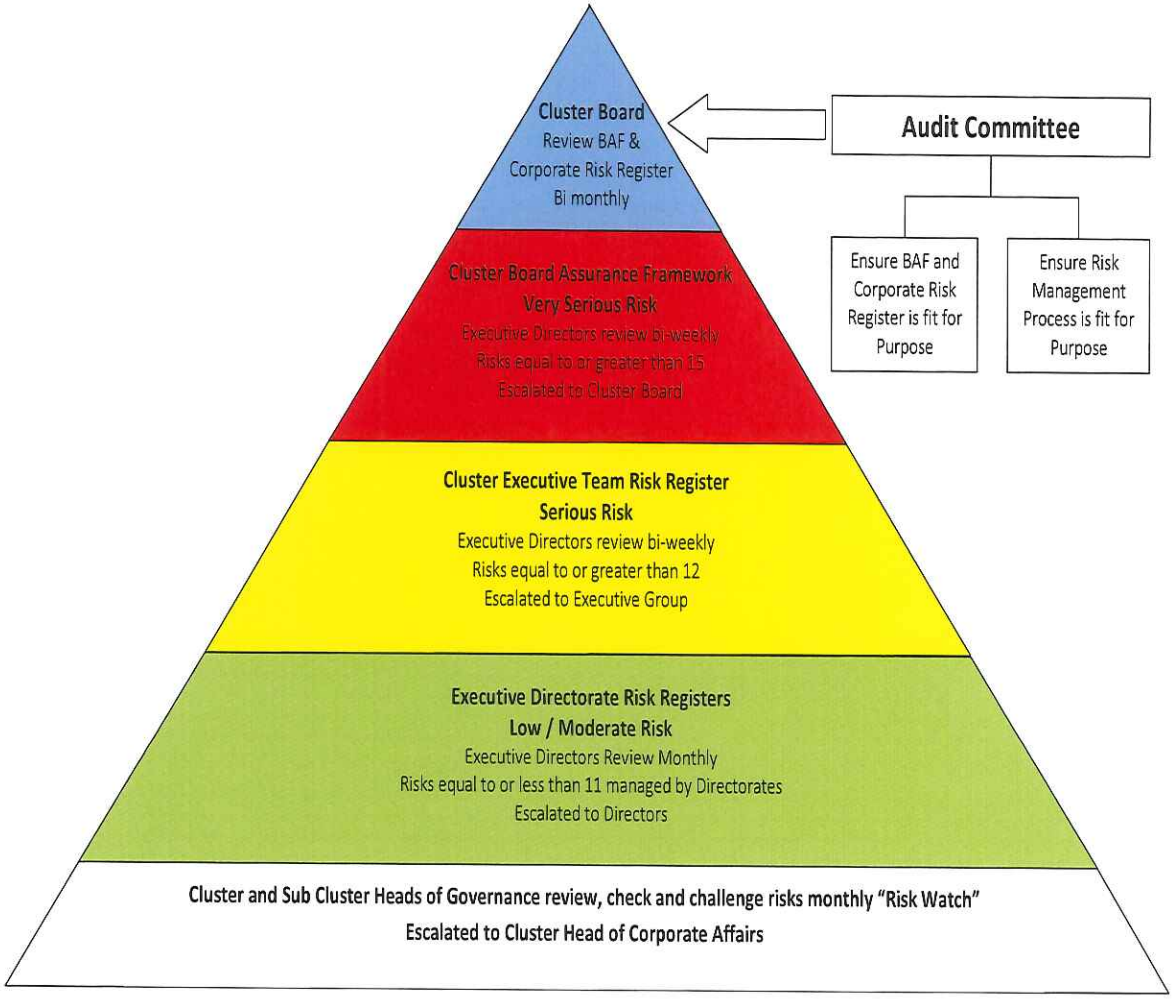
9 **Discharge of Statutory Functions**

An integral part of transition was the reconciliation of the statutory functions of the PCT and their destination after the end of March 2013. The PCT used legal advice to establish a definitive list of statutory responsibilities and established a tracker to ensure that each function is was transferred appropriately. In doing so, the PCT established that no irregularities were identified and assured itself that it was legally compliant. NHS continuing care issues were

