Department of Health

NHS

North Yorkshire and York Primary Care Trust

2012-13 Annual Report and Accounts

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North Yorkshire and York Primary Care Trust

2012-13 Annual Report

Department of Health

Annual Report 2012/2013 for North Yorkshire and York Primary Care Trust

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Welcome to the Annual Report of North Yorkshire and York PCT for 2012/2013.

North Yorkshire and York Primary Care Trust is hereafter referred to as 'North Yorkshire and York PCT' or 'The PCT'

Welcome from the Chair and Chief Executive

This year has been one of fast paced and significant change as we have worked towards and completed the handover of full commissioning powers to Clinical Commissioning Groups (CCGs) from April 2013.

In our roles as Chairman and Chief Executive we have been greatly supported by non-executive board members their longstanding knowledge and expertise in local health care has been invaluable throughout 2012/2013.

In October 2011 the four CCG committees took the lead for planning and commissioning health care services for North Yorkshire and York. Since then the local CCG committees have been actively listening and engaging with the public and partners to ensure that their residents have access to the best possible services, delivered in the most appropriate setting.

The achievements of the last year are due to the continued dedication of our workforce in a challenging and uncertain environment. This has ensured that quality is maintained, necessary savings have been made and important milestones in the transition towards the new system have been met. We would like to thank all staff for these achievements.

We are fortunate to have very good joint working arrangements with our partners in local authorities, the voluntary sector and clinicians and it has been essential that these continued in order for us to deliver the health service reform plans.

Our local CCGs were fully authorised in February 2013 and became fully operational as independent bodies from 1 April 2013.

Christopher Long
NHS North Yorkshire and York Chief Executive

Kevin McAleese
NHS North Yorkshire and York Board Chairman

Information from the Chairs of the CCGs

NHS Vale of York CCG

NHS Vale of York CCG was authorised as a statutory body in February 2013 following a year of intense development. The CCG has established a management structure comprising of 40 staff with an additional 12 staff employed by the Commissioning Support Unit but "embedded" within the CCG.

The CCG has recently moved into the new City of York Council offices in York. This emphasises the increasingly close working relationship between the health and social care systems. The CCG is looking forward with optimism to tackling the outstanding financial issues facing our community.

Dr Mark Hayes
Vale of York CCG
Chief Clinical Officer

NHS Harrogate and Rural District CCG

During 2012/13 Harrogate and Rural District Clinical Commissioning Group (CCG) went through a significant period of development. We established an effective management structure with six local GPs on the governing body, alongside experienced senior managers and other health professionals.

We spent a lot of time engaging with our 19 GP practices, providers, stakeholders and patient representatives - building relationships and using their feedback to help us develop.

We were authorised as a statutory NHS organisation in February 2013, going on to take control of a budget of £180 million on 1 April for our 160,000-strong population.

In the coming year I look forward to working with CCG colleagues to fulfil our vision -

"We will secure high quality services, in the most appropriate setting, making maximum use of available resources. Through clinical leadership and collaborative working we will achieve the best possible health outcomes for all our local population".

Dr Alistair Ingram
Harrogate and Rural District CCG
Clinical Chair

NHS Scarborough and Ryedale CCG

I am very proud of what our CCG has achieved over the last 12 months and we have shown great commitment and determination to get to where we are now; a fully functional statutory NHS organisation.

Successfully completing the rigorous authorisation process in February 2012 was the culmination of many months of hard work to get our CCG and the mechanics behind it ready to take responsibility for a budget of £145million.

We serve a population of around 117,000 people, some of whom live in the most deprived areas of North Yorkshire. We therefore face some unique challenges, particularly with regard to health inequalities associated with issues such as smoking, drugs and alcohol.

We have already formulated a plan for how we can begin, with the help of our partners, to tackle some of these health inequalities and ultimately achieve our vision of improving the health and wellbeing of everyone in our communities.

Even in our first shadow year we have demonstrated our ability to deliver and have a number of success stories to tell, including our work to reduce alcohol related A&E attendances, redesigning stroke services and responding to public dissatisfaction towards reduced opening hours at Malton Minor Injuries Unit.

One of our key strengths is a commitment to engagement and placing the patient at the very centre of everything we do. Our communication and engagement strategy clearly sets out how we will uphold this commitment and achieve our aspiration to work towards a Government standard known as the 'customer service excellence model'.

Much effort has been made to forge strong relationships with key partners including York Teaching Hospitals NHS Foundation Trust, County, Borough and District Councils and a range of voluntary sector organisations.

Putting our achievements to one side, we are never complacent and recognise that there are significant challenges ahead. I am confident however that we have the right representation on our Governing Body, supported by a team of dedicated personnel, to ensure we are best placed to overcome them.

Dr Phil Garnett
Scarborough and Ryedale CCG
Chair

NHS Hambleton, Richmondshire & Whitby CCG

Hambleton Richmondshire and Whitby CCG from its beginnings has been keen to establish itself as a new and different health care organisation, led by clinicians working in partnership with managers and with patients and the public at the heart of what we do. Key to our work is adherence to our values: Integrity, Transparency, Collaboration, Focus, Action, Energy and Courage.
In the very early days we agreed to work with our local acute trust to address an important but contentious issue: the Future of paediatric and maternity services at the Friarage Hospital. It is has been a challenge to take on such a complex issue so early in our story and is as yet is still a work in progress. It helped us focus on the important things, finding new ways to work with the public and testing our values. We have a very strong patient congress and membership health engagement network, who now work closely with us on all our priority areas, and we have developed positive relationships with our local health and social care community.
Our shadow year was a great success in many other ways. We began the work to build a strong and sustainable community system that will deliver as much care as close to people's homes as possible. We improved how people who get ill are managed keeping as much of their care in their GP surgeries or locally (for example: a new pathway for deep vein thrombosis, skin problems, improved physiotherapy, significant investment in community nursing)) We have established our CCG: small but fit for purpose, and were authorised with only 2 outstanding "conditions". We managed within our delegated budget which means we have no new debt to take forward into this year so only have our share of North Yorkshire's historic debt, which we are planning to pay off this year by continuing to improve the quality and efficiency of our services.
As a team we are optimistic about the future and have clear and ambitious plans to transform services locally to make them fit for the future.

Vicky Pleydell
Hambleton, Richmondshire & Whitby CCG Clinical Chief Officer

Preparing for an Emergency

We work with other agencies to develop robust emergency plans and participate in various multi-agency emergency planning forums across North Yorkshire and York.

Typically, an emergency might be an explosion, a major crash or flooding, but we are also required to plan and prepare for slow-building problems such as pandemics and outbreaks of disease.

We have a major incident plan in place which is compliant with the requirements of the NHS Emergency Planning Guidance 2005 and all associated guidance. We meet the requirements laid out in the Civil Contingencies Act (2004) and are up-to-date with all necessary training. Each health provider in North Yorkshire and York has a Major Incident Plan, a Pandemic Plan and a Business Continuity Plan that is compliant with the Department of Health guidance. Throughout the transition period, the NHS and other statutory organisations have worked together to ensure the ability to respond to a major incident has remained robust.

Key developments this year include:

- Ensuring robust arrangements are in place during the NHS organisational changes.
- Undertaking exercises alongside multi-agency and health partners as part of planning and preparation for emergencies.
- Responding to severe weather events, such as localised flooding, snow etc.
- The New Area Team on-call system commenced on 25 March 2013
- The providers (Ambulance Service, Acute Hospitals, Community Providers, Public Health England) have been issued with the new contact numbers
- A new group 'Local Health Resilience Partnership' the coordinating group for health has now met twice.

The local risk register currently identifies flooding, a pandemic and industrial fire/explosions as the top risks in our area.

Compliance with Pension Scheme Regulations

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme Regulations are complied with. This includes ensuring that the deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Sustainability

As a commissioner of healthcare services and as an employer, we recognise the need to minimise our impact on the environment.

North Yorkshire and York's Acting Director of Public Health is our Board level lead for sustainability. Our Sustainable Development Strategy and Management Plan, aligned to the NHS Carbon Reduction Strategy, demonstrates our commitment to continual improvement, prevention of pollution and compliance with legal requirements. It provides a framework for setting and reviewing sustainability objectives and targets, enabling us to focus on long-term improvements including:

- Better health and reduced inequalities.
- Improved service provision.
- Reduced environmental impact.
- Improved status as a community role model and supporter of the local economy.
- Better value for money.

Over the next 10 years we expect to save £100,000 as a result of these measures. We have a statutory duty to assess the risks posed by climate change and sustainability issues are included in our analysis of risks facing the organisation. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations.

Energy Consumption

The NHS aims to reduce its carbon footprint by 10% between 2009 and 2015. To contribute to this goal, we have continually encouraged a reduction in energy consumption, for example, switching off computers, installing sensor lighting, etc. This year we have installed more efficient boilers and new sustainable lighting. We have also monitored building temperatures daily to ensure they remain at recommended levels. We do not generate any energy. We have not made arrangements to purchase electricity generated from renewable sources.

Our total energy costs have reduced from £420,000 in 2011/12 to £92,884 in 2012/13. The change is due to the last clinical service transferring to providers under TCS during 2011/12.

The CRC Energy Efficiency Scheme is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations.

Travel and Transport

We continue to develop a Travel Plan which will encourage the use of 'greener' modes of transport amongst both staff and visitors. This will complement individual travel plans developed for all of our new premises. We encourage our staff to use public transport or car share and continue to promote the 'cycle to work' scheme. We have introduced a monitoring system to understand the impact on carbon emissions from transport utilised by staff. The use of a telephone conferencing facility has been encouraged as a way of reducing the need for individuals to travel to meetings.

Business travel costs have increased from £590,076 in 2011/12 to £683,253 in 2012/13.

We have put plans in place to reduce carbon emissions and improve our environmental sustainability. Over the next 10 years we expect to save £100,000 as a result of these measures.

Procurement

We have worked with our procurement partner to increase the number of sustainable supply sources available. We aim to source and buy goods which are local thereby cutting down on the travel distance. We encourage greater use of products manufactured from recycled materials to increase our energy efficiency.

Recycling and Waste Management

We have always encouraged staff to take more responsibility for their own waste management and in doing so we have increased the amount of recycling facilities across our site. Staff are also being encouraged to set printers and photocopiers to automatically print double-sided. We have reduced waste and the amount of waste recycled across our site.

We have spent £14,960 on waste disposal in 2012/13.

Water Usage

We monitor water usage across our site and can identify how much is used and where, and encourage staff to conserve this precious resource. We have activities in place to reduce water consumption.

Expenditure on water has reduced from £176,016 in 2011/12 to only £1,282 in 2012/13. The change is due to the last clinical service transferring to providers under TCS during 2011/12.

Sustainable Development

Our organisation has an up to date Sustainable Development Management Plan.

Having an up to date Sustainable Development Management plan is a good way to ensure that an NHS organisation fulfils its commitment to conducting all aspects of its activities with due consideration to sustainability, whilst providing high quality patient care. The NHS Carbon Reduction Strategy asks for the boards of all NHS organisations to approve such a plan.

We consider both the potential need to adapt the organisation's activities and buildings and estates as a result of climate change.

Adaptation to climate change will pose a challenge to both service delivery and infrastructure in the future. It is therefore appropriate that we consider it when planning how we will best serve patients in the future.

Sustainability issues are included in our analysis of risks facing our organisation. NHS organisations have a statutory duty to assess the risks posed by climate change. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations.

In addition to our focus on carbon, we are also committed to reducing wider environmental and social impacts associated with the procurement of goods and services. This is set out within our policies on sustainable procurement. We plan to start work on calculating the carbon emissions associated goods and services we procure.

Sustainability issues, such as carbon reduction, are not currently included in the job descriptions of all staff. Our staff energy awareness campaign is ongoing.

A sustainable NHS can only be delivered through the efforts of all staff. Staff awareness campaigns have been shown to deliver cost savings and associated reductions in carbon emissions. Our organisation has a Sustainable Transport Plan.

The NHS places a substantial burden on the transport infrastructure, whether through patient, clinician or other business activity. This generates an impact on air quality and greenhouse gas emissions. It is therefore important that we consider what steps are appropriate to reduce or change travel patterns.

A Review of Our Performance

Measuring our performance helps ensure our services are being delivered to a quality standard and that they provide value for money.

Our performance is continually assessed by the Department of Health and the Strategic Health Authority in relation to a large number of indicators.

These include performance in tackling healthcare acquired infections like MRSA and Clostridium Difficile, increasing breastfeeding and reducing cancer treatment waiting times.

In addition to this a number of indicators were picked locally to measure the success of our Health Strategy.

The following is a summary of our performance in 2012/2013 against these key Health Strategy indicators:

Strategic Areas	2012/13 Targets	Latest Position	Status
Operating Framework Measures:			
Preventing people dying prematurely	• Ambulance Category A Response Time of 75% attended in 8 minutes • A minimum of 85% of patients seen and treated within 2 months of an urgent cancer referral from a GP	71.5% (2012/13) 87.06% (Q3 2012/13)	Failed Achieved
Enhancing quality of life for people with Long Term Conditions	• Increase the % of people who have depression and/or anxiety disorders who receive psychological therapies to 6.23% • A minimum of 50% of people with depression/anxiety who complete treatment who are moving to recovery. • Reduce the number of unplanned hospitalisations for chronic ambulatory care sensitive conditions (adults).	4% (2012/13) 58.4% (2012/13) From 5432 in 2011/12 to 5424 in 2012/13	Failed Achieved Failed
Helping people to recover from episodes of ill health or following injury	Reduce the number of emergency admissions for acute conditions that should not usually require hospital admission.	From 8,201 in 2011/12 to 9,140 in 2012/13	Failed
Ensuring that people have a positive experience of care	• The percentage of patients having a positive experience of services at our 4 main providers should not be worse than in the 2011 Patient Experience Survey • At least 90% of all admitted patients should treated within 18 weeks of first referral. • At least 95% of all non-admitted patients should be seen for their first outpatient appointment within 18 weeks of first referral. • 95% of patients should spend 4 hours or less in A&E	2012 Patient Experience Survey 92.3% (March 2013) 97.3% (March 2013) 95.6% (2012/13)	Unavailable by PCT Achieved Achieved Achieved
Treating and caring for people in a safe environment and protect them from avoidable harm	• The number of Incidences of MRSA in the year should be 12 or less • The number of Incidences of C. Difficile in the year should be 250 or less.	8 (2012/13) 203 (2012/13)	Achieved Achieved

Information Governance

Information governance is the way by which the NHS handles all organisational information - in particular the personal and sensitive information of patients and employees.

