Department of Health

NHS

Coventry Teaching Primary Care Trust

2012-13 Annual Report and Accounts

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Coventry Teaching Primary Care Trust

2012-13 Annual Report

ANNUAL REPORT

2012-2013

NHS Coventry

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FOREWORD

The NHS Coventry and NHS Warwickshire PCT Board met for the last time on the 20th March 2013 and handed over commissioning responsibilities to the new Clinical Commissioning Groups (CCGs), NHS England's Local Area Team, and local authorities on 1st April 2013.

The directors and staff of this organisation have ensured that a responsive, patient facing organisation has maintained a grip on its responsibilities. I want to commend our staff for continuing to seek to deliver the very best services for patients during this time of unprecedented change.

I wish to thank each of the local authorities for the enthusiasm with which they have embraced their new responsibilities. Both public health departments and their respective local authority colleagues have already recognised the many benefits that will come from putting public health at the heart of local government; a move which means that public health needs can be considered alongside many of the key influencing factors within our society – education, housing and social care. By considering these areas together, I hope our local authorities will be able to make real progress in improving the health and wellbeing of our local population and reducing health inequalities.

The bulk of the PCTs' commissioning responsibilities are being handed over to our CCGs, all of which have recently become authorised as statutory organisations. We have three CCGs in Coventry and Warwickshire: NHS Coventry and Rugby CCG, NHS South Warwickshire CCG, and NHS Warwickshire North CCG.

The governance arrangements we made 12 months ago ensured a robust handover as all the emerging CCGs have been sub-committees of the Arden Cluster Board, with the CCG Chairs attending Board meetings. These arrangements, coupled with the progress the CCGs have made during the authorisation process, mean that I am sure the commissioning of health services for our local population is in safe hands.

Alison Gingell
Chair
Arden Cluster
(NHS Coventry and NHS Warwickshire)

ARDEN CLUSTER

The Arden Cluster consists of Primary Care Trusts NHS Warwickshire and NHS Coventry, and is a management arrangement which brings together the expertise of both organisations to commission health services in Coventry and Warwickshire.

The Cluster came into being on 1st April 2011 as a result of national guidance as Primary Care Trust Clusters have been introduced across the NHS in England.
The Cluster was run under the leadership of Stephen Jones as Arden Cluster Chief Executive until January 2013 when Lesley Murphy took on the role. The Cluster operated under a single Executive Team which worked across both Primary Care Trusts. The workforce of the two Primary Care Trusts has also come together with many members of staff having responsibilities across Coventry and Warwickshire.

During 2012/13 NHS Warwickshire and NHS Coventry continued to exist as legal entities with separate accounts. However in November 2011, the two Primary Care Trust Boards came together to form the Arden Cluster Board under the chairmanship of Alison Gingell. The governance of the Cluster was amended accordingly to ensure that both Primary Care Trusts continued to meet their statutory duties.

Profile of the cluster

Name	Arden Cluster
Coverage	Coventry and Warwickshire
Geographical area	2074 km^2
Population	914,008
Budget for 2012-13	£1.49 billion
Staff	Approx 510
Healthcare providers	Three acute hospital trusts, 1 mental health trust, 140 GP practices, 120 dental practices, 104 optometrists, community services. Plus contracts with the private sector.

NHS Coventry is the Primary Care Trust (PCT) responsible for making sure that, through commissioning, the population of Coventry has access to the healthcare it needs. We work with local authorities and other agencies that provide health and social care locally to make sure Coventry's health needs are being met. We are responsible for improving public health and tackling health inequalities through services such as smoking cessation.

The registered population of Coventry is 366,104 and the resident population is 316,960. There is significant growth in the population of Coventry and this is greater in the registered population than the resident population.

All age groups show a steady increase in population growth; the number of 0-14 year olds has increased since 2006 and the 65+ age group has increased since 2007. The young adult population (15-29) is increasing rapidly after a dip in population growth in 2008.

The total number of births in Coventry has increased from 3,634 in 2001 to 4,825 in 2011: an increase of 33%. Almost all of the increase is due to births among mothers who have recently immigrated to the UK.

NHS Coventry has contracts in place with a wide range of diverse providers, including:

University Hospitals Coventry and Warwickshire NHS Trust
Coventry and Warwickshire Partnership Trust
West Midlands Ambulance Service
George Eliot Hospital NHS Trust
South Warwickshire Acute Hospitals Foundation Trust
Birmingham Children's Hospital
University Hospitals Birmingham
Birmingham Dental Hospital
Worcestershire Acute Hospitals NHS Trust
University Hospitals of Leicester
Heart of England Foundation Trust
Nottingham University Hospitals NHS Trust
Royal Orthopaedic Hospital NHS Foundation Trust

35 voluntary sector provider contracts
3 hospices
65 GP practices
36 dental practices
85 community pharmacies
33 opticians
10 nursing homes
3 independent hospitals

Map of Coventry

NHS COVENTRY AND RUGBY CLINICAL COMMISSIONING GROUP (CCG)

NHS Coventry and Rugby Clinical Commissioning Group – Working together to improve our local NHS

Name	NHS Coventry and Rugby Clinical Commissioning Group
Number of practices	77 member practices
Population represented	460,000
Lead GP	Dr Adrian Canale-Parola
Health and Wellbeing Boards	Coventry Health and Wellbeing Board, Warwickshire Health and Wellbeing Board

Background

Coventry and Rugby has a combined population of 460,000 people. From urban Coventry to rural villages in Rugby Borough, the area has a diverse population which includes areas of deprivation, health inequalities and many hard to reach groups. It is the intention of NHS Coventry and Rugby Clinical Commissioning Group (CCG) to work together with patients and partners to improve local health services and outcomes for everyone.

NHS Coventry and Rugby CCG brings together 77 member practices from across Coventry and Rugby, who are using their combined clinical expertise, experience and local knowledge to 'commission' or buy, health services. By working with local councils, voluntary organisations and more importantly local people, the CCG wants to achieve the highest quality healthcare for the population of Coventry and Rugby.

Achievements

The year 2012/13 was a significant year of change, challenge, development and achievement for NHS Coventry and Rugby Clinical Commissioning Group. Previously, three locality groups existed: Inspires CCG and Godiva CCG in Coventry, and Rugby CCG. In July 2012 the three groups came together to form NHS Coventry and Rugby CCG, with the combined expertise and resilience to best serve the people of Coventry and Rugby.

The partnership between Coventry and Rugby GP commissioners also reflected the previous groups' common interest in commissioning services from University Hospitals Coventry and Warwickshire NHS Trust which has hospitals in Coventry and Rugby.

As a newly formed clinical commissioning group, NHS Coventry and Rugby CCG made tremendous progress over the year, forging strong partnerships across the city, county and borough, establishing and strengthening its role as a commissioning organisation, engaging with local people and working towards the goal of authorisation.

The CCG focused its work on five priority areas:

- Primary Care Quality & Safety
- Frail Older People
- Wellbeing in Mental Health
- Acute Hospital Care 24/7
- Healthy Living and Lifestyle Choices

As GPs are in daily contact with the population served by the CCG, they hear first-hand the success stories within the NHS as well as some of the areas which need improvement. The CCG established a strong member engagement programme, which provides a valuable insight from clinical leaders within the local health economy to drive up improvements and shape the future of services for the benefit of local patients.

Another major development was NHS Coventry and Rugby CCG's engagement work with local communities, patients and carers to make sure that it commissions high quality, value for money health services for local people, based on patient experience and local feedback. For authorisation, the CCG submitted evidence about how it involved local people in its commissioning processes and listened and acted upon their feedback and views.

In their final site visit report in December 2012, the authorisation panel praised Coventry and Rugby CCG's strong clinical leadership, commitment to quality and its approach to patient engagement.

On 14 March 2013, NHS England announced that NHS Coventry and Rugby CCG was authorised as part of a fourth wave of Clinical Commissioning Groups nationally.

Vision and values

NHS Coventry and Rugby CCG's primary aim is to 'Work together to improve our local NHS' and the group has established the following vision and values which will underpin its work as it serves the local population.

Vision

- To improve the health and wellbeing of our community.
- To provide the best possible patient experience.
- To ensure choice, value for money and high quality care.

Values

- We will ensure our population receives fair and timely access to a choice of services which are safe, clinically effective and patient centred.
- We will focus on health and wellbeing, preventing ill health and reducing health inequalities.
- Services should be as local as possible.
- Our resources should be used effectively and efficiently by investing in services that deliver quality and best value for money.
- We will be responsive and listen and work with the community, practices and partner organisations.
- We will enable and empower our workforce and members to be the best they can.

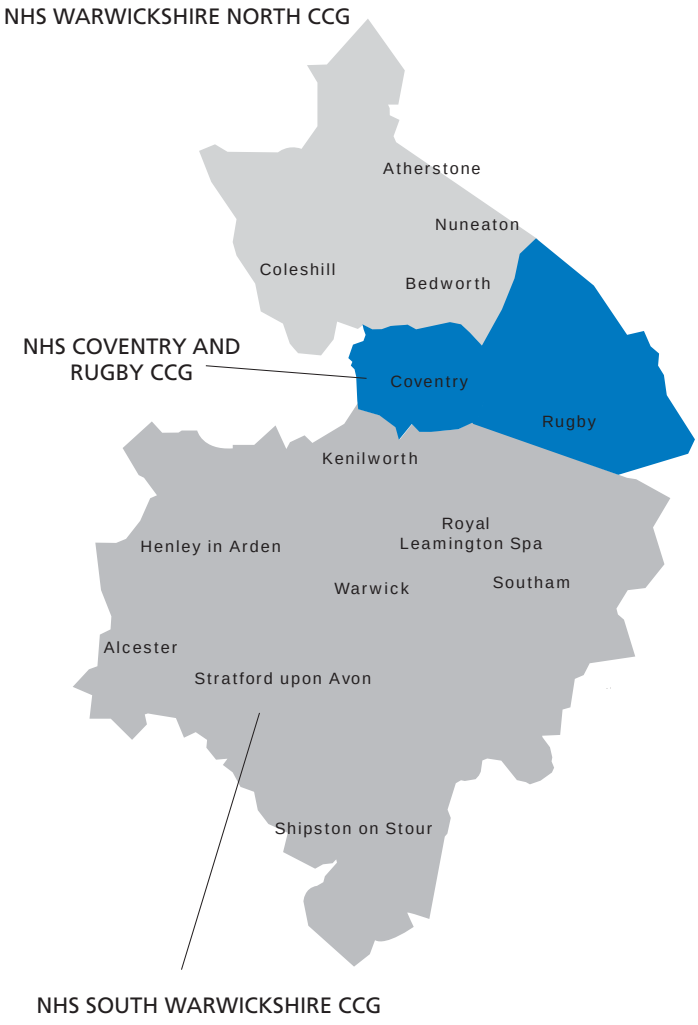
Contact details

You can contact the CCG at:

NHS Coventry and Rugby CCG,
Christchurch House,
Greyfriars Lane, Coventry,
CV1 2GQ

Tel: **024 7655 3344**

Email **contactus@coventryrugbyccg.nhs.uk**



PCT ACHIEVEMENTS & LEGACY

Sustainable specialties

During 2012/13, the Arden Cluster initiated a transformational, "Sustainable Specialties" programme across Coventry and Warwickshire, with a particular emphasis on long term conditions, services for the frail elderly and urgent care. This programme was led by the Arden Cluster Medical Director on behalf of the Arden Clinical Senate and Arden Integrated System Board, and involved the introduction of a clinically-led, collaborative improvement methodology across a number of key clinical pathways, working closely with both CCG and provider clinical leads.

The outputs of the Sustainable Specialties Programme have included the development of Cluster-wide:

i. Standards for improving the management of patients with Chronic Obstructive Pulmonary Disorder (COPD) across primary and secondary care - for implementation by CCGs both directly in primary care and through contracts with hospitals.

ii. Standards for Emergency General Surgery, with an agreement to audit outcomes at all three acute Trusts.

iii. Principles of care for the management of Frail Elderly Patients, building on the work of the previous National Clinical Director for Older People.

iv. Priorities for the management of people with dementia and their carers.

v. Strategic Analysis of Activity and Costs across the wider health economy, in order to underpin future strategic service planning. Further work is also due to be completed during 2013/14 with a focus on diabetes.

Whilst the above standards and principles of care have been developed across the Arden Cluster, responsibility for taking these forward rested with the Coventry and Warwickshire CCGs, taking account of local circumstances; as part of the transitional arrangements for the new NHS.

Quality of performance

The Arden Cluster has been working closely with local health and social care providers to deliver improvements in the delivery of care, particularly in the area of patient safety and enhancing quality.

Care homes

During 2012/13 there has been a focus on enhancing the monitoring and improving the quality of care across the 261 care homes in Coventry and Warwickshire. As part of this initiative, the Cluster and local authorities have worked together to develop a comprehensive monitoring tool, which was launched early in 2013. This will mean variations in quality can be identified so that targeted support can be provided, enabling care homes to deliver improvements in their care. There has also been an investment in a team of specialist nurses to support care homes in making these improvements.

Work continues on the Integrated Care Home Strategy across Coventry and Warwickshire with commitment from both health and local authorities. Standards have been developed for equipment that should be available in care homes and meeting these standards will form part of the contract arrangements in 2013. Work is ongoing to reduce the number of avoidable hospital admissions from care homes where it is safe and appropriate to support the patients in the home and a number of schemes relating to this are being reviewed.

Accident and Emergency

The four hour wait target continues to be a challenge for all three local acute trusts and the target was not achieved by the end of the year. However the Cluster is working closely with the acute trusts to put plans in place to improve performance against this indicator.

Performance figures for 2012-13 (Target is 95%)

George Eliot NHS Trust	95.70%
South Warwickshire NHS Foundation Trust	94.41%
University Hospitals Coventry & Warwickshire NHS Trust	92.8%

West Midlands Quality Review of Long Term Conditions

The West Midlands Quality Review Service (WMQRS) undertook a comprehensive peer review of how well the local health and social care economy provides services for patients with Long term Conditions (LTCs). The review looked in particular at care for patients with chronic obstructive pulmonary disorder (COPD), chronic heart failure, diabetes and those with long term neurological conditions.

The review took place over four days in December 2012 and the informal feedback from the review team on the final day was very positive – particularly in relation to integration of services across health and social care. The recently established services for patients with COPD and heart failure, in which consultants work in the community closely aligned with primary care, were highlighted as areas of good practice.

The final findings from the report will be used to inform further service developments to improve the quality of these services.

Community nursing

During 2012/13 the local district nursing service was restructured to improve communication with GPs and practice nurses and enhance the quality of patient care. District nurses now work as part of an integrated team meeting regularly with GP colleagues to plan and review patient care, support urgent assessments and help to produce more effective discharges from hospital. One of the aims of working this way is to better support patients in their own homes and prevent admissions to hospital where it is safe to do so. Further work within the integrated teams will focus on improving care for patients towards the end of life throughout 2013/14.

Mental health

One of the key priorities for the Cluster has been to improve the management of dementia care. During 2012/13 there has been a focus on improving early diagnosis and training staff to better support patients on the dementia pathway. Dementia will continue to be a priority over the coming year with ongoing work on early identification but also with an emphasis on supporting carers of patients with dementia.

NHS Midlands and East – 5 ambitions

Zero tolerance of pressure ulcers

Avoidable pressure ulcers are a key indicator of the quality of nursing care and preventing them happening will improve all care for vulnerable patients. For this reason pressure ulcers have been the focus across the whole healthcare economy. Considerable work has been undertaken including staff training, regular monitoring and promotional events to raise awareness and share progress. Local trusts have monitored and reported pressure ulcers using the national Safety Thermometer since April 2012 and data from the National Information Centre shows that there has been a significant reduction in the incidence of new pressure ulcers. Pressure ulcers will continue to be a priority in 2013/14 with challenging targets for further reductions being embedded within contracts.

Making Every Contact Count

Making Every Contact Count is about front line clinicians taking every opportunity to deliver brief advice to patients/service users that encourage and support them to improve health and wellbeing.

We need staff at all levels, from boards to frontline staff, to support this approach and to integrate it into everyday business. With increased pressure on healthcare to improve quality whist delivering care in an efficient and cost effective way, there is a need to tackle the causes of ill health as well as the symptoms. Treating people without identifying and changing what makes them unwell is costly to the service provider and the service user.

During 2012/13 our acute and community services providers started training their front line staff to ensure they have the skills and confidence to provide brief lifestyle advice and have pilots underway in a number of departments and services. Learning from these pilots will be used to influence the expansion of this initiative in the next year.

Part of the approach is to strengthen relationships with other services that support lifestyle changes to improve communication and referral links.

Although it is difficult to measure the impact so early on, some organisations have reported a significant increase in referrals to 'stop smoking services'. Work will continue into 2013/14 to create an environment where patients receive healthy lifestyles advice as part of standard care.

Improving quality of primary care

For most people the GP and practice nurse are the first point of contact with the NHS and over 90% of all patient contacts in the NHS occur in primary care. Although patient satisfaction with primary care services has traditionally been high, there has been local variation in patient experience and quality.

To address these variations, the CCG is working with all the member practices to deliver improvements. This involves visiting practices to undertake quality assessments and identify areas for improvement. This year the focus has been on improving the prescribing of antibiotics, improving the management of patients taking the anticoagulant Warfarin and care of patients with diabetes.

In addition to local work to improve quality there are some national changes which impact on primary care. From 2013 all GPs will be subject to revalidation every five years and will need to demonstrate that they are practicing in accordance with agreed standards. A key element of this is an appraisal system. This is in place locally and during 2012/13 100% of GPs were appraised.

In addition from April 2013 all practices will be required to register with the Care Quality Commission (CQC), the independent regulator of health and social services in England. This will ensure that provision of care meets the government's quality and safety standards.

Strengthened partnership between the NHS and local government

Historically there has always been a strong relationship between Coventry and Warwickshire NHS organisations and local authorities. Both sets of organisations recognise the interdependencies and the benefits of working in an integrated way to ensure care is efficient and seamless. During the transition into the new organisations the CCGs have worked closely with local authorities to ensure that this relationship is maintained and built upon. The new Health and Wellbeing Boards provide an opportunity for local dialogue and a focus on joint strategic objectives, whilst there are a number of joint projects being delivered which foster integrated working.

Patient revolution

The purpose of the patient revolution is to improve feedback from, and engagement with, patients and carers and to then use this information to make improvements to care. During 2012/13 local providers of care, both hospitals and community services developed and tested a range of mechanisms for getting patient feedback. The learning from this was then used to drive changes and improvements in how their services are delivered. Over the coming year the aim is to build on this customer services culture and increase the opportunities for patients and carers to give feedback and to ultimately improve patient satisfaction with services. The CCG continues to monitor this through the contacts with providers to ensure that patient experience is improving.

Public Health

No Smoking initiatives

The harmful effects on an unborn baby, cigarettes containing crushed insects, the truth about Shisa and the real dangers of second hand smoke in cars were just some of the topics that were discussed by experts during the Arden Cluster Smokefree Week, 9th-13th January. Each day over the five-day-long campaign, a different expert was interviewed on local radio station, Touch FM, about a specific area of smoking. The experts offered advice and information about quitting and pointed listeners in the right direction for further help and support to quit.