	raised about the appropriate interpretation of the legislation in individual cases and the PCT followed the national process to review outstanding cases.
10	**Risk and Control Framework**
	The following is a summary of the Cluster risk management strategy:- The Cluster Risk Management Strategy, agreed by the Cluster Board in November 2011, was embedded in the normal management processes and structures and encouraged by a culture of responsibility. The Risk Management Strategy promoted the philosophy of integrated governance and required all risk management to be systematic, robust and evident. It required that risk management processes were applied to business planning at all levels and that risk management issues be communicated to key stakeholders where necessary. The Strategy covered quality, clinical, organisational and financial risk, and identified the key management structures and processes defining objectives and responsibilities within the Cluster. The principles of this Strategy were consistent with the Cluster key priorities – patient safety and staff management. Implementation of the Risk Management Strategy was co-ordinated and monitored by the Cluster Executive Team. The Strategy was supported by a NWL Risk Management Process which clearly described the processes that the Cluster put into place in order to adequately manage risk. Since April 2012 there was a coherent and consistent approach across all eight PCTs in the Cluster and in May the Board reviewed its appetite and tolerance for risks. The process ensured that the highest risks appeared on the Board Assurance Framework with a systematic approach to lower risks. The process ensured where risks were identified, there was a requirement for action to be taken to mitigate the risk. Where risks remained at a high level, they were subject to regular scrutiny by the Board, relevant Committee or the Executive Team, so that they received appropriate levels of management attention. During the course of 2012/13 in response to the exceptional challenges of transition, specific risk registers were maintained for specific risks, for example handover and closure and financial handover and closedown. The discipline of the strategy together with the training of staff ensured that the number of risks arising was kept to a minimum. The Strategy complied with best practice, NHS Litigation Authority and National Patient Safety guidance and the Department of Health requirements.
11	**Risk Identification and Evaluation**
	The identification of new risks was a standing item on the agenda for the Cluster Board, its committees and key working groups from 2011. This ensured that each forum considered risk at the end of each meeting and was very effective in focusing attention on risk. The Cluster Executive Team work programmes captured all risks and issues within their risk logs (low scores) and dashboards which were then escalated to the appropriate risk register or log if scores reached the relevant threshold. Any risks identified or amended which reached thresholds for the Cluster tiered Risk Registers were passed to the Head of Corporate Affairs and duly considered, rated and assigned to an appropriate risk register and shared at a regular Heads of Governance meeting. They were then referred to the owner of the relevant risk register for additional controls and actions to mitigate the risk. The "5 x 5" matrix used when rating risks considers the impact of each risk in terms of Injury/Safety, Legal or Financial, Performance/Service Interruption, Regulatory or Adverse Publicity/Reputation. Each risk was then assigned to an appropriate register depending upon the score for its impact multiplied by the score for the likelihood of that occurring. Each rating was presented as a mitigated score based upon consideration of the controls in place. Actions were recommended to reduce the risk rating. The risk matrix included consideration of stakeholders in the assessment of impact of risks identified including among others such as patients, the public, service users and the Department of Health. Controls for individual risks were only recorded where they were verified as making an active difference to reducing or mitigating a risk. They must have been verified as controls at an appropriate forum or by a recognised external/regulatory body. These were continually reviewed by the Head of

Corporate Affairs, Head of Clinical Governance or Cluster Executive Team for Corporate or Directors' Risks; or by the designated lead for directorate risk registers with guidance and support from the Head of Corporate Affairs. All risks were triangulated with NHS London.

The following diagram highlights the Cluster process for stratification of risks:



12 **New Risks**

The Cluster operated an integrated Board Assurance Framework and Risk Register (as described above) based on the strategic objectives for the year. The BAF was reviewed at every Board meeting and was updated and revised as new risks were identified and existing risks mitigated. The year was challenging in meeting in-year delivery targets, ensuring effective handover and closure and establishing new organisations which were fit for purpose. In addition, the year included formal consultation on *Shaping a Healthier Future,* the strategy to secure improvements in health care across North West London. In that context, the most significant and enduring risks for 2012/13 are described below:-

Delivery of improvements in clinical quality and patient experience

In terms of delivering improvement in clinical quality and patient experience, high risks were associated with Imperial College Healthcare NHS Trust and North West London Hospitals NHS Trust. For Imperial there were risks associated with the sustainable delivery of the 18 week target and an inability to complete robust data validation of cancer pathways, leading to further breaches of waiting standards. For North West London Hospitals the risks related to the achievement of the A & E 4 hour wait standard, poor performance in patient surveys and the level of consultant cover in maternity. The risks in both providers were of poor outcomes and

poor patient experience. Trust action plans to address identified issues have been subject to monitoring and review by the Quality and Clinical Risk Committee and Board and financial support provided where appropriate.

Support the development of the new commissioning and provider landscape

A key element of achieving improvements in quality in future was the implementation of the out of hospital strategies with transfer of care from acute to out of hospital settings. The risk of failure to achieve these objectives was identified as high throughout the year, with the potential impact on quality, financial stability and delays to the reconfiguration strategy. Action was coordinated across North West London between CCGs and supported by a strategy development team and a workforce transformation strategy. There was a rigorous assurance plan and detailed implementation plan for 2013/14 agreed by the Board.