During 2012/2013 there were 0 reported serious incidents in relation to information governance (including data loss or confidentiality).

We have reported a compliance score of 73% against the requirements of the Information Governance Toolkit and achieved level 2.

Principles for Remedy

NHS North Yorkshire and York works in accordance with the Parliamentary and Health Service Ombudsman's Principles for Remedy, which details how public bodies should put things right when they go wrong. The guidance has been developed to ensure public bodies seek to resolve situations in which groups or individuals have suffered harm or injustice, and is based upon six core principles including openness and accountability, being customer focused and continually seeking improvement. The principles underpin much of our day-to-day work including complaints handling and how we learn from our mistakes.

Access to Information

The table below illustrates the number of Freedom of Information requests processed in 2012/2013 and how many were responded to within the 20 day deadline.

	2012/2013
Number of requests	379
Percentage of requests responded to within the 20 day deadline	93%

Board and Financial Statement
Declarations of Interest: Board Members

NHS NORTH YORKSHIRE AND YORK CLUSTER

REGISTER OF DECLARATIONS OF INTEREST 2012/13

Mrs Julie Bolus
Director of Nursing(to 15 Nov 2012)
No declared interests

Mrs Elizabeth Burnley
Non Executive Director
Deputy Chair, Yorkshire Dales Branch MIND Association.
Trustee, WRVS. Member of Fitness to Practise Committee, General Pharmaceutical Council. No connection with a voluntary or other body contracting for NHS services other than possible WRVS contracting - none currently.

Mrs Janet Dean
Associate Non Executive Director
Dean Knight Partnership Ltd.
Chair, Sheffield Homes, owned by Sheffield City Council; provides social care
Deputy Chair, Sheffield Hallam University; provides health and social care education.
Currently contracted by Joseph Rowntree Foundation to work on Dementia Services project in York.

Mr Geoffrey Donnelly
Non Executive Director
Diagnostic Healthcare Ltd - Minority Shareholder (2.5%). Company provides diagnostic services to NHS.
No contracts currently held within North Yorkshire and York.
Higher Education Academy -No direct connection to NHS, although NHS organisations may participate in interest groups.
University of Cumbria - Healthcare training provider in North West England region.
Oxford Brookes University - Healthcare training provider in South England region.
Trustee - Settle Stories.

Dr Paul Edmondson-Jones *Director of Public Health and Wellbeing, City of York Council (from 1 Nov 2012)*
One of the Patrons of Aurora New Dawn - a not for profit company/charity in the field of domestic violence based in Portsmouth and working across the South East.
Director of Public Health for the City of York and work for the City of York Council.

Dr David Geddes
Medical Director and Director of Primary Care
Director of Medipex - the NHS Innovation Hub for the Yorkshire and Humber region providing technology transfer services to the NHS in UK. Clifton Medical Practice (GP Partner) - providing GMS services.
Trustee, Clarence Gardens Association (mental health rehabilitation for patients with long term mental health problems)
MIND @ Our Celebration - Mental health charity in York (Medical Adviser) Governor of York Teaching Hospital NHS Foundation Trust. Employed as GP providing out of hours services for Harrogate District NHS Foundation Trust Out of Hours Service.
Partner - Employee of York Teaching Hospital NHS Foundation Trust (Department of Gynaecology.

Mr David Harbourne
Non Executive Director (to 30 April 2012)
Chair, The Carers' Resource, 11 North Park Road, Harrogate, North Yorkshire HG1 5PD. Vice Chair, North Yorkshire Neurological Alliance

Dr Phil Kirby
Interim Director of Public Health (to 31 October 2012)
Medical Referee to City of York Council's Crematorium since 1993. Expert Adviser to "Stratas Partners", healthcare consultancy partner based in Switzerland; occasional telephone interviews regarding future drug development and population unmet need, since May 2012.

Mr Christopher Long
Interim Chief Executive
No declared interests.

Mr Kevin McAleese
Non Executive Director (Chairman)
Director of Kevin McAleese Ltd, which does not do business with the NHS.
Wife is Chief Executive of The Retreat in York which provides mental health services.

Mrs Rachel Mann
Non Executive Director (to 30 June 2012)
Chair - igen Ltd, 1 Eastgate, Leeds LS2 7LY. Director and part owner - FisherMann Partnership Ltd: consultancy and executive coaching. Clients include NHS organisations. Partner, Barrie Fisher, is also a Director and part owner.
Regional Board Member - Yorkshire Region, Henshaw's Society for the blind (unpaid position). Associate of Real World Group - this organisation undertakes contracted leadership development work within the NHS (I am not currently involved in any NHS work with them).
Senior Associate - Solace Enterprise which undertakes consultancy work within the NHS (I am not currently involved in any NHS work with them)

Mrs Susan Metcalfe
Deputy Chief Executive/Director of Localities
No declared interests.

Mr Bill Redlin
Director of Standards
Governor, Airedale NHS Foundation Trust

Dr Lincoln Sargeant
Director of Public Health for North Yorkshire (from 1 November 2012)
No declared interests.

Mr Adrian Snarr
Director of Finance and Contracting (to 30 June 2012)
Member, Audit Committee of Joseph Rowntree Foundation.

Mr Roy Templeman
Non Executive Director
Director/owner, XLNCE Limited - no business with the NHS
Director/owner, NY Shooting Supplies - no business with the NHS.

Mrs Maureen Vevers
Non Executive Director
Joseph Rowntree Foundation, Audit Committee Chair
University of York, Audit Committee Member Scarborough Homeless Support Services, Volunteer Office of Legal Complaints, Lay Member

Mr Alan Wittrick
Director of Finance (from 1 July 2012)
No declared interests.

Audit Committee members:

Geoffrey Donnelly (Committee Chair)
Janet Dean
Roy Templeman

Remuneration Committee Members

Elizabeth Burnley (Committe Chair)
Kevin McAleese
Maureen Vevers

Salaries and Allowances for Senior Employees

Directors' Statement

All the directors confirm that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. They have also taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Remuneration Report 2012/13

The figures to be disclosed here relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data here cannot therefore be agreed with other staff cost and expenditure notes in the accounts. Additional disclosure is required here where exit packages exceed contractual amounts and are outside the terms of the normal pension scheme provisions. Such payments will require Treasury approval before they are offered.

Senior Officer & Director Remuneration

		12 Months to 31 March 2013				12 Months to 31 March 2012			
		Salary (bands of £5,000)	Other Remuneration (bands of £5000)	Bonus Payments (bands of £5,000)	Benefits in Kind (rounded to the nearest £00)	Salary (bands of £5,000)	Other Remuneration (bands of £5000)	Bonus Payments (bands of £5,000)	Benefits in Kind (rounded to the nearest £00)
Mrs Julie Bolus	Director of Nursing (until 15 November 2012)	60-65			37	55-60			
Mr Chris Long	Chief Executive	0				0			
Mrs Elizabeth Burnley CBE	Non-Executive Director	5-10				5-10			
Mrs Janet Dean	Associate Non-Executive Director	5-10				5-10			
Mr Geoffrey Donnelly	Non-Executive Director and Audit Committee Chair	10-15				10-15			
Dr David Geddes	Medical Director and Director of Primary Care	110-115				110-115			
Mr David Harbourne	Non-Executive Director (until 30 April 2012)	1-5				5-10			
Dr Phil Kirby	Interim Director of Public Health	75-80				90-95	35-40		
Ms Rachel Mann	Non-Executive Director (until 30 June 2012)	1-5				5-10			
Mr Kevin McAleese	Chairman	35-40				35-40			
Mrs Susan Metcalfe	Deputy Chief Executive/ Director of localities	95-100			59	95-100			47
Dr Vicky Pleydell	Director of Clinical Engagement/ Clinical Executive Chair (GP) (until 31 May 2011)	40-45				5-10	5-10		
Mr Bill Redlin	Director of Standards	90-95			22	90-95			13
Mr Adrian Snarr	Director of Finance & Contracting (until 30 June 2012)	25-30			5	105-110			18
Mr Alan Wittrick	Director of Finance & Contracting (from 1 July 2012)	120-125				0			
Mr Roy Templeman	Non-Executive Director	5-10				5-10			
Mrs Maureen Vevers	Non-Executive Director	5-10				5-10			
Dr P Edmondson-Jones	Director of Public Health & Wellbeing, City of York Council (from 1 November 2012)	105-110	5-10						
Dr L Sargent	Director of Public Health, North Yorkshire County Council	50-55							

Note to the Salaries and Allowances Table:
C Long is employed by Humber Primary Care Trust Cluster as Chief Executive. For the year 2012/13 he acted as Chief Executive of North Yorkshire and York Primary Care Trust for which period he received no remuneration from North Yorkshire & York Primary Care Trust and no charge was made by his employing Primary Care Trust.

A Wittrick is employed by Wakefield Primary Care Trust as Chief Executive. During 2012/13 he acted as Director of Finance from 1st July 2012 to 31st March 2013, for which service North Yorkshire and York Primary Care Trust was charged by Wakefield Primary Care Trust. The remuneration dosclosed is the actual charge made by Wakefield Primary Care Trust.

Remuneration and pension details for these officers are disclosed in the 2012/13 Annual Reports of their employing Primary Care Trusts

Dr P Edmondson-Jones and Dr L Sargent are employed by York City Council and North Yorkshire County Council respectively. Their remuneration is reported in the reports of their respective employers.

Jayne Brown, the former Chief executive left the PCT on 31 March 2013, the cost of her termination benefit was £414,000.

This information has been subject to audit.

This information has been subject to audit.

Remuneration Ratios

	2012/13	2011/12
Band of the Highest Paid Director's Total Remuneration (£000)	**120-125**	**170-175**
Median Total Remuneration (£)	**34,189**	**29,978**
Ratio	**3.7**	**5.8**

North Yorkshire and York PCT is required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisations' workforce.

Remuneration Ratios:

The banded remuneration of the highest paid director in the financial year 2012/13 was £120-125,000 (2011/12: £170- 175,000). This was 3.7 times the median remuneration of the workforce which was £34,189 in 2012/13 (2011/12:£29,978). The change reduction in the ratio is a result of the fall in the renumeration of the highest paid director.

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not included employer pension contributions or the cash equivalent transfer value of pensions.

Off-payroll Engagements

The Treasury has asked that:

- The number of off-payroll engagementscosting over £58,200 per annum in place at 31 January 2012 be reported. At 31 March 2012 there were four such engagements. This number did not change through to 31 March 2013.
- The number of new off-payroll engagements between 23 August 2012 and 31 March 2013 for more than £220 per day and more than six months be reported. There were two such engagements.

As all were engaged through national organisations with standard contracts, contracts were not renegotiated to included clauses allowing the PCT to seek assurances as to tax obligations.

Pension Benefits

		Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000) £'000	Cash Equivalent transfer value at 31 March 2013 (£000)	Cash Equivalent transfer value at 31 March 2012 (£000)	Real increase in Cash Equivalent Transfer Value	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000) £'000	Cash Equivalent transfer value at 31 March 2013 (£000)	Cash Equivalent transfer value at 31 March 2012 (£000)	Real increase in Cash Equivalent Transfer Value
Mrs Julie Bolus	Director of Nursing	2.5-5	10 -12.5	30-35	90-95	526	451	75	0.0-2.5	0.0-2.5	25-30	80-85	451	397	54
Mr Chris Long (see note below)	Chief Executive														
Mrs Susan Metcalfe	Deputy Chief Executive, Director of Localities and Director of Commissioning Development Director of	0-2.5	2.5-5	30-35	95-100	595	555	40	0.0-2.5	2.5-5	30-35	90-95	555	487	68
Mr Adrian Snarr	Finance & Contracting (from 1st April 2012 to 30th June 2012)	0-2.5	2.5-5	35-40	105-110	572	536	36	2.5-5	10.0-12.5	35-40	105-110	536	409	127
Mr Alan Wittrick (see note below)	Director of Finance & Contracting (1st June 2012 to 31st March 2013)														
Mr Bill Redlin	Director of Standards	0-2.5	2.5-5	20-25	65-70	526	485	41	0.0-2.5	2.5-5.0	20-25	65-70	485	439	46
Dr David Geddes	Medical Director and Director of Primary Care Interim	2.5-5	12.5-15	55-60	165-170	952	853	99	5.0-7.5	15-17.5	50-55	150-155	853	670	183
Dr Phil Kirby	Director of Public Health (from 1 April 2011)	0-2.5	5.-7.5	45-50	140-145	931	887		N/A	N/A	45-50	135-140	887	N/A	N/A

Notes to the Pensions Table

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Pension details for these officers are disclosed in the 2012/13 Annual Reports of their employing Primary Care Trusts

