

Monitor note

Where legacy balances have transferred to NHS foundation trusts, no numbers have been populated into month 9 FTC files. NHS foundation trusts should account for balances as advised to them via QuikR.

ISSUED BY THE DEPARTMENT OF HEALTH

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Month 9 Instructions for all organisations within the Department of Health Group

These instructions are for all organisations within the Department of Health Group with the exception of those within the NHS England boundary (i.e. CCGs and CSUs) and cover important information on the treatment of legacy balances and the ALB and FMA consolidation schedules.

Legacy Balances

- The Department has been working hard with the PCT/SHA legacy teams to ensure that the detailed transaction forms containing information on the legacy balances allocated to receiver organisations are complete and accurate. However, this has been an enormous and difficult task and we have encountered significant issues with the quality of the data collections in some instances. As a result, as at 18 December 2013, only 140 sets of legacy data (rather than the full 161; comprising the legacy balances of the 151 PCTs and 10 SHAs) were issued to receiving organisations via the Department's "QuickR" data repository system.
- As a result DH has decided to apply a cut-off point over the PCT/SHA legacy balances to be recorded in the Month 9 accounts (and associated consolidation schedules) of all Group bodies, as we recognise that it is unreasonable to expect Group bodies to account for information received since 18 December 2013 in their Month 9 ledgers and accounts. A uniform cut-off point is being applied Group wide as it is essential all Group bodies account for the same amount of legacy balances (i.e. 140 legacy organisations worth of data, or the sub-set of those 140 that have transferred balances to your organisation). This is because when accounting for legacy information (in particular when recording funding transactions to reflect the payments and receipts made by legacy teams on behalf of receivers between 1 April – 31 August using DH cash) a number of intra-group transactions are recorded. These will only eliminate correctly upon consolidation if both counterparties record the same transactions.
- **The whole of the DH Group are therefore required to account for the legacy balances transferred to them from the 140 SHAs and PCTs listed in Appendix 1. The output files in respect of these 140 are all now available on QuickR and, when combined with the invoices and working papers provided by legacy teams, contain the information necessary to account for these legacy transactions and balances.**
- **It is essential that every receiver organisation in the DH Group accounts for the legacy balances allocated to them from the 140 SHAs and PCTs listed in Appendix 1 at Month 9 to ensure that intercompany balances eliminate out correctly upon consolidation of the DH Group account.**

- For the avoidance of doubt, Appendix 2 lists the remaining 21 SHAs or PCTs that should not be recorded by receiver organisations in Month 9. DH are working hard to resolve the data issues on these forms but does not consider it appropriate to issue these yet.
- Detailed guidance covering how to account for PCT/SHA legacy balances is available on the FINMAN website:
<http://www.info.doh.gov.uk/doh/finman.nsf/4db79df91d978b6c00256728004f9d6b/33a66f864700002580257c3700550a93?OpenDocument>
- Please note that as detailed in the legacy guidance the Month 9 ALB Consolidation Schedules (ENDPBs, SpHAs, Limited Companies and NHS England/NHS Foundation Trust sub-consolidations) and FMA forms (NHS Trusts) issued to receivers will be pre populated with the 1 April legacy balances transferred to them from the 140 SHAs and PCTs listed in Appendix 1. **These amounts will be locked into the forms and cannot be amended.** This will ensure that, at a Group account level, no balances are lost between 31 March 2013 and 1 April 2013. **It is therefore essential that receivers account for the exact balance values transferred to them, as detailed in the “closing balance sheet” tab of the detailed transaction form output files, or their ledgers will not support the pre populated amounts in the consolidation schedules.**
- It is important to note that it is only the transfer in of the legacy balances on 1 April, and the associated modified absorption gain or loss in the general fund/retained earnings reserve, that will be pre populated in the forms. Receivers are also required to account for any payments/receipts made on their behalf by legacy teams between 1 April – 31 August (as per column AI of the “Payable balances” and “Receivable balances tabs of the detailed transaction form output files) as funding transactions and to record additional legacy accounting entries as necessary, as described in the Receiver Instructions on FINMAN. Additional accounting entries are likely to include: a) Accounting for the 2013-14 depreciation charge associated with non-current assets transferred in on 1 April; b) Reinstating any revaluation reserve amounts associated with legacy non-current assets by transferring the amount from the general fund/retained earnings reserve; c) Recording the 2013-14 I&E impact of any under/over accruals at 2012-13 year-end; and d) Recording subsequent (i.e. 2013-14) balance movements which may include the impairment or revaluation of non-current assets, the write-off of bad debts, the reversal of unsupported balances and the correction of any errors identified when reviewing the associated working papers. The consolidation schedules contain separate lines for the funding transactions recorded in respect of payments/receipts made by legacy teams on your behalf (i.e. separate grant in aid received/parliamentary funding received/PDC received/share capital received lines) and as such you will need to code all such amounts in a way that supports separate identification from standard cash based funding transactions.
- As detailed in the instructions for receiver organisations available on FINMAN all legacy balances must be accounted for at Month 9 even if you consider that certain balances have been allocated incorrectly, are unsupported or incorrect. The legacy balances reallocation process will not take place until late January 2014 and further guidance will be issued in advance of this exercise. As only substantive misallocation issues will be rectified, the Department anticipates reallocation will only take place in exceptional circumstances.

