Department of Health

NHS

Plymouth Teaching Primary Care Trust

2012-13 Annual Report and Accounts

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Plymouth Teaching Primary Care Trust

2012-13 Annual Report

NHS Plymouth
Annual Report 2012/13
Section 1

Click on the arrows to scroll through the pages or use the interactive buttons. Click back to contents from any page.

NHS Plymouth Annual Report 2012/13 Contents

1. About the cluster

Chairman and chief executive's welcome to the 2012/13 Annual Report

It is no exaggeration to say that the year has been a busy one, with the pace quickening as we reach year-end. One reason for this has been the final preparations we have been making to transfer responsibility for NHS commissioning from primary care trusts to a range of new commissioners in April.

New policies and guidelines have been drafted and new faces have been welcomed. Hundreds of back-office administrative staff have undergone significant change to their roles.

Many GPs have seen change too, with some taking on more responsibility in a newly reformed healthcare system which aims to give the public a greater say.

Health and Wellbeing Boards will increasingly become the hubs around which we will do the business of healthcare. The boards bring together elected representatives, clinical commissioning groups, public health, social services and representatives from the watchdog Healthwatch to lead health improvement.

Responsibility for public health will transfer to local authorities and a new executive agency of the Department of Health, Public Health England, will oversee health outcomes, with primary care commissioning, immunisation and screening responsibilities transferring to the National Commissioning Board.

Primary care trusts will become history and, as we say goodbye to this financial year, it is important that we take stock, albeit briefly, of all that they have achieved.

These are not only the achievements of the NHS and its highly committed staff; they are those of the community, born of our collective need to care for one another.

The last decade has seen significant improvements in the area of public health. Thousands of smokers have quit using NHS services and many more have adopted healthier lifestyles, whether that has meant taking up sport or eating healthier food.

NHS providers have performed well against national requirements. MRSA rates have declined and the number of patients being cared for within mixed-sex accommodation has been lowered.

Our hospitals and accident emergency departments have treated countless people for ill-health and our GPs and healthcare professionals have responded sympathetically – and with compassion.

Volunteers have raised millions of pounds for local good causes. Many have also taken time out of their busy lives to befriend and help patients. Carers, always the hidden heroes, have continued to put the needs of their loved ones above their own.

These are quite some achievements to reflect on. And as we sign off we feel pleased that we have been able to help people locally in some small way. Handing the baton to such capable and compassionate clinicians seems like the next logical step in the future development of our NHS.

Thank you for reading this report.

With kind regards,

David Radford, chairman and Steve Moore, chief executive, NHS Devon, Plymouth and Torbay

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

1

p.3-6

Background to the trust

What are PCTs?

Primary care trusts are the local branches of the NHS. They lead healthcare commissioning decisions based on health needs and national priorities. They also promote healthy lifestyles.

What is a PCT cluster?

A cluster is a group of PCTs. The three PCTs (below) came together to form the cluster of NHS Devon, Plymouth and Torbay in December 2011. Each PCT retains its statutory duties but shares a common board, chair and chief executive.

The move was intended to provide administrative overlap and provide resilience for the local healthcare system by pooling local staff resources and expertise.

NHS Devon

NHS Devon provides strategic direction over the commissioning of healthcare for the 770,000 people in Devon (not including Torbay and Plymouth).

NHS Devon was formed in 2006 from six smaller PCTs and until March 31 2011, when they transferred to provider trusts in North and South Devon, it was also responsible for the majority of community hospitals in the county.

NHS Devon commissions hospital and community services from the Royal Devon and Exeter NHS Foundation Trust, Northern Devon Healthcare NHS Trust, Devon Partnership NHS Trust, Plymouth Hospitals NHS Trust and Torbay and South Devon NHS Trust.

It also has contracts with a range of other NHS and non-NHS providers and works with 106 GP surgeries, 116 dental practices, 97 optometry practices and 142 pharmacies to provide services.

NHS Plymouth

NHS Plymouth was formed on 1 April 2001 from Plymouth Community Services NHS Trust and part of the South and West Devon Health Authority. As a teaching PCT, NHS Plymouth brings together partner PCTs from across Devon and Cornwall to become a centre of excellence of clinical care with the aim of providing a rich culture of continuing professional development and lifelong learning, research and development projects.

For the first six months of 2011/12 NHS Plymouth was both a commissioner and provider of healthcare services for our local population. In October 2011 NHS Plymouth separated its commissioner and provider functions. It remains the lead commissioner for health services in the city, while the newly formed Plymouth Community Healthcare Community Interest Company has taken on the management and provision of community and mental health services for local people, with a staff of around 2,000 and an RRL of £464m.

Torbay Care Trust

Torbay Primary Care Trust and the Adult Social Care function of Torbay Council were brought together to create Torbay Care Trust in December 2005.

Torbay has a greater population of older people than the national average, and therefore a higher number of people requiring support and care from a variety of health and social care services. The Care Trust was created to remove the barriers that exist between these services, by co-locating staff and enabling them to work together to understand the whole needs of each client and patient, and plan care accordingly.

In 2011, as part of the changes to the way health services are commissioned and provided, the trust became responsible for community health services in Southern Devon. A year later further changes took place to separate the commissioning and provider functions of NHS trusts and the healthcare commissioning function became the responsibility of NHS Torbay, which is part of the cluster.

On 1 April 2012 the provider function became a new NHS trust – Torbay and Southern Devon Health and Care NHS Trust – which remains responsible for healthcare provision across Torbay and Southern Devon, in addition to providing and commissioning Adult Social Care services for the population of Torbay.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

1

p.3-6

Emergency preparedness, resilience and response

The cluster of NHS Devon, Plymouth and Torbay continues to be fully prepared and has reviewed and revised both its Capacity Pressures Plan and Pandemic Influenza Framework to ensure they are fit for purpose. The training fpr the plan's implementation which has been delivered included two workshops to look at and further develop their implementation.

The cluster has taken part in several exercises which tested our emergency preparedness. The main exercise series was exercise 'Alarm Call' which tested the on-call arrangements under different conditions and at varying times. The exercises were a success and the learning points raised will be used to continue the development of our response arrangements.

During the winter period our 'capacity pressures' arrangements were tested – at the end of 2012 and at the start of 2013. Both were handled successfully thanks to the planning that had been put in place. A formal debrief was held and any lessons learnt will be fed into the new Emergency Planning Resilience and Response arrangements of the new organisations.

Our response arrangements have been tested in real time with the severe weather in both late 2012 and January 2013. During the last few months of the cluster's existence debriefs were planned.

Severe winter weather has helped us test our capacity pressures arrangements.

The cluster complies with performance standards in emergency preparedness set by the Civil Contingencies Act (2004) and the Healthcare Commission and is fully prepared to respond to any major incident. We continue to work with partner organisations across the peninsula including the emergency services, local government and health colleagues to develop Emergency Planning Resilience and Response Plans that will be embedded and mutually supported should a major incident or emergency affect the residents of Devon, Plymouth, Torbay or the services we deliver.

During the last few months of the cluster's existence we continued to work with all partners to ensure that the transition of the Emergency Planning Resilience and Response agenda continues to be delivered to protect the populations of Devon, Plymouth and Torbay.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

1

p.3-6

2. Our strategic plans 2012/13

Strategic planning

In 2008, 'the way ahead', a five-year strategic framework for health and social care in Devon, was approved by NHS Devon and Devon County Council. Developed through reviews of guidance, standards and evidence, and extensive consultation with local people, it set out to achieve better health, better care and better services, tailored to meet local needs.

There were six aims in the report, with examples of progress against each, including:

Health as good as it can be:

- Improving health in young people – more than 80% of schools in Devon achieved the National Healthy Schools Status for happier, healthier children
- Falls prevention progress – including mobile responses to Telecare and community alarm triggers and GP- enhanced services identifying and assessing people at risk
- Improvement in access to NHS dentistry – more than 60,000 additional dental places commissioned
- Quality data within the Joint Strategic Needs Assessment – allowing for targeting of health resources by better understanding local needs.

Care as local as possible:

- Carer health and wellbeing checks in local settings to help those who help others on a day to day basis
- 24-hour nursing, enabling more people to be supported at home, including home end-of-life care when requested
- More outpatient clinics in community settings.

Most effective use of resources:

- Improvement of referral routes and productivity by the Devon Access and Referral Team (DART)
- Improved productivity and services through schemes such as virtual wards, hospital at home and the acute GP
- The Transformation/QIPP programme with the whole system working on a shared programme to maximise resource use.

The best treatment and care:

- Early intervention through new roles such as extended scope physiotherapists for people with knee and back pain
- Ground-breaking work by Devon Drugs and Alcohol Team redesigning drug treatment services and increasing investment in and provision of alcohol services
- Development of quality systems including the positive use of CQUIN to address quality improvements in provision.

The right support for complex needs:

- The setting up and embedding of 23 complex care teams for adults and 19 for children, bringing together a range of disciplines to support the most vulnerable people
- Redesigning of dementia care including: GP lead for dementia, GP education programme, memory café network county wide, introduction of memory clinics, current tender for dementia advisers/support workers
- Roll-out of rapid response services in Devon in providing greater support to help people remain at home in a crisis.