Feeling Good and Doing Well Health Village

Health experts took public health messages out to the people of Coventry at a one-day health event which was held at Broadgate in Coventry City Centre in August. Public health professionals ran stalls on the day offering advice and information to people who wanted to make healthier choices. Topics covered were the importance of exercise and healthy eating, dental health in younger children especially and raising awareness of cancer screening amongst adults. As well as the physical aspects, experts were available to talk to people about keeping mentally active too.

Throughout the day a range of physical activity sessions took place on the main stage including; Zumba, Bokwa, Yoga, Boxercise, Karate and Bhangra dancing

Stephen Jones, Chief Executive at the Health Village event

Feel Well

In November 2012, the Arden Cluster launched a new campaign – Feel Well – which aimed to tell people about the ways they could make simple changes to their lifestyle, to keep them and their families, healthy during winter. A key part of the campaign focussed on informing parents about the importance of how to prevent their children getting ill during the winter period. A range of engagement sessions were held at children's centres in Coventry and Warwickshire to give information to parents and guardians about getting children vaccinated, recognising the difference between cold and flu, good hand hygiene and knowing where to get the right treatment for winter bugs.

The campaign was not only aimed at parents and children, but encouraged all members of the public to be responsible for their own health. Tips and advice on eating well, keeping active, having the flu jab and keeping wrapped up in cold weather were available to help everyone stay healthy. Other information was available about preparing for colder weather and how to stock up on foods and medicines sensibly.

Healthy smiles

Young children across Coventry and Warwickshire will be encouraged by in a new dental campaign 'Captain Smile Bright' to make sure they have good oral health and a healthy smile throughout their life. The Arden Cluster launched the oral health campaign, which aimed to build good oral health habits during a child's early years. The campaign included a range of targeted activities such as community outreach and road show events at children's centres, shopping centres, community locations and targeted advertising on posters, leaflets, online, social media and an advertising van which roamed around the area. Posters and leaflets featured the campaign mascot - Captain Smile Bright!

OUR PEOPLE

The Arden Cluster as a partnership arrangement between NHS Coventry and NHS Warwickshire employs 510 people in total. Staff are predominantly based in three buildings: Christchurch House and Parkside House in Coventry and Westgate House in Warwick.

Whilst many staff working across both Coventry and Warwickshire are part of the Cluster working approach, each Primary Care Trust remains as an employer in its own right and the breakdown of staff by employer is as follows:

Employer	**Headcount**
NHS Warwickshire	254
NHS Coventry	256
Total	**510**

Staff involvement

It was accepted early on that the Cluster would need to develop mechanisms for involving staff as we approached a period of phenomenal change. The traditional Joint Negotiation and Consultation Committee was set up quickly, but it was recognised that not all staff were represented, so a Staff Engagement Forum was also established. This Forum welcomed any member of staff to come along and have their voice heard and recent topics of discussion have included Health & Wellbeing, Staff Survey results and review of the sickness policy. In addition, our weekly Coffee with Directors, a half hour communication slot, was extended to the Coventry site.

Learning & Development

To support staff during the transition, the PCT introduced a range of courses under the banner 'Invest in You', providing support in developing career, interview and CV skills and financial planning information.

Equality, Diversity and Human Rights

The Equality, Diversity & Human Rights group, which had sat as a governance group for the Arden Cluster, was dissolved on the 12th September 2012. Thanks were given to James Shera who had chaired the group since the formation of the Cluster.

Work commenced to support the three Clinical Commissioning Groups (CCGs) in the Arden area. All three CCGs were assessed as green for their equality and diversity section, with NHS Coventry and Rugby CCG being singled out for the excellence of its commitment and integration of equality to their work.

With the introduction of the Equality Act 2010 there is not a separate disability policy. Disability is considered and included in all commissioning and HR decision making.

Sickness

This has been a particularly difficult time for staff as the pace of change has been quick and constant and the future uncertain. It is not surprising therefore that stress has played a part in the absence rates. A Cluster-wide Employee Assistance Programme has been introduced which offers a wide range of advice to staff e.g. legal and financial as well as counselling. This is in addition to the Occupational Health Service. The Cluster undertook a Health & Wellbeing survey to understand what support can be offered with health issues like smoking, diet, alcohol etc. A weekly walk has been started to encourage staff to get out and enjoy the fresh air at lunchtime.

Staff sickness

Total Days Lost :	2416
Total Staff Days :	60590
Average working Days Lost :	4

Arden Cluster Board

The Board is responsible for managing systems and processes to ensure we carry out our business in an appropriate manner, meeting out statutory duties and managing risks. As part of this, the Board is accountable for internal control and as accountable officer, the Chief Executive is responsible for maintaining a sound system of internal control that supports the achievements of the organisational policies, aims and objectives.

Chairman and Non-Executive Directors

Alison Gingell	Chair
Rodney Pitts	Vice-chairman
Ramesh Farmah	Non-Executive Director
Dave Chater	Non-Executive Director
Janet Smith	Non-Executive Director
Colin Hayfield	Non-Executive Director
Darren Jones	Non-Executive Director
Louise Wallace	Non-Executive Director

Executive Directors

Stephen Jones	Chief Executive
Lesley Murphy	Chief Executive (from Jan 2013)
Gill Entwistle	Director of Finance and Deputy Chief Executive
Brian Hanford	Finance Director (from 2012)
Fay Baillie	Director of Nursing
Sue Doheny	Director of Nursing (from 2013)
Alison Walshe	Director of Commissioning Development
Karen Railton	Director of Performance and Governance
Rachel Pearce	Director of Delivery Systems
Sue Price	Director of Commissioning (from 2013)
David Williams	Director of Operations and Delivery (from 2013)
Martin Lee	Medical Director – Acute Care
Francis Campbell	Medical Director – Primary Care
Jane Moore	Joint Director of Public Health Coventry
John Linnane	Joint Director of Public Health Warwickshire

Clinical Senate

The membership of the Clinical Senate is made up of senior clinicians within Coventry and Warwickshire and includes the Medical Directors and Nurse Directors from all three Coventry and Warwickshire Acute Hospital Trusts and the Coventry and Warwickshire Partnership Trust. Public health Directors from Coventry and Warwickshire are also members, as are the Arden Cluster Medical Directors, Chairs from our three CCGs and Local Council Adult Services Directors.

The role of the Clinical Senate has been to provide clinical advice and act as a critical friend to the development of clinical services across Coventry and Warwickshire. It has also been an opportunity to bring together senior clinicians to better understand how services needed to be coordinated in order for high quality care to be provided.

Work that was looked at over the last 12 months included Sustainable Specialities and how these were coordinated across acute and community settings; the Frail Elderly Programme to ensure services were coordinated to treat patients in the correct setting and End of Life Care.

Remuneration Committee

The Remuneration Committee is responsible, under its Terms of Reference, for confirming the salaries of the Chief Executive and Directors and considering any of the flexibilities available within these terms and conditions. Under the terms of national pay and conditions, the Remuneration Committee has responsibility for determining whether national pay uplifts and any non-consolidated bonus payments should be paid to the Chief Executive and the Directors.

Alison Gingell	Chair
Ramesh Farmah	Non-Executive Director
Janet Smith	Non-Executive Director
Rodney Pitts	Non-Executive Director
Stephen Jones	Chief Executive (for posts other than the Chief Executive)

Audit Committee

The Audit Committee ensures that the Arden Cluster is provided with a means of independent and objective review of financial systems, financial information used by the Arden Cluster, systems of internal financial control and assurance, compliance with law, guidance and codes of conduct and corporate governance arrangements.

Rodney Pitts	Chair of Audit Committee and Non Executive Director
Ramesh Farmah	Vice-chairman and Non Executive Director
Dave Chater	Non-Executive Director
Colin Hayfield	Non-Executive Director

OUR PEOPLE

Declarations of Interest

Mrs A Gingell
- Women at Large Limited Managing Director
- Coventry City Council Councillor

Mr R Farmah
- R Farmah & Co Ltd Director/Chairman
- Allesley Developments Ltd Director
- Coventry Childrens Contact Centre Trustee Treasurer
- Broman Investments Limited Director/Chair

Mr D Chater
- Coventry City Council Elected Member
- Coventry Refugee Centre Trustee
- Willenhall Community Forum Trustee
- Willenhall Advice Centre Director and Chair

Mr. D Jones
- Link Mailing Limited Non Exec Director/Shareholder
- Avalon Productivity Solutions Ltd Non Executive Director
- Coventry & Warks Chamber of Commerce Ltd Non Executive Director
- Knowledge Management and Transfer Ltd Non Executive Chairman/Shareholder
- FOC Energy Ltd Non Executive Director/Shareholder
- Develop Consulting Ltd Director/Shareholder

Janet Smith
- Shakespeare Hospice Trustee
- Partner Stewart Bell appointed as a Non-Executive Director of Coventry and Warwickshire Partnership Trust

Dr Colin Hayfield
- Warwickshire County Council Elected member and portfolio holder for customers, workforce and governance
- North Warwickshire Borough Council Elected member and Leader of Council

Rodney Pitts
- University of Birmingham Member of Court
- Fairways Freehold and Residents Association Limited Chairman

Rachel Pearce
- The Independence Trust Vice Chair

Francis Campbell
- Warwickshire Health Limited Partner

Martin Lee
- National Cancer Intelligence Network (NCIN) Chair of Breast Site Specific Clinical Reference Group
- Academic Health Science Network Interim Board Member
- West Midlands South Comprehensive Local Research Network
- Chair, West Midlands South CLRN

Dr Steve Allen
- Walsgrave Health Centre GP Partner and Coventry & Rugby CCG Member Ongoing
- GP Practice is a Member of Assura Coventry

Dr Tony Feltbower
Jubilee Healthcare GP Partner and Godiva Consortia Lead

Dr David Spraggett
Castle Medical Centre GP Partner and NHS South Warwickshire CCG Lead

Brian Hanford
- Trustee and Treasurer of HALO (non-pecuniary)
- Spouse employed by Hoople Ltd

Lesley Murphy
- C2S Management Ltd Director
- ANUME Ltd Director

The following members listed their declarations as nil:

Stephen Jones
Karen Railton
Alison Walshe
Gillian Entwistle
Fay Baillie
Dr John Linnane
Jane Moore
Dr Adrian Canale-Parola
Dr Inayat Ullah
Dr Heather Gorringe
Sue Doheny
Sue Price

All Directors of Coventry Teaching Primary Care Trust have stated that as far as they are aware, there is no relevant audit information of which Coventry PCT's auditors are unaware and they have taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

OUR STANDARDS AND EFFECTIVENESS

Infection control

Infection prevention and control and reduction of healthcare associated infections continues to be a high priority NHS Coventry has designated infection prevention and control nurses who work closely with professionals in provider units, GPs, dentists and care homes; the aim is to ensure that all healthcare providers continue to provide a safe and clean environment for all persons using their services.

Healthcare associated infections including MRSA bacteraemia and Clostridium Difficile Infection (CDI) are closely monitored – all three acute hospitals within Coventry and Warwickshire have had low incidence of these infections. University Hospitals Coventry and Warwickshire, NHS South Warwickshire Foundation Trust and George Eliot Hospital all reported a reduction in Clostridium Difficile cases based on the number of incidents reported in the previous year. In hospitals every incident that is reported is reviewed by clinicians to identify the possible cause and to enable staff to develop action plans. From April 2013 a similar investigation process will be initiated for all community acquired cases. This robust review process will closely monitor cases across the health economy, the aim being to understand cause and reduce infection in all areas of healthcare. Targets for 2013-14 have been set for acute trusts and the newly formed Clinical Commissioning Groups (CCGs) and it is expected that all providers will demonstrate a further reduction in cases of CDI, with a zero tolerance for cases of MRSA bacteraemia.

This year, the UK experienced an unprecedented increase in the number of persons diagnosed with Norovirus. This increase reported nationally resulted in an increase of confirmed hospital outbreaks and extensive ward closures in all three secondary care units in Coventry and Warwickshire. Norovirus passes easily from person to person. Therefore, to contain the outbreak and minimise the risk of spread to others, ward closure is essential; in addition to high standards of care and environmental cleanliness the restriction of visitors and increased public awareness are key to preventing spread.

The standards of care and environmental cleanliness in care homes have at times been reported to have fallen below an acceptable standard. Infection prevention and control nurses work closely with other professionals and agencies - Care Quality Commission (CQC), local authorities and the Health Protection Agency and to investigate incidents and to monitor standards of care and cleanliness with the aim to improve standards in care homes. Warwickshire County Council and NHS Warwickshire have appointed a specialist team of nurses to work with and support care home staff in meeting the expected standards of care and environmental cleanliness. This collaborative working has been successful and Coventry City Council is considering a similar strategy.

Emergency planning

NHS Coventry retained its legal identity as a Category 1 Responder until March 2013 and will continue to be bound by the requirements of the Civil Contingencies Act 2004 until then.

The Arden Cluster (NHS Coventry and NHS Warwickshire) is an active partner in both NHS and multi agency resilience across Warwickshire and the West Midlands. The Cluster leads on the Local Health Resilience Forum which brings together NHS resilience practitioners and is chaired by Karen Railton, Arden Cluster's Director of Performance and Governance. The cluster also takes a lead role in the establishment of Local Health Resilience Partnerships, which will become the key forum for resilience policy in the medium to long term future.

The key challenge for the Cluster over the last year has been the preparations for the abolishon of the Primary Care Trusts (PCTs) and the SHAs and the development of the new health structure. Work is underway to ensure that the system will be safe and the transition smooth.

A joint Major Incident Plan for both PCTs has been produced and approved by the Arden Cluster Board. Cluster Directors also now form a rota of staff who can direct the resources of the NHS across our area in response to a major incident.

Serious Untoward Incidents

All Serious Untoward Incidents (SUIs) are fully investigated by an appropriate member of staff using Root Cause Analysis and learning from these incidents is shared across the local health economy.

During 2012/13 there was one corporate SUI for NHS Coventry relating to the premature destruction of inactive health care records and one personal data incident for NHS Warwickshire for a confidentiality breach, which are detailed in the Annual Governance Report.

Charges for information

NHS Coventry complies with the guidance issued by the Treasury as set out in annex 6.3 of 'Managing Public Money' on the charges it levies when responding to requests from members of the public under, for example, the Freedom of Information Act.

Complaints

Complaints and suggestions about NHS Coventry as a commissioner of services are welcomed and complaints are viewed as providing a learning opportunity for the organisation and individuals concerned to improve services.

We believe that a consistent and responsive complaints system will lead to improved relations with patients, their relatives and carers and confidence of staff and patients that NHS Coventry is committed to reviewing and improving services.

In 2012/2013, NHS Coventry received 10 formal complaints.

The Parliamentary Health Service Ombudsman's six Principles of Remedy form part of NHS Coventry's Complaints Policy and the organisation is committed to managing complaints within the spirit of these principles. The six principles are: getting it right; being customer focused; being open and accountable; acting fairly and proportionally; putting things right; seeking continuous improvement.

Complaints about GP and Dental Practices

In 2012/13 there were 378 complaints about GP practices and 50 dental complaints.

SUSTAINABILITY REPORT

The Arden Cluster (NHS Warwickshire and NHS Coventry) has developed a 10 year Carbon Management Plan (CMP) to help tackle climate change through reduced and more efficient energy use. The plan proposed a number of schemes including awareness campaigns and building refurbishments. The CMP committed the Cluster to an annual 5% reduction of its total carbon footprint year on year until 2015, giving a total reduction of 25%.

How the Cluster behaves – as an employer, a purchaser of goods and services, a manager of transport, energy; waste and water, a landholder and a procurer of building work and as an influential neighbour in the community – has both a direct and indirect effect on individual health and the wellbeing of society, the economy and the environment. The Sustainability Strategy focuses on four key areas of sustainable development and identifies actions that contribute to achieving the following aims:

- Sustainable consumption and growth – ensuring we can continue to provide exceptional services into the future, without detriment to future generations by making sure that we use our corporate powers and resources in ways which will benefit rather than damage the social, economic and environmental conditions in which we live.

- Climate change and energy – providing low carbon, resilient healthcare and ensuring that our services and facilities are equipped to deal with changing climates and healthcare demands. Working with our community to promote low carbon living and sustainable travel habits.

- Natural resource protection – ensuring that our activities do not negatively impact on air, water, soil or biological resources and recognising the positive effects of nature upon health.

- Sustainable communities – reducing health and other inequalities and supporting social and community engagement for our patients, staff and visitors. Allowing the community to become an active stakeholder in the healthcare service we provide.

As part of the CMP, we aim to continue to meet nationally set targets to reduce emissions. Organisational awareness levels have improved, and so the CMP focus will now shift to carbon management as part of a wider sustainability programme.

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

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

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

To the best of my knowledge and belief, I have properly discharged the above responsibilities, as designated Signing Officer and through experience in my role as Accountable Officer until 31 March 2013.

Brian Hanford
Local Area Team Director of Finance

1. Scope of responsibility

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

Coventry Teaching Primary Care Trust (PCT), known as NHS Coventry, has established robust accountability arrangements within the organisation to oversee the system of internal control. The PCT's Risk Management Strategy sets out the responsibilities and accountability arrangements, risk framework and reporting structures and its effectiveness is monitored by the Quality, Safety and Governance Committee, a sub-committee of the Board. The Board Assurance Framework, which sets out the organisation's principal risks and objectives, is a key document for keeping the Board informed of significant risks.

During the year, the Boards of NHS Coventry and NHS Warwickshire have continued to work together formally as the Arden Cluster Board and many of the key documents referred to in this Governance Statement are common across the Cluster.

The PCT works closely with other healthcare organisations within the local health economy, NHS Midlands and East (SHA), the local and regional teams of the NHS Commissioning Board and other partner organisations in Coventry. Risk and control issues are considered and reviewed with these organisations as appropriate, for example, with the Local Authority through the Joint Adult Commissioning Board and the Children and Young People's Commissioning Board.

2. The governance framework of the organisation

NHS Coventry and NHS Warwickshire Boards have met together formally throughout the financial year following the establishment in November 2011 of the Arden Cluster Board, with co-terminous membership.

The functions of the Board's main committees are described below.

Audit Committee – reviews governance, risk management and internal control, reports from internal and external audit and fraud and corruption issues. Governance leads for the three Clinical Commissioning Groups (CCGs) across the Cluster have been invited to attend the Audit Committee meetings during the latter part of the financial year.

Finance and Performance Committee – reviews reports on financial monitoring and key performance indicators bi-monthly and reports on capital schemes quarterly. This committee holds the CCGs across the Cluster to account for their financial and performance responsibilities including delivery of QIPP schemes.

Quality, Safety and Governance Committee – monitors all aspects of quality and patient safety across primary and secondary care including safeguarding, vulnerable adults, serious case reviews and protection investigations. The committee also reviews IG Toolkit compliance, emergency planning and business continuity issues, health and safety and compliance with equalities legislation. Clinical Governance leads from the three CCGs across the Cluster have attended meetings of this Committee.

Remuneration and Terms of Service Committee – reviews all aspects of remuneration and contractual issues for the Chief Executive and Very Senior Managers, redundancy/early retirement proposals for all staff, payments to independent contractors and professional staff merit awards.

Membership of these sub-committees is outlined in the terms of reference and attendance at these meetings is recorded in the minutes of each meeting.

During the year the Board has met five times as the Arden Cluster Board. The Board agenda is structured in such as way as to focus on major items for discussion and decision with standing items covering nursing, medical and clinical quality, risk and board assurance, financial and activity performance and reports from Directors and the Clinical Commissioning Groups.