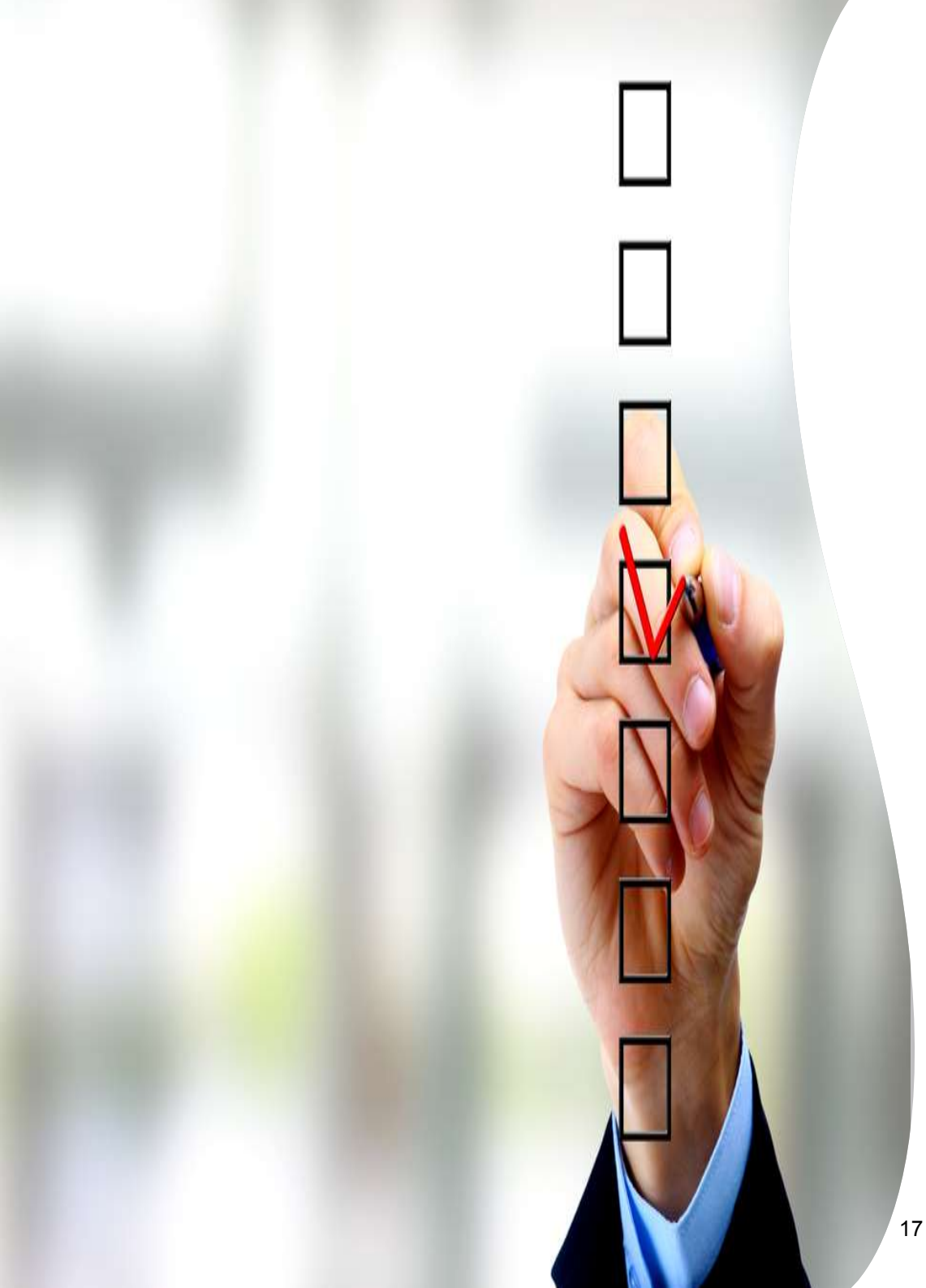
This information has been subject to audit.

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at the own cost. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

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



Statement of Designated Signing Officer's Responsibilities

The North Yorkshire and York Primary Care Trust annual accounts have been prepared by the Designated signing Officer in compliance with the requirements detailed in the Government Financial Reporting Manual. In particular, attention has been paid in:

Observing the Accounts Directions issues by the Department of Health, ensuring that relevant accounting and disclosure requirements are made, whilst applying suitable accounting policies on a consistent basis.

Making judgements and estimates on a reasonable basis.

Ensuring applicable accounting standards as detailed in the Government Financial Reporting Manual have been followed.

Annual Governance Statement

The Board is accountable for governance and internal control. The Chief Executive has responsibility for maintaining a sound system of governance and internal control that supports the achievement of our policies, aims and objectives, and for reviewing its effectiveness. A full copy of our Annual Governance Statement is contained within our Annual Accounts.

Financial Review

Financial year 2012/2013

The difficult financial environment which North Yorkshire & York PCT faced since its inception remained through 2012/13. In previous years the duty to break-even has been met, with financial support from the Strategic Health Authority. In 2012/13 this support was not available and as a result a deficit of £19m was forecast at the beginning of the year.

During the course of the year there have been a number of pressures on the financial position, particularly increases in the cost and volume of secondary care. During 2012/2013 North Yorkshire & York PCT began a number of measures to reduce costs while maintaining the quality of services. These resulted in a deficit at the year-end of £12m.

As a result of changes happening throughout the NHS, North Yorkshire & York PCT ceased to exist at 31 March 2013 with its functions being continued by a number of organisations, mainly four Clinical Commissioning Groups (CCGs) covering the Vale of York, Scarborough & Ryedale, Hambleton & Richmond and Harrogate and Rural District, as well as NHS England, Public Health England, North Yorkshire County Council and City of York Council.

In preparation for this change financial decisions have been steadily devolved to the new organisations during the year, with North Yorkshire and York PCT benefiting from more local decision making and the greater involvement of GPs.

Implementation of the Health and Social Care Act

Implementation of the Health and Social Care Act required significant organisational change to be implemented from 1 April 2013 including the abolition of the PCT, creating five Clinical Commissioning Groups for North Yorkshire and York, creating a Commissioning Support Unit to support CCGs and transferring current PCT responsibilities to other organisations, eg, Public Health to North Yorkshire County Council, City of York Council and Public Health England, Primary Care services to the Area Team of the National Commissioning Board and Estate responsibilities to a commercial company owned by the Department of Health.

These changes required the workforce of the PCT to transfer to these new organisations whilst maintaining firm management and financial control to ensure operational and financial objectives are achieved.

Director of Finance

Performance Against Financial Duties

The PCT uses a range of measures to assess financial performance during the year including those duties reported upon in the Annual Accounts. These duties fall into one of two categories, statutory or administrative, and whilst we strive to achieve all targets it is the former that is of most concern, as the PCT should operate within its legal framework.

Statutory Duties

Capital and Revenue Resource Limits

A resource, or funding limit, is set annually for the NHS by Parliament and each NHS organisation receives a share of that total to spend on delivering its responsibilities.

It is expected that those funds are spent in full. North Yorkshire & York PCT agreed a plan with the Department of Health which would see this limit exceeded by £19m. The accounts for the year show that the Revenue Resource Limit of £1,275m was actually exceeded by £12m.

Capital and Revenue Cash Limits

The Capital Resource Limit is the approved allocation for expenditure on buildings and equipment. North Yorkshire & York PCT had an allocation of £12.5m for 2012/2013, of which £10.9m was used, giving an underspend of £1.6m.

PCTs are also given cash limits which in general terms match the resource limits as described above. Again I am pleased to be able to report that the PCT operated within its cash limits.

Audit Costs

Our external auditor is Mazars PLC who is appointed by the Audit Commission. Auditors' remuneration in relation to April 2012 to March 2013 totalled £65,000 (including VAT). This covered audit services required under the Audit Commission's Code of Audit Practice (giving opinion on the Annual Accounts and work to examine our use of resources and financial aspects of corporate governance).
The Audit Commission were also paid £27,000 (including VAT) for work in relation to the Payment by Results (PbR) date assurance framework.

The external auditor is required to comply with the Audit Commission's requirement in respect of independence and objectivity and with International Auditing Standard (UK & Ireland) 260: "The auditor's communication with those charged with governance".
Our Audit Committee receives our external auditor's Annual Audit Letter and other external audit reports.

Better Payment Practice Code

The NHS as a whole is signed up to the Confederation of British Industry (CBI) Better Payment Practice Code, which aims to promote good payment practice in the UK. The NHS target is to pay all non-NHS trade creditors within 30 days of receipt of goods or invoice (whichever is the latter) unless other payment terms have been agreed with the supplier.
When measured in terms of invoice value, non NHS payment performance fell from 96.97% last year to 85%. The number of bills paid in compliance with this policy fell from 94.16% last year to 85.08%.
We are an approved signatory to the Prompt Payments Code.

Pension Liabilities

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. As a consequence it is not possible for the Primary Care Trust to identify its share of the underlying scheme assets and liabilities. Therefore the Scheme is accounted for as a defined contribution scheme and the cost of the Scheme is equal to the contributions payable to the Scheme for the accounting period.

	2012/2013 Number	2012/2013 £000	2011/2012 Number	2011/2012 £000
Non-NHS Payables Total Non-NHS trade invoices paid in the year	**41,884**	**282,521**	**52,802**	**295,567**
Total Non-NHS trade invoices paid within target	**35,635**	**262,320**	**49,721**	**286,618**
Percentage of non-NHS trade invoices paid within target	**85.08%**	**92.85%**	**94.16%**	**96.97%**
NHS Payables Total NHS Trade invoices paid in the year	**6,093**	**823,128**	**7269**	**790,847**
Total NHS trade invoices paid within target	**4,933**	**796,827**	**6377**	**778,269**
Percentage of NHS trade invoices paid within target	**80.06%**	**96.8%**	**87.73%**	**99.41%**

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.

Staff Sickness Absence

Staff Sickness Absence for 2012/2013

Average of 12 Months (2012 Calendar Year)	Average FTE 2012	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
3.3%	**380**	**85,587**	**2,802**	**7.4**

Sickness data provided are calendar year figures.

The full accounts for North Yorkshire & York PCT are provided as an appendix to this report.

Statement in Respect of Disabled Employees

North Yorkshire and York PCT has been awarded the “Two Ticks” symbol - Positive about Disabled People.

In achieving this North Yorkshire and York PCT has demonstrated its commitment to interviewing job applicants with disabilities where they meet the minimum criteria for the job, ensuring that staff with disabilities have the opportunity to discuss their development through North Yorkshire and York PCT’s Personal Development Review process, and making every effort to retain staff if they become disabled through the Managing Sickness Absence policy.

Equality Statement

Equality, fair treatment and social inclusion lie at the heart of the Government’s plans to modernise the health service. North Yorkshire and York PCT is committed to these principles, in particular:

- to recruit, develop and retain a workforce that is able to deliver high quality services that are accessible, responsive and appropriate to meet the diverse needs of different groups and individuals;
- to be a fair employer achieving equality of opportunity of outcomes in the workplace;
- to use its influence and resources as an employer to make a difference to the life opportunities and health of its local community.

North Yorkshire and York PCT has an approved Equality Plan which sets out the vision for North Yorkshire and York to take equality and diversity forward. The document sets out how North Yorkshire and York PCT will advance the social and economic wellbeing of the community to ensure equal health and employment outcomes for the whole of the diverse population it serves.

Department of Health

NHS

North Yorkshire and York Primary Care Trust

2012-13 Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

North Yorkshire and York Primary Care Trust

2012-13 Accounts

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.

Note – If the regularity opinion has been qualified because of a breach of a resource limit, insert at this point.
* except for capital/revenue expenditure in excess of resource limits which was not intended by Parliament and did not conform to the authorities which govern them.

nb: sign and date in any colour ink except black

Signed.....Designated Signing Officer

Name: C Lowe

Date.....5/vi/13

2012-13 Annual Accounts of North Yorkshire and York 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

5/vi/13 .....Date..... .....Signing Officer

5/6/13 .....Date ....Finance Signing Officer

Annual Governance Statement 2012/13

Name of Organisation: NHS North Yorkshire and York

Organisation Code: 5NV

Scope of Responsibility

As Accountable Officer, and Chief Executive of the 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.

As the PCT Cluster Accountable Officer, I have formally delegated responsibility for Financial Governance to the Director of Finance and Contracting. I have formally delegated responsibility for Corporate Governance, Information Governance and Research Governance to the Director of Standards. The Director of Standards had responsibility for Clinical Governance from 1 December 2012 until 31st March 2013. Prior to that period it was delegated to the Director of Nursing.

On the 27 September 2011 the Cluster Board established the Harrogate and Rural District Clinical Commissioning Group, Vale of York Clinical Commissioning Group, Hambleton, Richmondshire and Whitby Clinical Commissioning Group and Scarborough and Ryedale Clinical Commissioning Group as formal sub committees of the Cluster Board and delegated responsibility for a range of commissioning functions to the Clinical Commissioning Groups. During 2012/13, the CCGs continued to discharge their delegated functions whilst moving through the CCG authorisation process. The PCT held the CCGs to account for the discharge of their delegated functions through a monthly business and delivery review process during which the performance of individual CCGs was assessed and monitored. During the whole of 2012/13, the PCT remained statutorily accountable for the successful discharge of these functions.

The main health services providers are held to account by the annual agreement of contracts which are reviewed and performance managed via monthly Contract Monitoring Boards (CMBs). Members of the Clinical Commissioning Groups took the lead role in the contract monitoring process during 2012/13.

The Governance Framework of the Organisation

The main focus of the PCT during 2012/13 was to ensure robust commissioning and monitoring of services whilst overseeing the implementation of the Health and Social Care Act 2012, ensuring a smooth transition to the new commissioning structures During March 2012, the Cluster Board committee structure underwent a review to ensure it was fit for purpose. The standing orders, scheme of delegation and standing financial instructions were revised in line with the new committee structures and the delegation of commissioning responsibilities to the Clinical Commissioning Groups.