A say and an influence

- Developing joint user-led engagement through around £0.5million joint engagement contract, bringing together individual user organisations into a single network
- Evidence of responding and listening to views and facilitating lay-led planning (for example, setting up groups to help bring about changes such as GP branch surgeries)
- Introducing change review meetings, involving external stakeholders as well as internal expertise, to promote good engagement and ensure the meeting of the Department of Health four tests for service change.

Now with the advent of clinical commissioning groups, new integrated commissioning plans are being developed. These take learning and progress from 'the way ahead' into account and will, along with the health and wellbeing strategies, set the direction for the future.

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

2

p.7-10

Clinical commissioning group developments

During the last year we have focused on supporting the two emergent clinical commissioning groups (CCGs) in their development towards becoming statutory bodies. We have put arrangements in place which enable them to demonstrate a track record of their ability to commission health services for local people and ensure good stewardship of public funds.

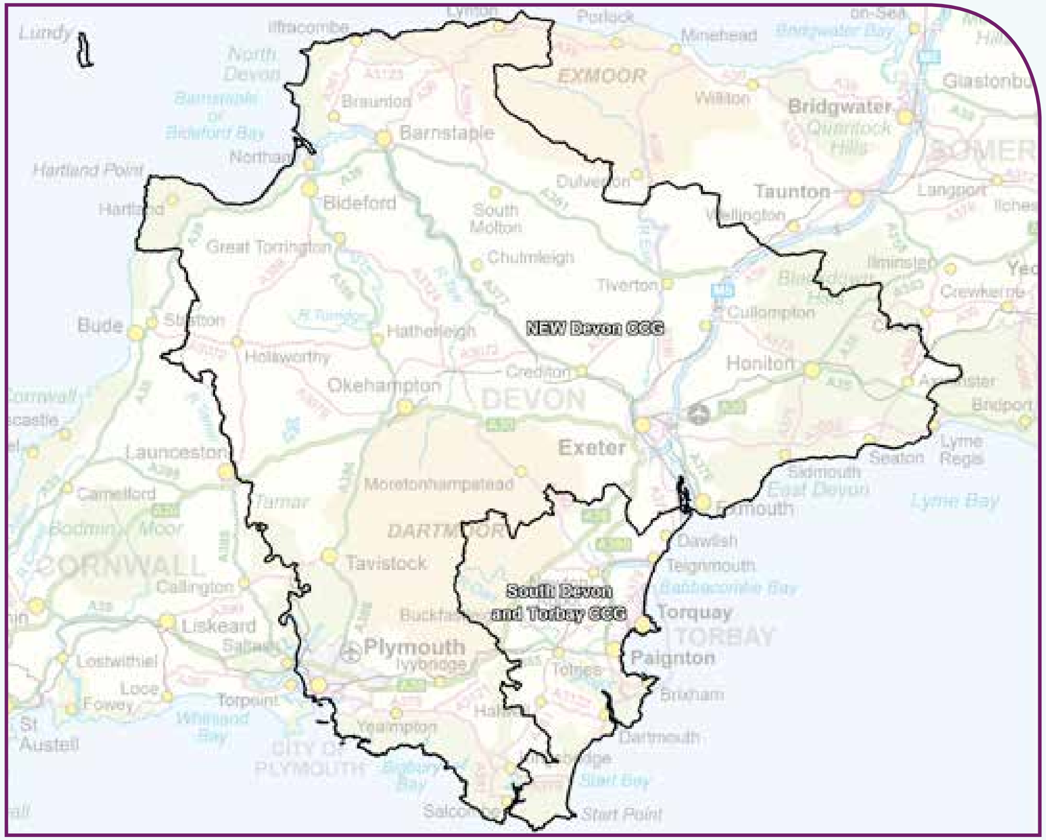
Both emergent organisations have demonstrated great ability which has culminated in successful authorisation being received from the NHS Commissioning Board. This has set the foundation for both in terms of creating new organisations which are led by clinicians and are more visible at a local level.

The two CCGs are known as South Devon and Torbay CCG and NEW (Northern, Eastern and Western) Devon CCG (see *map right*).

Both groups have set up interim governing bodies and we have arrangements in place across both newly forming organisations which give them the delegated authority to manage the commissioning budgets for their populations to enable them to build a track record of success relating to their commissioning responsibilities.

NEW Devon's mission is to transform services so that everyone has access to high-quality, sustainable services which promote wellbeing and care when people are unwell. We also want to design services that can, wherever possible, be delivered when, where and how people choose.

Its constitution sets out the arrangements made by the CCG to meet their responsibilities for commissioning care for the people for whom it is responsible. It describes the governing principles, rules and procedures that the group will establish to ensure probity and accountability in the day-to-day running of the CCG; to ensure that decisions are taken in an open and transparent way and that the interests of patients and the public remain central to its goals.



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1. About the cluster
3. Public health round-up
5. Making a difference
7. Meeting standards
9. Listening and responding to people
11. Leadership
Back to contents page
2. Our strategic plans 2012/13
4. Patient safety and quality
6. Improving efficiency
8. Our staff
10. Sustainability
2
p.7-10

Health and Wellbeing Boards

The Health and Wellbeing Board will bring together locally elected representatives with those responsible for health services and social care, including members of the new CCGs, in order to support joint working and coordinate commissioning of services, social care and health improvement. We will adopt lead responsibility for health improvement when Primary Care Trusts are abolished in 2013. We will also coordinate and bolster local engagement to ensure that patients have a stronger voice in influencing services.

Working in partnership, this will enable us to better coordinate preventive services, addressing a range of lifestyle risk factors such as smoking, low levels of physical activity and poor emotional wellbeing.

Targeted early support to address health and social problems is also vitally important. National research shows that many health conditions and damaging social problems occur because children and families do not get the right type of support at an early stage.

Identifying and meeting people's needs early enough requires carefully coordinated action from all organisations and individuals who have responsibilities for health and wellbeing. The board will help clinical professionals rethink the way we work together to support our most vulnerable families and communities.

1. About the cluster
3. Public health round-up
5. Making a difference
7. Meeting standards
9. Listening and responding to people
11. Leadership
2. Our strategic plans 2012/13
4. Patient safety and quality
6. Improving efficiency
8. Our staff
10. Sustainability
Back to contents page
2
p.7-10

3. Public health round-up

The Health and Social Care Act involves significant changes to the way that public health services are delivered and commissioned in England from April 2013.

Public Health England, a new executive agency of the Department of Health, will be created to oversee the delivery of public health outcomes and, locally, the commissioning responsibilities for many of the public health budgets will be returning to the three local authorities. Some elements of public health commissioning such as immunisation, screening and health visiting services will be the commissioning responsibility of the NHS Commissioning Board. To ensure that public health advice continues to influence NHS commissioning decisions, the local authorities have a statutory responsibility to provide public health expert advice to the clinical commissioning groups.

To ensure a smooth transition of public health, a Cluster Public Health Transition Board and work programme has been in operation during the year.

Healthier lifestyles

Building a foundation for a healthier lifestyle start early in life: this year we have worked closely with schools and colleges to ensure it is high on the early childhood agenda across Devon. As part of the Healthy Schools Plus programme 76% of 187 schools targeted were successful in becoming a 'Healthy Schools Plus' school and 29 of these were judged to have carried out outstanding work. In September an event was held to celebrate the success of these schools and to look at how they can share their best practice.

Nationally, childhood obesity rates, while appearing to stabilise, are still high. Health Exercise Nutrition for the Really Young (HENRY) was commissioned by NHS Devon and Devon County Council in 2012/13 to train children's centre staff across Devon to promote healthy weight in their settings. There was also a series of practical courses for parents called 'let's get healthy with HENRY', focusing on areas with higher levels of deprivation and childhood obesity.

We have worked with partners and communities to develop locally-led preventive lifestyle initiatives. These included the Connecting Communities programme in Teignmouth, Beacon Heath in Exeter and the Healthy Town Ilfracombe project.

The drive to help people of all ages in Torbay to create better, healthier lives for themselves has taken a giant leap forward during the year.

A wide range of public health initiatives have spread throughout the Bay, championed by the public health team and the *Herald Express* newspaper. The simple slogan says it all: LOVE LIFE, BE HAPPY, STAY HEALTHY. The campaign has been endorsed by four main sponsors: Torbay Council, Torbay and Southern Devon Health and Care NHS Trust, Sanctuary Housing and Europlas. It is also backed by associate sponsors Devon Fresh and Sanctuary Care.

The central aim is to tackle some of Torbay's biggest health problems – such as smoking, alcohol dependence and obesity. It is a great start where you can make a difference to your life and quite possibly the lives of others. Encouraged by the campaign, people of all ages have made pledges on personal challenges including cutting down or giving up cigarettes, taking more exercise, walking or running and losing weight, developing cooking skills and eating more healthily.

The Health Trainer workforce has grown over the past 12 months from 5 to 18 as part of the drive to empower people to improve their own lives. Health Trainers – in an initiative introduced two years ago – support people to make lifestyle behaviour changes. The service has been successful in focusing on supporting those living in the top 40% of disadvantaged areas in Torbay and has helped unpaid carers and individuals at risk of poor health.

Eight Health Trainers are employed by other organisations in Torbay. Subsequently the service has evolved into a multi-agency partnership between a range of stakeholders.

In Plymouth early intervention and preventative measures are key drivers to tackling and reducing health inequalities and stemming the escalation of ill-health. Health visitors, working universally with families, are in a key position to identify health and wider social issues facing families early on.