During the year, members of the Board reviewed their effectiveness and the operation of Board meetings and the changes proposed, which centred on the development of the CCGs and arrangements for the discharge of the Board's functions, have been incorporated into the agenda planning and organisation of subsequent Board and Sub Committee meetings.

The Board has reviewed arrangements for the transition, handover and closedown of the PCTs with reports to the meetings in July, September and November 2012 and March 2013. The Audit Committee has also considered the Transfer Scheme documentation for both NHS Coventry and NHS Warwickshire. Risks identified as part of the transition process have been added to the strategic risk register and those not addressed by the end of the financial year have been handed over to the relevant successor organisation. A formal handover meeting was held in December 2012 between the outgoing Chief Executive of the PCT and the incoming NHS Commissioning Board Area Team Director who is also the PCT Chief Executive for the remainder of the financial year. Quality handover meetings have also been held with receiver organisations including the Clinical Commissioning Groups, Local Authority (for Public Health) and NHS Commissioning Board.

In line with the Department of Health requirements, the Director of Finance, who is also the NHS Commissioning Board Director of Finance, has made arrangements for the preparation and audit of the PCT's accounts following the closedown on 31 March 2013. These include securing the agreement of appropriate non executive members of the Board to serve on an Audit Committee and arranging for the Arden and Worcester Commissioning Support Service to undertake the financial closedown and final accounts preparation.

Each of the Board sub-committees reports formally to the Board, highlighting matters which need drawing to the attention of the Board and summarising the work undertaken at meetings. Key issues raised with the Board by the main sub-committees over the year are described below:

Audit Committee	- Detailed discussion on the Annual Accounts, External Audit Letter, Head of Internal Audit Opinion and Statement on Internal Control; - Review of the Strategic Internal Audit Plan for 2012/13; - Results of Audit Committee Self Assessment Checklist; - The Board Assurance Framework for the Cluster and changes throughout the year; - Achievement of Level 2 in the qualitative assessment of Counter Fraud arrangements for 2011/12.
Finance and Performance Committee	- Detailed discussion of the PCT's financial position and performance targets including performance against the national priorities set out in the NHS Operating Framework 2012/13 with action taken; - Progress in developing the Integrated Plan and QIPP Schemes; - Capital programme for 2012/13 and progress within schemes; - Clinical Commissioning Group Assurance process.
Quality, Safety and Governance Committee	- Patient safety issues in provider trusts including actions following Never Events and hospital death rates; - Emergency planning activities including preparation for the Olympics and the Major Incident Plan review; - Primary Care Performers List changes and practice issues; - Individual child and adult safeguarding cases and safeguarding review reports from external bodies; - Quality Accounts of key providers; - Progress in meeting the requirements of the Information Governance Toolkit.

Board members take their responsibilities for corporate governance very seriously and endeavour to maintain high standards of business conduct. Details of all Board members' interests are recorded in the Register of Members Interests, available as part of the Annual Report, and this practice has been adopted by members of the Clinical Commissioning Group Governing Body. Members declare interests in items under discussion at meetings when appropriate and are conscious of their role in upholding and maintaining public confidence in the NHS. During the year, Members of the Board reaffirmed their commitment to the Code of Conduct and Accountability and the values of accountability, probity and openness.

The Cluster maintains a hospitality register where appropriate declarations are recorded. The Cluster also has guidance for staff on hospitality and sponsorship and receipt of gifts.

The Audit Committee reviews all Single Tender Waivers, losses and compensations and write off of bad debts and systems and processes have previously been subject to Internal Audit scrutiny. The PCT has arrangements in place for the discharge of statutory functions and these are legally compliant with no irregularities highlighted during the year.

3. Risk assessment

The capacity of the PCT to handle risk is achieved through the delegated responsibilities in place as defined in the PCT's Risk Management Strategy.

The Strategy sets out the PCT's approach to risk, the accountability arrangements including the responsibilities of the Board and its sub-committees, directors, specialist leads, contractors and individual employees. It defines the risk management process including risk identification, analysis and evaluation which will be undertaken to ensure delivery of the strategy and the capacity to handle risk across the PCT.

Appropriate risk management training, information and support is given to all staff as part of induction to enable them to undertake their work safely and regular updates are also provided. Some staff have had additional training in specific areas, for example, risk assessment, root cause analysis, moving and handling, resuscitation, infection control and first aid.

The Strategic Risk Register tracks movements on and off the Register, action required to reduce the risk and timescale. Major risks facing the organisation during the year include:

- Potential failure to meet national performance targets;
- Potential failure to meet financial duties;
- CCG development and authorisation requirements;
- Under delivery on QIPP schemes.

These specific risks and action are reviewed regularly by appropriate PCT committees.

4. The risk and control framework

The PCT's Risk Management Strategy identifies how risks are identified, evaluated, scored and monitored within the organisation. The PCT has developed a risk scoring matrix which is used for all risks, both clinical and non-clinical, incidents and complaints within the organisation. All extreme risks are included in the PCT's Strategic Risk Register. All lower level risks are included on departmental risk registers and monitored appropriately internally.

The Board Assurance Framework has been updated regularly during the 2012/13 financial year and has been considered by the Audit Committee in December 2012 and March 2013 and debated by the full Board at meetings in July, September and November 2012 and March 2013. The Assurance Framework is the key document for the Board in ensuring that all principal risks are controlled and that there is sufficient evidence to support the Annual Governance Statement.

The Assurance Framework has been aligned with the PCT's priorities for 2012/13 and has been cross referenced with the Strategic Risk Register. Additional information regarding the sources of assurance, risk ratings and links to the Strategic Risk Register has also been included in the Assurance Framework. The Assurance Framework was reviewed during the year by Internal Audit and all recommended improvements have been actioned.

The highest rated risks are documented in the PCT's Strategic Risk Register and these together with the Board Assurance Framework are the processes used to continuously address the issues that might disrupt the delivery of the PCT's business. These documents are reviewed on a regular basis by the Board and where they identify any gaps in either the assurance or the controls members will require that further action needs to be taken by managers to mitigate the risk. The PCT has used both of these documents, together with other control measures, to maintain the PCT's financial stability during the year.

A risk management process is in place to identify and manage information risks. This consists of proactive risk assessments on key information assets, investigation of information related incidents and review of information related complaints. Our standard of information security is continually increasing and the information governance training programme has significantly increased staff awareness and compliance with our policies. It has also increased awareness of the need to report incidents, but these have not highlighted any major weaknesses in our information security standards.

NHS Coventry and NHS Warwickshire have jointly continued their commitment to effective information governance. Significant effort has been made to ensure that safeguards are in place for the protection and appropriate use of personal information.

In conjunction with NHS Warwickshire, significant effort has been made to ensure that information governance standards are maintained during the transition to new organisation structures and the closedown of the PCT. All data flows have been mapped to ensure appropriate safeguards are in place for the protection and appropriate use of personal information. Information assets have been mapped to new organisations. Appropriate arrangements have been made for the safe and legal transfer of information to new organisations or to an archive facility under the control of the Department of Health.

All incidents are investigated and reported in accordance with Department of Health guidelines.

During 2012/13 there was one corporate serious incident for NHS Coventry relating to data loss or breach of confidentiality, as follows:

Serious Incidents involving Personal Data which have been investigated by NHS Coventry and reported to the Information Commissioner's Office (by Provider organisation) – 2012-13

1.	Month of incident	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
	May 2012	Premature destruction of inactive health care records.	Inactive speech and language therapy records of 81 individuals plus GP records of 206 deceased patients.	81 living individuals	ICO notified about all records even tho ugh records of deceased patients fall outside the scope of the Data Protection Act 1998.
	Further action on information risk	A full root cause analysis was undertaken. The premature destruction was caused by inaccurate destruction dates recorded within the archiving database. The destruction dates of all remaining records held in archived storage have been validated to ensure accuracy. Processes relating to the archiving and destruction have been fully reviewed and enhanced to minimise the risk of recurrence.			

Summary of other personal data related incidents – 2012-13

Nature of Incident	**Total**
Loss/theft of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	0
Loss/theft of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	0
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
Unauthorised disclosure	0
Other	0

5. Review of effectiveness of Risk Management and Internal Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- The work programme of Internal Audit and in particular their opinion on the system of internal control and the Board Assurance Framework. The Head of Internal Audit opinion for 2012/13 is that 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, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.
- Personal involvement in the Board, Quality, Safety and Governance, and Finance and Performance Committees
- Reviews with the Strategic Health Authority and NHS Commissioning Board on the Integrated Plan and Performance issues
- The NHS Counter Fraud Specialist's reports to the Audit Committee
- External reviews of the PCT's main provider organisations
- External Audit Management letter
- Internal and External Audit reports
- Information Governance Toolkit assurance
- Serious incident reporting

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee, Quality, Safety and Governance Committee and Finance and Performance Committee.

The Board regularly reviews progress against a number of action plans including the Assurance Framework to ensure that identified actions are implemented in a timely manner. The Audit Committee receives regular reports on the assurance outcomes of assessments undertaken by the PCT's Internal and External Auditors and also monitors the implementation of recommendations from Internal and External Audit action plans.

The PCT's Finance and Performance Committee monitors delivery against operational plans, receiving regular finance and performance reports, investigating variances from plan and agreeing rectification plans. Regular reports regarding clinical and non-clinical incidents, complaints, legal claims and other risks identified are submitted to the Quality, Safety and Governance Committee which monitors progress and related action plans as appropriate. Directors and senior managers of the PCT have specific responsibilities for reviewing the risks and controls for which they are responsible and for maintaining internal control systems.

The PCT received limited assurance on an internal audit report relating to payments in respect of Continuing Healthcare placements. The recommendations were largely implemented in-year, thereby addressing the control deficiencies highlighted in the report.

6. Significant issues

As a result of the processes and assurances described above, including the Head of Internal Audit Opinion for the year, it is my opinion that there are no significant issues that need to be detailed in the Annual Governance Statement.

7. Conclusion

As Accountable Officer, and based on the review process outlined above, I can confirm that this Annual Governance Statement is a balanced reflection of the actual controls position and there are no significant issues identified for the PCT.

Accountable Officer: Lesley Murphy
Organisation: NHS Coventry

REPORT BY DIRECTOR OF FINANCE

NHS Coventry is required to meet three statutory financial duties each year and during the period NHS Coventry met all of those duties as demonstrated in the table below:

Summary of performance against financial duties

Financial Duty	Details	Target	Outturn	Comment
Statutory				
Operational Financial Balance	To maintain net revenue expenditure within the revenue resource limit approved by the Department of Health	£623,058k	£617,232k	**Duty met £5826k surplus**
Capital Resources Limit	To maintain net capital expenditure within the capital resource limit approved by the Department of Health	£1,528k	£1,528k	**Duty met**
Cash Resources Limit	To maintain cash drawings within the cash limit approved by the Department of Health	£535,518	£535,518	**Duty met**
Non Statutory				
Better Payment Practice Code	Non NHS suppliers to be paid within 30 days of receipt of goods or a valid invoice (whichever is the later)	100% Value (number)	94.27% (95.56%) non NHS	**Target not met**

NHS Coventry met its financial duties to remain within financial limits during 2012/13. In addition, NHS Coventry was required by the Midlands and East Strategic Health Authority (SHA) to deliver a surplus on its revenue resource limit of £5,800,000 (control total). NHS Coventry ended the year with a £5,826,000 revenue surplus and therefore delivered both its statutory duty and met its SHA control total.

NHS Coventry's financial plan for 2012/13 was approved by the PCT Board in March 2012 and was itself part of the Arden Cluster medium term system planning process.

The plan included targeted savings nationally known as QIPP (Quality, Innovation, Productivity and Prevention) programme. NHS Coventry delivered £9.71m of net QIPP savings during the year.

As part of the reorganisation of NHS commissioning, NHS Coventry was dis-established on 31st March 2013. NHS England will manage the settlement of debtors and creditors relating to the former PCT. As from 1st April 2013, commissioning responsibilities for the population of Coventry will be dispersed across NHS Coventry and Rugby Clinical Commissioning Group, NHS England and Coventry City Council.

The Summary Financial Statements are a summary of the information in the full accounts and may not contain sufficient information for a full understanding of the PCT's financial position and performance. A copy of the full accounts is available at a nominal cost of £5.00 to cover copying and postage from:

The Personal Assistant to the Director of Finance
Arden Cluster:
NHS Warwickshire and NHS Coventry
Westgate House
Market Street
Warwick
CV34 4DE
Telephone: 01926 493491 ext 251

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

		2012-13	2011-12
	NOTE	£000	£000 (restated)
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	13434	10554
Other costs	5.1	625147	615002
Income	4	(23961)	(19109)
Net operating costs before interest		**614620**	**606447**
Investment income	9	(91)	(42)
Other (Gains)/Losses	10	0	3
Finance costs	11	2703	1483
Net operating costs for the financial year		**617232**	**607891**
Of which:			
Administration Costs			
Gross employee benefits	7.1	9230	
Other costs	5.1	6517	
Income	4	(2064)	
Net administration costs before interest		**13683**	
Investment income	9	0	
Other (Gains)/Losses	10	0	
Finance costs	11		
Net administration costs for the financial year		**13683**	
Programme Expenditure			
Gross employee benefits	7.1	4204	
Other costs	5.1	618630	
Income	4	(21897)	
Net programme expenditure before interest		**600937**	
Investment income	9	(91)	
Other (Gains)/Losses	10	0	
Finance costs	11	2703	
Net programme expenditure for the financial year		**603549**	

Other Comprehensive Net Expenditure

Impairments and reversals put to the Revaluation Reserve	**1415**	1769
Net (gain)/loss on revaluation of property, plant & equipment	**(2011)**	(5889)
Total comprehensive net expenditure for the year	**616636**	603771

FINANCIAL POSITION

Statement of financial position at 31 March 2013			
	2012/2013	**2011/2012 (restated)**	
	£000	**£000**	
Non-current assets:			
Property, plant and equipment	56582	58924	
Intangible assets	0	0	
Other financial assets	**735**	**677**	
Trade and other receivables	0	92	
Total non-current assets	**57317**	**59693**	
CURRENT ASSETS:			
Inventories	0	1	
Trade and other receivables	4782	6860	
Other financial assets	0	0	
Other current assets	0	0	
Cash and cash equivalents	0	1	
TOTAL CURRENT ASSETS	**4782**	**6862**	
Non Current Assets Held For Sale	**0**	**425**	
Total Assets	**62099**	**66980**	
Current liabilities			
Trade and other payables	(44712)	(45651)	
Provisions for Liabilities and Charges	(1824)	(3282)	
Borrowings	(1175)	(1322)	
Non-current assets plus/less net current	**14388**	**16725**	
Non-current liabilities			
Trade and other payables	0	(244)	
Provisions for Liabilities and Charges	(6529)	(2795)	
Borrowings	(30032)	(31115)	
Total Assets Employed	**(22173)**	**(17429)**	
TAXPAYERS EQUITY			
General Fund	(34218)	(28881)	
Revaluation reserve	12045	11452	
Total	**(22173)**	**(17429)**	

STATEMENT OF CASHFLOWS

Statement of cash flows for the year ended 31 March 2013		
	2012-13	**2011-12**
	£000	**£000 restated**
Cashflow from operating activities		
Net operating cost before interest	**(614620)**	**(606447)**
Other cash flow adjustments	**4833**	**9297**
Movements in Working Capital	769	4173
Movements in Provisions	2276	3733
Interest paid	(2703)	(1483)
Net cash outflow from operating activities	(609445)	(590727)
Cash flows from investing activities		
Payments to purchase property, plant and equipment	**(1250)**	**(5491)**
Payments to purchase intangible assets	0	0
Proceeds of disposal of assets held for sale	0	2571
Proceeds of disposal PPE & intangible assets	0	0
Purchase of financial investments (LIFT)	(58)	(2)
Sale of financial investments (LIFT)	0	0
Loans made in respect of LIFT	0	0
Loans repaid in respect of LIFT	0	0
Payments for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Interest received	91	42
Rental Revenue	0	0
Net cash inflow/(outflow) from investing activities	**(1217)**	**(2880)**
Net cash inflow/(outflow) before financing	**(610662)**	**(593607)**
Cash flows from financing activities		
Net Parliamentary Funding	**611892**	**595565**
Other capital receipts surrendered	**0**	**0**
Capital grants received	0	0
Capital element of payments in respect of finance leases, on-SoFP PFI and LIFT	(1231)	(1959)
Cash transfers (to)/from other NHS bodies	0	0
Net cash inflow/(outflow) from financing	610661	593606
Net increase/(decrease) in cash and cash equivalents	**(1)**	**(1)**
Cash and cash equivalents (and bank overdrafts) at the beginning of the financial year	**1**	**7**
Opening balance adjustment - TCS transactions	1	(5)
Restated cash and cash equivalents at beginning of the period	0	2
Cash and cash equivalents (and bank overdrafts) at the end of the financial year	**0**	**1**

BETTER PAYMENT PRACTICE CODE

Better Payment Practice Code

	2012-13		2011-12	
	Number	**£000**	**Number**	**£000**
Non-NHS Payables				
Total non-NHS bills paid in the year	19,535	92,078	21381	87851
Total non-NHS bills paid within target	18,668	86,806	18974	75079
Percentage of non-NHS bills paid within target	**95.56**	**94.27**	**88.7**	**85.5**
Total NHS bills paid in the year	4,505	423,065	3417	408490
Total NHS bills paid within target	4,395	421,954	2940	405419
Percentage of NHS bills paid within target	**97.56**	**99.74**	**86**	**99.2**
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.				

PCT Running Costs 31 March 2013

	2012-13			2011-12		
	Commissioning services	**Public health**	**Total**	**Commissioning services**	**Public health**	**Total**
Running Costs (£000s)	12647	129	12776	11886	142	12028
Weighted Population (number in units)	340738	340738	340738	340738	340738	340738
Running costs per head of population (£ per head)	37.12	0.38	37.50	34.88	0.42	35.30

Operational financial balance

	2012-13	2011-12
	£000	**£000**
Net operating cost for the financial year	**617232**	**607891**
Non-discretionary expenditure	0	0
Total Net operating cost for the financial year	617232	607891
Revenue Resource Limit	623058	613657
Under/(Over)spend against RRL	**5826**	**5766**

Statement on External Audit

The PCT's External auditor is the Grant Thornton.
The cost of work performed by the auditor in respect of the reporting period was:

Audit services ; statutory audit, and other related services £99,614 + VAT (less rebate of £8,760)

Other Services:

Payment by results £21,000 + VAT
National Fraud initiative £1,000
The PCT undertakes a qualitative exercise in evaluating potential providers of non-audit services in accordance with the Corporate Governance Framework (Standing Financial Instructions - tendering and Contract Procedure section 59).

There were no non –audit services undertaken by Grant Thornton during the reporting period

Prompt Payment Code

The PCT signed up to the Prompt Payment Code as outlined in David Nicholson's letter of 18 May 2009 and became an approved signatory to the code on 10 September 2009.

Pension Liabilities

The PCT's treatment of Pension Liabilities is outlined in Note 7.5 on page 23 of the Financial Statements and the Pension Entitlement of Senior Managers on Page 30.