- DH will shortly be issuing a database extract to all organisations which summarises the opening balances transferred per category (i.e. land owned, current receivables other etc) and the payments and receipts made on their behalf as communicated to them previously in the detailed transaction form output files. For each balance the database provides a separate amount per sender PCT/SHA, and the sum of these amounts is the total figure you should have accounted for (and in the case of 1 April balances, is the amount locked into your consolidation schedule). Each organisation should use this as a proof in total check and reconcile to the sum of all detailed transaction form output files received (which will be up to 140 files depending on the number of PCTs/SHAs who have allocated balances to your organisation). Note that this database is provided to assist proof in total checks only, with the detailed transaction form output files containing the information necessary to devise the necessary accounting journals.
- DH will continue to issue the remaining 21 output files as they reach the appropriate standard. I.e. the application of the Month 9 cut-off will not delay the issue of the remaining 21 legacy files to receivers. **Whilst receivers may wish to review the data received and write the associated accounting journals, these journals should not be posted into receiver ledgers until Month 10 to ensure they do not form part of a receiver's Month 9 accounts.** The Department anticipates all files will be issued by mid-January which will allow the legacy balances reallocations exercise to commence in late January 2014.
- The Department would like to thank all receivers for their continued support of what has been a challenging legacy balances transfer process.

ALB Consolidation schedules

- Draft consolidation schedules with final input sheet structures will be issued on 20 December 2013. This will allow organisations to prepare mappings from their trial balance to the consolidation schedule. **Please note that these schedules will not be fully functional and therefore data should not be entered on these forms.**
- **Final fully functional templates pre-populated with opening legacy balances will be issued on Friday 3 January.** This will be accompanied by a detailed breakdown of what PCT/SHA balances have been included in the pre-populated numbers (see previous paragraph on database extracts to be issued).

Trust FMA Q3 Forms

- The Department, in conjunction with NTDA, is currently finishing final testing on the Q3 forms, they will to be issued by Thursday 2 January. . A single fully functional FMA form will be issued to each NHS Trust via pigeon holes, they will be pre-populated with legacy opening balances as described above.

Appendix 1 – SHA/PCT legacy balances to be accounted for at Month 9

Identifier	Org Name
5E1	Stockton-On-Tees Teaching PCT
5A3	South Gloucestershire PCT
5A9	Barnet PCT
5AT	Hillingdon PCT
5C1	Enfield PCT
5C2	Barking And Dagenham PCT
5C3	City And Hackney Teaching PCT
5C9	Haringey Teaching PCT
5CN	Herefordshire PCT
5CQ	Milton Keynes PCT
5D7	Newcastle PCT
5D8	North Tyneside PCT
5D9	Hartlepool PCT
5EF	North Lincolnshire PCT
5EM	Nottingham City PCT
5ET	Bassetlaw PCT
5F1	Plymouth Teaching PCT
5F5	Salford PCT
5F7	Stockport PCT
5FE	Portsmouth City Teaching PCT
5FL	Bath And North East Somerset PCT
5GC	Luton Teaching PCT
5H1	Hammersmith And Fulham PCT
5H8	Rotherham PCT
5HG	Ashton, Leigh And Wigan PCT
5HP	Blackpool PCT
5HQ	Bolton Teaching PCT
5HX	Ealing PCT
5HY	Hounslow PCT
5J2	Warrington PCT
5J4	Knowsley PCT
5J5	Oldham PCT
5J6	Calderdale PCT
5J9	Darlington PCT
5JE	Barnsley PCT
5JX	Bury PCT
5K3	Swindon PCT
5K5	Brent Teaching PCT
5K6	Harrow PCT
5K7	Camden PCT
5K8	Islington PCT
5KF	Gateshead PCT