School nursing plays another important part in working with children and their families on a number of wider challenges including unemployment, mental health problems, crime and anti-social behaviour, as well as those children not in education who are more vulnerable to risk taking behaviours.

Recognising these challenges, the government has set a target to increase the numbers of qualified health visitors by 4,200 by 2015. The plan for growth across Torbay is 30 additional qualified health visitors. This will help us to deliver the 'Healthy Child Programme' which focuses on prevention and early intervention, working with families and communities.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

3

p.11-15

Smoking

In Devon there has been focussed work on prevention and cessation of smoking. A social marketing campaign using social media was run. Called 'Roll Your Own Way', it aimed to change the attitudes of teenagers to smoking. It resulted in a positive shift in their attitudes in terms of making smoking seem less of a normal behaviour. Several campaigns were run throughout the year including No Smoking Day, Wise Up to Roll Ups and Stoptober. The benefits of plain packaging for tobacco and smokefree homes were also widely promoted.

Nearly 4,000 smokers have stopped smoking using the NHS Devon stop smoking service this year. 5,300 people were seen by the Stop Smoking Service throughout Plymouth, with 45% of people successfully quitting using the service. 900 people in Torbay have successfully quit smoking with the help of the Torbay NHS Stop Smoking Service. School nurses in Devon have been trained to help pupils quit and are running drop-in sessions in schools.

Smoking prevalence in Torbay is estimated to be significantly higher than the national average, with around 1 in 4 adults in the Bay smoking. Smoking is the main cause of preventable death and ill-health. In Torbay the rate of deaths attributable to smoking in those aged 35 years and older is 206 per 100,000 population (2007-09). Deaths occur mostly among men. However, we estimate that 1 in 3 pregnant women are smoking before becoming pregnant; 1 in 4 are smoking by the time of their first appointment, with historically more than 1 in 5 still smoking at the time of delivery. Despite these figures, it was another successful year for the Torbay Stop Smoking Service. In combination with most GP surgeries, and some pharmacies, the service exceeded its annual target and helped 1,041 smokers to quit.

Smoking in pregnancy remains a major public health issue but there has been impressive success in reducing the number of women still smoking in pregnancy – the best improvement in the South West (17.3% against a target of 20%). This is down to the sustained collaborative approach between the Specialist Stop Smoking Services and Midwifery Services. All midwives have received training on a yearly basis on key public health priorities such as smoking cessation, breastfeeding, teenage pregnancy, substance and alcohol misuse in pregnancy, domestic abuse and perinatal mental health.

Support for Torbay Hospital has continued as they work hard to increase access to stop-smoking medications for patients, as well as enabling the easy referral of patients wanting support to quit. There was an increase of 20% in patients receiving stop smoking medication and a 20% increase in the number of referrals being made.

In Plymouth, on No Smoking Day 2012, Plymouth Hospitals NHS Trust went smoke free which means that smoking is no longer permitted anywhere in the building or on the grounds of the site. On the day itself Plymouth raiders joined the management of the trust to remove the smoking shelters and promote the message that the site is now smoke free. Since No Smoking Day an audit has been carried out of the hospital site and smoking has dropped by 94%.

A team of trainers were commissioned to deliver a tobacco peer education programme to two schools, in Newton Abbot and Teignmouth. This programme has been well received by pupils and teachers. It is shown to reduce the chances of a pupil who has received the programme smoking by 22% compared with a student who has not undergone the programme.

Last Autumn NHS Plymouth joined with Plymouth City Council to tackle illegal tobacco being traded in the city. The campaign aimed to raise awareness of the harm caused to communities by illegal tobacco and the damage it does to the local economy. This has been achieved by regular support and stop smoking medication offered by the local NHS Stop Smoking Service operating from GP surgeries, local community venues and participating pharmacies.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

3

p.11-15

Healthy eating

Healthy eating has remained a priority for the NHS across Devon, especially with children. Obesity continues to be the focus as those who are overweight have an increased risk of a wide range of serious diseases and health consequences including heart disease, stroke, cancer and diabetes. We have been raising awareness of these facts and how people can adopt healthy lifestyle choices, in parallel with the government's campaign 'Healthy Lives, Healthy People: A call to action on obesity in England'.

We have worked closely with our partners, including schools and children's centres, to ensure children have physically active lifestyles and from an early age. We have also worked hard to provide parents with the appropriate advice and support on providing balanced diets for their children. The Healthy Schools Plus programme has enabled participating schools to focus their efforts on a key area of health, including maintaining a healthy weight and promoting physical activity.

In Plymouth this year, a public health healthy weight lead and a public health consultant with responsibility for adult obesity were appointed. The 10% Weight Loss Club, initially developed in Devonport to target high levels of obesity and cardiovascular disease and low levels of physical activity and poor nutrition, continues to evolve, with improved results this year. The team has also coordinated the delivery of HENRY training (Health, Exercise, Nutrition for the Really Young) and are working with partners to support the implementation of SHINE groups (Self Help Independence, Nutrition and Exercise) for young people.

HENRY

SHINE

Sexual health

This has been a busy and challenging year as we prepare for the transfer of public health to the local authority. From 1 April 2013 the responsibility for commissioning local contraception and sexual health services will transfer to Devon County Council and we are working closely with shadow NHS CCG colleagues and the NHS National Commissioning Board to minimise uncertainty and maintain a seamless client pathway.

A recent evaluation indicated that across the specialist sexual health services, 11 doctors are trained to fit and remove contraceptive coils and implants and 12 nurses are trained to fit and remove contraceptive implants.

Conception rates for under 18s have started to fall over the last two years and currently stand at 27.7 per 1,000 females aged 15 to 17. This is lower than all of the annual rates between 1998 and 2010. Rates in Devon remain below the South West and England rates.

The C-Card condom distribution scheme has recently been extended to sexual health services, schools, colleges and youth settings in both East and North Devon and a process for the Young People Friendly accreditation of sexual health service settings and schools recommenced.

A Chlamydia screening rate of 2,400 per 100,000 population aged 15 to 24 is required to reduce the prevalence of Chlamydia. Results for 2012/13 revealed a relatively high proportion of GUM screens in Devon, bringing the overall total of screens to 9,210 for the first six months of the year. While the proportion of the population tested (10%) is lower than the South West (11.6%) and England (11.8%), in Devon, a higher positivity rate of 9% means that the diagnosis rate per 100,000 is only slightly below the South West and national rates.

condomcard.org
Free Condom Scheme Portal

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

3

p.11-15

Winter pressures

This winter there have still been high levels of influenza and age-related admissions which have tested the entire healthcare system.

The new services that were implemented during 2011/12 and re-commissioned for 2012/13 have helped a large number of patients stay in their own homes, avoid being admitted to hospital or to leave hospital more quickly.

The benefits of funding these new services have been felt by staff, patients and their families, but it continued to be another busy winter.

Every year the NHS commissioners and their key partners carry out a full analysis of the response of local services, to learn from experiences and plan for the future; this year has been no exception. Lessons learned will be carried forward into the CCG commissioning arrangements.

Commissioning to make a difference

The cluster of NHS Devon, Plymouth and Torbay has built excellent working relationships with voluntary and third-sector providers to secure quality and value for money from contracts such as Marie Curie. This has meant that patients have been able to benefit from high-quality services at home and in their communities, at the best price.

The CCG has worked closely with partners Devon County Council and Northern Devon Healthcare NHS Trust to develop a 'hospital at home' initiative in Woodbury, Exmouth and Budleigh Salterton which was a virtual hospital ward providing programmes of extended 24/7 basic care, nursing and rehabilitation to people in the area. This has improved patients' experience and their rehabilitation pathway while reducing the cost of admissions. For example, an admission to the 'hospital at home' scheme costs about £800, as opposed to £1,800 for an acute emergency admission and £7,800 for a longer admission.

We have made positive steps towards involving communities more in decisions that will affect them – for example, by working with community leaders and encouraging them to take greater ownership in local change, working within NHS policy. This is already taking place in two villages and two market and coastal towns.

In the Eastern locality we developed a diabetes project that meant a seamless and integrated care pathway for patients which will improve health outcomes, including avoiding diabetic-related complications. This resulted in an integrated primary and secondary care model that included virtual clinics for all Eastern Locality GP practices, consultant telephone and email advice and guidance, community specialist nurse support in diabetes clinics in practice and structured education for all newly-diagnosed Type 2 diabetes patients. This is the type of clinically-led initiative that could be commissioned across Devon in the near future.

In Plymouth, our Business Health Network works with local businesses to promote health and wellbeing in the workplace. To date over 50 local organisations employing 15,694 Plymouth residents have achieved a Health@Work Award. We provide health promotion initiatives to reduce health risks tailored to the workplace setting, the workforce and the business priorities. This enables organisations, individuals and wider society to reap the benefits of effective health promotion.

This year, following a successful bid to the British Heart Foundation, we have launched a brand-new Heart Health Initiative. The project aims to reduce heart disease among people living in areas of Plymouth where heart disease is more common and so reduce health inequalities. To date we have carried out 152 health checks in target areas, and have held 46 events. Working with the YMCA, we have set up two exercise groups for residents to attend free of charge to improve their heart health and support them to engage in exercise.

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

3

p.11-15

4. Patient safety and quality

The Quality Committee, which includes a user/carer representative, provides assurance to the board that the services we commission are as safe as they can be and of the highest possible quality.