AUDITED REMUNERATION REPORT

SALARY ENTITLEMENT OF SENIOR MANAGERS

			2012-13				2011-12			
Name	Note	Title	**Salary (bands of £5,000) £000**	**Other remu-neration (bands of £5,000) £000**	**Bonus Payments (bands of £5,000) £000**	**Benefits in kind (rounded to the nearest £00) £00**	**Salary (bands of £5,000) £000**	**Other remu-neration (bands of £5,000) £000**	**Bonus Payments (bands of £5,000) £000**	**Benefits in kind (rounded to the nearest £00) £00**
S Jones	1	Chief Executive	50-55	0	0	0	65-70	0	0	0
G Entwistle	2	Director of Finance & Deputy Chief Executive	30-35	0	0	0	40-45	0	0	0
B Hanford	3	Director of Finance	10-15		0	0	0	0	0	0
K Railton	4	Director of Performance and Governance	45-50	0	0	100	50-55	0	0	100
A Walshe	5	Director of Commissioning Development	25-30	0	0	0	50-55	0	0	0
F Baillie	6	Director of Nursing Quality	30-35	0	0	0	55-60	0	0	0
S Doheney	7	Director of Nursing	10-15	0	0	0	0	0	0	0
J Forde	8	Acting Director of Public Health	5-10	0	0	0	40-45	0	0	0
J Moore	9	Director of Public Health	45-50	0	0	0	0	0	0	0
R Pearce	10	Director of Delivery Systems	55-60	0	0	400	35-40	0	0	100
S Roberts	11	Director of Transformation	35-40	0	0	0	35-40	0	0	0
F Campbell	12	Medical Director	15-20	0	0	0	10-15	0	0	0
M Lee	13	Medical Director	55-60	0	5-10	0	35-40	0	0	0
								0		
A Gingell	14	PCT Chair	15-20	0	0	0	30-35	0	0	0
D Durant	15	Associate Non-Executive	0-5	0	0	0	5-10	0	0	0
J Shera	16	Associate Non-Executive	0-5	0	0	0	0-5	0	0	0
R Farmah	17	Non Executive Director	5-10	0	0	0	10-15	0	0	0
D Chater	18	Non Executive Director	0-5	0	0	0	5-10	0	0	0
D Jones	19	Non Executive Director	0-5	0	0	0	5-10	0	0	0
J Smith	20	Non Executive Director	0-5	0	0	0	0-5	0	0	0
R Pitts	21	Non Executive Director	5-10	0	0	0	0-5	0	0	0
C Hayfield	22	Non Executive Director	0-5	0	0	0	0-5	0	0	0
L Wallace	23	Non Executive Director	0-5	0	0	0	0-5	0	0	0
L Murphy	24	Chief Executive, Arden LAT of NCB	0	0	0	0				

1 S Jones - Joint Director with Warwickshire PCT until 21st December 12 - Full-time salary 100-105 (50% Recharge to Warwickshire PCT)
2 G Entwistle - Employed by Warwickshire PCT. Joint Post with Coventry PCT until 13th November 12. Full-time salary 100-105 (50% Recharge from Warwickshire PCT)
3 B Hanford - Finance Director from 14th November 12. (23% Recharge from Worcestershire PCT)
4 K Railton - Joint post with Warwickshire PCT - Full-time salary 90-95 (50% Recharge to Warwickshire PCT)
5 A Walshe - Joint post with Warwickshire PCT until 13th November 12 - Full-time salary 55-60 (50% Recharge to Warwickshire PCT)
6 F Baillie - Joint post with Warwickshire PCT until 13th November 12 - Full-time salary 60-65 (50% Recharge to Warwickshire PCT)
7 S Doheney - Local Area Team Director from 14th November (23 % Recharge from Worcestershire PCT)
8 J Forde - Acting Director of Public Health until 5th June 12. Full-time salary until June 15-20 (50% Recharge to Coventry City Council)
9 J Moore - Director of Public Health from 6th June 12. Full-time salary from June 95-100 (50% Recharge to Coventry City Council)
10 R Pearce - Employed by Warwickshire PCT. Joint Post with Coventry PCT. Full-time salary 115-120. (50% Recharge from Warwickshire PCT)
11 S Roberts - On secondment from Dudley PCT until 30th May 12. Joint post with Warwickshire PCT - Full-time salary 85-90 until May 12(50% Recharge to Warwickshire PCT)
12 F Campbell - Employed by Warwickshire PCT. Joint Post with Coventry PCT. Full-time salary 30-35. (50% Recharge from Warwickshire PCT)
13 M Lee - Joint post with Warwickshire PCT. Full-time salary 110-115 . (50% Recharge from Warwickshire PCT). Bonus payment relates to 'Clinical Excellence Award'.
14 A Gingell - Joint post with Warwickshire PCT. Full-time salary 35-40
15 D Durant - Associate Non-Executive and Joint post with Warwickshire PCT . Full-time salary 5-10
16 J Shera - Employed by Warwickshire PCT. Joint Post with Coventry PCT. Full-time salary 5-10
17 R Farmah - Joint post with Warwickshire PCT. Full-time salary 10-15
18 D Chater - Joint post with Warwickshire PCT. Full-time salary 5-10
19 D Jones - Joint post with Warwickshire PCT. Full-time salary 5-10
20 J Smith - Employed by Warwickshire PCT, Joint Post with Coventry PCT. Full-time salary 5-10
21 R Pitts - Employed by Warwickshire PCT, Joint Post with Coventry PCT. Full-time salary 10-15
22 C Hayfield - Employed by Warwickshire PCT, Joint Post with Coventry PCT. Full-time salary 5-10
23 L Wallace - Employed by Warwickshire PCT, Joint Post with Coventry PCT. Full-time salary 0-5 until 31st July 12
24 L Murphy - took up post in January 2013 but no costs were incurred as salary has been paid by another NHS organisation.

AUDITED REMUNERATION REPORT

Audited Remuneration Report

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Coventry PCT in the financial year 2012/13 was £55-60k (2011/12, £65-70k). This was 1.02 times (2011/12 1.46) the median remuneration of the workforce, which was £55-60k (2011/12, £45-50k). In 2012/13, 27 (2011/12, 10) employees received remuneration in excess of the highest paid director. Remuneration ranged from £61k to £166k (2011/12, £87k to £161k).

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

During 2011/12 and 2012/13 as part of the Arden Cluster Board set up, a number of Joint Executive posts were established between Coventry PCT and Warwickshire PCT. The banded remuneration ratio for 2012/13 of 1.02 (2011/12 1.46) times the median remuneration reflects the recharge arrangements for 2012/13 and 2011/12.

Exit Packages agreed 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
Less than £10,000	0	0	0	0	0	0
£10,001-£25,000	6	0	5	0	0	0
£25,001-£50,000	2	0	2	0	0	0
£50,001-£100,000	7	0	7	0	0	0
£100,001 - £150,000	2	0	4	0	1	1
£150,001 - £200,000	2	0	2	0	0	0
>£200,000	2	0	1	0	0	0
Total number of exit packages by type (total cost	**21**	**0**	**21**	**0**	**1**	**1**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Total resource cost	**£1729178**	**0**	**£1729178**	**0**	**£144000**	**£144000**

*** Please note that this includes costs for two senior managers**

Exit Packages

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 and under Section 16 of the Agenda for Change Terms and Conditions Handbook. 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.

Pension Benefits

Name & Title		Real Increase In Pension at age 60	Lump Sum at Aged 60 Related to Real Increase In Pension	Total Accrued Pension at Age 60 at 31 March 2013	Lump sum at aged 60 at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
		(band of £2,500)	(bands of £2,500)	(band of £5,000)	(bands of £5,000)	(£000)	(£000)	(£000)	
1. S Jones	Chief Executive	0-2.5	5.0-7.5	35-40	105-110	590	505	42	-
2. K Railton	Director of Performance and Governance	0-2.5	0-2.5	35-40	115-120	836	770	26	
3. A Walshe	Director of Commissioning Development	(0.0)-(2.5)	(0.0)-(2.5)	30-35	90-95	499	467	5	
4. F Baillie	Director of Nursing Quality	(0.0)-(2.5)	(0.0)-(2.5)	40-45	125-130	864	807	10	
5. J Forde	Acting Director of Public Health	(0.0)-(2.5)	(0.0)-(2.5)	25-30	80-85	523	485	2	
6. J Moore	Director of Public Health	40-42.5	(0.0)-(2.5)	50-55	5-10	665	53	499	

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

Directors employed by another NHS body but have joint posts, will have their pensions entitlements disclosed within the employing NHS Body's annual report.

1 S Jones - Joint post with Warwickshire PCT until 21st December 12
2 K Railton - Joint post with Warwickshire PCT
3 A Walshe - Joint post with Warwickshire PCT until 13th November 12
4 F Baillie - Joint post with Warwickshire PCT until 13th November 12
5 J Forde -Joint post with Coventry City Council until 5th June 12
6 J Moore - Joint post with Coventry City Council from 6th June 12

For all new off payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than six months

No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	23
Of which:	
No, for whom assurance has been requested and received	21
No, for whom assurance has been requested and not received	0
No, that have been terminated as a result of assurance not being received	0

PENSION BENEFITS

GAD Actuarial Factors

NHS Pensions are using the most recent set of actuarial factors produced by GAD with effect from 8th December 2012, in calculating Senior Managers' pension benefits as at 31st March 2013.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Values (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the real increase in CETV effectively funded by the employer. It takes into account 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.

Real increase in pension and lump sum

The calculation of the real increase (or decrease) in the pension and lump sum reflects pensionable earnings within the financial year, compared with pension calculated from pensionable earnings in the previous year, each year taken in isolation. The calculation also takes account of changes in a value as a result of inflation.

Changes to the NHS pension scheme

First time entrants to the new NHS pension scheme from 1st April 2009 become members of the new NHS pension scheme which provides different pension and lump sum calculations compared to existing members. Details of the new scheme pensions and other benefits can be found at nhspa.gov.uk

The information in this publication is available in a range of languages and alternate formats such as large print. Please use the contact details on the back of this report to request a copy.

এই প্রকাশনার তথ্যাবলী বিভিন্ন ভাষায় ও ফরম্যাটে (যেমন বড় ফন্টে মুদ্রিত) পাওয়া যাবে। অনুগ্রহ করে আপনার কপির জন্য উপরের ঠিকানায় যোগাযোগ করুন। (Bengali)

આ પ્રકાશનમાં રહેલી માહિતી વિવિધ ભાષાઓમાં અને બીજા સ્વરૂપોમાં પણ ઉપલબ્ધ છે, જેમ કે મોટા અક્ષરોમાં. તેની નકલ મેળવવા માટે ઉપરની વિગતે સંપર્ક કરવા કૃપા કરશો (Gujarati)

Informacje zawarte w tej publikacji są dostępne w innych językach oraz w różnym wydaniu, np. dużym drukiem. Aby otrzymać żądany egzemplarz prosimy o kontakt- dane jak powyżej. (Polish)

ਇਸ ਪ੍ਰਕਾਸ਼ਨ (ਪਬਲੀਕੇਸ਼ਨ) ਦਾਖਲ ਜਾਣਕਾਰੀ ਕਈ ਭਾਸ਼ਾਵਾਂ ਅਤੇ ਹੋਰ ਰੂਪਾਂ ਜਿਵੇਂ ਕਿ ਵੱਡੇ ਅੱਖਰਾਂ (ਪ੍ਰਿੰਟ) ਵਿੱਚ ਉਪਲੱਬਧ ਹੈ।

ਇਸ ਦੀ ਕਾਪੀ ਲੈਣ ਵਾਸਤੇ ਕਿਰਪਾ ਕਰਕੇ ਉੱਪਰ ਦਾਖ਼ੇ ਵੇਰਵੇ ਤੇ ਸੰਪਰਕ ਕਰੋ। (Punjabi)

یہ شائع کی گئی معلومات کئی دوسری زبانوں اور دوسری اشکال یعنی بڑے حروف میں بھی دستیاب ہیں۔اس کی کاپی منگوانے کے لیے براۓ مہربانی اوپر دیے ہوئے پتے پر رابطہ کریں۔ (Urdu)

ANNUAL REPORT
2012-2013

NHS Coventry, Christchurch House,
Greyfriars Lane, Coventry, CV1 2GQ

Tel: (024) 7655 3344
Fax: (024) 7622 6280

Email: contactus@coventrypct.nhs.uk
Website: www.coventrypct.nhs.uk

Department of Health

NHS

Coventry Teaching Primary Care Trust

2012-13 Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Coventry Teaching Primary Care Trust

2012-13 Accounts

Foreword to the accounts

Coventry Teaching PCT

These accounts for the year ending 31 March 2013 have been prepared by the PCT under paragraph 5 of Schedule 15 of the National Health Service Act 2006 in the form which the Secretary of State has, with the approval of Treasury, directed.

2012-13 Annual Accounts of Coventry Teaching Primary Care Trust

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

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

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

To the best of my knowledge and belief, I have properly discharged the above responsibilities, as designated Signing Officer and through experience in my role as Accountable Officer until 31 March 2013.

nb: sign and date in any colour ink except black

Signed.....Designated Signing Officer

Name: Lesley Murphy

Date.....4/6/13.....

2012-13 Annual Accounts of Coventry Teaching Primary Care Trust

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Primary Care Trusts as NHS bodies are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the primary care trust and the net operating cost, recognised gains and losses and cash flows for the year. From 1 April 2013 responsibility for finalising the accounts falls to the Secretary of State. Formal accountability lies with the Department of Health's Accounting Officer, and her letter of 28 March 2013 designated the Signing Officer and Finance Signing Officer, to discharge the following responsibilities for the Department in preparing the accounts:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;

- make judgements and estimates which are reasonable and prudent;

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

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

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

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

By order of the Permanent Secretary.

nb: sign and date in any colour ink except black

4.6.13 Date ..... Signing Officer

4/6/13 Date ..... Finance Signing Officer

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF COVENTRY TEACHING PCT

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

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

- the table of salaries and allowances of senior managers and related narrative notes on page 27;
- the table of pension benefits of senior managers and related narrative notes on page 30; and
- the pay multiples on page 29.

This report is made solely to the Department of Health's accounting officer in respect of Coventry Teaching PCT in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Department of Health's accounting officer and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

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

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

Scope of the audit of the financial statements

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

apparent material misstatements or inconsistencies we consider the implications for our report.

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

· our review of the annual governance statement;

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

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

Certificate

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

Grant Patterson
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP

Colmore Plaza
20 Colmore Circus
Birmingham
B4 6AT

6 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**13,434**	10,554
Other costs	5.1	**625,147**	615,002
Income	4	**(23,961)**	(19,109)
Net operating costs before interest		**614,620**	606,447
Investment income	9	**(91)**	(42)
Other (Gains)/Losses	10	**0**	3
Finance costs	11	**2,703**	1,483
Net operating costs for the financial year		**617,232**	607,891
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		**617,232**	**607,891**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**9,230**	8,137
Other costs	5.1	**6,517**	5,677
Income	4	**(2,064)**	(1,429)
Net administration costs before interest		**13,683**	**12,385**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	88
Net administration costs for the financial year		**13,683**	**12,473**
Programme Expenditure			
Gross employee benefits	7.1	**4,204**	2,417
Other costs**	5.1	**618,630**	609,325
Income**	4	**(21,897)**	(17,680)
Net programme expenditure before interest		**600,937**	**594,062**
Investment income	9	**(91)**	(42)
Other (Gains)/Losses	10	**0**	3
Finance costs	11	**2,703**	1,395
Net programme expenditure for the financial year		**603,549**	**595,418**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**1,415**	1,769
Net (gain) on revaluation of property, plant & equipment	**(2,011)**	(5,889)
Total comprehensive net expenditure for the year*	**616,636**	**603,771**

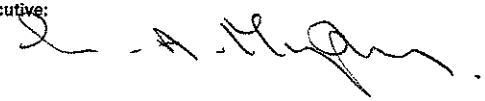
*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
**Restated to reflect the Treatment of Recharges from Properties transferring to NHS Property Services Limited
The notes on pages 5 to 39 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 Restated £000	Other adjustments * £000	31 March 2012 £000
Non-current assets:					
Property, plant and equipment	12	56,582	58,924	0	58,924
Intangible assets	13	0	0	0	0
Investment property	15	0	0	0	0
Other financial assets	21	735	677	104	573
Trade and other receivables	19	0	92	12	80
Total non-current assets		57,317	59,693	116	59,577
Current assets:					
Inventories	18	0	1		1
Trade and other receivables	19	4,782	6,860	1,273	5,587
Other financial assets	36	0	0	0	0
Other current assets	22	0	0	0	0
Cash and cash equivalents	23	0	1	0	1
Total current assets		4,782	6,862	1,273	5,589
Non-current assets held for sale	24	0	425	0	425
Total current assets		4,782	7,287	1,273	6,014
Total assets		62,099	66,980	1,389	65,591
Current liabilities					
Trade and other payables	25	(44,712)	(45,651)	0	(45,651)
Other liabilities	26,28	0	0	0	0
Provisions	32	(1,824)	(3,282)	0	(3,282)
Borrowings	27	(1,175)	(1,322)	0	(1,322)
Other financial liabilities	36.2	0	0	0	0
Total current liabilities		(47,711)	(50,255)	0	(50,255)
Non-current assets plus/less net current assets/liabilities		14,388	16,725	1,389	15,336
Non-current liabilities					
Trade and other payables	25	0	(244)	0	(244)
Other Liabilities	28	0	0	0	0
Provisions	32	(6,529)	(2,795)	0	(2,795)
Borrowings	27	(30,032)	(31,115)	0	(31,115)
Other financial liabilities	36.2	0	0	0	0
Total non-current liabilities		(36,561)	(34,154)	0	(34,154)
Total Assets Employed:		(22,173)	(17,429)	1,389	(18,818)
Financed by taxpayers' equity:					
General fund		(34,218)	(28,881)	1,389	(30,270)
Revaluation reserve		12,045	11,452	0	11,452
Other reserves		0	0	0	0
Total taxpayers' equity:		(22,173)	(17,429)	1,389	(18,818)

The notes on pages 5 to 39 form part of this account.
*Adjustments includes £1,331,000 relating to the reclassification of NHS LIFT prepayments and £58,000 restatement of LIFT Investments and working loans .
The financial statements on pages 1 to 39 were approved by the Board on 3 June 2013 and signed on its behalf by

Chief Executive: Date: 3 June 2013



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

	General fund	Revaluation reserve	Total reserves
	£000	£000	£000
Balance at 1 April 2012	**(30,270)**	**11,452**	**(18,818)**
Opening balance adjustments *	58		**58**
Sub Total	**(30,212)**	**11,452**	**(18,760)**
Merger adjustments *	1,331		**1,331**
Restated balance at 1 April 2012	**(28,881)**	**11,452**	**(17,429)**
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	(617,232)		**(617,232)**
Net gain on revaluation of property, plant, equipment		2,011	**2,011**
Impairments and reversals		(1,415)	**(1,415)**
Transfers between reserves*	3	(3)	**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**
Total recognised income and expense for 2012-13	**(617,229)**	**593**	**(616,636)**
Net Parliamentary funding	611,892		**611,892**
Balance at 31 March 2013	**(34,218)**	**12,045**	**(22,173)**
Balance at 1 April 2011	**(18,203)**	**7591**	**(10,612)**
Changes in taxpayers' equity for 2011-12			
Net operating cost for the year	(607,891)		(607,891)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		5,889	5,889
Impairments and Reversals		(1,769)	(1,769)
Transfers between reserves*	259	(259)	0
Release of Reserves to Statement of Comprehensive Net Expenditure		0	0
Reclassification Adjustments			
Net actuarial gain/(loss) on pensions	0		0
Total recognised income and expense for 2011-12	(607,632)	3,861	(603,771)
Net Parliamentary funding	595,565		595,565
Balance at 31 March 2012	**(30,270)**	**11,452**	**(18,818)**

*Adjustments includes £1,331,000 relating to the reclassification of NHS LIFT prepayments and £58,000 restatement of LIFT Investments and working loans .