The revised committee structure was approved by the Cluster Board in March 2012. During 2012/13, the following committees reported directly to the Board:

4 x Clinical Commissioning Groups
The Governance and Quality Committee
The Audit Committee,
The Charitable Funds Committee
The Remuneration Committee

The Board held 9 meetings in public in 2012/13. The picture of attendance of Board members is complicated by the departure of a number of non executive and executive directors as the year progressed towards the abolition of the PCT. The Chief Executive, Director of Standards, Director of Finance and Contracting, and one Non Executive Director attended all 9 meetings, with other members who were eligible to attend all meetings achieving between 67% and 89% attendance. Two non executive directors and three executive directors departed during the year. Due to the imminent abolition of the PCT they were not replaced.

The Governance and Quality Committee has responsibility for all matters relating to Governance and Quality. A total of 7 meetings were held during 2012/13. The Chair attended all meetings, the Director of Standards attended 6 out of 7 meetings, with the Director of Nursing and Public Health Consultant attending 4 out 7 meetings.

The Audit Committee's objectives are to ensure that:

- The activities of North Yorkshire and York Primary Care Trust (the PCT) are within the law and regulations governing the NHS;
- An effective system of internal control is maintained;
- An effective system of Integrated Governance exists within the PCT.

The Audit Committee met 7 times during the year. The Chair of the Committee attended all meetings. One committee member attended all meetings and the other attended 6 out of 7 meetings.

Hambleton, Richmondshire and Whitby Clinical Commissioning Group and Vale of York Clinical Commissioning Group met 12 times during 2012/13.

Harrogate and Rural District Clinical Commissioning Group and Scarborough and Ryedale Clinical Commissioning Group met 10 times in the same period.

There are a number of groups which work to support these committees such as the Clinical Quality Group, Information Governance Steering Group and Serious Incident Review Group.

The Cluster has a process to highlight to the Cluster Board any key issues from its committees. At each committee the Chair records the items to be highlighted at the Cluster Board. All committee minutes are presented to the next Cluster Board meeting.

Highlights from the Audit Committee include:

- Concerns regarding the uncertainty and risks of the transition process and transition planning
- CCG Audit Committee workshops to improve awareness of the role of the Audit Committee in the emerging CCGs
- Concern around the lack of clarity about the future of some PCT functions
- Ongoing risks relating to IT resilience and engagement with CCGs in business continuity and disaster recovery planning
- Risks relating to the management of the year end accounting process
- Concerns regarding the ongoing availability of specialist security management expertise
- Concern over the future management and responsibility for continuing care commissioning

Highlights from the Governance and Quality Committee include:

- Concerns regarding the uncertainty and risks of the transition process
    - Recognition of pressure on staff and need to identify areas of real concern
    - Concern about resource capacity to fulfil the Transition and Close Down requirements
- Development of a comprehensive plan which will support good governance through the transition
- Continuing emphasis on the potential impact of the financial position on quality and, in particular, the risks associated with making changes to services at short notice
- Continuing Health Care arrangements
- Clarification of clinical input to the Committee and the Board, following the departure of the Medical Director and the Director of Nursing

<u>Handover and Closure</u>

During 2012/13, NHS North Yorkshire and York (NYY) remained a statutory body until 31 March 2013 when its statutory powers and duties and non-statutory functions transferred to a number of new organisations as set out in the Health and Social Care Act (2012). A key priority for the organisation during 2012/13 was therefore to focus on 'mapping' all current PCT functions, processes and issues and to ensure that: these have either an identified

destination in the new system architecture; that the 'successor bodies' are in receipt of quality information; or that issues have been entirely resolved by the time the PCT is closed-down as a statutory body.

The commissioning and public health responsibilities of the PCT transferred to a number of organisations:

NHS Commissioning Board (NCB)

Clinical Commissioning Groups (CCG)
- Vale of York Clinical Commissioning Group
- Hambleton, Richmondshire and Whitby Clinical Commissioning Group
- Harrogate and Rural District Clinical Commissioning Group
- Scarborough and Ryedale Clinical Commissioning Group
- Airedale, Wharfedale and Craven Clinical Commissioning Group
- Cumbria Clinical Commissioning Group

Local Authorities
- North Yorkshire County Council
- City of York Council

Public Health England

NHS Property Services Limited

The PCT Director Lead for Handover and Closedown was the Director of Standards. The PCT established a Transition Programme Governance Board to manage the handover and closedown process, underpinned by individual work-streams covering key functions including Estates, Contracts, Finance etc. The handover and closedown of the PCT has proceeded in line with DH guidelines and reporting requirements.

The PCT has completed a range of Handover and Closedown documentation:-

Transfer Schemes – The PCT has prepared two transfer schemes, one for property, which will include buildings, land, assets and liabilities and one for people. In preparing the Transfer Scheme documentation, the PCT secured appropriate legal advice to satisfy its respective statutory duties and internal governance requirements in respect of the closedown and handover. The PCT engaged Hempsons to provide legal advice and oversight to the Property, Assets and Liabilities Transfer process. The Board delegated authority for the approval of the Transfer Schemes under Chairman's Action and the two schemes were duly approved on 22nd March 2013.

Quality Handover Document – The National Quality Board published guidance in 2012 requiring every PCT and SHA to develop a Quality Handover Document and to put in place a process for transferring

ongoing quality issues to the new organisations, prior to their abolition in March 2013. The PCT Quality Handover Document was completed in line with the guidance and was approved by the PCT Board in March 2013. The PCT held two Quality and Handover Assemblies in March 2013 to facilitate the handover of outstanding quality issues to the receiving organisations.

Corporate Handover Document – In December 2012, the Regional SHA requested that all PCTs and SHAs complete a Corporate handover document according to a standard template. The Corporate Handover Document was intended to complement the Quality Handover Document by identifying non quality issues and risks to be transferred to the receiving organisations. The PCT completed a Corporate Handover Document which was approved by the PCT Board in March 2013. A summary of the issues identified in the Corporate Handover Document was included in the Quality and Handover Assemblies described above.

Both the Corporate and Quality Handover Documents are linked to an online document store that will provide access to a full range of supporting documentation.

In line with National Guidance, the PCT has requested that all receiving organisations should formally sign off receipt of the Handover and Closedown documentation through their appropriate governance process.

Accounts Scrutiny and Sign Off

Guidance issued by the Department of Health in December sets out the requirements for the preparation and sign off of the PCT's 2012/13 financial accounts. In line with the guidance, the PCT has secured sufficient staffing resource including the necessary skills and knowledge, to complete financial closedown and accounts preparation. This has been achieved through a combination of "drawn down" staff who have secured posts in the new organisations and Contract and Agency staff.

The PCT has implemented the DoH guidance with respect to the nomination and retention of non executive directors who will form the sub committees of the DoH Audit Committee for the purpose of the essential scrutiny and governance of final accounts preparation.

The process for the scrutiny and sign off of the final accounts has been overseen and approved by the North Yorkshire and Humber Area Team DoF.

The Board's self assessment of its compliance with the Corporate Governance Code conducted in May 2012 was reviewed and the Board was considered to be substantially compliant in all areas. The arrangements that have been put in place for the discharge of statutory functions have been checked and are legally compliant.

Risk Assessment

In May 2012, the PCT Cluster Board reviewed, updated and approved its Assurance Framework (BAF) for 2012/2013. The revised BAF reflected the revised organisational objectives agreed in the light of the Health and Social Care Act (2012) and the role of the Board in supporting the transition to the new organisational structure post April 2013.

As part of this process, the Board Assurance Framework identified a number of new key risks to the delivery of the organisation's strategic objectives. These included:

- Transition, Handover and Close Down:
  - Lack of capacity and loss of expertise to emerging organisations as part of the transition process. Unidentified locations for some specialist functions.
  - Failure to obtain sufficient assurance from evolving organisations to maintain the Cluster's statutory / mandatory responsibilities
  - Governance arrangements had not changed within the cluster as CCGs and National Commissioning Board increasingly took over commissioning responsibilities

The risks associated with the transition to the new system were incorporated into a Transition Risk Register which was in turn included in the overall Corporate Risk Register. The Transition Risk Register was maintained and updated regularly via the Transition Programme Board.

The Corporate Risk Register was regularly reviewed by the Quality and Governance Committee during the year.

The Board Assurance Framework and Corporate Risk Register were taken to the Audit Committee Workshop on 10 October 2012 and discussed with CCG representatives. Work has taken place to identify risks which would remain on the Corporate Risk Register after 31 March 2013; and was included in the Corporate Governance Handover document and discussed at the Quality Handover meetings.

The Corporate Risk Register and Board Assurance Framework were taken to the Cluster's final Board Meeting held March 2013 and were signed off by the Cluster Board.

The Senior Information Risk Officer (SIRO) is accountable for the management of information risks and is supported in an advisory role by the Caldicott Guardian. Robust information governance policies and procedures which highlight the risks associated with the potential loss of sensitive and confidential patient and staff identifiable information are in place. The policies are available on the Cluster's intranet. Information Governance training is provided at induction and as an element of statutory and mandatory training; procedures are in place to monitor compliance. The Information Governance Team produced a number of bulletins and articles in staff briefings which were

circulated to all staff. Data security incidents are reported on the Cluster's online reporting system and reported to the Information Governance Steering Group. During 2012/13, no data security lapses were reported to the Information Commissioner by the Cluster.

The Cluster had 27 incidents reported through the incident reporting system with the following themes:

- Faxes or emails (where nhs net was not used) delivered to the wrong recipient containing personal identifiable details
- Unsecure transport or transfer of personal identifiable details between organisations eg patient prescriptions, invoices etc
- Loss of encrypted memory sticks

The Risk and Control Framework

The Cluster has a robust risk management strategy in line with NHS Litigation Authority guidance. Key elements of risk management are:

- Clear principles, aims and objectives of the risk management process
- Well defined process for delivering the strategy
- The roles and responsibilities of all staff in the risk management process
- The establishment of strategic and corporate risk registers
- Outline risk management training arrangements
- Ongoing monitoring by the Board and its Committees

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

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

The system of internal control has been in place in NHS North Yorkshire and York for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

Employees, contractors and agency staff are required to report all incidents and concerns. The Cluster supports a learning culture ensuring that an 'objective investigation' or review is carried out to learn from incidents when they occur, only assigning 'blame' to individuals where it is clear that Trust policies and procedures have not been appropriately followed. Staff are appropriately trained in incident reporting.

The Audit Committee has continued to receive Internal and External Audit reports and systematically monitors the implementation of action plans to address recommendations of such reports. Progress against Internal Audit

reports is also monitored through the Directors Group on a regular basis and progress is reported at every Audit Committee.

Human resources policies and procedures are in place to ensure all staff have regular appraisals with objectives that are linked to the Cluster's principal objectives. All policies are available to staff on the NHS North Yorkshire and York intranet. Governance and risk management principles are included in all staff job descriptions and are included in the Knowledge and Skills Framework outline.

The PCT Cluster has nominated an accredited Local Counter Fraud Specialist in line with Secretary of State Directions. The Local Counter Fraud Specialist undertakes a risk based programme of counter fraud work. This includes proactive and investigative activities. Regular updates on the work undertaken and the outcomes achieved are reported to the Audit Committee. Where weaknesses in control are identified, action plans are agreed with the PCT Cluster to reduce the risk of fraud occurring or reoccurring. A summary of all the work undertaken during a year is presented in an Annual Report to the Audit Committee. Staff are able to report online, any suspicions of fraud perpetrated against the NHS or contact the Local Counter Fraud Specialist by email or phone.

Review of the effectiveness of risk management and internal control

The 2012/13 BAF identified the two most significant risks to the delivery of the PCT's objectives as:-

- To manage and control the organisational/structural changes as a result of the Health and Social Care Act (2012), including the closedown of the PCT and the transfer of its functions to successor organisations.
- Management of financial control

In addition to these significant risks, the Internal Audit programme in 2011/12 had identified a key risk in the development and implementation of IT disaster recovery plan and business continuity plans and this risk continued during 2012/13.

By 2012/13 the PCT Cluster Board had delegated the vast majority of its commissioning responsibilities to the emerging Clinical Commissioning Groups. The Assurance Framework was adjusted to reflect these delegated arrangements.

The PCT Cluster Board received assurance on the discharge of these delegated responsibilities via CCG Accountability Agreements. This process for receiving assurance was put into practice via a regular Business Delivery Review meeting with each CCG where performance against key objectives and milestones was assessed and risks identified. The outcome of these review meetings was reflected in the monthly performance dashboard to the PCT Cluster Board.

Management of Transition and Closedown was overseen by a Transition Board which included membership from all key PCT functions affected by the implementation of the Health and Social Care Act and was overseen by the Governance and Quality Committee.

Following concerns raised by Internal Audit on the management of financial controls, the Interim Director of Finance introduced a number of measures aimed at strengthening control of corporate budgets.

As Accountable Officer I have responsibility for reviewing the effectiveness of the system of risk management and 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 Board Assurance Framework and on the controls reviewed as part of Internal Audit's work.

The 2012/13 Internal Audit plan focussed on a number of areas related to the organisational objectives and key risk areas and were:-

- Assurance and Accountability Arrangements
- Development of CCGs and the CSU
- Transition and Closedown
- Maintenance of key financial controls
- Information Governance

The results of this work have been regularly reported to the Audit Committee during 2012/13.

The system of Internal Control is overseen by the Cluster Board which regularly reviews the Board Assurance Framework and the Risk Management Strategy. This work is supported by the Audit Committee which oversees a more detailed scrutiny of the system of control supported by the internal audit programme. The Governance and Quality Committee receives assurance on a range of issues covering the 5 areas of governance (Finance, Clinical, Corporate, Research and Information) and has overseen the Transition and Closedown programme.