Quality Committee

The Quality Committee is constituted as a sub-committee of the NHS Devon, Plymouth and Torbay board, with a remit to ensure there is quality assurance with respect to all service provision that the cluster commissions on behalf of and for our health community in Devon.

During 2012/13 the committee has continued to ensure that a high level focus on quality and safety is the guiding principle in all that the organisation does. The Quality Committee keeps the quality assurance procedures and systems under review, ensuring that providers meet their requirements and reflect best practice. The Committee also provides a forum where quality and safety assurance can be tested and challenged. The Committee hears patients' stories through the PALS and Complaints reports and supports the systematic manner in which the organisation holds providers of services to account when things go wrong, widely sharing the learning and putting actions in place to mitigate the risk of the same thing happening again.

Quality and safety have continued to have a high priority for the organisation, with the Quality Committee being chaired by a non-executive of the cluster board, and clinical representation and expertise in the form of the chair of the emerging CCG, as well as the chair of the current cluster board both being in regular attendance. Throughout the year the Quality Committee has provided leadership through the director of nursing in shaping how quality and safety will be taken forward into the emerging CCG from 1 April 2013.

As the CCGs begin their work from April 2013, quality and safety will remain high on their agendas. The clinical expertise and leadership within both NEW Devon and South Devon and Torbay CCGs will continue to build on the work undertaken by the Quality Committee, bringing together existing organisational memory, strengths and expertise and moving forward to provide continued quality assurance to the people of Devon.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

4

p.16-23

Commissioning for Quality and Innovation (CQUIN)

The CQUIN (incentive) schemes for 2012/13 continued to ensure that healthcare providers were rewarded for exceptional quality and innovation above and beyond what may normally be expected. This year the mandatory CQUINs focused on the 'Safety Thermometer', which included pressure damage, catheter-acquired infections, falls and venous thromboembolism (VTE) prevention and other mandatory CQUINs relating to patient experience. A composite 'Patient Experience Survey' was put together to measure the effectiveness of the CQUINs. The survey was based on the National Patient Survey together with five key questions about dementia care and VTE risk assessment.

In addition, a further expectation was to deliver the proposals as set out by the Department of Health's 'Innovation Health and Wealth' report which outlines swift delivery of innovation throughout the NHS. A report, 'Creating change', demonstrates the progress that is being made at a time of transformation for the NHS. It highlights what more should be done to deliver the improvements needed to fully embrace and embed innovation and improve outcomes and quality for patients. In 2013/14 CQUINs are going to based around projects relating to 'Child in a chair in a day', 'Digital First', 'Intra Operative Fluid Management', 'Assisted Technologies', 'International and Commercial Activity', and 'Carers for People with Dementia'.

In the future our CCGs will ensure that we commission the best services that we can for our health communities. We are committed to working with providers to develop and undertake CQUINs that have the greatest impact on improving the patients' experiences and delivering the high quality of care that they have come to expect from us.

End-of life services ranked top in country

CARE services for those living in Devon, Plymouth and Torbay approaching the end of their lives are top in the country, according to the results of a recently published national survey.

The VOICES (views of informal carers for the evaluation of services) survey is the first national survey of bereaved people published by the Office for National Statistics (ONS).

It seeks the views of bereaved relatives on different aspects of care including levels of respect shown by doctors and nurses, regard for patients' dignity and patient involvement in decision-making about the end-of-life support given to carers while patients were at home.

NHS Devon, Torbay and Plymouth scored in the top 20 per cent of 9 of 11 key areas, placing them as the top-performing area in the UK.

Initiatives implemented by NHS Devon, Torbay and Plymouth include:

- An electronic system for logging end of life (EOL) patient details which can be accessed 24/7 by healthcare professionals in Torbay involved in that patient's care, enabling wider sharing of patient preferences
- The introduction of a Hospice at Home service supporting those wishing to die in their homes 24/7, 365 days a year
- New Just in Case (JIC) bags for anticipatory prescribing.

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

4

p.16-23

Safeguarding adults

The safety and wellbeing of patients and service users is of the highest priority. The recent 'Francis Report' "identifies a story of terrible and unnecessary suffering of hundreds of people who were failed by a system." It is our role to help prevent such cases from occurring in the services that we commission.

The cluster of NHS Devon, Plymouth and Torbay works with Devon County Council, Plymouth City Council and Torbay Council who are the lead agencies across Devon for safeguarding adults. We are members of the Safeguarding Adults Boards (SABs) in each of these three areas. These boards lead multi-agency safeguarding work across Devon and senior representatives from all organisations are involved in safeguarding adults, in addition to representatives from service user organisations, care-led organisations and independent-sector providers.

During the first nine months of 2012/13, the three safeguarding adults teams in Devon received 1,652 safeguarding alerts, of which 640 led to referrals. In Torbay, the Torbay Safeguarding Adults Single Point of Contact Team has received 228 safeguarding alerts, of which 152 were progressed to referral.

Serious Case reviews are requested when a case is identified as a significant failure in multi-agency working. During the year four Serious Case Reviews have been completed in Devon and one has been completed in Torbay. These have raised a range of issues and recommendations across providers, and we continue to work with providers to ensure that these are implemented to help prevent reoccurrence of issues.

In addition, as a cluster we have developed an approved process to support GP practices in meeting their CQC registration requirements. We have also circulated DVDs on Safeguarding and the Mental Capacity Act to all primary care providers within the county of Devon.

During the year we have developed and approved a pan Devon commissioning policy for safeguarding, including guidance for the alignment of safeguarding and serious incident investigation.

In 2011 we used the findings of an external audit report to further improve safeguarding and as a result we have worked hard to ensure strategy meetings and conferences are held in a timely manner, that our case files are audited on a regular basis and that there is regular review and improvement of procedures.

Last year safeguarding was part of the Commissioning for Quality and Innovation (CQUIN) scheme, which is an incentive scheme where care homes earn payments for meeting a number of quality standards. A third of the homes in Torbay took part in the new scheme.

The trust and the SABs works closely with other local authorities across the region and the chair of the Torbay SAB chairs regional meetings with other SAB chairs to ensure integrated working and learning across the South West.

The safety and wellbeing of patients and service users is of the highest priority. The recent 'Francis Report' "identifies a story of terrible and unnecessary suffering of hundreds of people who were failed by a system." It is our role to help prevent such cases from occurring in the services that we commission.

Deprivation of Liberty Safeguards (DoLS)

Deprivation of Liberty Safeguards (DoLS) are part of the Mental Capacity Act (2005). They aim to protect people in care homes and hospitals from being inappropriately deprived of their liberty.

The safeguards have been put in place to make sure that a care home or hospital only restricts someone's liberty safely and correctly, and that this is done when there is no other way to take care of that person safely.

A home or hospital that thinks the care they provide may be depriving a person of their liberty has a legal duty to refer the person for a review of their care to decide whether the person is indeed being deprived of their liberty; and if the person is being deprived of their liberty the care has to be authorised. Authorisations are granted by either Devon County Council for people in care homes or NHS Devon, Plymouth and Torbay for patients in hospital.

The Deprivation of Liberty Safeguarding teams received 204 referrals in 2012/13, of which 78 were related to healthcare and 47 were authorised.

The Deprivation of Liberty Safeguards are designed to protect people in care homes and hospitals from being inappropriately deprived of their liberty.

Safeguarding children

Safeguarding and promoting the welfare of children is the process of protecting children from abuse or neglect, preventing impairment of their health and development, and ensuring that they grow up in circumstances which are consistent with the provision of safe and effective care. This is undertaken to enable children to have optimum life chances and to make the transition to adulthood successfully.

Following the death of baby Peter Connelly, the government announced a review of child protection guidance known as 'Working Together'. As commissioners of NHS services, we have to ensure that all children are kept safe through the actions of NHS staff. The term 'child safeguarding' covers the protection of children as well as ensuring children and young people are protected from physical and psychological harm, for example accidents, ill-health, sexual exploitation or pregnancy.

It is a statutory requirement for NHS boards to receive an annual report on safeguarding children, and these safeguarding children annual reports can be found on the websites of all NHS organisations.

During 2012/13 we provided training so that our NHS staff could be trained to recognise and respond to child protection incidents. Our area covers three Local Safeguarding Children Boards – Devon, Plymouth and Torbay each have their own on which we are represented. Each Local Safeguarding Children Board has to produce an annual report as well, and their websites provide lots of information about their work. We have worked across agencies to improve the collection and sharing of information, as required by the law in this area. Working together in this way ensures that agencies are sharing information and are able to respond to a child's needs quickly and efficiently.

Serious Incidents Requiring Investigation

A Serious Incident Requiring Investigation (SIRI) can be defined as an incident where one or more patients, staff members, visitors or member of the public experience serious or permanent harm, alleged abuse or a service provision is threatened.

The National Patient Safety Agency (NPSA) published the National Framework for reporting and learning in 2010 to ensure that learning from these incidents is shared to help prevent/minimise the risk of similar incidents occurring again.

All providers are required to report all SIRIs to the commissioning organisation within two working days. SIRIs are graded 0, 1 or 2; the grading reflects the increased degree of severity, harm or complexity.

A Never Event is a serious, preventable patient safety incident that should not occur if preventive measures have been implemented by healthcare providers. At the time of writing this report there have been 11 Never Events reported during 2012/13, with an additional 39 Grade 2 incidents.