Statement of cash flows for the year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		**(614,620)**	(606,447)
Depreciation and Amortisation		**3,478**	2,261
Impairments and Reversals		**1,355**	7,036
Interest Paid		**(2,703)**	(1,483)
(Increase)/Decrease in Inventories		**1**	1
(Increase)/Decrease in Trade and Other Receivables		**1,762**	2,046
Increase/(Decrease) in Trade and Other Payables		**(994)**	2,126
Provisions Utilised		**(397)**	(61)
Increase/(Decrease) in Provisions		**2,673**	3,794
Net Cash Inflow/(Outflow) from Operating Activities		**(609,445)**	**(590,727)**
Cash flows from investing activities			
Interest Received		**91**	42
(Payments) for Property, Plant and Equipment		**(1,250)**	(5,491)
(Payments) for Financial Assets (LIFT)		**(58)**	(2)
Proceeds of disposal of assets held for sale (PPE)		**0**	2,571
Net Cash Inflow/(Outflow) from Investing Activities		**(1,217)**	**(2,880)**
Net cash inflow/(outflow) before financing		**(610,662)**	**(593,607)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(1,231)**	(1,959)
Net Parliamentary Funding		**611,892**	595,565
Net Cash Inflow/(Outflow) from Financing Activities		**610,661**	**593,606**
Net increase/(decrease) in cash and cash equivalents		**(1)**	**(1)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**1**	**7**
Opening balance adjustment - TCS transactions		**0**	(5)
Restated Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		1	2
Cash and Cash Equivalents (and Bank Overdraft) at year end		**0**	**1**

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.

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

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.

Under the provisions of The Health and Social Care Act 2012 (Commencement No. 4 Transitional , Savings and Transitory Provisions) Order 2013 , Coventry Teaching Primary Care Trust was dissolved on 1st April 2013.The PCT's functions , assets and liabilities transferred to other public sector entities as outlined in note 39.1 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.*

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

There are no critical judgements having a significant impact on amounts recognised in the financial statements.
The PCT has undertaken an exercise to assess its Land and Buildings ownership,future and current utilisation with reference to Guidance issued in March 2012 by Dept of Health entitled "PCT Estate –Guidance on accounting for Estate Transfers" . As a result of this assessment no Property related assets transferred to other NHS bodies during 2012/13.

During 2012/13 the Department of Health have taken national action to ensure all retrospective CHC eligibility claims are submitted to the relevant commissioning organisation .The PCT has included a provision relating to new potential claims.

Key sources of estimation uncertainty

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

The PCT has made key assumptions within the financial statements on the following:-

Property(Land and Buildings) of £55,234,496 (based upon an updated independent MEA valuation at 31 March 2013)
Continuing Healthcare Provisions of £6,658,000
Prescribing Accrual £9,146,000
There is also higher level of uncertainty in the area of other accruals, particularly in the area of non-contracted healthcare activity(including prescribing) . However, none of these estimates are believed to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

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 Coventry City Council. Under the arrangement funds are pooled under s75 of the National Health Service Act 2006 for integrated community equipment.

The pool for integrated community equipment is hosted by Coventry City Council. As a commissioner of healthcare services, the PCT makes contributions to the pool, which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement. The budget is managed by a s75 Board comprising of members of both organisations.

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.

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 Donated assets

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

1.10 Government grants

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

1.11 Non-current assets held for sale

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

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

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

1.12 Inventories

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

1.13 Cash and cash equivalents

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

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

1.14 Losses and Special Payments

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

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

1.15 Clinical Negligence Costs

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

The NHSLA operates a risk pooling scheme under which the PCT pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure in the year that it is due. The total value of clinical negligence provisions carried by the NHSLA on behalf of the PCT is disclosed at Note 32.

1. Accounting policies (continued)

1.16 Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

1.17 Research and Development

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

1.18 Other expenses

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

1.19 Grant making

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

1.20 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income are valued at fair value at the end of the reporting period.

1. Accounting policies (continued)

1.21 Contingencies

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

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

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

1.22 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.

1.23 Foreign exchange

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

1.24 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 2.35% (2.8% in respect of early staff departures) in real terms.

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

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

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

1. Accounting policies (continued)

1.25 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Net Expenditure. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

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

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.

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.

Financial liabilities at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Net Expenditure. The net gain or loss incorporates any interest earned on the financial asset.

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

1.26 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

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

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

1. Accounting policies (continued)

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

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

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

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

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

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

Assets contributed by the PCT to the operator for use in the scheme
Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the PCT's Statement of Financial Position.

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)

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

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

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

2 Operating segments

In previous years, the PCT has identified two operating segments within the organisation, the commissioning arm and the provider arm. Under the TCS initiative,provider arm services were transferred to other providers on 1 April 2011, and therefore the PCT now operates as one segment.

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		607,891
Net operating cost plus (gain)/loss on transfers by absorption	**617,232**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**623,058**	613,657
Under/(Over)spend Against Revenue Resource Limit (RRL)	5,826	5,766

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	**1,528**	24,721
Charge to Capital Resource Limit	**1,528**	24,259
(Over)/Underspend Against CRL	**0**	**462**

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**611,892**	595,565
Cash Limit	**611,892**	595,565
Under/(Over)spend Against Cash Limit	**0**	**0**

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

	2012-13 £000	2011-12 £000
Total cash received from DH (Gross)	535,518	517,978
Less: Trade Income from DH	0	0
Less/(Plus): movement in DH working balances	0	0
Sub total: net advances	**535,518**	**517,978**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	13,147	13,158
Plus: drugs reimbursement (central charge to cash limits)	63,227	64,429
Parliamentary funding credited to General Fund	**611,892**	**595,565**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Dental Charge income from Contractor-Led GDS & PDS	**3,435**	0	3,435	3,367
Prescription Charge income	**3,319**	0	3,319	3,238
Strategic Health Authorities	**61**	61	0	0
NHS Trusts*	**4,904**	259	4,645	3,299
NHS Foundation Trusts	**0**	0	0	84
Primary Care Trusts - Other	**3,940**	439	3,501	1,326
Department of Health - Other	**490**	450	40	455
Local Authorities	**0**	0	0	64
Education, Training and Research	**3,900**	160	3,740	4,115
Rental revenue from finance leases	**1,085**	0	1,085	1,019
Rental revenue from operating leases	**678**	0	678	329
Other revenue **	**2,149**	695	1,454	1,813
Total miscellaneous revenue	**23,961**	**2,064**	**21,897**	**19,109**

* NHS Trust Income includes Propery Licence income relating to the occupancy of the PCT's properties by other NHS organisations.
** Other Revenue Recharge income is restated to reflect the Treatment of Income from Properties transferring to NHS Property Services Limited

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	59,928	0	59,928	59,202
Non-Healthcare	388	388	0	396
Total	60,316	388	59,928	59,598
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts*	341,157	747	340,410	332,041
Goods and services (other, excl Trusts, FT and PCT))	21	21	0	2
Total	341,178	768	340,410	332,043
Goods and Services from Foundation Trusts	13,708	0	13,708	12,552
Purchase of Healthcare from Non-NHS bodies	51,296	0	51,296	44,866
Non-GMS Services from GPs***	953	0	953	1,062
Contractor Led GDS & PDS (excluding employee benefits)	15,456	0	15,456	18,268
Chair, Non-executive Directors & PEC remuneration	153	153	0	90
Consultancy Services	520	0	520	0
Prescribing Costs	48,599	0	48,599	50,303
G/PMS, APMS and PCTMS (excluding employee benefits)***	52,289	0	52,289	50,489
New Pharmacy Contract	15,596	0	15,596	15,535
General Ophthalmic Services	2,944	0	2,944	3,023
Supplies and Services - Clinical	655	85	570	755
Supplies and Services - General	0	0	0	2
Establishment	2,123	2,099	24	2,497
Transport	190	77	113	85
Premises	3,045	668	2,377	3,591
Impairments & Reversals of Property, plant and equipment	1,355	0	1,355	7,036
Depreciation	3,478	907	2,571	2,261
Impairment of Receivables	111	0	111	(41)
Inventory write offs	0	0	0	1
Audit Fees	111	111	0	199
Other Auditors Remuneration	26	26	0	36
Education and Training	2,996	330	2,666	3,235
Grants for capital purposes	121	0	121	0
Grants for revenue purposes	6,536	0	6,536	6,272
Other	1,392	905	487	1,244
Total Operating costs charged to Statement of Comprehensive Net Expenditure	625,147	6,517	618,630	615,002
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	53	0	53	437
PCT Officer Board Members	376	376	0	321
Other Employee Benefits	13,005	8,854	4,151	9,796
Total Employee Benefits charged to SOCNE	13,434	9,230	4,204	10,554
Total Operating Costs	638,581	15,747	622,834	625,556
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to Private Sector to Fund Capital Projects	121	0	121	0
Total Capital Grants	121	0	121	0
Grants to fund revenue expenditure				
To Local Authorities	6,536	0	6,536	6,272
Total Revenue Grants	6,536	0	6,536	6,272
Total Grants	6,657	0	6,657	6,272

	Total	Commissioning	Public Health Services
PCT Running Costs 2012-13			
Running costs (£000s)**	12,776	12,647	129
Weighted population (number in units)*	340,738	340,738	340,738
Running costs per head of population (£ per head)	37.50	37.12	0.38
PCT Running Costs 2011-12			
Running costs (£000s)	12,028	11,886	142
Weighted population (number in units)	340,738	340,738	340,738
Running costs per head of population (£ per head)	35.30	34.88	0.42

* 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
*Goods and Services From NHS trusts is restated to reflect the Treatment of Recharges from Properties transferring to NHS Property Services Limited
** In accordance with the target monitored against plan definition running costs excludes depreciation as Administrative Costs . 2011/12 figures have been restated for consistency.
*** Non GMS Services from GP's have been restated to reflect guidance in 2012/13 for services now included under G/PMS , APMS and PCTMS services.

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	52,329	49,521
Prescribing costs	48,600	50,617
Contractor led GDS & PDS	15,456	18,268
General Ophthalmic Services	2,943	3,023
Pharmaceutical services	0	201
New Pharmacy Contract	15,596	15,535
Non-GMS Services from GPs	954	1,753
Other	2,618	2,553
Total Primary Healthcare purchased	**138,496**	141,471
Purchase of Secondary Healthcare		
Learning Difficulties	13,487	9,723
Mental Illness	78,742	82,518
Maternity	16,520	20,937
General and Acute	261,039	232,190
Accident and emergency	11,899	11,390
Community Health Services	53,484	57,770
Other Contractual	28,559	35,586
Total Secondary Healthcare Purchased	**463,730**	450,114
Grant Funding		
Grants for capital purposes	121	0
Grants for revenue purposes	6,536	6,272
Total Healthcare Purchased by PCT	**608,883**	**597,857**
Healthcare from NHS FTs included above	42,303	33,010

6. Operating Leases

6.1 PCT as lessee

	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense				
Minimum lease payments			1,613	1,612
Contingent rents			0	0
Total			1,613	1,612
Payable:				
No later than one year	206	10	216	251
Between one and five years	672	4	676	718
After five years	1,339	0	1,339	1,509
Total	2,217	14	2,231	2,478

The PCT has 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,

The PCT has determined that these operating leases must be recognised, but , as there is no defined term in the arrangement(s) entered into , it is not possible to analyse the arrangements over financial years.

However within the above note,payments recognised as an expense in 2012/13 and 2011/12 operating costs,is a value relating to GMS, premises of £1,396,000 (2011/12 £1,390,000).

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	678	329
Contingent rents	0	0
Total	678	329
Receivable:		
No later than one year	632	670
Between one and five years	1,138	1,597
After five years	1,111	954
Total	2,881	3,221

The PCT sub- leases out a number of its properties to GP practices within Coventry.Rents are payable on a quarterly basis to the PCT. The figures for 2012-13 include rentals due in respect of occupancy of the PCT's City Centre Health facility .

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	9,980	8,022	1,958	7,296	5,698	1,598	2,684	2,324	360
Social security costs	698	480	218	538	370	168	160	110	50
Employer Contributions to NHS BSA - Pensions Division	1,059	728	331	816	561	255	243	167	76
Other pension costs	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits *	1,697	0	1,697	1,697	0	1,697	0	0	0
Total employee benefits	13,434	9,230	4,204	10,347	6,629	3,718	3,087	2,601	486
Less recoveries in respect of employee benefits (table below)	0	0	0	0	0	0	0	0	0
Total - Net Employee Benefits including capitalised costs	13,434	9,230	4,204	10,347	6,629	3,718	3,087	2,601	486
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	13,434	9,230	4,204	10,347	6,629	3,718	3,087	2,601	486
Recognised as:									
Commissioning employee benefits	13,434			10,347			3,087		
Gross Employee Benefits excluding capitalised costs	13,434			10,347			3,087		

* Termination benefits include a recharge to West Midlands Strategic Health Authority not included in Note 7.4 Exit Pages agreed 2012-13

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	8,590	6,724	1,866
Social security costs	755	594	161
Employer Contributions to NHS BSA - Pensions Division	1,065	833	232
Termination benefits	144	144	0
Total gross employee benefits	10,554	8,295	2,259
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	10,554	8,295	2,259
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	10,554	8,295	2,259
Recognised as:			
Commissioning employee benefits	10,554		
Gross Employee Benefits excluding capitalised costs	10,554		

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	5	2	3	6	5	1
Administration and estates	187	156	31	174	163	11
Healthcare assistants and other support staff	1	1	0	2	2	0
Nursing, midwifery and health visiting staff	26	25	1	33	33	0
Scientific, therapeutic and technical staff	13	13	0	14	14	0
Other	1	0	1	0	0	0
TOTAL	233	197	36	229	217	12

7.3 Ill health retirements

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	1	3
	£000s	£000s
Total additional pensions liabilities accrued in the year	66	206

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	**0**	**0**	**0**	0	0	**0**
£10,001-£25,000	**6**	**0**	**6**	0	0	**0**
£25,001-£50,000	**2**	**0**	**2**	0	0	**0**
£50,001-£100,000	**7**	**0**	**7**	0	0	**0**
£100,001 - £150,000	**2**	**0**	**2**	0	1	**1**
£150,001 - £200,000	**2**	**0**	**2**	0	0	**0**
>£200,000	**2**	**0**	**2**	0	0	**0**
Total number of exit packages by type (total cost	**21**	**0**	**21**	**0**	**1**	**1**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	1,729,178	0	**1,729,178**	0	144,000	**144,000**

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 and under Section 16 of the Agenda for Change Terms and Conditions Handbook . 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.

This disclosure reports the number and value of exit packages taken by staff leaving in the year.

7.5 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.
The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

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

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

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

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

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

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.
Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	19,535	92,078	21,381	87,851
Total Non-NHS Trade Invoices Paid Within Target	18,668	86,806	18,974	75,079
Percentage of Non-NHS Trade Invoices Paid Within Target	95.56%	94.27%	88.74%	85.46%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	4,505	423,065	3,417	408,490
Total NHS Trade Invoices Paid Within Target	4,395	421,954	2,940	405,419
Percentage of NHS Trade Invoices Paid Within Target	97.56%	99.74%	86.04%	99.25%

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

There are no Late payment of Commercial Debts (Interest) Act 1998

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: loan interest receivable	91	0	91	42
Subtotal	91	0	91	42
Total investment income	91	0	91	42

10. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Gain/(Loss) on disposal of assets other than by sale (PPE)	0	0	0	(3)
Total	0	0	0	(3)

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	200	0	200	358
Interest on obligations under LIFT contracts:				
- main finance cost	2,342	0	2,342	984
- contingent finance cost	101	0	101	88
Other interest expense	0	0	0	0
Total interest expense	2,643	0	2,643	1,430
Provisions - unwinding of discount	60		60	53
Total	2,703	0	2,703	1,483

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:							
At 1 April 2012	8,538	48,125	0	4,066	104	5,051	65,884
Additions of Assets Under Construction			0				0
Additions Purchased	83	444		536	0	407	1,470
Additions Leased	0	0		0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassifications as Held for Sale	425	0	0	0	0	0	425
Disposals other than for sale	0	0	0	(153)	0	(3,057)	(3,210)
Upward revaluation/positive indexation	150	1,861	0	0	0	0	2,011
Impairments/negative indexation	(178)	(1,237)	0	0	0	0	(1,415)
Reversal of Impairments	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0
At 31 March 2013	9,018	49,193	0	4,449	104	2,401	65,165
Depreciation							
At 1 April 2012	0	154	0	2,251	70	4,485	6,960
Reclassifications		0		0	0	0	0
Reclassifications as Held for Sale	0	0		0	0	0	0
Disposals other than for sale	0	0		(153)	0	(3,057)	(3,210)
Upward revaluation/positive indexation	0	0		0	0	0	0
Impairments	800	555	0	0	0	0	1,355
Reversal of Impairments	0	0	0	0	0	0	0
Charged During the Year	35	2,403		459	13	568	3,478
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0
At 31 March 2013	835	3,112	0	2,557	83	1,996	8,583
Net Book Value at 31 March 2013	8,183	46,081	0	1,892	21	405	56,582
Purchased	8,183	46,078	0	1,892	21	405	56,579
Donated	0	3	0	0	0	0	3
Government Granted	0	0	0	0	0	0	0
Total at 31 March 2013	8,183	46,081	0	1,892	21	405	56,582
Asset financing:							
Owned	7,623	13,367	0	1,892	21	405	23,308
Held on finance lease	0	8,066	0	0	0	0	8,066
On-SOFP PFI contracts	560	24,648	0	0	0	0	25,208
PFI residual: interests	0	0	0	0	0	0	0
Total at 31 March 2013	8,183	46,081	0	1,892	21	405	56,582

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	941	10,433	0	77	1	0	11,452
Movements (specify)	0	593	0	0	0	0	593
At 31 March 2013	941	11,026	0	77	1	0	12,045

Additions to Assets Under Construction in 2012-13

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

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:							
At 1 April 2011	**11,939**	**24,601**	**1,791**	**2,799**	**104**	**5,011**	**46,245**
Additions - purchased	835	25,056	0	1,298	0	40	**27,229**
Reclassifications	539	1,252	(1,791)	0	0	0	**0**
Reclassified as held for sale	(1,203)	(2,189)	0	0	0	0	**(3,392)**
Disposals other than by sale	0	0	0	(31)	0	0	**(31)**
Revaluation & indexation gains	608	5,281	0	0	0	0	**5,889**
Impairments	(260)	(1,509)	0	0	0	0	**(1,769)**
Reversals of impairments	0	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatio	(3,920)	(4,367)	0	0	0	0	**(8,287)**
At 31 March 2012	**8,538**	**48,125**	**0**	**4,066**	**104**	**5,051**	**65,884**
Depreciation							
At 1 April 2011	**0**	**0**		**2,034**	**58**	**3,886**	**5,978**
Reclassifications		0		0	0	0	**0**
Reclassifications as Held for Sale	0	0		0	0	0	**0**
Disposals other than for sale	0	0		(28)	0	0	**(28)**
Upward revaluation/positive indexation	0	0		0	0	0	**0**
Impairments	3,886	3,150	0	0	0	0	**7,036**
Reversal of Impairments	0	0	0	0	0	0	**0**
Charged During the Year	34	1,371		245	12	599	**2,261**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatio	(3,920)	(4,367)	0	0	0	0	**(8,287)**
At 31 March 2012	**0**	**154**	**0**	**2,251**	**70**	**4,485**	**6,960**
Net Book Value at 31 March 2012	**8,538**	**47,971**	**0**	**1,815**	**34**	**566**	**58,924**
Purchased	8,538	47,968	0	1,815	34	566	**58,921**
Donated	0	3	0	0	0	0	**3**
Government Granted	0	0	0	0	0	0	**0**
At 31 March 2012	**8,538**	**47,971**	**0**	**1,815**	**34**	**566**	**58,924**
Asset financing:							
Owned	7,838	12,415	0	1,815	34	566	**22,668**
Held on finance lease	700	8,143	0	0	0	0	**8,843**
On-SOFP PFI contracts	0	27,413	0	0	0	0	**27,413**
At 31 March 2012	**8,538**	**47,971**	**0**	**1,815**	**34**	**566**	**58,924**

12.3 Property, plant and equipment

A full revaluation of the PCT's asset base took place on 31 March 2013. The valuation was carried out by the Valuation office and in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.