My review has confirmed that a number of risk areas remain:

- The PCT Cluster is forecasting an out turn deficit of £12m reflecting the ongoing financial risk to the new organisations and the Health community as a whole
- Risks remain in the potential liability arising from retrospective claims for NHS Continuing Healthcare. An action plan has been agreed for the management of these claims from April 2013 onwards
- Risks remain around the effective transfer of all PCT functions, assets and liabilities into the new organisations. Significant among these risks are the smooth and effective transfer of records to the new organisations
- Although much work has been undertaken to develop an effective IT Disaster Recovery plan and IT Business Continuity plan, further work is

required to ensure that these are robustly implemented through the new organisations

My review confirms that NHS North Yorkshire and York has a generally sound system of internal control that has supported the achievement of its policies, aims and objectives.

Accountable Officer: Christopher Long

Organisation: NHS North Yorkshire and York

Signature C Long

Date 5/6/18

MAZARS

INDEPENDENT AUDITORS' REPORT TO THE ACCOUNTABLE OFFICER FOR NORTH YORKSHIRE AND YORK PRIMARY CARE TRUST

We have audited the financial statements of North Yorkshire and York Primary Care Trust 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;
- the table of pension benefits of senior managers; and
- the table of pay multiples.

This report is made solely to the Accountable Officer for North Yorkshire and York Primary Care Trust 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.

Respective responsibilities of the Signing Officer and Finance Signing Officer, and auditors

As explained more fully in the Statement of Responsibilities in respect of the accounts, 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 also 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.

Qualified opinion on regularity arising from non-compliance with governing authorities

As disclosed in Note 3.1, the PCT exceeded the revenue resource limit of £1,274.948 million specified by the Secretary of State under section 230(1) of the National Health Service Act 2006 by £11.979 million.

Except for the incurrence of expenditure in excess of the specified revenue resource limit, 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 North Yorkshire and York Primary Care Trust 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 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

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

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

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance issued by the Audit Commission in November 2012. We have considered the results of the following:

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

As a result, we have concluded that there is the following matter to report:

Financial management

The PCT's arrangements were insufficient to keep its expenditure within its revenue resource limit of the year. The PCT breached its revenue resource limit for 2012/13 by £11.979 million.

Since 2006, the PCT has relied on supplementary funding from the Strategic Health Authority of over £100 million to achieve break-even. In 2012/13 the PCT set a deficit budget of £19 million. In August 2012 the District Auditor reported the planned breach of the statutory resource limit to the Secretary of State in line with Section 19 of the Audit Commission Act 1998.

Certificate

We certify that we have completed the audit of the accounts of North Yorkshire and York Primary Care Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Mark Kirkham ACA CPFA
Engagement Lead, for and on behalf of Mazars LLP

Chartered Accountants
The Rivergreen Centre
Aykley Heads
Durham
DH1 5TS

7 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**21,878**	18,495
Other costs	5.1	**1,298,278**	1,272,983
Income	4	**(33,321)**	(30,147)
Net operating costs before interest		**1,286,835**	1,261,331
Investment income	9	**0**	0
Other (Gains)/Losses	10	**(89)**	(336)
Finance costs	11	**181**	170
Net operating costs for the financial year		**1,286,927**	1,261,165
Transfers by absorption -(gains)		**0**	
Transfers by absorption - losses		**0**	
Net (gain)/loss on transfers by absorption		**0**	
Net Operating Costs for the Financial Year including absorption transfers		**1,286,927**	**1,261,165**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**17,895**	14,417
Other costs	5.1	**8,083**	17,440
Income	4	**(4,598)**	(5,448)
Net administration costs before interest		**21,380**	**26,409**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	170
Net administration costs for the financial year		**21,380**	**26,579**
Programme Expenditure			
Gross employee benefits	7.1	**3,983**	4,078
Other costs	5.1	**1,290,195**	1,255,543
Income	4	**(28,723)**	(24,699)
Net programme expenditure before interest		**1,265,455**	**1,234,922**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**(89)**	(336)
Finance costs	11	**181**	0
Net programme expenditure for the financial year		**1,265,547**	**1,234,586**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**1,849**	1,456
Net (gain) on revaluation of property, plant & equipment	**0**	(2,804)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year	**1,288,776**	**1,259,817**

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**116,761**	118,997
Intangible assets	13	**87**	152
investment property	15	**0**	0
Other financial assets	21	**0**	0
Trade and other receivables	19	**370**	370
Total non-current assets		**117,218**	119,519
Current assets:			
Inventories	18	**20**	25
Trade and other receivables	19	**13,607**	20,731
Other financial assets	21	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**10**	31
Total current assets		**13,637**	20,787
Non-current assets held for sale	24	**725**	834
Total current assets		**14,362**	21,621
Total assets		**131,580**	141,140
Current liabilities			
Trade and other payables	25	**(85,639)**	(73,066)
Other liabilities	26	**0**	0
Provisions	32	**(380)**	(368)
Borrowings	27	**(138)**	(133)
Other financial liabilities	28	**0**	0
Total current liabilities		**(86,157)**	(73,567)
Non-current assets plus/less net current assets/liabilities		**45,423**	67,573
Non-current liabilities			
Trade and other payables	25	0	(88)
Other Liabilities	26	0	0
Provisions	32	(17,203)	(3,620)
Borrowings	27	(1,684)	(1,821)
Other financial liabilities	28	0	0
Total non-current liabilities		**(18,887)**	(5,529)
Total Assets Employed:		**26,536**	62,044
Financed by taxpayers' equity:			
General fund		1,561	35,220
Revaluation reserve		24,975	26,824
Other reserves		0	0
Total taxpayers' equity:		**26,536**	62,044

The notes on pages 28 to 45 form part of this account.

The financial statements on pages *2 to 5* were approved by the Audit Committee of the Department of Health on 4th June 2013 and signed on its behalf by

Chief Executive: **Date:** 5th June 2013

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**35,220**	**26,824**	**0**	**62,044**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(1,286,927)			**(1,286,927)**
Net gain on revaluation of property, plant, equipment		0		**0**
Net gain on revaluation of intangible assets		0		**0**
Net gain on revaluation of financial assets		0		**0**
Net gain on revaluation of assets held for sale		0		**0**
Impairments and reversals		(1,849)		**(1,849)**
Movements in other reserves			0	**0**
Transfers between reserves	0	0		**0**
Release of Reserves to SOCNE		0		**0**
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		**0**
Net actuarial gain/(loss) on pensions	0		0	**0**
Total recognised income and expense for 2012-13	**(1,286,927)**	**(1,849)**	**0**	**(1,288,776)**
Net Parliamentary funding	1,253,268			**1,253,268**
Balance at 31 March 2013	**1,561**	**24,975**	**0**	**26,536**
Balance at 1 April 2011	**41992**	**26358**	**0**	**68,350**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(1,261,165)			(1,261,165)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		2,804		2,804
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(1,456)		(1,456)
Movements in other reserves			0	0
Transfers between reserves	882	(882)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(1,260,283)	466	0	(1,259,817)
Net Parliamentary funding	1,253,511			1,253,511
Balance at 31 March 2012	**35,220**	**26,824**	**0**	**62,044**

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		**(1,286,835)**	(1,261,331)
Depreciation and Amortisation		**5,237**	5,863
Impairments and Reversals		**6,192**	6,641
Other Gains / (Losses) on foreign exchange		**0**	0
Donated Assets received credited to revenue but non-cash		**0**	(272)
Government Granted Assets received credited to revenue but non-cash		**0**	0
Interest Paid		**(71)**	(76)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**5**	361
(Increase)/Decrease in Trade and Other Receivables		**7,124**	(5,508)
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**12,653**	7,832
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions Utilised		**(402)**	(533)
Increase/(Decrease) in Provisions		**13,887**	1,028
Net Cash Inflow/(Outflow) from Operating Activities		**(1,242,210)**	**(1,245,995)**
Cash flows from investing activities			
Interest Received		**0**	0
(Payments) for Property, Plant and Equipment		**(11,145)**	(9,101)
(Payments) for Intangible Assets		**0**	(25)
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**199**	1,758
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Proceeds from the disposal of Financial Assets (LIFT)		**0**	0
Loans Made in Respect of LIFT		**0**	0
Loans Repaid in Respect of LIFT		**0**	0
Rental Revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(10,946)**	**(7,368)**
Net cash inflow/(outflow) before financing		**(1,253,156)**	**(1,253,363)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(133)**	(128)
Net Parliamentary Funding		**1,253,268**	1,253,511
Capital Receipts Surrendered		**0**	0
Capital grants and other capital receipts		**0**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		**1,253,135**	**1,253,383**
Net increase/(decrease) in cash and cash equivalents		**(21)**	**20**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**31**	**11**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		**10**	**31**

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

Transforming Community Services (TCS) transactions

Under the TCS initiative, services historically provided by PCTs have transferred to other providers - notably NHS Trusts and NHS Foundation Trusts. Such transfers fall to be accounted for by use of ***absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCNE, and is disclosed separately from operating costs.***

Acquisitions and Discontinued Operations

Activities are considered to be 'acquired' only if they are acquired from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one NHS body to another.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the PCT's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Leasing Arrangements

Leases disclosed are all judged to be operating leases on the basis that the lease period does not cover the economic life of the asset, the PCT can terminate the leases before the end of their terms and all expenses relating to the asset are paid by the lessor.

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

Property Plant & Equipment

Land and Buildings (including external works) have been valued by the District Valuer in 2012/13 and depreciation has been applied in accordance with the accounting policy disclosed at Note 1.8 The assets are to be transferred to a number of successor organisations providing the same services as were provided by the PCT.No assumptions and consequent changes in value have been applied to the asset in respect of their future use or ownership

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 North Yorkshire County Council and the North Yorkshire and City of York Drug and Alcohol Action Teams. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for various activities.

The pools are hosted by either NHS North Yorkshire and York, North Yorkshire County Council or City of York 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

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

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 weighted average. 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, except for bonuses earned but not yet taken which is not accrued for at the year end, on the grounds of immateriality.

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 has no Finance 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 2.2% (2.35% 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.

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 PCT does not have any loans

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.

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
The PCT has one PFI Scheme which is the Richmond Friary Community Hospital, the PCT has no Lift schemes

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

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

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 Going Concern

As a consequence of the Health and Social Care Act 2012, North Yorkshire and York PCT will be dissolved on the 31st March 2013 its functions will be transferred to various new or existing public sector entities.
The Secretary of State has directed that, whereParliamentary funding continues to be voted to permit the relevant services to be carried out elswhere in the public sector then this is normally sufficient evidence of a going concern. As a result the Board of North Yorkshire and York PCT have prepared these financial statements on a going concern basis.

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

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

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

2 Operating segments
The PCT is a single operating segment, Clinical Commissioning Groups are not considered to be operating segments. This conclusion is based on the following

Corporate reporting in 2012/13 was for the PCT as a single entity.

Clinical Commissioning Groups and the PCT all operate similarly in the same regulatory environment thus fulfilling the criteria set out in IFRS 8 for aggregation into a single operating segment.

In 2012/13 the PCT commissioned its services from a number of NHS Trusts, Foundation Trusts, Primary Care Trusts, Local Authorities and various private sector providers. Expenditure relating to significant customers and/or areas of expenditure was reported regularly to the Board. Individual items in excess of 10% of total expenditure were as follows

York Hospitals NHS Foundation Trust £200,893,100
Represents 15.6% of operating costs in respect of the 2012/13 Service Level Agreement for secondary care. (2011/12 £193,444,221 representing 15%)

Primary Care Prescribing Expenditure £119,964,200
Represents 10.0% of operating costs in respect of reimbursing primary care prescribing costs incurred by pharmacists and general practitioners. (2011/12 £123,926,000 representing 10%)

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	**1,286,927**	1,261,165
Net operating cost plus (gain)/loss on transfers by absorption		
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**1,274,948**	1,261,374
Under/(Over)spend Against Revenue Resource Limit (RRL)	(11,979)	209

The overspend of £11.979m represents a breach of the resource limit compared against an original budgetted deficit of £19m

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	**12,525**	7,464
Charge to Capital Resource Limit	**10,868**	6,445
(Over)/Underspend Against CRL	**1,657**	**1,019**

3.3 Provider full cost recovery duty

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	**0**	0
Provider Operating Revenue	**0**	0
Net Provider Operating Costs	**0**	0
Costs Met Within PCTs Own Allocation	**0**	0
Under/(Over) Recovery of Costs	**0**	0

3.4 Under/(Over)spend against cash limit

	2012-13	2011-12

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**793**	272	521	169
Dental Charge income from Contractor-Led GDS & PDS	**12,073**		12,073	11,382
Dental Charge income from Trust-Led GDS & PDS	**0**		0	0
Prescription Charge income	**7,070**		7,070	6,667
Strategic Health Authorities	**2,475**	157	2,318	2,511
NHS Trusts	**(57)**	0	(57)	45
NHS Foundation Trusts	**8,692**	3,613	5,079	6,116
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**418**	147	271	720
Primary Care Trusts - Lead Commissioning	**0**	0	0	0
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**0**	0	0	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**500**	1	499	498
Recoveries in respect of employee benefits	**357**	357	0	206
Local Authorities	**437**	23	414	419
Patient Transport Services	**0**		0	0
Education, Training and Research	**3**	3	0	20
Non-NHS: Private Patients	**0**		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**		0	0
NHS Injury Costs Recovery	**0**		0	75
Other Non-NHS Patient Care Services	**0**	0	0	0
Charitable and Other Contributions to Expenditure	**0**		0	0
Receipt of donated assets	**0**		0	272
Receipt of Government granted assets	**0**		0	0
Rental revemue from finance leases	**0**	0	0	0
Rental reenue from operating leases	**535**	0	535	542
Other revenue	**25**	25	0	505
Total miscellaneous revenue	**33,321**	**4,598**	**28,723**	**30,147**