The five categories most reported on during 2012/13 were pressure ulcers, unexpected deaths, ward closures due to infection outbreaks, maternity and delayed diagnosis.

There have been ten nformation Governance serious incidents reported during 2012/13, all of which have been graded as a Grade 1.

Serious Incidents Requiring Investigation reported and closed, 01/04/2012 - 26/02/2013

Reported SIRIs				Closed SIRIs			
Q1 12/13	Q2 12/13	Q3 12/13	Q4 12/13	Q1 12/13	Q2 12/13	Q3 12/13	Q4 12/13
112	108	135	91	102	117	125	96
446				440			

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership
Back to contents page
4
p.16-23

Securing the views of patients

Over the past year our patients have continued to tell us about their experiences of services – both those that we provide directly and those that we commission. We have listened to and acted upon the patient experience accounts through our PALS and Complaints service.

We have asked our providers about their patient satisfaction surveys and questionnaires. We have heard from LINks and other groups who want to talk with us. As a result we have questioned and inquired about recurrent concerns with the result that these have decreased. We have highlighted issues with commissioners and providers such as waiting times and access into services and resolved problems so that our patients receive the service they need. Patient experience is also reported on in the quality schedules that are held with all large NHS providers. National patient surveys allow patient experience to be shared by health providers and this is examined and improvements actioned from the results – for example, patient discharge planning leaflets to explain the process have been redesigned by a general hospital following suggestions from patients and carers.

National patient surveys allow patient experience to be shared by health providers.

Twitter and Facebook pages also allow patients to feed back on their experiences and the Patient Opinion and NHS Choices websites are becoming more popular.

NHS Choices

Patient Opinion

Pharmaceutical developments highlighted as example of good practice

Initiatives which show how NHS Devon, Plymouth and Torbay is leading the way in the development of pharmaceutical practices were presented during the first half of the year to national pharmacy leaders at the request of the NHS Commissioning Board (CB).

The Devon pharmaceutical Local Professional Network (LPN) is one of the pilot areas developing the model for the future of LPNs nationally.

LPNs will provide clinical leadership and expertise in developing pharmaceutical services and form an integral part of the NHS CB and the three independent primary care contractor groups – dentistry, ophthalmology and pharmacy.

The model was presented to the Royal Pharmaceutical Society and superintendents of the pharmacy multiples. It demonstrates how LPNs will be embedded into quality improvement work for primary care and local area teams and provide intelligence and expertise as part of the local commissioning infrastructure.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

4

p.16-23

5. Making a difference

Throughout the cluster of NHS Devon, Plymouth and Torbay there are individuals and teams working tirelessly to ensure the delivery of high-quality services to our communities that make a real difference to their lives.

The following stories and articles represent some of these excellent initiatives, activities and accomplishments, demonstrating how successful they have been in their endeavours.

Leg Club provides valuable support

In Barnstaple healing rates improved for people with from serious leg conditions thanks to the launch of a 'Leg Club'.

The aim of the volunteer-run club, the first of its kind in the South West, is to provide care and support for members in a non-clinical environment and encourage them to get out and about, despite their condition.

Of the the first 30 people referred to the club, almost half healed, compared with an average of 10% in a clinical setting.

Roy Pearce, who has a prosthetic left leg and severe leg ulcers on his right leg had not left his house for three years until he started attending the club. He said: "The only time I went out was if I had to go into hospital. I really enjoy coming to the club... The nurses give you so much confidence and that can help you to heal quicker."

The club has been funded by NHS Devon, Plymouth and Torbay, initially for a year. It is a nurse-led service provided by the Northern Devon Healthcare NHS Trust and there are plans to open more clubs across North Devon.

Lead district nurse, Meg Mew, said: "Leg ulcers and other lower leg conditions are socially isolating and disabling and it is easy for sufferers to think it is just them, but in fact they are very common. The benefits for staff and members are huge; rather than having one nurse visit their home members get the benefit of having their condition looked at by the tissue viability team and this also provides excellent training, tuition and practise for the nurses who are able to ask the opinion of their colleagues."

£1.5m extension at Clare House Surgery

In January 2013, the cluster reported on the work which has begun on a £1.5 million extension and refurbishment project at Clare House Surgery in Tiverton as it bids to take on a larger role in the community.

The Grade II-listed Clare House GP medical practice looks after more than 10,000 patients a year.

It is now set to get a 4,000 sq ft extension, enabling doctors to provide treatment in modern, purpose-built facilities.

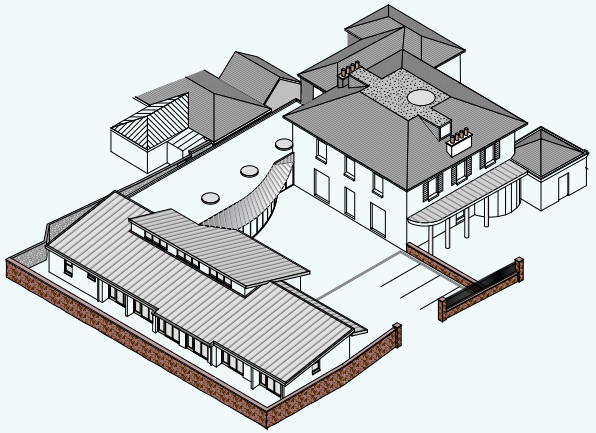
The additional space will comprise ten consulting rooms, two treatment rooms and a minor operations room.

Linda Bent, Business Manager at Clare House, said: "We have needed to expand our current accommodation for some time and are thrilled that we can now see the footprint of what will be an architecturally pleasing and patient-friendly building.

"The new extension and refurbishment programme will provide modern, purpose-built facilities for the continuing standard of care that the patients of Clare House regard so highly."

Clare House was built in 1816 on the site of Clare Parsonage and was first used as a medical practice in 1932 with two partners in residence.

It has around forty staff, seven partners and three associate GPs and the surgery is also involved in medical training.



1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

5

p.23-26

Stoptober challenge for Plymouth smokers

During October 2012 many smokers in Plymouth took part in the first ever mass quit attempt – Stoptober.

Evidence shows that people who stop smoking for 28 days are five times more likely to stay smoke free, and Stoptober led smokers through a detailed step-by-step programme to help them achieve this goal.

Dr Peter Rudge, a GP from Plymouth and vice-chair of the Plymouth Health and Wellbeing Board, said: "Stopping smoking is the single most important way of improving people's health.

"Last year the NHS service in Plymouth helped almost 2,500 people quit smoking."

For the first time NHS Plymouth's stop smoking service also offered quit support online.

Emily swaps the office for Olympic Village

"I learned so much and have many great memories from my time at the Olympics. I hope to share my learning with healthcare colleagues to continue the legacy of my experience."

EMILY Faircloth, a QIPP programme lead in the Western locality of the shadow CCG, spent ten days imaging the world's top athletes at the London Olympic Games.

Emily is a qualified radiographer and was part of a team of 34 radiographers working in a purpose-built 'polyclinic', based in the athletes' Olympic Village in Stratford, London. She heard about the opportunity through a friend and applied to become a volunteer 'gamesmaker' back in 2010.

"To be part of the festival atmosphere in London was such an amazing experience and something I'll never forget," she said.

"We ran what was in effect a walk-in primary care service for competing athletes. Often we saw their injury live on the TV screens and knew they would be visiting us very shortly. We carried out x-ray, ultrasound, CT and MRI scans which were reported immediately by on-site radiologists before we provided copies of images and reports for the athletes to take away with them."

Olympic stadium and The Orbit by Alexander Kachkaev.

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

5

p.23-26

Devon "leading the way on avoiding hospital admissions"

DEVON is "leading the way with a wonderful scheme to avoid unnecessary hospital admissions." That's according to Sir John Oldham, the national clinical lead for quality and productivity in the NHS, who visited Devon's two shadow CCGs in December 2012.

He learned how the number of people unnecessarily admitted to hospital in Devon, Plymouth and Torbay had fallen thanks to a Devon County Council (DCC) and NHS 'virtual ward' scheme.

The 'virtual ward' scheme is based around local communities and is run by the NHS and DCC's local complex care teams, and GP practices in Devon, Plymouth and Torbay.

It identifies people at risk of being admitted to hospital, instead providing them, where appropriate, with the same level of care they would normally get at hospital, but in the comfort of their own home.

Sir John Oldham said it was "wonderful" to see what Devon was doing to help those coping with multiple long-term conditions.

"Devon's experience is helping other areas of the country to move forward and people in Devon should be proud of what their healthcare system and local authority social care system is doing," he added.

Dr Paul Lovell, from South Molton, and Sir John Oldham, Department of Health clinical lead for quality and productivity

Dr Sam Barrell recognised as one of the top GPs in the country

Commended for her work in commissioning, Dr Sam Barrell, accountable officer for the new South Devon and Torbay Clinical Commissioning Group (CCG), was been selected from a list of hundreds of GPs in England to be named in the top 50 GPs in 2012 by medical journal *PULSE*.

She was praised for her contribution to the transformation of the NHS and described by judges as one of our most influential GPs.

Dr Barrell is a GP at the Compass House Surgery, Brixham. She said: "I am thrilled that the panel view the work that I have been doing with high regard. However, it has been a huge team effort from clinicians and managers locally to build relations across the whole healthcare system in order to implement our vision of joined-up, patient-centred care.