In line with HM Treasury guidance, the revaluation on 31 March 2013 was based on "modern equivalent assets". This basis of valuation was used in previous years. The value of land for existing use purposes is assessed to Existing Use Value.

The Gross carrying amount of any fully depreciated assets still in use is £7,067,681 (2011/12 £4,807,809)

The Open Market Value of assets at 31 March 2013 is not materially different from the value of assets held under the "modern equivalent asset" basis.

There are no other write downs of assets other than those accounted for as impairments and valuation movements based upon "modern equivalents assets" valuations.

All of the buildings excluding those held under LIFT/Finance Leases have remaining lives comparable to the District valuers estimated lives at 31 March 2013.

LIFT buildings under Lease Plus agreements are valued at the lower of the present value of minimum lease payments or the Fair value at 31 March 2013.

As a result of the District Valuation undertaken at 31 March 2013 the main movements in valuation included in note 12 were :-

Christchurch House increase in value by £756,000
City Centre Health Facility Impairment of £442,000
Paybody Land Impairment of £552,000

There are no assets where there are material changes in the estimate of useful economic life/residual value.

There are no assets that are temporarily idle.

Property, Plant and Equipment	Min Life Years	Max Life Years
Buildings exc Dwellings	1	60
Dwellings	0	0
Plant & Machinery	1	5
Transport Equipment	7	7
Information Technology	1	3
Furniture and Fittings	0	0

The PCT does not have assets in categories where there are no minimum and maximum economic lives.

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Total £000
At 1 April 2012	212	212
At 31 March 2013	212	212
Amortisation		
At 1 April 2012	212	212
At 31 March 2013	212	212
Net Book Value at 31 March 2013	0	0
Net Book Value at 31 March 2013 comprises		
Purchased	0	0
Donated	0	0
Government Granted	0	0
Total at 31 March 2013	0	0

Economic Lives of Non-Current Assets	Min Life Years	Max Life
Intangible Assets		
Software Licences	1	1

13.2 Intangible non-current assets

2011-12	Software internally generated £000	Total £000
At 1 April 2011	212	212
At 31 March 2012	212	212
Amortisation		
At 1 April 2011	212	212
At 31 March 2012	212	212
Net Book Value at 31 March 2012	0	0
Net Book Value at 31 March 2012 comprises		
Purchased	0	0
Donated	0	0
Government Granted	0	0
Total at 31 March 2012	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			
Changes in market price	1,355		1,355
Total charged to Annually Managed Expenditure	1,355		1,355
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Other	0		
Changes in market price	1,415		
Total impairments for PPE charged to reserves	1,415		
Total Impairments of Property, Plant and Equipment	2,770	0	1,355
Total Impairments charged to Revaluation Reserve	1,415		
Total Impairments charged to SoCNE - AME	1,355		1,355
Overall Total Impairments	2,770	0	1,355
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0

15 Investment property

The PCT does not have any Investment property.

16 Commitments

16.1 Capital commitments

The PCT has no Capital commitments.

16.2 Other financial commitments

The PCT has no 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	281	0	521	0
Balances with Local Authorities	251	0	5,648	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,650	0	12,068	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,600	0	26,475	0
At 31 March 2013	**4,782**	**0**	**44,712**	**0**
prior period:				
Balances with other Central Government Bodies	712	0	505	0
Balances with Local Authorities	267	0	2,435	0
Balances with NHS Trusts and Foundation Trusts	1,991	0	11,287	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government*	3,890	92	31,424	244
At 31 March 2012	**6,860**	**92**	**45,651**	**244**

*Comparatives include adjustments of £1,273,000 relating to the reclassification of NHS LIFT prepayments and Working Capital loan.

18 Inventories

	Other £000	Total £000
Balance at 1 April 2012	**1**	**1**
Inventories recognised as an expense in the period	(1)	(1)
Balance at 31 March 2013	**0**	**0**

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013	31 March 2012 Restated	31 March 2013	31 March 2012 Restated
	£000	£000	£000	£000
NHS receivables - revenue	1,186	64	0	0
NHS prepayments and accrued income	745	2,637	0	0
Non-NHS receivables - revenue	587	596	0	0
Non-NHS receivables - capital	0	396	0	0
Non-NHS prepayments and accrued income*	0	861	0	92
Provision for the impairment of receivables	(131)	(74)	0	0
VAT	235	478	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income*	1,331	1,273	0	0
Interest receivables	0	99	0	0
Other receivables	829	730	0	0
Total	4,782	6,860	0	92
Total current and non current	4,782	6,952		
Included above:				
Prepaid pensions contributions	0	0		

*Comparatives include adjustments of £1,273,000 relating to the reclassification of NHS LIFT prepayments and Working Capital loan.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	97	442
By three to six months	0	0
By more than six months	0	0
Total	97	442

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(74)	(124)
Amount written off during the year	54	9
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	(111)	41
Balance at 31 March 2013	(131)	(74)

20 NHS LIFT investments

	Share capital £000	Total £000
Balance at 1 April 2012	573	573
Opening balance adjustment	104	104
Restated	677	677
Additions	58	58
Balance at 31 March 2013	735	735
Balance at 1 April 2011	571	571
Additions	2	2
Balance at 31 March 2012	573	573

21.1 Other financial assets - Current

There are no Other financial assets - Current.

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**573**	571
Opening balance adjustment*	104	0
Restated	**677**	571
Additions	58	2
Total Other Financial Assets - Non Current	**735**	**573**

* Opening balance adjustment relates to the restatement of LIFT investment from 2011-12

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	**58**	0

22 Other current assets

There are no Other current assets.

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**1**	2
Net change in year	**(1)**	(1)
Closing balance	**0**	1
Made up of		
Cash with Government Banking Service	**0**	0
Commercial banks	**0**	0
Cash in hand	**0**	1
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**0**	1
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**0**	1
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Total
	£000	£000	£000
Balance at 1 April 2012	425	0	425
Plus assets classified as held for sale in the year	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	(425)	0	(425)
Revaluation	0	0	0
Balance at 31 March 2013	0	0	0
Liabilities associated with assets held for sale at 31 March 2013	0	0	0
Balance at 1 April 2011	0	0	0
Plus assets classified as held for sale in the year	1,203	2,189	3,392
Less assets sold in the year	(778)	(2,189)	(2,967)
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0
Balance at 31 March 2012	425	0	425
Liabilities associated with assets held for sale at 31 March 2012	0	0	0

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

At 31 March 2012	0
At 31 March 2013	0

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS payables - revenue	9,707	10,353	0	0
NHS payables - capital	0	13	0	0
NHS accruals and deferred income	2,882	1,426	0	0
Family Health Services (FHS) payables	17,270	17,596		
Non-NHS payables - revenue	5,211	3,756	0	0
Non-NHS payables - capital	913	1,089	0	0
Non_NHS accruals and deferred income	7,830	10,615	0	0
Social security costs	128	111		
Tax	302	126		
Other	469	566	0	244
Total	44,712	45,651	0	244
Total payables (current and non-current)	44,712	45,895		

26 Other liabilities

The PCT has no Other liabilities.

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
LIFT liabilities:				
Main liability	663	735	24,838	25,501
Finance lease liabilities	512	587	5,194	5,614
Total	1,175	1,322	30,032	31,115
Total other liabilities (current and non-current)	31,207	32,437		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	1,175	1,175
1 - 2 Years	0	1,972	1,972
2 - 5 Years	0	3,128	3,128
Over 5 Years	0	24,932	24,932
TOTAL	0	31,207	31,207

28 Other financial liabilities

The PCT has no other financial liabilities .

29 Deferred income

The PCT has no Deferred Income

30 Finance lease obligations

Amounts payable under finance leases (Buildings)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 201 £000
Within one year	695	905	512	587
Between one and five years	2,197	2,367	1,312	1,385
After five years	5,045	5,595	3,882	4,229
Less future finance charges	(2,231)	(2,666)		
Present value of minimum lease payments	5,706	6,201	5,706	6,201
Included in:				
Current borrowings			512	587
Non-current borrowings			5,194	5,614
			5,706	6,201

Amounts payable under finance leases (Land)

There are no amounts payable under finance leases (land)

Amounts payable under finance leases (Other)

There are no amounts payable under finance leases (other)

31 Finance lease receivables as lessor

The PCT does not have any Finance Lease receivables as lessor.

Rental Income	31 March 2013 £000	31 March 2012 £000
Contingent rent	1085	1019
Other	0	0
Total rental income	1,085	1,019

32 Provisions

		Comprising:				
	Total £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Continuing Care £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	6,077	209	15	1,883	3,970	0
Arising During the Year	6,288	0	0	4,976	833	479
Utilised During the Year	(397)	(22)	0	(242)	(133)	0
Reversed Unused	(3,675)	0	(13)	0	(3,662)	0
Unwinding of Discount	60	6	1	41	12	0
Change in Discount Rate	0	0	0	0	0	0
Transferred (to)/from otherPublic Sector bodies	0	0	0	0	0	0
Balance at 31 March 2013	8,353	193	3	6,658	1,020	479
Expected Timing of Cash Flows:						
No Later than One Year	1,824	22	3	300	1,020	479
Later than One Year and not later than Five Years	3,897	88	0	3,809	0	0
Later than Five Years	2,632	83	0	2,549	0	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	339
As at 31 March 2012	996

Provisions for legal claims are in respect of personal injury claims which are handled by the NHS Litigation Authority on behalf of the PCT

Provisions for pensions relating to other staff are in respect of early retirements.

Redundancy Provisions relate to staff on Recruitment and Exit Terms Scheme at 31 March 2013 .

Continuing Care Provisions

During 2012/13 the Department of Health have taken national action to ensure all retrospective CHC eligibility claims are submitted to the relevant commissioning organisation . Accordingly Coventry PCT received 219 new potential claims.These are at an early stage of assessment.The substantial increase in provision reflects these new cases and associated potential costs .

Other provisions relate to the following:

- a bond held in respect of potential dilapidation costs of PCT leasehold properties.
-provision for potential clawback by SHA of unspent ringfenced allocation. This non-recurrent allocation is required to be spent solely on the purchase of primary care dental services.

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Other	(6)	(420)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(6)	(420)

The PCT has no contingent assets.

34 PFI and LIFT - additional information

There are no charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI.

City Centre Health Facility

The PCT entered into an Land Retained agreement on 24 March 2010 as a shareholder in Coventry Care Partnership(Coventry LIFTco).
The lease period runs from 14 November 2011 to 13 November 2036.
The LIFTco has been set up as the statutory vehicle to provide Coventry City Centre Health scheme.
The PCT has a 20% investment(£10,000 equity and subordinated debt) totalling £441,657 in LIFTco.
The PCT's annual payment to LIFTCo in respect of this scheme is £2,696k in nominal terms which have commenced in 11/12 (for 25 years).
The Unitary payment includes payment to LIFT Co for use of the asset, interest costs, service costs and lifecycle costs.

Upper Stoke Health Facility

The PCT entered into a Lease Plus agreement on 30 June 2012 as a shareholder in Coventry Care Partnership(Coventry LIFTco).
The lease period runs from 29 April 2013 to 29 April 2038
The LIFTco was set up as the statutory vehicle to provide the Upper Stoke Health facility
The Unitary payment includes payment to LIFT Co for use of the asset, interest costs, service costs and lifecycle costs.
The annual payment to LIFTCo in respect of this scheme is £252k in nominal terms which commences in 13/14 (for 25 years).

Under IFRIC 12,the leases are treated as assets of the PCT under the Service Concession arrangements.
The contracts oblige the Landlord to provide services related to the infrastructure to the public (on behalf of the PCT).
The PCT controls and regulates the services that must be provided and is able to regulate the price of the service.
The PCT controls the usage and occupancy of the premises for the duration of the lease term.There are no rights to extend the lease term.
Contingent rents are only payable in instances where the PCT is in default in respect of the lease payments.
The PCT has control over the residual interests in the assets. There is an option to purchase the freeholds during year 24 of the leases at a discounted price.

Keresley Primary Care Centre

The PCT entered into a Lease Plus agreement on 8 December 2004 as a shareholder in Coventry Care Partnership(Coventry LIFTco).
The lease period runs from 8 December 2004 to 15 January 2031.
The LIFTco was set up as the statutory vehicle to provide Keresley Primary Care Centre.
The Unitary payment includes payment to LIFT Co for use of the asset, interest costs, service costs and lifecycle costs.
The PCT's annual payment to LIFTCo in respect of this scheme is £392k in nominal terms which commenced in 04/05 (for 25 years).

Longford Health centre

The PCT entered into a Lease Plus agreement on 8 December 2004 as a shareholder in Coventry Care Partnership(Coventry LIFTco).
The lease period runs from 8 December 2004 to 19 February 2031.
The LIFTco was set up as the statutory vehicle to provide Longford Health Centre.
The Unitary payment includes payment to LIFT Co for use of the asset, interest costs, service costs and lifecycle costs.
The PCT's annual payment to LIFTCo in respect of this scheme is £519k in nominal terms which commenced in 04/05 (for 25 years).

The capitalised value of the assets is included in note 12 of the accounts.
The substance of the contract is that the PCT has a finance lease and commitments in respect of these comprises two elements , an imputed finance lease charge and a service charge.

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	663	373
Total	663	373

	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	913	663
Later than One Year, No Later than Five Years	4,191	3,490
Later than Five Years	28,445	25,424
Total	33,549	29,577

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	31 March 2013 £000	31 March 2012 £000
No Later than One Year	3,050	3,030
Later than One Year, No Later than Five Years	11,169	11,343
Later than Five Years	47,032	47,902
Subtotal	61,251	62,275
Less: Interest Element	(35,750)	(36,039)
Total	25,501	26,236

Value of LIFT		
Value of PFI schemes pre April 2011	5,178	6592
Value of PFI schemes post April 2011	20,030	20821
Total	25,208	27,413

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	655	0	655
Interest Expense	2,443	0	2,443
Impairment charge - AME	0		0
Impairment charge - DEL	0	0	0
Other Expenditure	760	0	760
Revenue Receivable from subleasing	0	0	0
Total IFRS Expenditure (IFRIC12)	3,858	0	3,858
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(3,858)	0	(3,858)
Net IFRS change (IFRIC12)	0	0	0

Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12	
Capital expenditure 2012-13	17
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0

36 Financial Instruments

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

Currency risk

The PCT/Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The PCT/Trust has no overseas operations. The PCT/Trust 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	**Loans and receivables £000**	**Available for sale £000**	**Total £000**
Embedded derivatives			**0**
Receivables - NHS	1,933		**1,933**
Receivables - non-NHS	586		**586**
Cash at bank and in hand	0		**0**
Other financial assets	0	731	**731**
Total at 31 March 2013	**2,519**	**731**	**3,250**
Embedded derivatives			0
Receivables - NHS	2,703		2,703
Receivables - non-NHS	596		596
Cash at bank and in hand	1		1
Other financial assets	10	573	583
Total at 31 March 2012	3,310	573	3,883

36.2 Financial Liabilities	**Other £000**	**Total £000**
Embedded derivatives		**0**
NHS payables	12,586	**12,586**
Non-NHS payables	31,225	**31,225**
Other borrowings	0	**0**
PFI & finance lease obligations	31,205	**31,205**
Other financial liabilities	2	**2**
Total at 31 March 2013	**75,018**	**75,018**
Embedded derivatives		0
NHS payables	11,793	11,793
Non-NHS payables	33,038	33,038
Other borrowings	0	0
PFI & finance lease obligations	32,437	32,437
Other financial liabilities	14	14
Total at 31 March 2012	77,282	77,282

37 Related party transactions

Coventry Teaching Primary Care Trust is a corporate body established by order of the Secretary of State for Health.

During the year the following Board Members or members of the key management staff or parties related to them have undertaken material transactions with Coventry Teaching Primary Care Trust.