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	**82,894**		82,894	55,649
Non-Healthcare	**454**	461	(7)	472
Total	**83,348**	**461**	**82,887**	**56,121**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**94,572**	0	94,572	157,341
Goods and services (other, excl Trusts, FT and PCT))	**29**	2	27	972
Total	**94,601**	**2**	**94,599**	**158,313**
Goods and Services from Foundation Trusts	**642,878**	582	642,296	588,963
Purchase of Healthcare from Non-NHS bodies	**124,797**		124,797	120,170
Social Care from Independent Providers	**0**		0	0
Expenditure on Drugs Action Teams	**6,781**		6,781	5,587
Non-GMS Services from GPs	**545**	0	545	892
Contractor Led GDS & PDS (excluding employee benefits)	**43,317**		43,317	40,229
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**3,377**		3,377	3,209
Chair, Non-executive Directors & PEC remuneration	**138**	138	0	103
Executive committee members costs	**0**	0	0	215
Consultancy Services	**924**	924	0	840
Prescribing Costs	**120,128**		120,128	123,926
G/PMS, APMS and PCTMS (excluding employee benefits)	**113,281**	0	113,281	114,214
Pharmaceutical Services	**6,724**		6,724	6,772
Local Pharmaceutical Services Pilots	**81**		81	108
New Pharmacy Contract	**26,423**		26,423	25,761
General Ophthalmic Services	**6,306**		6,306	6,223
Supplies and Services - Clinical	**1,406**	0	1,406	1,194
Supplies and Services - General	**135**	44	91	66
Establishment	**3,479**	2,057	1,422	3,516
Transport	**108**	118	(10)	80
Premises	**5,831**	3,295	2,536	1,951
Impairments & Reversals of Property, plant and equipment	**6,192**	0	6,192	6,641
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation (see note below)	**5,172**	0	5,172	5,808
Amortisation	**65**	0	65	55
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**542**	0	542	69
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**469**	16	453	364
Audit Fees	**165**	165	0	275
Other Auditors Remuneration	**0**	0	0	36
Clinical Negligence Costs	**197**	197	0	279
Education and Training	**76**	57	19	186
Grants for capital purposes	**655**	0	655	618
Grants for revenue purposes	**0**	0	0	0
Impairments and reversals for investment properties	**0**	0	0	0
Other	**137**	27	110	199
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**1,298,278**	**8,083**	**1,290,195**	**1,272,983**

In 2011-12 Depreciation was classed as an Administration cost.

Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	**112**	0	112	175
Trust led PDS and PCT DS	**0**	0	0	0
PCT Officer Board Members	**1,149**	1,149	0	966
Other Employee Benefits	**20,617**	16,745	3,872	17,354
Total Employee Benefits charged to SOCNE	**21,878**	**17,894**	**3,984**	**18,495**
Total Operating Costs	**1,320,156**	**25,977**	**1,294,179**	**1,291,478**

Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**0**	0	0	0
Grants to Local Authorities to Fund Capital Projects	**0**	0	0	564
Grants to Private Sector to Fund Capital Projects	**655**	0	655	54
Grants to Fund Capital Projects - Dental	**0**	0	0	0
Grants to Fund Capital Projects - Other	**0**	0	0	0
Total Capital Grants	**655**	**0**	**655**	**618**
Grants to fund revenue expenditure				
To Local Authorities	**0**	0	0	0
To Private Sector	**0**	0	0	0
To Other	**0**	0	0	0
Total Revenue Grants	**0**	**0**	**0**	**0**
Total Grants	**655**	**0**	**655**	**618**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**21,379**	20,845	534
Weighted population (number in units)*	**723,326**	723,326	723,326
Running costs per head of population (£ per head)	**30**	**29**	**1**
PCT Running Costs 2011-12			
Running costs (£000s)	**26,579**	25,472	1,107
Weighted population (number in units)	**723,326**	723,326	723,326
Running costs per head of population (£ per head)	**37**	**35**	**2**

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	113,410	114,405
Prescribing costs	120,128	123,926
Contractor led GDS & PDS	43,317	40,229
Trust led GDS & PDS	3,377	3,209
General Ophthalmic Services	6,305	6,223
Department of Health Initiative Funding	0	0
Pharmaceutical services	6,724	6,772
Local Pharmaceutical Services Pilots	81	108
New Pharmacy Contract	26,423	25,761
Non-GMS Services from GPs	620	622
Other	0	0
Total Primary Healthcare purchased	**320,385**	321,255
Purchase of Secondary Healthcare		
Learning Difficulties	31,681	30,105
Mental Illness	125,182	118,320
Maternity	30,365	29,365
General and Acute	603,876	591,006
Accident and emergency	19,704	18,921
Community Health Services	96,532	98,489
Other Contractual	40,502	38,321
Total Secondary Healthcare Purchased	**947,842**	924,527
Grant Funding		
Grants for capital purposes	655	618
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**1,268,882**	**1,246,400**
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	642,878	588,262

6. Operating Leases

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				**9,912**	9,499
Contingent rents				**157**	157
Sub-lease payments				**0**	0
Total				**10,069**	**9,656**
Payable:					
No later than one year	**0**	**183**	**1,201**	**1,384**	1,410
Between one and five years	**0**	**360**	**600**	**960**	1,057
After five years	**0**	**0**	**0**	**0**	0
Total	**0**	**543**	**1,801**	**2,344**	**2,467**
Total future sublease payments expected to be received				0	0

Contingent rent represents the difference between the original lease costs and the current lease cost.

Expenditure is in respect of premises for the provision of healthcare, IT data lines and telephones, office equipment and vehicles.

The largest element of expenditure is in respect of GMS Leases.

The annual costs for GMS Leases, included in the Statement of Comprehensive Net Expenditure for 2012/13, is £8.3m (2011/12 £7.8m).

This category of lease is excluded from the payables analysis as they have no defined end date.

6.2 PCT as lessor

Rentals of space/facilities in Health Centres and other PCT properties to GP Practices and other NHS bodies.
Recharges being agreed annually based on actual/forecast costs

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**535**	542
Contingent rents	**0**	0
Total	**535**	542
Receivable:		
No later than one year	**689**	542
Between one and five years	**0**	0
After five years	**0**	0
Total	**689**	542

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	**17,091**	13,782	3,309	**15,150**	11,972	3,178	**1,941**	1,810	131
Social security costs	**1,268**	1,001	267	**1,268**	1,001	267	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**1,934**	1,527	407	**1,934**	1,527	407	**0**	0	0
Other pension costs	**531**	531	0	**531**	531	0	**0**	0	0
Other post-employment benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other employment benefits	**33**	33	0	**33**	33	0	**0**	0	0
Termination benefits	**1,213**	1,213	0	**1,213**	1,213	0	**0**	0	0
Total employee benefits	**22,070**	**18,087**	**3,983**	**20,129**	**16,277**	**3,852**	**1,941**	**1,810**	**131**
Less recoveries in respect of employee benefits (table below)	**(357)**	(357)	0	**(357)**	**(357)**	**0**	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**21,713**	**17,730**	**3,983**	**19,772**	**15,920**	**3,852**	**1,941**	**1,810**	**131**
Total Employee Benefits	**22,070**	**18,087**	**3,983**	**20,129**	**16,277**	**3,852**	**1,941**	**1,810**	**131**
Less Employee costs capitalised	**192**	192	0	**152**	152	0	**40**	40	0
Gross Employee Benefits charged in SOCNE (see note 5.1)	**21,878**	**17,895**	**3,983**	**19,977**	**16,125**	**3,852**	**1,901**	**1,770**	**131**
Recognised as:									
Commissioning employee benefits	**21,878**			**19,977**			**1,901**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**21,878**			**19,977**			**1,901**		

2012-13				Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue									
Salaries and wages	**295**	295	0	**295**	295	0	**0**	0	0
Social Security costs	**25**	25	0	**25**	25	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**37**	37	0	**37**	37	0	**0**	0	0
Other pension costs	**0**	0	0	**0**	0	0	**0**	0	0
Other Post Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Termination Benefits	**0**	0	0	**0**	0	0	**0**	0	0
TOTAL excluding capitalised costs	**357**	**357**	**0**	**357**	**357**	**0**	**0**	**0**	**0**

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits - Gross Expenditure 2011-12			
Salaries and wages	**14,807**	13,450	1,357
Social security costs	**1,167**	1,167	0
Employer Contributions to NHS BSA - Pensions Division	**1,843**	1,843	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**961**	961	0
Total gross employee benefits	**18,778**	**17,421**	**1,357**
Less recoveries in respect of employee benefits	**(206)**	(206)	0
Total - Net Employee Benefits including capitalised costs	**18,572**	**17,215**	**1,357**
Employee costs capitalised	**283**	188	95
Gross Employee Benefits excluding capitalised costs	**18,495**	**17,233**	**1,262**
Recognised as:			
Commissioning employee benefits	**18,495**		
Provider employee benefits	**0**		
Gross Employee Benefits excluding capitalised costs	**18,495**		

2011-12				Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue									
Salaries and wages	**170**	166	4	**170**	166	4	**0**	0	0
Social Security costs	**14**	14	0	**14**	14	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**22**	22	0	**22**	22	0	**0**	0	0
Other pension costs	**0**	0	0	**0**	0	0	**0**	0	0
Other Post Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Termination Benefits	**0**	0	0	**0**	0	0	**0**	0	0
TOTAL excluding capitalised costs	**206**	**202**	**4**	**206**	**202**	**4**	**0**	**0**	**0**

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	**7**	7	1	**8**	8	1
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**336**	296	40	**302**	274	28
Healthcare assistants and other support staff	**1**	1	0	**2**	2	0
Nursing, midwifery and health visiting staff	**43**	43	0	**45**	45	1
Nursing, midwifery and health visiting learners	**2**	0	2	**0**	0	0
Scientific, therapeutic and technical staff	**31**	31	0	**20**	20	0
Social Care Staff	**0**	0	0	**0**	0	0
Other	**8**	8	0	**4**	4	0
TOTAL	**428**	**386**	**43**	**382**	**352**	**30**
Of the above - staff engaged on capital projects	**4**	3	1	**5**	3	2

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	**2,802**	**9,082**
Total Staff Years	**380**	**934**
Average working Days Lost	7.37	9.72

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	**8**	**0**	**8**	6	1	**7**
£10,001-£25,000	**9**	**0**	**9**	1	0	**1**
£25,001-£50,000	**3**	**0**	**3**	0	0	**0**
£50,001-£100,000	**5**	**0**	**5**	0	1	**1**
£100,001 - £150,000	**2**	**0**	**2**	0	0	**0**
£150,001 - £200,000	**3**	**0**	**3**	0	0	**0**
>£200,000	**1**	**0**	**1**	0	0	**0**
Total number of exit packages by type (total cost	**31**	**0**	**31**	**7**	**2**	**9**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	1,753,000	0	**1,753,000**	34,000	84,000	**118,000**

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. The PCT paid £530,650 to the Pensions Agency for additional costs of early retirement. 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. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

7.5 Pension costs

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

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

a) 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	**41,884**	**282,521**	52,802	295,567
Total Non-NHS Trade Invoices Paid Within Target	**35,635**	**262,320**	49,721	286,618
Percentage of NHS Trade Invoices Paid Within Target	85.08%	92.85%	94.16%	96.97%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**6,093**	**823,128**	7,269	790,847
Total NHS Trade Invoices Paid Within Target	**4,933**	**796,827**	6,377	778,269
Percentage of NHS Trade Invoices Paid Within Target	80.96%	96.80%	87.73%	98.41%

The Better Payment Practice Code requires the PCT to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

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

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

9. Investment Income

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

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**	336
Gain/(Loss) on disposal of assets other than by sale (intangibles)	**0**	**0**	**0**	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	**0**	**0**	**0**	0
Gain (Loss) on disposal of assets held for sale	**89**	**0**	**89**	0
Gain/(loss) on foreign exchange	**0**	**0**	**0**	0
Change in fair value of financial assets carried at fair value through the SoCNE	**0**	**0**	**0**	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	**0**	**0**	**0**	0
Change in fair value of investment property	**0**	**0**	**0**	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	**0**	**0**	**0**	0
Total	**89**	**0**	**89**	336

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	**0**	**0**	**0**	0
Interest on obligations under PFI contracts:				
- main finance cost	**71**	**0**	**71**	76
- contingent finance cost	**0**	**0**	**0**	0
Interest on obligations under LIFT contracts:				
- main finance cost	**0**	**0**	**0**	0
- contingent finance cost	**0**	**0**	**0**	0
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	**0**
Total interest expense	**71**	**0**	**71**	**76**
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**110**		**110**	94
Total	**181**	**0**	**181**	**170**

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	**31,721**	**75,378**	**0**	**1,124**	**10,337**	**78**	**15,099**	**1,279**	**135,016**
Additions of Assets Under Construction				803					**803**
Additions Purchased	0	7,112	0		140	0	2,922	0	**10,174**
Additions Donated	0	0	0	0	0	0	0	0	**0**
Additions Government Granted	0	0	0	0	0	0	0	0	**0**
Additions Leased	0	0	0		0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation *	(765)	(5,218)	0	0	0	0	0	0	**(5,983)**
Impairments/negative indexation	0	0	0	0	0	0	0	0	**0**
Reversal of Impairments	177	(2,026)	0	0	0	0	0	0	**(1,849)**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**31,133**	**75,246**	**0**	**1,927**	**10,477**	**78**	**18,021**	**1,279**	**138,161**
Depreciation									
At 1 April 2012	**0**	**0**	**0**	**0**	**6,498**	**64**	**8,937**	**520**	**16,019**
Reclassifications		0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		0	0	0	0	**0**
Upward revaluation/positive indexation *	(765)	(5,218)	0		0	0	0	0	**(5,983)**
Impairments	765	2,407	0	0	30	0	2,326	664	**6,192**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	2,811	0		849	4	1,413	95	**5,172**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**0**	**0**	**0**	**0**	**7,377**	**68**	**12,676**	**1,279**	**21,400**
Net Book Value at 31 March 2013	**31,133**	**75,246**	**0**	**1,927**	**3,100**	**10**	**5,345**	**0**	**116,761**
Purchased	31,100	74,497	0	1,927	2,868	10	5,345	0	**115,747**
Donated	33	749	0	0	232	0	0	0	**1,014**
Government Granted	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**31,133**	**75,246**	**0**	**1,927**	**3,100**	**10**	**5,345**	**0**	**116,761**
Asset financing:									
Owned	30,233	73,950	0	1,927	3,100	10	5,345	0	**114,565**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	900	1,296	0	0	0	0	0	0	**2,196**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**31,133**	**75,246**	**0**	**1,927**	**3,100**	**10**	**5,345**	**0**	**116,761**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	**12,767**	**13,482**	**0**	**0**	**328**	**7**	**218**	**22**	**26,824**
Movements (specify)	(588)	(1,261)	0	0	0	0	0	0	**(1,849)**
At 31 March 2013	**12,179**	**12,221**	**0**	**0**	**328**	**7**	**218**	**22**	**24,975**