On the same objective, there was also a risk of failure to meet the requirements of information governance frameworks with a resulting unsatisfactory audit and information governance toolkit. Action plans arising from the toolkit assessment were monitored regularly by the Information Governance Committee and additional resources were allocated to records management and information mapping in support. There was a systematic programme of records management to ensure effective transition to the new organisations.

Delivery of financial savings to achieve financial balance

Maintaining adequate and effective financial control and ensuring strong financial management, as well as delivering QIPP savings targets, represented a high risk. Key elements in managing the risk were the implementation of financial and commissioning strategies with strong controls exercised through contract management. The financial position was monitored on a regular basis by the Finance and Performance Committee and the Board with remedial action identified where necessary. A final review of risk rating took place in month nine as part of the draft closure of accounts.

13 **Performance Against NHS Operating Framework 2012/13**

Brent PCT had a statutory duty to report on performance services against the national operating framework indicators for 2012/13.

In 2012/13 Brent PCT met the following national indicators:

- Infection Control -C. Difficile
- Ambulance quality - Category A response within 8 minutes
- Ambulance quality - Category A response within 19 minutes
- 18 weeks Referral to treatment - non-admitted performance within 18 weeks
- 18 weeks referral to treatment: incomplete pathways performance within 18 weeks
- Cancer 2 week wait – percentage seen within 2 weeks of an urgent GP referral for suspected cancer.

Brent PCT did not fully meet the following indicators:

- Infection Control - MRSA bacteraemia: 9 cases against a tolerance of 8 cases
- 18 weeks Referral to treatment– admitted performance within 18 weeks: 89.8% against a target of 90%.
- Cancer 62 day wait percentage treated in 62 days from urgent GP referral for suspected cancer. 84.1% against a target of 85%.
- Childhood immunisation levels continued to be a challenge for all PCT's with performance slipping from 2011/12 levels. Action plans were agreed with providers and best practice shared across all of North West London PCTs.

14	**Lapses of Data Security**
	No lapses of data security have been identified and none reported to the Information Commissioner.
15	**Effectiveness of Risk Management and Internal Control**
	The key Board Committees regularly received and discussed their respective risk registers. The Audit Committee sought assurance that the BAF appropriately reflected the level of risk and incorporated mitigating actions. Independent assurance on the effectiveness of risk management and internal control was provided through Internal Audit reviews of risk management, statutory duties and responsibilities and Cluster governance arrangements. The outcome of each of the audits was a green rating with a total of two low priority recommendations for which actions have been agreed. In summary, the Board could take substantial assurance that the controls upon which the organisation relied to manage these risk/areas were suitably designed, consistently applied and effective. A further audit on handover and closure was designed to provide independent assurance that the implementation of the process was effective. These specific audits were accompanied by a wider internal audit programme encompassing (amongst others) the following areas:- • Business continuity • Payroll and payroll feeder systems • Procurement • Clinical Commissioning Groups • QIPP • Continuing care • Performance Management • Information and Clinical Governance • Acute and non-acute commissioning and contract management • Transfers of estates and public health • Financial matters eg creditors, general ledger, financial management, accounts receivable, cash and treasury The Board maintained an active programme of fraud prevention in accordance with the core activities required by NHS Protect. The PCT was compliant with the Secretary of State's Directions.
16	**Significant Issues**
	An internal audit report on Continuing Care was undertaken during 2012/13 and was able to provide only partial assurance regarding the controls in place. In response to that report, local action plans were put in place to ensure that the issues identified in the audit report relating to 2012/13 were addressed. In May 2013 it was discovered that an Interim contractor had falsified previous employment details and failed to report a criminal conviction. An investigation is underway.
17	**Head of Internal Audit Opinion**
	The purpose of the Head of Internal Audit Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. The opinion is as follows:- "*Based on the work undertaken in 2012/13,* ***significant assurance*** *can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, we have noted one area of*

	weakness. Whilst we have not issued any RED rated reports we were only able to provide some (partial) assurance over ***Continuing Care.*** *In particular we identified a backlog of assessments of patients having been undertaken which could have an impact both on quality of care and have financial implications. An agreed action plan is in place at borough level to be owned by the Clinical Commissioning Group moving forwards."*
18	**Conclusion**
	This statement was been discussed at the Audit Committee (19 January and 5 March 2013) and at the Cluster Board meeting (19 March 2013). It was also discussed at the sub committee of the Audit Committee of the Department of Health on the 8 May 2013 and approved at this committee on the 3rd June 2013. The views of the Committees and the Board have been taken into account in the preparation of this statement. Richard Douglas **6th June 2013**