	2012-13 Payments to Related Party £	2012-13 Receipts from Related Party £	2012-13 Amounts owed to Related Party £	2012-13 Amounts due from Related Party £	2011-12 Payments to Related Party £	2011-12 Receipts from Related Party £	2011-12 Amounts owed to Related Party £	2011-12 Amounts due fr Related Party £
D Chater	12,519	0	0	0	24,298	0	0	0
R Farmah	1,121,949	0	0	0	997,320	0	97,907	0
D Depledge	0	0	0	0	61,050	0	0	0
D Durant	0	0	0	0	100,557	0	0	0
C Hayfield	200,079	0	0	0	0	0	0	0
R Pitts	10,379	0	0	0	0	0	0	0
D Spraggett	0	2,477	0	0	0	0	0	0

GP/CCG Board members by their nature have related party transactions. Members are listed below:

	2012-13 Payments to Related Party £	2012-13 Receipts from Related Party £	2012-13 Amounts owed to Related Party £	2012-13 Amounts due from Related Party £	2011-12 Payments to Related Party £	2011-12 Receipts from Related Party £	2011-12 Amounts owed to Related Party £	2011-12 Amounts due fr Related Party £
P O'Brien	0	0	0	0	1,306,753	0	99,460	0
S Allan	1,065,862	3,242	0	0	768,651	0	50,301	0
T Feltbower	134,170	0	0	0	17,885	0	0	0

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

	2012-13 Payments to Related Party £000	2012-13 Receipts from Related Party £000	2012-13 Amounts owed to Related Party £000	2012-13 Amounts due from Related Party £000	2011-12 Payments to Related Party £000	2011-12 Receipts from Related Party £000	2011-12 Amounts owed to Related Party £000	2011-12 Amounts due fr Related Party £000
University Hospitals of Coventry & Warwickshire Trust	230,306	198	6,096	84	218,139	755	157	87
Coventry and Warwickshire Partnership Trust	104,645	6,530	7	0	102,956	6,445	413	0
Birmingham East and North PCT	59,894	373	0	2	59,387	413	0	0
West Midlands Ambulance Service	11,667	0	7	0	1,022	0	42	0
George Eliot Hospital Trust	7,038	17	13	22	6,785	5	3	3
South Warwickshire NHS Foundation Trust	6,289	33	0	0	4,716	114	(10)	3
Warwickshire PCT	2,525	2,047	150	27	1,015	2,703	67	21
Birmingham Children's Hospital Trust	1,587	0	25	0	1,478	0	0	0
University Hospital Birmingham Foundation Trust	1,384	1	(555)	0	2,665	0	(299)	1
Heart of England Foundation Trust	1,029	0	6	0	1,119	0	90	0
University Hospital Leicester Trust	573	0	(482)	0	1,157	0	(195)	0
Sandwell & West Birmingham Trust	432	0	0	0	390	0	0	0
Worcestershire PCT	400	361	0	28	0	276	0	0
University College London Hospitals NHS Foundation Trust	349	0	0	0	15	0	0	0
Birmingham Community Healthcare NHS Trust	347	67	0	0	320	0	0	0
Royal Orthopaedic Hospital Trust	276	0	(240)	0	641	5	0	0
Dudley PCT	263	158	0	0	0	0	0	0
Nottingham University Hospitals Trust	223	0	0	0	255	0	84	0
South Staffordshire & Shropshire NHSFT	197	0	0	0	0	0	0	0
Oxford University Hospitals NHS Trust	196	0	0	0	454	0	(3)	0
Heart of Birmingham Teaching PCT	155	161	0	0	7	14	0	0
Birmingham and Solihull Mental Health NHS Foundation Trust	154	0	0	0	22	0	0	0
Royal Free London NHS Foundation Trust	135	0	6	0	0	0	0	0
The Royal National Orthopaedic Hospital NHS Trust	119	0	0	0	52	0	0	0
Northampton General Hospital NHS Trust	118	0	5	0	24	0	0	0
Leicestershire Partnership NHS Trust	114	0	42	0	381	0	0	0
King's College Hospital NHS Foundation Trust	121	0	0	0	122	0	(4)	0
Barts Health NHS Trust	104	0	24	0	166	0	0	0
Imperial College Healthcare NHS Trust	106	0	0	0	174	0	(4)	0
Sandwell PCT	52	172	0	0	9	0	(9)	6
South Birmingham PCT	28	198	0	0	11	194	0	0
West Midlands SHA	1	3,869	0	0	173	4,103	0	0
East of England SHA	0	99	0	8	0	0	0	0
Herefordshire PCT	0	91	0	46	0	0	0	0
North Staffordshire PCT	0	105	0	0	0	0	0	0
Shropshire County PCT	0	149	0	0	0	0	0	0
Solihull Care Trust	0	113	0	0	0	0	0	0
South Staffordshire PCT	0	434	0	0	0	59	0	0
Stoke on Trent PCT	0	138	0	0	0	0	0	0
Walsall Teaching PCT	0	132	0	3	0	0	0	0
Western Cheshire PCT (NHS Specialised Commissioning Team)	0	941	0	0	0	3	0	0
Wolverhampton City PCT	0	139	0	0	0	12	0	0

* West Midlands Ambulance contract payments for 11/12 of £9,600,000 were included under Birmingham East and North PCT .

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

	2012-13 Payments to Related Party £000	2012-13 Receipts from Related Party £000	2012-13 Amounts owed to Related Party £000	2012-13 Amounts due from Related Party £000	2011-12 Payments to Related Party £000	2011-12 Receipts from Related Party £000	2011-12 Amounts owed to Related Party £000	£000	2011-12 Amounts due fr Related Party £000
	0	293	0	0	0	318	0		0
Home Office (including prisons)	19,945	29	4,529	220	14,981	1,414	1,366		249
Coventry City Council	1,739	0	0	0	1,117	0	0		0
Coventry Care Partnership Limited	194	0	0	0	16	0	0		0
Warwickshire County Council	367	31	0	0	0	271	0		1
Assura Medical Limited									

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	18	1
Total losses	18	1
Total special payments	0	0
Total losses and special payments	18	1

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	3,000	1
Total losses	3,000	1
Total special payments	0	0
Total losses and special payments	3,000	1

39.1 Events after the end of the reporting period

The Financial Statements are available for issue on 3 June 2013 and are authorised by the NHS England board.

The main functions carried out by Coventry Teaching Primary Care Trust are to be carried out in 2013-14 by the following public sector bodies:

Coventry and Rugby Clinical Commissioning Group £440,300,000
NHS Commissioining Board £145,808,000
Local Authority (Coventry City Council) £15,762,000
Public Health England £1,357,000
Clinical Networks £120,000
Department of Health (£756,000)
NHS Property Services Limited £3,522,000

The figures detailed above are as reported in the last Baseline return that was submitted to the Department of Health in May 2012.

The net assets and (liabilities) will transfer to the following successor bodies :-

NHS Commissioning Board - (£3,561,000)
Coventry and Rugby Clinical Commissioning Group- (£ 15,804,000)
NHS Property Services Limited £25,599,000
Communuity Health Partnerships £1,041,000
NHS Trusts £586,000
Department of Health (£30,034,000)

ANNUAL GOVERNANCE STATEMENT 2012-13

NHS COVENTRY – ORGANISATION CODE 5MD

1. Scope of responsibility

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

Coventry Teaching Primary Care Trust (PCT), known as NHS Coventry, has established robust accountability arrangements within the organisation to oversee the system of internal control. The PCT's Risk Management Strategy sets out the responsibilities and accountability arrangements, risk framework and reporting structures and its effectiveness is monitored by the Quality, Safety and Governance Committee, a sub-committee of the Board. The Board Assurance Framework, which sets out the organisation's principal risks and objectives, is a key document for keeping the Board informed of significant risks.

During the year the Boards of NHS Coventry and NHS Warwickshire have continued to work together formally as the Arden Cluster Board and many of the key documents referred to in this Governance Statement are common across the Cluster.

The PCT works closely with other healthcare organisations within the local health economy, NHS Midlands and East (SHA), the local and regional teams of the NHS Commissioning Board and other partner organisations in Coventry. Risk and control issues are considered and reviewed with these organisations as appropriate, for example, with the Local Authority through the Joint Adult Commissioning Board and the Children and Young People's Commissioning Board.

2. The governance framework of the organisation

NHS Coventry and NHS Warwickshire Boards have met together formally throughout the financial year following the establishment in November 2011 of the Arden Cluster Board, with co-terminous membership of Chair and Non-Executives. A chart depicting the Board and committee structure is attached as Annex 1 and the functions of the Board's main committees are described below.

Audit Committee – reviews governance, risk management and internal control, reports from internal and external audit and fraud and corruption issues. Governance leads for the three Clinical Commissioning Groups

(CCGs) across the Cluster have been invited to attend the Audit Committee meetings during the latter part of the financial year.

Finance and Performance Committee – reviews reports on financial monitoring and key performance indicators bi-monthly and reports on capital schemes quarterly. This committee holds the CCGs across the Cluster to account for their financial and performance responsibilities including delivery of QIPP schemes.

Quality, Safety and Governance Committee – monitors all aspects of quality and patient safety across primary and secondary care including safeguarding, vulnerable adults, serious case reviews and protection investigations. The committee also reviews IG Toolkit compliance, emergency planning and business continuity issues, health and safety and compliance with equalities legislation. Clinical Governance leads from the three CCGs across the Cluster have attended meetings of this Committee.

Remuneration and Terms of Service Committee – reviews all aspects of remuneration and contractual issues for the Chief Executive and Very Senior Managers, redundancy/early retirement proposals for all staff, payments to independent contractors and professional staff merit awards.

Membership of these sub-committees is outlined in the terms of reference and attendance at these meetings is recorded in the minutes of each meeting.

During the year the Board has met 5 times as the Arden Cluster Board and attendance of Board members is shown in the table in Annex 2. The Board agenda is structured in such as way as to focus on major items for discussion and decision with standing items covering nursing, medical and clinical quality, risk and board assurance, financial and activity performance and reports from Directors and the Clinical Commissioning Groups.

During the year members of the Board reviewed their effectiveness and the operation of Board meetings and the changes proposed, which centred on the development of the CCGs and arrangements for the discharge of the Board's functions, have been incorporated into the agenda planning and organisation of subsequent Board and Sub Committee meetings.

The Board has reviewed arrangements for the transition, handover and closedown of the PCTs with reports to the meetings in July, September and November 2012 and March 2013. The Audit Committee has also considered the Transfer Scheme documentation for both NHS Coventry and NHS Warwickshire. Risks identified as part of the transition process have been added to the strategic risk register and those not addressed by the end of the financial year have been handed over to the relevant successor organisation. A formal handover meeting was held in December 2012 between the outgoing Chief Executive of the PCT and the incoming NHS Commissioning Board Area Team Director who is also the PCT Chief Executive for the remainder of the financial year. Quality handover meetings have also been held with receiver organisations including the Clinical Commissioning Groups, Local Authority (for Public Health) and NHS Commissioning Board.

In line with the Department of Health requirements, the Director of Finance, who is also the NHS Commissioning Board Director of Finance, has made arrangements for the preparation and audit of the PCT's accounts following the closedown on 31 March 2013. These include securing the agreement of appropriate non executive members of the Board to serve on an Audit Committee and arranging for the Arden and Worcester Commissioning Support Service to undertake the financial closedown and final accounts preparation.

Each of the Board sub-committees reports formally to the Board highlighting matters which need drawing to the attention of the Board and summarising the work undertaken at meetings. Key issues raised with the Board by the main sub-committees over the year are described below:

Audit Committee	- Detailed discussion on the Annual Accounts, External Audit Letter, Head of Internal Audit Opinion and Statement on Internal Control; - Review of the Strategic Internal Audit Plan for 2012/13; - Results of Audit Committee Self Assessment Checklist; - The Board Assurance Framework for the Cluster and changes throughout the year; - Achievement of Level 2 in the qualitative assessment of Counter Fraud arrangements for 2011/12.
Finance and Performance Committee	- Detailed discussion of the PCT's financial position and performance targets with action taken; - Progress in developing the Integrated Plan and QIPP Schemes; - Capital programme for 2012/13 and progress within schemes; - Clinical Commissioning Group Assurance process.
Quality, Safety and Governance Committee:	- Patient safety issues in provider trusts including actions following Never Events and hospital death rates; - Emergency planning activities including preparation for the Olympics and the Major Incident Plan review; - Primary Care Performers List changes and practice issues; - Individual child and adult safeguarding cases and safeguarding review reports from external bodies; - Quality Accounts of key providers; - Progress in meeting the requirements of the Information Governance Toolkit.

Board members take their responsibilities for corporate governance very seriously and endeavour to maintain high standards of business conduct. Details of all Board members' interests are recorded in the Register of Members Interests, available as part of the Annual Report, and this practice has been adopted by members of the Clinical Commissioning Group Governing Body. Members declare interests in items under discussion at meetings when appropriate and are conscious of their role in upholding and maintaining public confidence in the NHS. During the year Members of the Board reaffirmed their commitment to the Code of Conduct and Accountability and the values of accountability, probity and openness.

The Cluster maintains a hospitality register where appropriate declarations are recorded. The Cluster also has guidance for staff on hospitality and sponsorship and receipt of gifts.

The Audit Committee reviews all Single Tender Waivers, losses and compensations and write off of bad debts and systems and processes have previously been subject to Internal Audit scrutiny.

3. Risk assessment

The capacity of the PCT to handle risk is achieved through the delegated responsibilities in place as defined in the PCT's Risk Management Strategy.

The Strategy sets out the PCT's approach to risk, the accountability arrangements including the responsibilities of the Board and its sub-committees, directors, specialist leads, contractors and individual employees. It defines the risk management process including risk identification, analysis and evaluation which will be undertaken to ensure delivery of the Strategy and the capacity to handle risk across the PCT.

Appropriate risk management training, information and support is given to all staff as part of induction to enable them to undertake their work safely and regular updates are also provided. Some staff have had additional training in specific areas, for example, risk assessment, root cause analysis, moving and handling, resuscitation, infection control and first aid. A copy of the current strategic risk register (as at March 2013) is attached at Annex 3.

The Strategic Risk Register tracks movements on and off the Register, action required to reduce the risk and timescale. Major risks facing the organisation during the year include:

- Potential failure to meet national performance targets;
- Potential failure to meet financial duties;
- CCG development and authorisation requirements;
- Under delivery on QIPP schemes.

These specific risks and action are reviewed regularly by appropriate PCT committees.

4. The risk and control framework

The PCT's Risk Management Strategy identifies how risks are identified, evaluated, scored and monitored within the organisation. The PCT has developed a risk scoring matrix which is used for all risks, both clinical and non-clinical, incidents and complaints within the organisation. All extreme risks are included in the PCT's Strategic Risk Register. All lower level risks are included on departmental risk registers and monitored appropriately internally.

The Board Assurance Framework has been updated regularly during the 2012/13 financial year and has been considered by the Audit Committee in December 2012 and March 2013 and debated by the full Board at meetings in July, September and November 2012 and March 2013. The Assurance Framework is the key document for the Board in ensuring that all principal risks are controlled and that there is sufficient evidence to support the Annual Governance Statement.

The Assurance Framework has been aligned with the PCT's priorities for 2012/13 and has been cross referenced with the Strategic Risk Register. Additional information regarding the sources of assurance, risk ratings and links to the Strategic Risk Register has also been included in the Assurance Framework. The Assurance Framework was reviewed during the year by Internal Audit and all recommended improvements have been actioned.

The highest rated risks are documented in the PCT's Strategic Risk Register and these together with the Board Assurance Framework are the processes used to continuously address the issues that might disrupt the delivery of the PCT's business. These documents are reviewed on a regular basis by the Board and where they identify any gaps in either the assurance or the controls members will require that further action needs to be taken by managers to mitigate the risk. The PCT has used both of these documents, together with other control measures, to maintain the PCT's financial stability during the year.

A risk management process is in place to identify and manage information risks. This consists of proactive risk assessments on key information assets, investigation of information related incidents and review of information related complaints. Our standard of information security is continually increasing and the information governance training programme has significantly increased staff awareness and compliance with our policies. It has also increased awareness of the need to report incidents, but these have not highlighted any major weaknesses in our information security standards.

NHS Coventry and NHS Warwickshire have jointly continued their commitment to effective information governance. Significant effort has been made to ensure that safeguards are in place for the protection and appropriate use of personal information.

In conjunction with NHS Warwickshire, significant effort has been made to ensure that information governance standards are maintained during the transition to new organisation structures and the closedown of the PCT. All

data flows have been mapped to ensure appropriate safeguards are in place for the protection and appropriate use of personal information. Information assets have been mapped to new organisations. Appropriate arrangements have been made for the safe and legal transfer of information to new organisations or to an archive facility under the control of the Department of Health.

All incidents are investigated and reported in accordance with Department of Health guidelines. During 2012/13 there was one corporate serious incident for NHS Coventry relating to data loss or breach of confidentiality, as follows:

Serious Incidents involving Personal Data which have been investigated by NHS Coventry and reported to the Information Commissioner's Office (by Provider organisation) – 2012-13					
1.	**Month of incident**	**Nature of incident**	**Nature of data involved**	**Number of people potentially affected**	**Notification steps**
	May 2012	Premature destruction of inactive health care records.	Inactive speech and language therapy records of 81 individuals plus GP records of 206 deceased patients.	81 living individuals	ICO notified about all records even though records of deceased patients fall outside the scope of the Data Protection Act 1998.
	Further action on information risk	A full root cause analysis was undertaken. The premature destruction was caused by inaccurate destruction dates recorded within the archiving database. The destruction dates of all remaining records held in archived storage have been validated to ensure accuracy. Processes relating to the archiving and destruction have been fully reviewed and enhanced to minimise the risk of recurrence.			

Summary of other personal data related incidents – 2012-13	
Nature of Incident	**Total**
Loss/theft of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	0
Loss/theft of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	0
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
Unauthorised disclosure	0
Other	0

5. Review of effectiveness of Risk Management and Internal Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- The work programme of Internal Audit and in particular their opinion on the system of internal control and the Board Assurance Framework. **The Head of Internal Audit opinion for 2012/13 is that 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, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.
- Personal involvement in the Board, Quality, Safety and Governance, and Finance and Performance Committees
- Reviews with the Strategic Health Authority and NHS Commissioning Board on the Integrated Plan and Performance issues
- The NHS Counter Fraud Specialist's reports to the Audit Committee
- External reviews of the PCT's main provider organisations
- External Audit Management letter
- Internal and External Audit reports
- Information Governance Toolkit assurance
- Serious incident reporting

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee,

Quality, Safety and Governance Committee and Finance and Performance Committee.

The Board regularly reviews progress against a number of action plans including the Assurance Framework to ensure that identified actions are implemented in a timely manner. The Audit Committee receives regular reports on the assurance outcomes of assessments undertaken by the PCT's Internal and External Auditors and also monitors the implementation of recommendations from Internal and External Audit action plans.

The PCT's Finance and Performance Committee monitors delivery against operational plans, receiving regular finance and performance reports, investigating variances from plan and agreeing rectification plans. Regular reports regarding clinical and non-clinical incidents, complaints, legal claims and other risks identified are submitted to the Quality, Safety and Governance Committee which monitors progress and related action plans as appropriate. Directors and senior managers of the PCT have specific responsibilities for reviewing the risks and controls for which they are responsible and for maintaining internal control systems.

The PCT received limited assurance on an internal audit report relating to payments in respect of Continuing Healthcare placements. The recommendations were largely implemented in-year thereby addressing the control deficiencies highlighted in the report.

6. Significant Issues

As a result of the processes and assurances described above, including the Head of Internal Audit Opinion for the year, it is my opinion that there are no significant issues that need to be detailed in the Annual Governance Statement.

7. Conclusion

As Accountable Officer, and based on the review process outlined above, I can confirm that this Annual Governance Statement is a balanced reflection of the actual controls position and there are no significant issues identified for the PCT.