"We are committed to ensuring that patients in South Devon and Torbay

receive the best possible care and are confident that the commissioning work we have been doing means health services for those living in the region will be maintained and improved when CCGs take responsibility for local health services next year."

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

5

p.23-26

6. Improving efficiency

Improving service delivery

During 2012/13 we have significantly improved the way health and social care services are run in our communities.

We continue to work closely with partner organisations (such as Devon County Council), clinicians, service providers (such as Plymouth Hospitals NHS Trust), staff, patients and service users.

We want patients to be at the centre of decision making and receive high-quality treatment at the right time, in the right place and from the right person, across all parts of the county.

The Quality, Innovation, Productivity and Prevention (Transformation) Programme (QIPP) will continue to develop new ways of working through the CCGs to improve the quality of patient care and the patient experience, helping people spend less time in hospital, while making best use of taxpayers' money.

We are making improvements in the following areas:

- Planned care
- Changing where people are cared for and emergency care
- Prescribing and the management of expensive medicines
- Care and treatment for people with mental health needs and learning disabilities
- The way we use our workforce, buildings and support services
- Prevention of ill-health, particularly for people facing disadvantages in terms of their chances of enjoying a healthy life.

QIPP will run for another two to three years and is being led by senior clinicians.

Many successful schemes are now being rolled out to the whole of Devon, including:

- Providing more local care
- Reducing the number of follow-up appointments to hospital, through patients seeing their GP or by talking to the consultant by phone where appropriate to do so
- Using new technology to help patients manage their own care in their own homes
- Helping patients to be as fit as they can be for their surgery, and helping them to make a swift and better recovery
- Reducing the length of time patients need to stay in hospital, and caring for them afterwards in or near their own homes.

An assurance framework for ensuring that patient safety and quality is not compromised by QIPP initiatives is currently being developed by the Cluster director of nursing – this will ensure that QIPP monitoring is extended beyond finance, activity and project milestones.

On 1 April 2013, responsibility for QIPP systems and management functions transferred to the CCGs. This will be a managed process led by the senior management team as part of the wider transfer of functions through transition.

We want patients to be at the centre of decision-making and receive high-quality treatment at the right time, at the right place and by the right person, across all parts of the county.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

6

p.27-29

Innovative new technology helps patients manage health conditions at home

In the spring NHS Devon, Plymouth and Torbay reported on the launch of a remote support service for patients with Chronic Obstructive Pulmonary Disease (COPD) in North Devon.

The system was soon launched in Torrington and Holsworthy and then, over the ensuing six months, it was rolled out across the rest of the county too.

Telehealth is used across the NHS to monitor and manage people's conditions remotely, and it enables the community respiratory nursing teams to provide treatment and care for patients at home.

Patients with a long-term condition take their daily health readings, such as oxygen levels, and transmit them to a clinician.

Dr Paul Lovell, Clinical Lead for COPD in North Devon, said: "We hope that Telehealth will transform the way patients with COPD receive care in North Devon by supporting patients to remain independent and giving them the tools to manage their own condition.

"Instead of waiting for a crisis to happen or a trip to A&E, Telehealth will alert clinicians to early signs of an imminent decline in a patient's condition and will allow us to intervene promptly to improve the patient's condition."

Left: *Chris from Holsworthy was one of the very first patients to have the tele-monitoring equipment installed. Chris said: "Being more in control of my health by having a better understanding of what's going on has renewed my desire to look after myself and it's given my wife so much more confidence by being a tool we can use when making decisions about my health."*

Improving dementia care

GPs and other healthcare staff in 67 GP practices in Devon were given extra training during 2012/13 to recognise dementia and give patients really good support and advice.

A four-fold rise in the number of people being referred for more specialist help was seen as more and more practices received training.

This was part of an £11.2 million redevelopment programme funded by the County Council that will create up to ten centres of excellence for people with dementia, including residential, day care and respite services. Work also took place in community hospitals to improve dementia care and Devon Partnership (NHS) Trust's new inpatient facilities for dementia care proved to be a success.

Dr Nick Cartmell, a GP at Ashburton Surgery and NHS Devon lead for dementia care, said: "We are seeing some very exciting changes to dementia care in Devon, not least a real change in the way GPs are managing people with memory problems and dementia, but also improvements to the support people will be able to access if they have dementia or care for someone with dementia.

"However, there is still much to be done, particularly around improving society-wide attitudes towards dementia.

"Therefore I also call on the public, local communities, businesses and families to learn about dementia and what they can do to help people with dementia 'live well' with it for as long as possible."

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

6

p.27-29

7. Meeting standards

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

7

p.30-34

National targets

Performance across the cluster of NHS Devon, Plymouth and Torbay has been maintained at a high level across a range of local and national priorities during 2012/13.

Providers are performing well against the outpatient access target and the majority of providers are achieving the overall inpatient treatment waiting time measure. Patients waiting for cancer diagnosis and treatment continue to be seen quickly, with the majority of the national cancer targets being met or even exceeded.

The key national ambulance response time standards continue to be delivered overall by South Western Ambulance Service NHS Foundation Trust, with the response times for Red A1 (critical cases) in Devon above the national standard.

Performance against the national accident and emergency department waiting time target at minor injury units remains very good, with over 99% of patients being admitted or discharged within four hours.

Mental health services commissioned by the cluster are performing well, with crisis resolution/home treatment services and early intervention in psychosis services providing care to more patients than planned. Additionally, 98% of patients on the care programme approach have received a follow-up within seven days of discharge.

The cluster is working with providers to improve quality of care. There has been a sustained reduction in MRSA infections. The number of patients treated within mixed-sex accommodation also remained low, with 68 recorded breaches.

There remain areas for improvement throughout the cluster despite performance being of a generally high standard. Several acute providers have continued to find it challenging to sustain performance above the national four-hour A&E waiting time target in 2012/13 and work is ongoing to ensure achievement of this standard. The incidence of Clostridium difficile infection is being closely monitored as the threshold has been challenging to achieve in 2012/13, with two providers breaching their targets. Further work is needed to achieve national standards in stroke care despite the improvements seen in 2011/12 being maintained.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

7

p.30-34

Key target	NHS Devon 2012/13 performance
18 weeks referral to treatment waiting times	NHS Devon achieved the standards for patients attending with in excess of 97% of outpatient appointments and over 90% of patients being admitted to hospital within 18 weeks.
A&E four hour waits	A&E and Minor Injury Unit (MIU) departments treated more than 95% of patients within four hours.
Choose & Book	Choose & Book enabled over 81% of people to choose the date, time and place of their appointment.
Cancer targets	In 2012/13 NHS Devon achieved all of the cancer waiting standards with the exception of the 62-day urgent referral to treatment standard; work is ongoing to improve this position.
Mixed-sex accommodation	There were 82 patients treated within mixed-sex accommodation in 2012/13 – a reduction on the levels in 2011/12.
Infection control	The number of MRSA cases fell from 10 in 2011/12 to 5 in 2012/13. The overall number of Clostridium difficile cases reduced to 264 cases in 2012/13 from 443 cases.
Mental health	Crisis resolution/home treatment services provided intensive support to over 1,400 patients with mental health issues. More than 80 people with newly diagnosed cases of psychosis received treatment from early intervention in psychosis services. 98% of patients with mental health issues on the care programme approach received a follow-up within 7 days of discharge.
Ambulance services	Ambulances responded to more than 70% of category A calls within 8 minutes and 92% of category B calls were attended within 19 minutes.
Stroke services	The number of stroke patients spending 90% of their time in hospital on a specialised stroke ward has been maintained at over 70% in 2012/13.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

7

p.30-34

Key target	NHS Plymouth 2012/13 performance
18 weeks referral to treatment waiting times	Over 95% of NHS Plymouth patients attended outpatient appointments and greater than 91% of patients were admitted to hospital within 18 weeks.
A&E four hour waits	A&E and Minor Injury Unit (MIU) departments within NHS Plymouth treated above 95% of patients within four hours of arrival treatment.
Choose & Book	In excess of 99% of all appointments were arranged through Choose & Book in 2012/13.
Cancer targets	NHS Plymouth achieved all of the cancer waiting time targets in 2012/13 with the exception of the standard for first treatment within 62 days – a series of actions have been taken which will improve the position in 2013/14.
Mixed-sex accommodation	Six patients were treated within mixed-sex accommodation in 2012/13 compared with 26 patients in 2011/12.
Infection control	The number of MRSA cases for NHS Plymouth fell from 7 in 2011/12 to 1 in 2012/13, with the overall number of Clostridium difficile cases increasing slightly from 53 to 59 cases.
Mental health	More than 400 patients with mental health issues received intensive support from crisis resolution/home treatment services. Patients with mental health issues on the care programme approach received a follow-up within 7 days of discharge in over 99% of cases.
Ambulance services	Ambulances crews attended over 86% of category A calls within 8 minutes and more than 99% of category B calls within 19 minutes.
Stroke services	67% of stroke patients spent 90% of their time in hospital on a specialised stroke ward in 2011/12 compared with 76% in 2011/12 and work is ongoing to improve the position.