5KG	South Tyneside PCT
5KL	Sunderland Teaching PCT
5KM	Middlesbrough PCT
5L1	Southampton City PCT
5L3	Medway PCT
5LA	Kensington And Chelsea PCT
5LC	Westminster PCT
5LE	Southwark PCT
5LH	Tameside And Glossop PCT
5LQ	Brighton And Hove City Teaching PCT
5M1	South Birmingham PCT
5M2	Shropshire County PCT
5M3	Walsall Teaching PCT
5M6	Richmond And Twickenham PCT
5M8	North Somerset PCT
5MD	Coventry Teaching PCT
5MK	Telford And Wrekin PCT
5MV	Wolverhampton City PCT
5MX	Heart Of Birmingham Teaching PCT
5N1	Leeds PCT
5N2	Kirklees PCT
5N3	Wakefield District PCT
5N4	Sheffield PCT
5N5	Doncaster PCT
5N6	Derbyshire County PCT
5N7	Derby City PCT
5N8	Nottinghamshire County Teaching PCT
5N9	Lincolnshire Teaching PCT
5NA	Redbridge PCT
5NC	Waltham Forest PCT
5ND	County Durham PCT
5NE	Cumbria Teaching PCT
5NF	North Lancashire Teaching PCT
5NG	Central Lancashire PCT
5NH	East Lancashire Teaching PCT
5NJ	Sefton PCT
5NK	Wirral PCT
5NN	Western Cheshire PCT
5NP	Central And Eastern Cheshire PCT
5NQ	Heywood, Middleton And Rochdale PCT
5NR	Trafford PCT
5NT	Manchester Teaching PCT
5NV	North Yorkshire And York PCT
5NW	East Riding Of Yorkshire PCT
5NX	Hull Teaching PCT
5NY	Bradford And Airedale Teaching PCT

5P2	Bedfordshire PCT
5P5	Surrey PCT
5P7	East Sussex Downs And Weald PCT
5P8	Hastings And Rother PCT
5P9	West Kent PCT
5PA	Leicestershire County And Rutland PCT
5PC	Leicester City PCT
5PD	Northamptonshire Teaching PCT
5PE	Dudley PCT
5PF	Sandwell PCT
5PG	Birmingham East And North PCT
5PH	North Staffordshire PCT
5PJ	Stoke On Trent PCT
5PK	South Staffordshire PCT
5PL	Worcestershire PCT
5PM	Warwickshire PCT
5PN	Peterborough PCT
5PP	Cambridgeshire PCT
5PQ	Norfolk PCT
5PR	Great Yarmouth And Waveney PCT
5PT	Suffolk PCT
5PV	West Essex PCT
5PX	Mid Essex PCT
5QC	Hampshire PCT
5QD	Buckinghamshire PCT
5QE	Oxfordshire PCT
5QF	Berkshire West PCT
5QG	Berkshire East PCT
5QH	Gloucestershire PCT
5QJ	Bristol PCT
5QK	Wiltshire PCT
5QL	Somerset PCT
5QM	Dorset PCT
5QN	Bournemouth And Poole Teaching PCT
5QP	Cornwall And Isles Of Scilly PCT
5QR	Redcar And Cleveland PCT
5QT	Isle Of Wight NHS PCT
5QV	Hertfordshire PCT
5QW	Solihull PCT
Q30	North East SHA
Q31	North West SHA
Q32	Yorkshire And The Humber SHA
Q33	East Midlands SHA
Q34	West Midlands SHA
Q35	East Of England SHA
Q37	South East Coast SHA

Q38	South Central SHA
Q39	South West SHA
TAC	Northumberland Care PCT
TAL	Torbay Care PCT
TAN	North East Lincolnshire Care Trust Plus PCT
TAP	Blackburn With Darwen Teaching Care Trust Plus PCT

Appendix 2 SHAs/PCTs not to be included in Month 9

Identifier	Org Name
5NM	Halton And St Helens PCT
5K9	Croydon PCT
5PY	South West Essex PCT
TAK	Bexley NHS Care Trust PCT
5A7	Bromley PCT
5QQ	Devon PCT
5QA	Eastern And Coastal Kent PCT
5A8	Greenwich Teaching PCT
5A4	Havering PCT
5A5	Kingston PCT
5LD	Lambeth PCT
5LF	Lewisham PCT
5NL	Liverpool PCT
Q36	London SHA
5C5	Newham PCT
5PW	North East Essex PCT
5P1	South East Essex PCT
5M7	Sutton And Merton PCT
5C4	Tower Hamlets PCT
5LG	Wandsworth PCT
5P6	West Sussex PCT