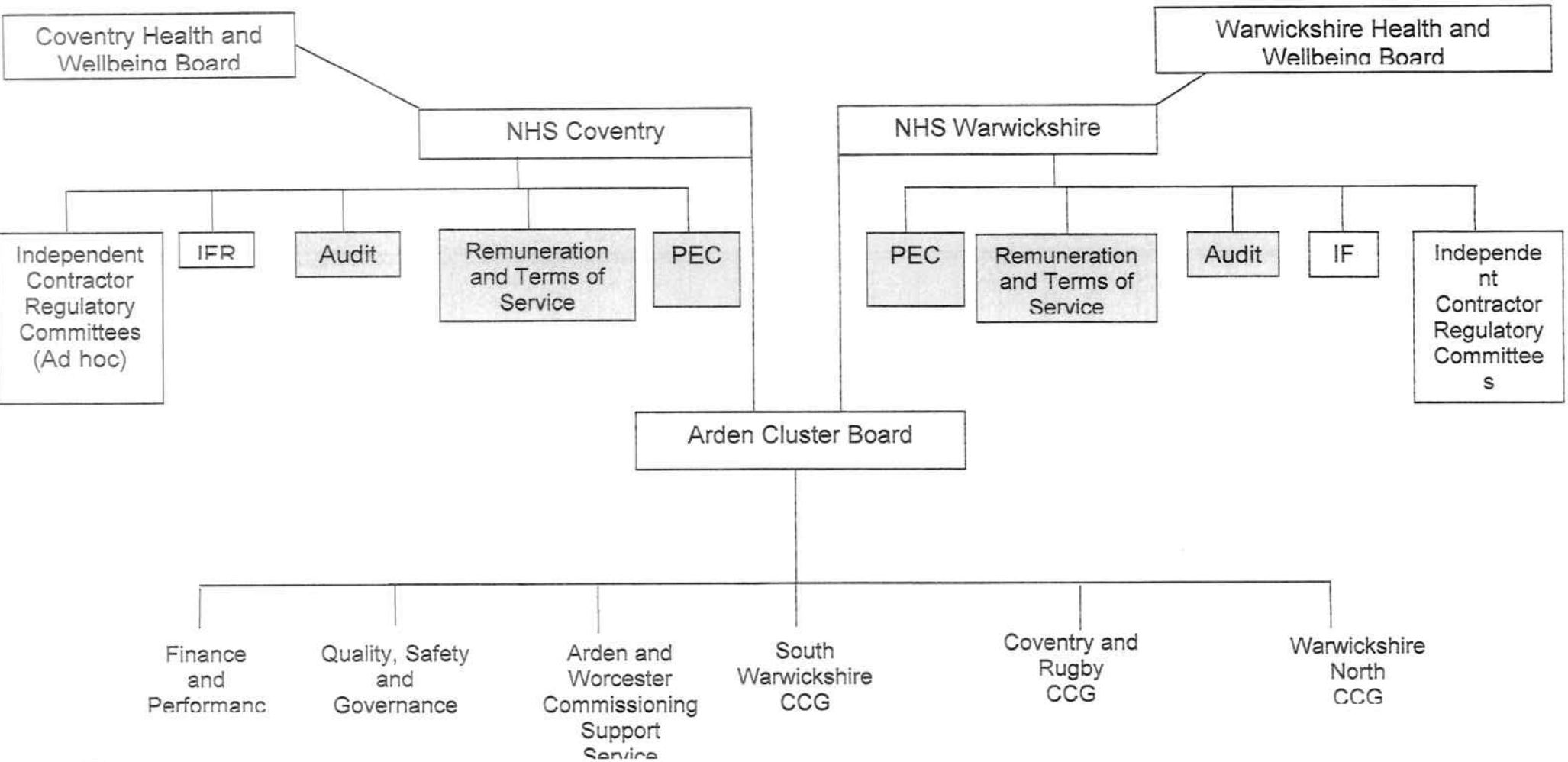
Accountable Officer: Lesley Murphy

.....

Organisation: NHS Coventry

Signed ..... **Date** 4.6.13

GOVERNANCE ARRANGEMENTS – ARDEN CLUSTER (NHS COVENTRY AND NHS WARWICKSHIRE)



Green These committees will have identical membership and meet jointly

Blue The functions of these committees have been delegated to Clinical Commissioning Groups. .

Annex 2

ARDEN CLUSTER BOARD - NHS COVENTRY

Attendance at meetings of the NHS Arden Cluster Board 2012/13

Board Member	Arden Cluster Board meetings	
	Possible No	Actual
Mrs A Gingell	5	5
Mr R Farmah	5	3
Mr D Jones	5	5
Mr D Chater	5	4
Mr R Pitts	5	4
Dr C Hayfield	5	3
Mrs J Smith	5	5
Prof L Wallace	2	1
Mr S Jones	4	4
Mrs G Entwistle	3	3
Mrs F Baillie	3	3
Dr J Moore	4	3
Dr F Campbell	4	4
Mr M Lee	5	5
Mrs K E Railton	5	5
Mrs A Walshe	3	2
Mrs R Pearce	5	5
Ms S Roberts	1	1
Dr A Canale-Parola	5	1
Mrs L Murphy	1	1
Mr B Hanford	2	2
Mrs S Doheny	2	2
Mrs S Price	2	1
Mr J Forde	1	1
Mr D Williams	1	-

ANNUAL GOVERNANCE STATEMENT 2012-13

NHS COVENTRY – ORGANISATION CODE 5MD

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Membership of these sub-committees is outlined in the terms of reference and attendance at these meetings is recorded in the minutes of each meeting.

During the year the Board has met 5 times as the Arden Cluster Board and attendance of Board members is shown in the table in Annex 2. The Board agenda is structured in such as way as to focus on major items for discussion and decision with standing items covering nursing, medical and clinical quality, risk and board assurance, financial and activity performance and reports from Directors and the Clinical Commissioning Groups.

During the year members of the Board reviewed their effectiveness and the operation of Board meetings and the changes proposed, which centred on the development of the CCGs and arrangements for the discharge of the Board's functions, have been incorporated into the agenda planning and organisation of subsequent Board and Sub Committee meetings.

The Board has reviewed arrangements for the transition, handover and closedown of the PCTs with reports to the meetings in July, September and November 2012 and March 2013. The Audit Committee has also considered the Transfer Scheme documentation for both NHS Coventry and NHS Warwickshire. Risks identified as part of the transition process have been added to the strategic risk register and those not addressed by the end of the financial year have been handed over to the relevant successor organisation. A formal handover meeting was held in December 2012 between the outgoing Chief Executive of the PCT and the incoming NHS Commissioning Board Area Team Director who is also the PCT Chief Executive for the remainder of the financial year. Quality handover meetings have also been held with receiver organisations including the Clinical Commissioning Groups, Local Authority (for Public Health) and NHS Commissioning Board.

In line with the Department of Health requirements, the Director of Finance, who is also the NHS Commissioning Board Director of Finance, has made arrangements for the preparation and audit of the PCT's accounts following the closedown on 31 March 2013. These include securing the agreement of appropriate non executive members of the Board to serve on an Audit Committee and arranging for the Arden and Worcester Commissioning Support Service to undertake the financial closedown and final accounts preparation.

Each of the Board sub-committees reports formally to the Board highlighting matters which need drawing to the attention of the Board and summarising the work undertaken at meetings. Key issues raised with the Board by the main sub-committees over the year are described below:

Audit Committee	- Detailed discussion on the Annual Accounts, External Audit Letter, Head of Internal Audit Opinion and Statement on Internal Control; - Review of the Strategic Internal Audit Plan for 2012/13; - Results of Audit Committee Self Assessment Checklist; - The Board Assurance Framework for the Cluster and changes throughout the year; - Achievement of Level 2 in the qualitative assessment of Counter Fraud arrangements for 2011/12.
Finance and Performance Committee	- Detailed discussion of the PCT's financial position and performance targets with action taken; - Progress in developing the Integrated Plan and QIPP Schemes; - Capital programme for 2012/13 and progress within schemes; - Clinical Commissioning Group Assurance process.
Quality, Safety and Governance Committee:	- Patient safety issues in provider trusts including actions following Never Events and hospital death rates; - Emergency planning activities including preparation for the Olympics and the Major Incident Plan review; - Primary Care Performers List changes and practice issues; - Individual child and adult safeguarding cases and safeguarding review reports from external bodies; - Quality Accounts of key providers; - Progress in meeting the requirements of the Information Governance Toolkit.

Board members take their responsibilities for corporate governance very seriously and endeavour to maintain high standards of business conduct. Details of all Board members' interests are recorded in the Register of Members Interests, available as part of the Annual Report, and this practice has been adopted by members of the Clinical Commissioning Group Governing Body. Members declare interests in items under discussion at meetings when appropriate and are conscious of their role in upholding and maintaining public confidence in the NHS. During the year Members of the Board reaffirmed their commitment to the Code of Conduct and Accountability and the values of accountability, probity and openness.

The Cluster maintains a hospitality register where appropriate declarations are recorded. The Cluster also has guidance for staff on hospitality and sponsorship and receipt of gifts.

The Audit Committee reviews all Single Tender Waivers, losses and compensations and write off of bad debts and systems and processes have previously been subject to Internal Audit scrutiny.

3. Risk assessment

The capacity of the PCT to handle risk is achieved through the delegated responsibilities in place as defined in the PCT's Risk Management Strategy.

The Strategy sets out the PCT's approach to risk, the accountability arrangements including the responsibilities of the Board and its sub-committees, directors, specialist leads, contractors and individual employees. It defines the risk management process including risk identification, analysis and evaluation which will be undertaken to ensure delivery of the Strategy and the capacity to handle risk across the PCT.

Appropriate risk management training, information and support is given to all staff as part of induction to enable them to undertake their work safely and regular updates are also provided. Some staff have had additional training in specific areas, for example, risk assessment, root cause analysis, moving and handling, resuscitation, infection control and first aid. A copy of the current strategic risk register (as at March 2013) is attached at Annex 3.

The Strategic Risk Register tracks movements on and off the Register, action required to reduce the risk and timescale. Major risks facing the organisation during the year include:

- Potential failure to meet national performance targets;
- Potential failure to meet financial duties;
- CCG development and authorisation requirements;
- Under delivery on QIPP schemes.

These specific risks and action are reviewed regularly by appropriate PCT committees.

4. The risk and control framework

The PCT's Risk Management Strategy identifies how risks are identified, evaluated, scored and monitored within the organisation. The PCT has developed a risk scoring matrix which is used for all risks, both clinical and non-clinical, incidents and complaints within the organisation. All extreme risks are included in the PCT's Strategic Risk Register. All lower level risks are included on departmental risk registers and monitored appropriately internally.

The Board Assurance Framework has been updated regularly during the 2012/13 financial year and has been considered by the Audit Committee in December 2012 and March 2013 and debated by the full Board at meetings in July, September and November 2012 and March 2013. The Assurance Framework is the key document for the Board in ensuring that all principal risks are controlled and that there is sufficient evidence to support the Annual Governance Statement.

The Assurance Framework has been aligned with the PCT's priorities for 2012/13 and has been cross referenced with the Strategic Risk Register. Additional information regarding the sources of assurance, risk ratings and links to the Strategic Risk Register has also been included in the Assurance Framework. The Assurance Framework was reviewed during the year by Internal Audit and all recommended improvements have been actioned.

The highest rated risks are documented in the PCT's Strategic Risk Register and these together with the Board Assurance Framework are the processes used to continuously address the issues that might disrupt the delivery of the PCT's business. These documents are reviewed on a regular basis by the Board and where they identify any gaps in either the assurance or the controls members will require that further action needs to be taken by managers to mitigate the risk. The PCT has used both of these documents, together with other control measures, to maintain the PCT's financial stability during the year.

A risk management process is in place to identify and manage information risks. This consists of proactive risk assessments on key information assets, investigation of information related incidents and review of information related complaints. Our standard of information security is continually increasing and the information governance training programme has significantly increased staff awareness and compliance with our policies. It has also increased awareness of the need to report incidents, but these have not highlighted any major weaknesses in our information security standards.

NHS Coventry and NHS Warwickshire have jointly continued their commitment to effective information governance. Significant effort has been made to ensure that safeguards are in place for the protection and appropriate use of personal information.

In conjunction with NHS Warwickshire, significant effort has been made to ensure that information governance standards are maintained during the transition to new organisation structures and the closedown of the PCT. All

data flows have been mapped to ensure appropriate safeguards are in place for the protection and appropriate use of personal information. Information assets have been mapped to new organisations. Appropriate arrangements have been made for the safe and legal transfer of information to new organisations or to an archive facility under the control of the Department of Health.

All incidents are investigated and reported in accordance with Department of Health guidelines. During 2012/13 there was one corporate serious incident for NHS Coventry relating to data loss or breach of confidentiality, as follows:

Serious Incidents involving Personal Data which have been investigated by NHS Coventry and reported to the Information Commissioner's Office (by Provider organisation) – 2012-13					
1.	**Month of incident**	**Nature of incident**	**Nature of data involved**	**Number of people potentially affected**	**Notification steps**
	May 2012	Premature destruction of inactive health care records.	Inactive speech and language therapy records of 81 individuals plus GP records of 206 deceased patients.	81 living individuals	ICO notified about all records even though records of deceased patients fall outside the scope of the Data Protection Act 1998.
	Further action on information risk	A full root cause analysis was undertaken. The premature destruction was caused by inaccurate destruction dates recorded within the archiving database. The destruction dates of all remaining records held in archived storage have been validated to ensure accuracy. Processes relating to the archiving and destruction have been fully reviewed and enhanced to minimise the risk of recurrence.			

Summary of other personal data related incidents – 2012-13	
Nature of Incident	**Total**
Loss/theft of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	0
Loss/theft of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	0
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
Unauthorised disclosure	0
Other	0

5. Review of effectiveness of Risk Management and Internal Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- The work programme of Internal Audit and in particular their opinion on the system of internal control and the Board Assurance Framework. **The Head of Internal Audit opinion for 2012/13 is that 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, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.
- Personal involvement in the Board, Quality, Safety and Governance, and Finance and Performance Committees
- Reviews with the Strategic Health Authority and NHS Commissioning Board on the Integrated Plan and Performance issues
- The NHS Counter Fraud Specialist's reports to the Audit Committee
- External reviews of the PCT's main provider organisations
- External Audit Management letter
- Internal and External Audit reports
- Information Governance Toolkit assurance
- Serious incident reporting

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee,

Quality, Safety and Governance Committee and Finance and Performance Committee.

The Board regularly reviews progress against a number of action plans including the Assurance Framework to ensure that identified actions are implemented in a timely manner. The Audit Committee receives regular reports on the assurance outcomes of assessments undertaken by the PCT's Internal and External Auditors and also monitors the implementation of recommendations from Internal and External Audit action plans.

The PCT's Finance and Performance Committee monitors delivery against operational plans, receiving regular finance and performance reports, investigating variances from plan and agreeing rectification plans. Regular reports regarding clinical and non-clinical incidents, complaints, legal claims and other risks identified are submitted to the Quality, Safety and Governance Committee which monitors progress and related action plans as appropriate. Directors and senior managers of the PCT have specific responsibilities for reviewing the risks and controls for which they are responsible and for maintaining internal control systems.

The PCT received limited assurance on an internal audit report relating to payments in respect of Continuing Healthcare placements. The recommendations were largely implemented in-year thereby addressing the control deficiencies highlighted in the report.

6. Significant Issues

As a result of the processes and assurances described above, including the Head of Internal Audit Opinion for the year, it is my opinion that there are no significant issues that need to be detailed in the Annual Governance Statement.

7. Conclusion

As Accountable Officer, and based on the review process outlined above, I can confirm that this Annual Governance Statement is a balanced reflection of the actual controls position and there are no significant issues identified for the PCT.

Accountable Officer: Lesley Murphy

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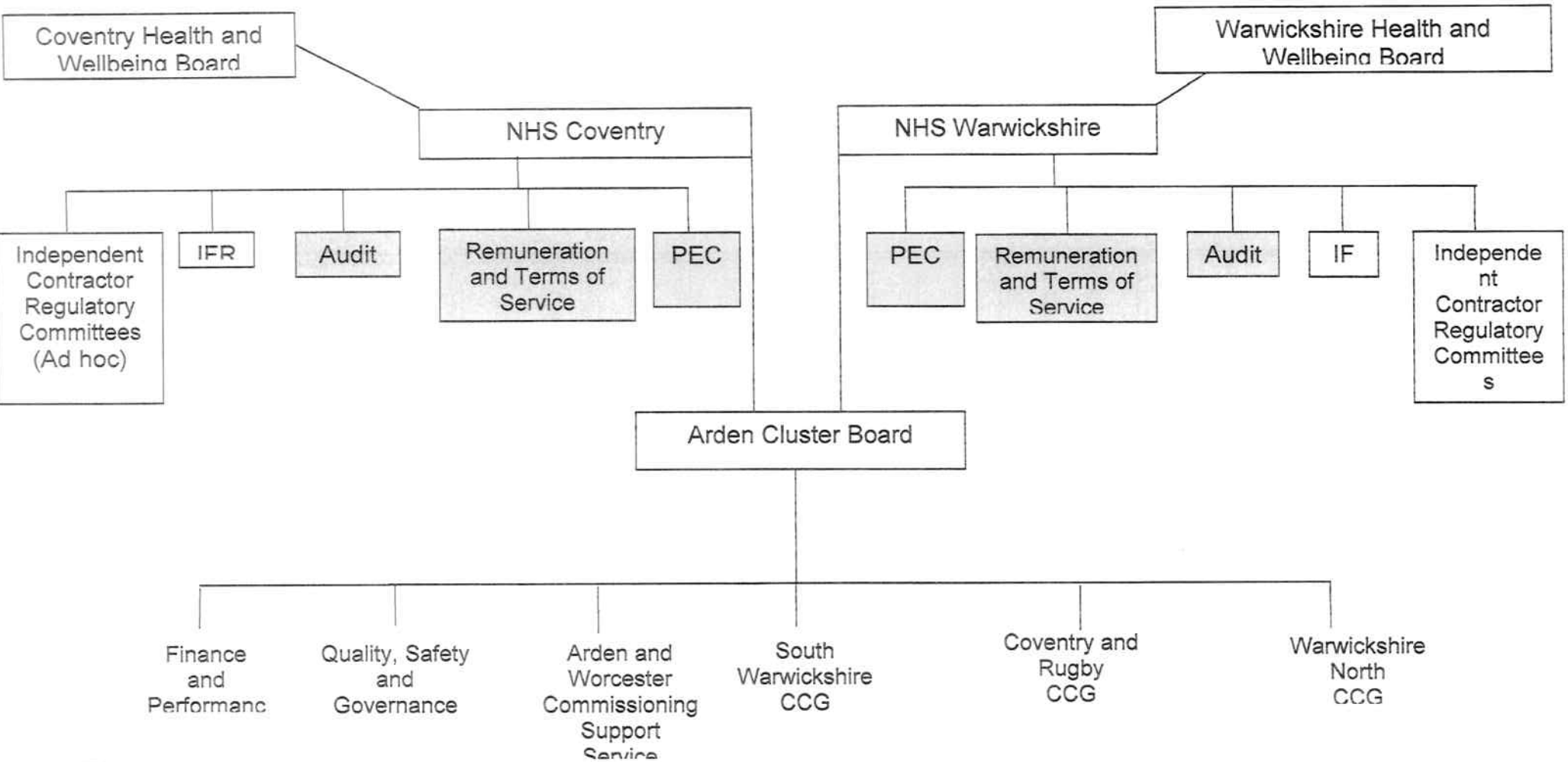
Organisation: NHS Coventry

Signed ..... **Date** 4.6.13

GOVERNANCE ARRANGEMENTS – ARDEN CLUSTER (NHS COVENTRY AND NHS WARWICKSHIRE)



Green These committees will have identical membership and meet jointly

Blue The functions of these committees have been delegated to Clinical Commissioning Groups. .

Annex 2

ARDEN CLUSTER BOARD - NHS COVENTRY

Attendance at meetings of the NHS Arden Cluster Board 2012/13

Board Member	Arden Cluster Board meetings	
	Possible No	Actual
Mrs A Gingell	5	5
Mr R Farmah	5	3
Mr D Jones	5	5
Mr D Chater	5	4
Mr R Pitts	5	4
Dr C Hayfield	5	3
Mrs J Smith	5	5
Prof L Wallace	2	1
Mr S Jones	4	4
Mrs G Entwistle	3	3
Mrs F Baillie	3	3
Dr J Moore	4	3
Dr F Campbell	4	4
Mr M Lee	5	5
Mrs K E Railton	5	5
Mrs A Walshe	3	2
Mrs R Pearce	5	5
Ms S Roberts	1	1
Dr A Canale-Parola	5	1
Mrs L Murphy	1	1
Mr B Hanford	2	2
Mrs S Doheny	2	2
Mrs S Price	2	1
Mr J Forde	1	1
Mr D Williams	1	-