Key target	NHS Torbay 2012/13 performance
18 weeks referral to treatment waiting times	NHS Torbay achieved the standards for patients attending with above 96% of outpatient appointments and more than 92% of patients being admitted to hospital within 18 weeks.
A&E four hour waits	A&E and Minor Injury Unit (MIU) departments achieved the standard for treatment of patients within four hours of arrival.
Choose & Book	In excess of 85% of appointments were arranged through Choose & Book enabling people to choose the date, time and place of their appointment.
Cancer targets	NHS Torbay achieved the performance standards for all nine cancer waiting time targets in 2012/13.
Mixed-sex accommodation	There were 2 patients treated within mixed sex accommodation in 2012/13; a reduction on the 57 patients in 2011/12.
Infection control	NHS Torbay had five cases of MRSA cases in 2012/13 while the overall number of Clostridium difficile cases reduced from 73 in 2011/12 to 46 cases.
Mental health	Intensive support was provided to over 267 patients with mental health issues by crisis resolution/home treatment services. Early intervention in psychosis services provided treatment to 20 people with newly diagnosed cases of psychosis. All patients with mental health issues on the care programme approach received a follow-up within 7 days of discharge.
Ambulance services	Over 89% of category A calls were responded to within 8 minutes and over 99% of category B calls were attended. within 19 minutes
Stroke services	NHS Torbay achieved the stroke standard and more than 80% of stroke patients spent 90% of their time in hospital on a specialised stroke ward in 2012/13.

8. Our staff

Health and Social Care Act 2012

Our staff experienced massive change during 2012/13 as the proposals within the Health and Social Care Act took effect. Primary care trusts cease to exist on 1 April 2013 and this year staff have been through organisational change processes to secure positions within newly-formed and developing organisations. These include the NHS Commissioning Board and its local area teams, two local clinical commissioning groups, Health Education England, NHS Property Company and Public Health England.

Three local authorities also become responsible for a number of public health functions on 1 April 2013.

In total, the 1,600 staff employed by NHS Devon, Plymouth and Torbay (including provider functions such as Integrated Children's Services, Adults Speech and Language Therapy and the Plymouth Health Improvement Team) will transfer to 16 different organisations.

The cluster moved quickly through a range of recruitment processes and transfers. We ensured that all those eligible transferred in a safe, supportive and legally sound manner and that processes occurred through a transparent, supportive, equitable and fair approach.

Staff and trade union colleagues were involved in the design of the new clinical commissioning groups and in the appointment processes for senior positions. The appointment processes for the local clinical commissioning groups were fully consulted on and the majority of positions were recruited into between October and December 2012.

During this period of change, the cluster provided support and guidance to staff through:

- Regular manager and staff briefings
- Leadership, coaching and change-management sessions
- Interview skills training for staff and managers
- Action learning sets
- Careers assistance (application forms, CVs, and interview techniques provided by a provider of 'outplacement' services)
- Self-employment seminars
- Marketplace events
- Health and wellbeing drop-in sessions
- Mental health awareness sessions
- TUPE (Transfer of Undertakings Protection of Employment) Regulations and pensions briefings.

We ensured that all those eligible transferred in a safe, supportive and legally sound manner and that processes occurred through a transparent, supportive, equitable and fair approach.

Integrated Children's Services

Human resources and trade union colleagues were participants in the procurement process for Integrated Children's Services. Shortlisted bidders presented to staff, prior to the announcement of Virgin Care as the preferred bidder.

A full communication and consultation programme began and 20 engagement events were organised across the county throughout the year. Project teams including representatives from NHS Devon, Devon County Council and Virgin Care Ltd. worked through an intensive due diligence process to ensure that the service and staff transferred safely, engaging with trade union colleagues at all times.

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

8

p.35-38

Partnership working

Our positive relationships with trade unions have been of particular importance during 2012/13. This partnership working has been essential to the successful running and conclusion of the transition that has occurred as a result of the Health and Social Care Act 2012 and the re-commissioning of Integrated Children's Services. Of particular importance was the formal consultation process of engaging in partnership forums, which brought senior management and trade union colleagues together to develop documents and processes and to oversee issues that impact on staff. The sessions focused on managing the overall transition, public health (including representation from local authorities) and children's services.

Joint events with Staff Side have supported staff through transition, for example briefings on transfer process. We are strongly committed to engaging with staff and trade union partners through the consultation process and firmly believe that the high levels of organisational change have been more successfully implemented as a result of this involvement.

Learning and development

The focus of our learning and development activities this year was placed on supporting the transition to new organisations, through targeted training and organisational development activities.

Our apprenticeship scheme continues to be successful and we have been working with more young people to get them into the NHS workforce. During 2012/13, 16 of the 18 apprentices completed their training and secured positions with NHS Devon, Plymouth and Torbay. Since April 2012, we have employed and are currently training a further 14 apprentices.

Health and wellbeing

Supporting staff and helping them to maintain good health and wellbeing, particularly throughout a time of considerable change, is critical to the running of a successful organisation.

During 2012 we extended this support to include further promotion of the occupational health service and the provision of health and wellbeing drop-in sessions. We also arranged mental health awareness sessions for both managers and employees. Manager sessions provided an aid to managers to ensure that they can support their team through organisational change and transition. Employee sessions provided tools to ensure that all staff take care of their mental health during this time of increased pressure and change.

Of particular importance was the Step Challenge, which encouraged staff to have fun and get fit at the same time. Weekly league tables allowed teams to track their process and review what they need to do to get to the top. To keep everyone fit and well, advice from health improvement and stop smoking specialists, physiotherapists and dieticians was available. As well as generating a huge amount of enthusiasm, the top 10 cluster teams alone accumulated over 28 million steps over a 6-week period.

During 2012/13, average absence rates were low, at 2.35%, 2.91%, 3.26% and 3.93% for staff in Devon, Plymouth, Torbay and ICS staff respectively. This is encouraging in a fast-changing and uncertain environment. We have worked closely with managers and employees to support them through any episodes of absence; developing actions plans, completing stress assessments and examining areas where a different approach may be necessary. We also work closely with occupational health to provide additional support for all staff where it is needed.

Supporting staff and helping them to maintain good health and wellbeing is critical to the running of a successful organisation.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

8

p.35-38

Policy in relation to disabled employees

The organisations shows a positive and enabling attitude to employees and applicants with a disability. In summary, the trusts:

- Holds a policy entitled 'Employing people with a disability' which outlines how managers should respond to recruitment and selection of a disabled applicant. Furthermore, it also offers guidance on supporting those with a disability in the workplace and links with occupational health. It outlines the legal position with regards to the Equality Act 2010 (formerly the Disability Discrimination Act 1995).
- Reference is made to those employees who have a disability in other relevant policies such as 'Absence management', 'Time off for medical and dental' and 'Dignity at work' to ensure that at all points of the employment relationship, we are supporting staff with a disability and making reasonable adjustment where appropriate.
- The 'Recruitment and selection' policy and processes ensure a fair and equitable approach to the recruitment and appointment of an individual with a disability. See below.

Equal opportunities

The organisation strives to ensure that equality of opportunity is upheld at all times. In summary, the trusts:

- Worked with the organisation, Mindful Employer, to show our commitment to employing those with mental health concerns. Their symbol is published widely on our website and job adverts.
- Achieved the Two Ticks symbol for showing positive action in the employment of disabled people; this is displayed on our website and adverts.
- Hold a range of policies to support equal opportunities such as the Flexible working policy, Family, domestic and compassionate leave policy, Employment people with a disability, CRB disclosure, Special leave (which includes TA/Reserve training and Trades union duties), etc. This policies help to support staff and promote equality of opportunity.
- Recruitment policies and processes robustly promote equality of opportunity. Key points include:
  - Recruitment adverts advise that we will consider reasonable adjustments or special arrangements for the interview process to ensure the process is fair and equitable.
  - Job shares will always be considered for those who wish to work part time to ensure that they can apply for full-time posts.
  - We work with 'Access to Work' to provide disabled people with advice and practical support, including special aid equipment or adjustments to attend interview and in employment.
  - The 'Guaranteed Interview Scheme' ensures that those who declare that they have a disability in their application, and meet the essential requirements for the role, are guaranteed an interview.
  - All job descriptions include a statement about the expectation that staff will demonstrate a positive attitude to equality opportunities policies and that discrimination is not tolerated:
  - We use NHS Jobs, which provides anonymity to applicants throughout the shortlisted process to deter discrimination.
  - Recruitment documentation fully complies with legislationand the recruiting manager has access to a factsheet relating to the Equality Act 2010.

The HR team are fully briefed on the Equality Act and its implications. This ensures that it is considered in all policy development work through an Equality Impact Assessment. This promotes equality of opportunity.

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

8

p.35-38

9. Listening and responding to people

1. About the cluster | 3. Public health round-up | 5. Making a difference | 7. Meeting standards | 9. Listening and responding to people | 11. Leadership

2. Our strategic plans 2012/13 | 4. Patient safety and quality | 6. Improving efficiency | 8. Our staff | 10. Sustainability

Back to contents page

9

p.40-41

Involving people in our plans

During 2012/13 we have engaged people across the cluster through a range of methods to improve the involvement of patients, carers and the public in commissioning decisions which affect them and their communities.

We have continued to work with the local involvement networks (LINk Devon, Torbay and Plymouth), to engage with users of health services at a community and county level. This financial year has also marked the transition from LINks to Healthwatch. Commissioned by the local authority, Healthwatch will replace the LINk from 1 April 2013, and will be the new consumer voice for health and social care services. We have worked with our colleagues across Devon's local authorities to ensure there has been effective engagement throughout the commissioning process for Healthwatch.