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:									
At 1 April 2011	**33,546**	**68,116**	**0**	**16,599**	**9,469**	**78**	**13,836**	**688**	**142,332**
Additions - purchased	0	5,664	0	9	549	0	1,263	332	**7,817**
Additions - donated	0	0	0	0	13	0	0	259	**272**
Additions - government granted	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	15,178	0	(15,484)	306	0	0	0	**0**
Reclassified as held for sale	(548)	(492)	0	0	0	0	0	0	**(1,040)**
Disposals other than by sale	0	0	0	0	0	0	0	0	**0**
Revaluation & indexation gains	0	2,804	0	0	0	0	0	0	**2,804**
Impairments	(838)	(618)	0	0	0	0	0	0	**(1,456)**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatio	(439)	(15,274)	0	0	0	0	0	0	**(15,713)**
At 31 March 2012	**31,721**	**75,378**	**0**	**1,124**	**10,337**	**78**	**15,099**	**1,279**	**135,016**
Depreciation									
At 1 April 2011	**0**	**5,862**	**0**		**5,725**	**55**	**7,158**	**483**	**19,283**
Reclassifications		0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	439	6,890	0	0	0	0	0	0	**7,329**
Reversal of Impairments	0	(688)	0	0	0	0	0	0	**(688)**
Charged During the Year	0	3,210	0		773	9	1,779	37	**5,808**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatio	(439)	(15,274)	0	0	0	0	0	0	**(15,713)**
At 31 March 2012	**0**	**0**	**0**	**0**	**6,498**	**64**	**8,937**	**520**	**16,019**
Net Book Value at 31 March 2012	**31,721**	**75,378**	**0**	**1,124**	**3,839**	**14**	**6,162**	**759**	**118,997**
Purchased	31,688	74,629	0	1,124	3,607	14	6,162	466	**117,690**
Donated	33	749	0	0	232	0	0	293	**1,307**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**31,721**	**75,378**	**0**	**1,124**	**3,839**	**14**	**6,162**	**759**	**118,997**
Asset financing:									
Owned	30,821	74,082	0	1,124	3,839	14	6,162	759	**116,801**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	900	1,296	0	0	0	0	0	0	**2,196**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**31,721**	**75,378**	**0**	**1,124**	**3,839**	**14**	**6,162**	**759**	**118,997**

12.3 Property, plant and equipment

All building and land assets were valued at 31 March 2013 to reflect changes in the economic climate (Note 1.6). The valuations have been undertaken by the District Valuer having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institute of Chartered Surveyors (RICS). Some land and building values have changed resulting in an impairment which has been charged to the accounts.

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2012	**0**	**336**	**0**	**0**	**0**	**336**
Additions - purchased	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**336**	**0**	**0**	**0**	**336**
Amortisation						
At 1 April 2012	**0**	**184**	**0**	**0**	**0**	**184**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation or indexation gains	0	0	0	0	0	**0**
Impairments charged to operating expenses	0	0	0	0	0	**0**
Reversal of impairments charged to operating expenses	0	0	0	0	0	**0**
Charged during the year	0	65	0	0	0	**65**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**249**	**0**	**0**	**0**	**249**
Net Book Value at 31 March 2013	**0**	**87**	**0**	**0**	**0**	**87**
Net Book Value at 31 March 2013 comprises						
Purchased	0	87	0	0	0	**87**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**87**	**0**	**0**	**0**	**87**

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

2011-12	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2011	**0**	**286**	**0**	**0**	**0**	**286**
Additions - purchased	0	50	0	0	0	**50**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**336**	**0**	**0**	**0**	**336**
Amortisation						
At 1 April 2011	**0**	**129**	**0**	**0**	**0**	**129**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation or indexation gains	0	0	0	0	0	**0**
Impairments charged to operating expenses	0	0	0	0	0	**0**
Reversal of impairments charged to operating expenses	0	0	0	0	0	**0**
Charged during the year	0	55	0	0	0	**55**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
Less cumulative dep written down on revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**184**	**0**	**0**	**0**	**184**
Net Book Value at 31 March 2012	**0**	**152**	**0**	**0**	**0**	**152**
Net Book Value at 31 March 2012 comprises						
Purchased	0	152	0	0	0	**152**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**152**	**0**	**0**	**0**	**152**

13.3 Intangible non-current assets

The PCTs' intangible non-current assets relate to purchased software (note 1.7)

13.4 Economic Lives of Non -Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	1	5
Patents	0	0
Development Expenditure	0	0
Property, Plant & Equipment		
Buildings exc.Dwellings	1	87
Dwellings	0	0
Plant & Machinery	1	21
Transport Equipment	1	4
Information Technology	0	9
Furniture and Fittings	1	15

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	3,021		3,021
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	3,171		3,171
Total charged to Annually Managed Expenditure	**6,192**		**6,192**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	1,849		
Total impairments for PPE charged to reserves	**1,849**		
Total Impairments of Property, Plant and Equipment	**8,041**	**0**	**6,192**
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	**0**		
Total Impairments of Intangibles	**0**	**0**	**0**
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	**0**		
Total Impairments of Financial Assets	**0**	**0**	**0**
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of non-current assets held for sale	**0**	**0**	**0**
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of Inventories	**0**	**0**	**0**
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total Investment Property impairments charged to SoCNE	**0**	**0**	**0**
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	**0**		
Total Investment Property Impairments	**0**	**0**	**0**
Total Impairments charged to Revaluation Reserve	1,849		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	6,192		6,192
Overall Total Impairments	**8,041**	**0**	**6,192**
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	**0**	0	0
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE -DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0

The impairment is attributable to the following

Revaluation of land and property by District Valuer to reflect change in market values	£5.020m
Write down of equipment rendered obsolete by changes in Healthcare practice and technology	£3.021m

15 Investment property

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

16 Commitments

16.1 Capital commitments

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

	31 March 2013 £000	31 March 2012 £000
Property, plant and equipment	**4,373**	0
Intangible assets	**0**	0
Total	**4,373**	0

The sum disclosed relates to projects where PCT is deemed to be contractually committed to make future estimated payments but goods and services were not provided at year end.

16.2 Other financial commitments

The trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession

	31 March 2013 £000	31 March 2012 £000
Not later than one year	**0**	0
Later than one year and not later than five year	**0**	0
Later than five years	**0**	0
Total	**0**	0

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	599	0	7,263	0
Balances with Local Authorities	30	0	16	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	9,601	0	21,075	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	3,377	370	57,799	0
At 31 March 2013	**13,607**	**370**	**86,153**	**0**
prior period:				
Balances with other Central Government Bodies	786	0	1,362	0
Balances with Local Authorities	221	0	4,407	0
Balances with NHS Trusts and Foundation Trusts	15,238	0	17,190	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	4,486	370	50,107	88
At 31 March 2012	**20,731**	**370**	**73,066**	**88**

18 Inventories

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000
Balance at 1 April 2012	**0**	**0**	**25**	**0**	**0**	**0**	**25**
Additions	0	0	0	0	0	0	**0**
Inventories recognised as an expense in the period	0	0	(5)	0	0	0	**(5)**
Write-down of inventories (including losses)	0	0	0	0	0	0	**0**
Reversal of write-down previously taken to SoCNE	0	0	0	0	0	0	**0**
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	**0**
Balance at 31 March 2013	**0**	**0**	**20**	**0**	**0**	**0**	**20**

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
NHS receivables - revenue	**9,718**	15,582	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**0**	0	**0**	0
Non-NHS receivables - revenue	**3,371**	3,458	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**825**	1,473	**0**	0
Provision for the impairment of receivables	**(836)**	(348)	**0**	0
VAT	**473**	442	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**0**	0
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**56**	124	**370**	370
Total	**13,607**	20,731	**370**	370
Total current and non current	**13,977**	21,101		
Included above:				
Prepaid pensions contributions	**0**	0		

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**6,371**	444
By three to six months	**227**	1,477
By more than six months	**602**	932
Total	**7,200**	2,853

19.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**(348)**	(876)
Amount written off during the year	**54**	597
Amount recovered during the year	**0**	0
(Increase)/decrease in receivables impaired	**(542)**	(69)
Balance at 31 March 2013	**(836)**	(348)

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**0**	**0**	**0**
Additions	**0**	**0**	**0**
Disposals	**0**	**0**	**0**
Loan repayments	**0**	**0**	**0**
Revaluations	**0**	**0**	**0**
Loans repayable within 12 months	**0**	**0**	**0**
Balance at 31 March 2013	**0**	**0**	**0**
Balance at 1 April 2011	0	0	0
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	**0**	**0**	**0**

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

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

21.3 Other Financial Assets - Capital Analysis

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

22 Other current assets

	31 March 2013 £000	31 March 2012 £000
EU Emissions Trading Scheme Allowance	**0**	0
Other Assets	**0**	0
Total	**0**	0

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**31**	11
Net change in year	**(21)**	20
Closing balance	**10**	31
Made up of		
Cash with Government Banking Service	**10**	30
Commercial banks	**0**	1
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**10**	31
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**10**	31
Patients' money held by the PCT, not included above	**0**	34

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	267	567	0	0	0	0	0	0	0	**834**
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	**0**
Less assets sold in the year	(35)	(74)	0	0	0	0	0	0	0	**(109)**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	**0**
Revaluation	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2013	**232**	**493**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**725**
Liabilities associated with assets held for sale at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
										0
Balance at 1 April 2011	796	420	0	0	0	0	0	0	0	**1,216**
Plus assets classified as held for sale in the year	548	492	0	0	0	0	0	0	0	**1,040**
Less assets sold in the year	(1,077)	(345)	0	0	0	0	0	0	0	**(1,422)**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2012	**267**	**567**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**834**
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	**0**

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

At 31 March 2012	0
At 31 March 2013	0

During 2012/13 the PCT disposed of the Joint Equipment Store located in Harrogate for which the PCT received sale proceeds of £197k resulting in a net profit of £89k.

As at the 31st March 2013 the PCT has one property held for sale which is the Rutson Hospital located in Northallerton.

25 Trade and other payables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Interest payable	**0**	0		
NHS payables - revenue	**27,824**	17,631	**0**	0
NHS payables - capital	**0**	330	**0**	0
NHS accruals and deferred income	**0**	158	**0**	0
Family Health Services (FHS) payables	**283**	597		
Non-NHS payables - revenue	**53,916**	50,912	**0**	0
Non-NHS payables - capital	**1,496**	1,334	**0**	0
Non_NHS accruals and deferred income	**785**	250	**0**	88
Social security costs	**196**	147		
VAT	**0**	0	**0**	0
Tax	**318**	176		
Payments received on account	**11**	0	**0**	0
Other	810	1,531	0	0
Total	**85,639**	73,066	**0**	88
Total payables (current and non-current)	**85,639**	**73,154**		

Other payables include £0 (2011-12: £0) in respect of payments due in future years under arrangements to buy out the liability for 'Note 32&33 P'!C33:C41early retirements over 5 instalments; and £267k in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012: £75k).

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Bank overdraft - Government Banking Service	**0**	0		
Bank overdraft - commercial banks	**0**	0		
PFI liabilities:				
Main liability	**138**	133	**1,684**	1,821
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**0**	0
Other (describe)	**0**	0	**0**	0
Total	**138**	**133**	**1,684**	**1,821**
Total other liabilities (current and non-current)	**1,822**	**1,954**		

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Opening balance at1 April 2012	**408**	325	**88**	239
Deferred income addition	**219**	389	**0**	88
Transfer of deferred income	**(135)**	(306)	**(88)**	(239)
Current deferred Income at 31 March 2013	**492**	408	**0**	88
Total other liabilities (current and non-current)	**492**	**496**		

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 2012 £000
Within one year	**0**	0	**0**	0
Between one and five years	**0**	0	**0**	0

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	**3,988**	292	2,747	41	0	0	0	0	908	0
Arising During the Year	**13,735**	15	728	11	0	12,934	0	0	47	0
Utilised During the Year	**(402)**	(24)	(312)	(27)	0	0	0	0	(39)	0
Reversed Unused	**(11)**	0	0	(11)	0	0	0	0	0	0
Unwinding of Discount	**110**	8	77	0	0	0	0	0	25	0
Change in Discount Rate	**163**	14	81	0	0	0	0	0	68	0
Transferred (to)/from otherPublic Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**17,583**	**305**	**3,321**	**14**	**0**	**12,934**	**0**	**0**	**1,009**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**380**	**23**	**305**	**14**	**0**	**0**	**0**	**0**	**38**	**0**
Later than One Year and not later than Five Years	**1,376**	**87**	**1,146**	**0**	**0**	**0**	**0**	**0**	**143**	**0**
Later than Five Years	**15,827**	**195**	**1,870**	**0**	**0**	**12,934**	**0**	**0**	**828**	**0**

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	561
As at 31 March 2012	909

Pensions and other provisions are generally present values of future payment streams discounted at the Treasury implicit rate of 2.3% (2011/12 2.8%)and using life expectancies based on tables from the Government Actuary Dept. The main uncertainty in the valuation calculations is the actual life expectancies of the individuals concerned.

Legal Claims are claims handled by NHS Litigation on behalf of the PCT and its predecessor bodies. As non clinical claims the provisions are capped at the local excess plus expenses. The year on year movement is based on actual settlements/payments and new cases arising.

A provision £12.934m is included against likely costs arising from retrospective continuing healthcare claims.

Other Provisions comprise Injury Benefit Payments which are paid by the NHS Pensions in year.

£ 561,000 is included in the provisions of the NHS Litigation Authority at 31/03/2013 in respect of clinical negligence liabilities of the PCT (31/03/2012 £909,184)

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other *[give details]*	**(16)**	(20)
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(16)**	(20)
Contingent Assets		
Contingent Assets *[give details]*	**0**	0
Net Value of Contingent Assets	**0**	0

The Contingent Liabilities relates to claims handled by the NHS Litigation Authority

34 PFI - additional information

The PCT has only one On Statement of Financial Position PFI.

The Richmond Friary PFI Scheme is for the upgrading of Friary Community Hospital, Richmond and non clinical support services (portering, catering, cleaning, gardening and other estates maintenance) to support the NHS provision of healthcare there.

The scheme commenced in April 1999 and runs for 25 years until March 2024. The scheme remains substantially the same as at its inception.

The capital element of the scheme pertains to works on the existing Hospital owned by the PCT's predecessor NHS bodies. At the end of the scheme these revert to the PCT. If the scheme is terminated the PCT has options exercisable within 60 days to buy out the asset. The PCT remains responsible for the asset, other than the routine estates management, etc provided under the agreement.

Under IFRIC12, the asset is treated as an asset of the PCT. The substance of the contract is that the PCT has a finance lease, and payments comprise two elements - imputed finance lease charges and service charges.

	31 March 2013 £000	31 March 2012 £000
34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI		
Total charge to operating expenses in year - OFF SOFP PFI	**0**	0
Service element of on SOFP PFI charged to operating expenses in year	**205**	200
Total	**205**	**200**
Payments committed to in respect of the service element of on SOFP PFI		
No Later than One Year	**205**	200
Later than One Year, No Later than Five Years	**820**	798
Later than Five Years	**1,436**	1,597
Total	**2,461**	2,595

34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due		
Analysed by when PFI payments are due		
No Later than One Year	**204**	204
Later than One Year, No Later than Five Years	**815**	815
Later than Five Years	**1,223**	1,427
Subtotal	**2,242**	2,446
Less: Interest Element	**(421)**	(492)
Total	**1,821**	1,954

35 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 is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The PCT has no overseas operations. The PCT therefore has low exposure to currency rate fluctuations.

Interest rate risk

PCTs are not permitted to obtain commercial loans but may enter finance leases and PFI schemes. 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.

35.1 Financial Assets	**At 'fair value through profit and loss' £000**	**Loans and receivables £000**	**Available for sale £000**	**Total £000**
Embedded derivatives	0			**0**
Receivables - NHS		9,718		**9,718**
Receivables - non-NHS		2,591		**2,591**
Cash at bank and in hand		10		**10**
Other financial assets	0	370	0	**370**
Total at 31 March 2013	**0**	**12,689**	**0**	**12,689**
Embedded derivatives	0			0
Receivables - NHS		15,582		15,582
Receivables - non-NHS		3,122		3,122
Cash at bank and in hand		31		31
Other financial assets	0	370	0	370
Total at 31 March 2012	0	19,105	0	19,105

35.2 Financial Liabilities	**At 'fair value through profit and loss' £000**	**Other £000**	**Total £000**
Embedded derivatives	0		**0**
NHS payables		27,824	**27,824**
Non-NHS payables		55,475	**55,475**
Other borrowings		0	**0**
PFI & finance lease obligations		1,822	**1,822**
Other financial liabilities	0	1,103	**1,103**
Total at 31 March 2013	**0**	**86,224**	**86,224**
Embedded derivatives	0		0
NHS payables		17,961	17,961
Non-NHS payables		54,374	54,374
Other borrowings		0	0
PFI & finance lease obligations		1,954	1,954
Other financial liabilities	0	3,988	3,988
Total at 31 March 2012	**0**	78,277	78,277

Fair Value of financial assets and liabilities, is not materially different from carrying value.

36 Related party transactions

North Yorkshire & York Primary Care Trust is a body corporate established by order of the Secretary of State for Health.
Details of transactions during the year with Board Members, senior management or with parties related to them are set out below.
Unless specifically noted, none of the Senior Managers had any personal interest in or personal benefit from any of the transactions declared below

ABBREVIATIONS

NED = Non Executive Director

CLE = Clinical Executive

Details of related party transactions with individuals are as follows:

Year 2012-13

			Expenditure	Revenue	Creditors	Debtors
PCT SENIOR MANAGER	**PCT OFFICE**	**NON NHS RELATED PARTIES (and NATURE OF RELATIONSHIP)**	**2012/13 Payments to Related Party**	**2012/13 Payments from Related Party**	**2012/13 Amounts owed to Related Party**	**2012/13 Amounts due from Related Party**
			£	**£**	**£**	**£**
Dr Paul Edmondson-Jones	Director of Public Health:City of York (from 1.11.12)	City of York Council:Joint appointment as Director of Public Health	7,099,000	59,000	0	9,000
Dr David Geddes	Medical Director and Director of Primary Care	Drs Calder, Ashley, Geddes & Howson [Clifton Medical Practice] - GP Principal	4,385	20,059	0	12,767
Dr David Geddes	Medical Director and Director of Primary Care	Medipex -Director	6,000	0	0	0
David Harbourne	NED	The Carers Resource Chair of Trustees	5,000	0	5,000	0
Dr Phil Kirby	Interim Director of Public Health	City of York Council [Crematorium] - Medical Referee	7,099,000	59,000	0	9,000
Mr Kevin McAleese CBE	NED (Chairman)	The Retreat (Spouse is Chief Executive)	3,437,654	2,200	538,416	0
Mr Adrian Snarr	Director of Finance and Contracting	Joseph Rowntree Foundation from December 2011-Member of the Audit Committee	385,964	0	10,369	0
Mrs Maureen Vevers	NED	Joseph Rowntree Foundation - Audit Committee Member	385,964	0	10,369	0
Dr Lincoln Sargent	Director of Public Health :North Yorkshire County Council (from 1.11.12)	North Yorkshire County Council :Joint appointment as Director of Finance	22,610,000	255,000	0	21,000

PCT SENIOR MANAGER	**PCT OFFICE**	**NHS RELATED PARTIES (and NATURE OF RELATIONSHIP)**	**2012/13 Payments to Related Party**	**2012/13 Payments from Related Party**	**2012/13 Amounts owed to Related Party**	**2012/13 Amounts owed from Related Party**
			£	**£**	**£**	**£**
Dr David Geddes	Medical Director and Director of Primary Care	Harrogate and District NHS Foundation Trust - employed as a GP in unscheduled services	125,616,000	1,073,000	4,362,000	2,437,000
Mr Bill Redlin	Director of Standards	Airedale NHS Foundation Trust - Governor	30,492,000	418,000	769,000	390,000

Year 2011-12

PCT SENIOR MANAGER	PCT OFFICE	NON NHS RELATED PARTIES (and NATURE OF RELATIONSHIP)	Expenditure 2011/12 Payments to Related Party	Revenue 2011/12 Payments from Related Party	Creditors 2011/12 Amounts owed to Related Party	Debtors 2011/12 Amounts due from Related Party
			£	£	£	£
Dr George Campbell	CLE GP Member	Whitby Group Practice (GP Partner)	2,099,183	0	1,089	0
Mrs Janet Dean	Associate Non Executive Director from 1 October 2011	AESOP Consortium - Associate	0	261	0	0
Dr David Geddes	Medical Director and Director of Primary Care	Medipex Ltd - Director	19,770	3,393	0	0
Dr David Geddes	Medical Director and Director of Primary Care	Drs Calder, Ashley, Geddes & Howson [Clifton Medical Practice] - GP Principal	565,805	0	0	2,956
Dr David Geddes	Medical Director and Director of Primary Care	York and District MIND - Medical Adviser	14,250	0	0	0
Dr Phil Kirby	Interim Director of Public Health	City of York Council [Crematorium] - Medical Referee	7,356,000	138,000	1,824,000	69,000
Mr Kevin McAleese CBE	NED (Chairman)	The Retreat (Spouse is Chief Executive)	4,125,159	0	346,753	0
Ms Rachel Mann	NED	Henshaw's Society for the Blind - Regional Board Member, Yorkshire Region	20,362	0	481	0
Dr Vicky Pleydell	Director of Clinical Engagement/Clinical Executive Chair (GP) (to 31 May 2011)	Harewood Medical Practice, Catterick Garrison (GP Partner)	844,647	968	0	2,312
Mr Adrian Snarr	Director of Finance and Contracting	Joseph Rowntree Foundation from December 2011- Member of the Audit Committee	332,111	0	174,929	0
Ms Stephanie Sturrock	Non Executive Director (to 31 December 2011)	Seachange Community Trust part of Coast & Moors Voluntary Action - Chief Executive	46,753	0	0	0
Mrs Maureen Vevers	NED	Joseph Rowntree Foundation - Audit Committee Member	332,111	0	174,929	0

PCT SENIOR MANAGER	PCT OFFICE	NHS RELATED PARTIES (and NATURE OF RELATIONSHIP)	2011/12 Payments to Related Party	2011/12 Payments from Related Party	2011/12 Amounts owed to Related Party	2011/12 Amounts owed from Related Party
			£	£	£	£
Dr George Campbell	CLE GP Member	Scarborough and North East Yorkshire Healthcare NHS Trust - hospital practitioner	79,998,000	0	0	1,253,000
Dr George Campbell	CLE GP Member	York Hospitals NHS Foundation Trust - clinical assistant	240,663,000	1,256,000	6,900,000	2,356,000
Dr David Geddes	Medical Director and Director of Primary Care	Harrogate and District NHS Foundation Trust - employed as a GP in unscheduled services	127,115,000	1,477,000	2,884,000	1,960,000
Dr David Geddes	Medical Director and Director of Primary Care	York Hospitals NHS Foundation Trust (Spouse is a Senior Sister, Gynaecology Department)	240,663,000	1,256,000	6,900,000	2,356,000
Dr Jim Isherwood	Medical Director, Community & Mental Services to 31 January 2012	Works for Leeds & York Partnership NHS Foundation Trust - works in ex-PCT provider service seven eleventh of time which transferred to Leeds PFT on 1-Feb-2012	35,091,000	2,072,000	665,000	2,234,000
Dr Jim Isherwood	Medical Director, Community & Mental Services to 31 January 2012	Wife works for Leeds & York Partnership NHS Foundation Trust - wife works in ex-PCT provider service which transferred to Leeds PFT on 1-Feb-2012	35,091,000	2,072,000	665,000	2,234,000
Dr Vicky Pleydell	Director of Clinical Engagement/Clinical Executive Chair (GP) (to 31 May 2011)	South Tees Hospitals NHS Trust - brother is Chief Executive	99,007,000	348,000	1,421,000	1,856,000
Mr Bill Redlin	Director of Standards	Airedale NHS Foundation Trust - Governor	31,225,000	222,000	730,000	200,000

The Department of Health is regarded as a related party. During the year NHS North Yorkshire & York has also 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.

Foundation Trusts

Airedale NHS Foundation Trust

Bradford Teaching Hospitals NHS Foundation Trust

County Durham & Darlington NHS Foundation Trust

Harrogate & District NHS Foundation Trust

Newcastle upon Tyne Hospitals NHS Foundation Trust

South Tees Hospitals NHS Foundation Trust

Tees, Esk & Wear Valleys NHS Foundation Trust

University Hospitals of Morecambe Bay NHS Foundation Trust

York Teaching Hospitals NHS Foundation Trust

NHS Trusts

Bradford District Care Trust

Hull & East Yorkshire Hospitals NHS Trust

Leeds Teaching Hospitals NHS Trust

Mid Yorkshire Hospitals NHS Trust

Scarborough & North East Yorkshire Healthcare NHS Trust

Yorkshire Ambulance Service NHS Trust

Primary Care Trusts

NHS Barnsley

Strategic Health Authorities:

London Strategic Health Authority

Yorkshire & The Humber Strategic Health Authority

Other:

NHS Business Agency (including Legal and Pensions Divisions etc)

Prescriptions Pricing Authority

Hull & York Medical School

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with City of York Council, North Yorkshire County Council and Scarborough Borough Council.

The PCT transferred its Charitable Funds to Harrogate & District NHS Foundation Trust in 2011/12, none of the Trustees of these funds are senior managers of the PCT.

37 Losses and special payments

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

	Total Value of Cases £000s	Total Number of Cases
Losses - PCT management costs	54	17
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	54	17
Total special payments	0	0
Total losses and special payments	54	17

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

	Total Value of Cases £000s	Total Number of Cases
Losses - PCT management costs	60	44
Special payments - PCT management costs	1001	21
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	60	44
Total special payments	1,001	21
Total losses and special payments	1,061	65

Details of cases individually over £250,000

In 2011/12 there was 1 individual Special Payment of £250,000 relating to a payment made under the NHS injury benefit scheme

38 Third party assets

The Primary Care Trust had no third party assets in 2012/13.

39 Cashflows relating to exceptional items

The Primary Care Trust had no exceptional items in 2012/13 or 2011/12

40 Events after the end of the reporting period

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

Hambleton,Richmondshire & Whitby Clinical Commissioning Group
Harrogate and Rural District Clinical Commissioning Group
Scarborough & Ryedale Clinical Commissioning Group
Vale of York Clinical Commissioning Group
Department of Health
NHS Commissioning Board