2012/13 has also seen the second year of the joint engagement contract between NHS Devon and Devon County Council which looks specifically at engaging with communities of interest groups. The consortium, led by Fusion, encompasses individuals with learning, physical and sensory disabilities as well as older people, and those with mental health needs. This has allowed us and Devon County Council to carry out direct engagement with these groups looking at both health and social care issues.

In the South Devon and Torbay CCG area, a strategic public involvement group was designed by members of the voluntary and community sector, LINk Devon and Torbay, the Baywide Involvement Group and members of Patient Participation Groups. This strategic group was then recruited to through those networks and has gone through a preparation period, ready to be working with the CCG from 1 April 2013.

We have seen a shift towards true co-production in a number of service development and change projects, with new partnerships with local people. Examples here have included the energy and commitment of local groups in Older Peoples Mental Health and lay led initiatives such as Tiverton Patient Centred Care Project. Similarly, there have been events and discussions around the county to strengthen engagement at a local level.

Strong ties have continued to be built with the scrutiny committees of Devon's local authorities with whom we have worked on a range of areas this year including taking an in-depth look into community hospitals which will act as a useful precursor to future community services strategy development.

We were pleased that the quality of engagement was recognised in the authorisation process for both CCGs, including positive feedback from key stakeholders. This set a strong foundation to build on for future engagement in the clinical commissioning groups.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

9

p.40-41

Freedom of Information

In 2012 NHS Devon, Plymouth and Torbay merged their Freedom of Information Act functions into a single department. In the first nine months of the financial year we registered 746 requests. We acknowledged receipt of 97% of those requests within three working days and responded to 83% of all requests within 20 working days. We anticipate that the demand for this service will have increased by 11% this financial year.

Most requests came from the public, media and commercial organisations.
The majority of people asked for information about the services we commission, how we spent public money and other facts and figures.

We comply with the Treasury guidance on setting charges for information.
Our compliance and performance is monitored externally by the Information Commissioner and NHS Connecting for Health.

Healthwatch organisations take shape

As part of the government's Health and Social Care Act, from April 2013 a new independent consumer champion group will act as a watchdog in local areas.

Healthwatch will exist in two forms: at a local level and (Healthwatch England) at a national level.

Following open tender processes, the Healthwatch Devon contract was awarded to the Community Council of Devon, and Healthwatch Plymouth was awarded to Colebrook Housing Society. Torbay Council decided to grant aid a community-based consortium headed by Torbay LINk.

The local Healthwatch organisations will:

- Have the power to enter and view services
- Influence how services are set up and commissioned by having a seat on the local Health and Wellbeing Board
- Produce reports which influence the way services are designed and delivered
- Provide information, advice and support about local services
- Pass information and recommendations to Healthwatch England and the Care Quality Commission.

Healthwatch England will provide leadership, support and advice to local Healthwatch organisations so they can become strong ambassadors for local people.

It will gather and analyse information provided by local Healthwatch organisations and others to identify key issues and trends.

For more information about Healthwatch, go to www.healthwatch.co.uk

healthwatch

1. About the cluster | 2. Our strategic plans 2012/13 | 3. Public health round-up | 4. Patient safety and quality | 5. Making a difference | 6. Improving efficiency | 7. Meeting standards | 8. Our staff | 9. Listening and responding to people | 10. Sustainability | 11. Leadership

Back to contents page

9

p.40-41

10. Sustainability

Sustainability

The cluster is committed to promoting sustainability. Concern for the environment and promoting a broader sustainability agenda are integral to NEW Devon CCG's professional activities and the management of the organisation. We aim to follow and to promote good sustainability practice, to reduce the environmental impacts of all our activities and to help our clients and partners to do the same. We operate our professional activities and the management of our organisation in a way that enables all people to realise their potential and improve their quality of life while protecting and enhancing the earth's natural capital.

We are committed to continually improving the integration of sustainability into our working environment and business processes. Our aim is to play a proactive role in contributing to achieving sustainability where we have influence. We are committed to accountability and transparency in our sustainability performance.

Our Sustainability Policy is based upon the following principles:

- To comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice
- To integrate sustainability considerations into all our organisation's decisions
- To ensure that all staff are fully aware of our Sustainability Policy and are committed to implementing and improving it
- To minimise the impact on sustainability of all office and transportation activities
- To make clients and suppliers aware of our Sustainability Policy, and encourage them to adopt sound sustainable management practices
- To review, annually report upon, and continually strive to improve our sustainability performance.

Dentaid: improving the world's oral health

Thoughtful waste reduction is a key part of minimising our environmental impact and it can also deliver powerful benefits for people – not just at home but internationally.

One of the leading oral health charities, Dentaid, is busy helping disadvantaged communities around the world to provide life-changing vital equipment such as sterilisers and washer disinfectors. The equipment, used by the Devon Dental Service, would simply have been disposed of before.

But now this equipment has been upgraded to meet UK dental standards, donated to Dentaid for careful modification and adaptation for use in countries such as Uganda and Rwanda. Dentaid in Exeter is currently in the early stages of planning three projects to deliver equipment to India. This valuable cause is unique and is being supported for the first time by the NHS in Devon.

The Lions Club, a charity behind the equipment distribution, provides Dentaid with invaluable support.

District officer for the South West Lions, John Sims, said; "The Lions Club has supported Dentaid over the years by transporting equipment to their HQ using the country-wide club network."

Dr Virginia Pearson, director of public health for NHS Devon, said: "It is fantastic that we have found such a valuable purpose for this equipment and can help Dentaid continue to improve the oral health and hygiene of those living in poorer countries."

Dentaid is playing a vital role in oral health promotion worldwide and has so far supported around 260 oral health programmes in 60 countries.

New Dentaid clinic, Kumi hospital, Uganda.

1. About the cluster
2. Our strategic plans 2012/13
3. Public health round-up
4. Patient safety and quality
5. Making a difference
6. Improving efficiency
7. Meeting standards
8. Our staff
9. Listening and responding to people
10. Sustainability
11. Leadership

Back to contents page

10

p.42-43

11. Leadership

NHS Devon, Plymouth and Torbay declaration of interests 1 April 2012 - 31 March 2013

KEY: * Board member
+ CCEC member

Board member	PCT position held	Interests registered on:	Interests registered:
Barrell, Dr S. *	Chief clinical officer designate, South Devon and Torbay Shadow Clinical Commissioning Group	29 March 2012	Self: 1. Member of SDT CCG Governing Body – chief clinical officer 2. Member of SDT CCG Senior Management Committee 3. Member of SDT CCG Commissioning Committee 4. Member of SDT CCG Finance Committee 5. GP at Compass House Surgery 6. Shareholder of DDOC 7. Practice holds contract to provide services to Brixham Hospital 8. Tutor at Peninsula Medical School 9. Member of Innovation Health and Wealth Implementation Board. Partner: 1. Local dentist and part owner of Pure Dental Care, Dartvale, Moor and Fresh Dental Care
Burke, Dr T. * +	Chair designate, NEW Devon Shadow Clinical Commissioning Group	20 April 2011	Self: 1. GP Principal Wallingbrook Health Group – PMS & APMS contracts holder 2. B.B.B.W.B Ltd shareholder and director (healthcare premises company) 3. Partner in a practice which is a member of Devon Health Partner: 1. NHS Devon employee
Fisk, Mrs A. *	Director of commissioning development, NHS Cornwall and Isles of Scilly and NHS Devon, Plymouth and Torbay clusters and NHS Commissioning Board Area team director of operations and delivery Devon and Cornwall	29 November 2012	Self: None

1. About the cluster | 2. Our strategic plans 2012/13 | 3. Public health round-up | 4. Patient safety and quality | 5. Making a difference | 6. Improving efficiency | 7. Meeting standards | 8. Our staff | 9. Listening and responding to people | 10. Sustainability | 11. Leadership

Back to contents page

11

p.44-48

NHS Devon, Plymouth and Torbay declaration of interests 1 April 2012 - 31 March 2013 continued

Board member	PCT position held	Interests registered on:	Interests registered:
Foxhall, Mrs S. * +	Non-executive	2 November 2011	Self: 1. Mental Health Act associate for Plymouth Community Healthcare Community Interest Company
Greatorex, Dr D. *	Clinical chair designate, South Devon and Torbay Shadow Clinical Commissioning Group	31 January 2012	None
Harriott, Mrs R. * +	Accountable officer designate, NEW Devon Shadow Clinical Commissioning Group	21 February 2007	None
Hathaway, Mr D. * +	Non-executive	20 February 2008	Self: 1. Principal consultant, New Perspectives – consulting with primary care trusts and other NHS trusts on board and strategy development, clinical and integrated governance and quality reviews 2. Member of the Royal Devon and Exeter Foundation Trust
Holmes, Ms M. * +	Non-executive	31 March 2011	Self: 1. Employed by Sanctuary Housing Group – delivers housing and social care across the country 2. Member of the Royal Devon and Exeter NHS Foundation Trust
James, A. * +	Chief executive	6 April 2006	Self: 1. Trustee for the Exeter Deaf Academy 2. Member of Plymouth Area Business Council
Kemsley, Mr N * +	Director of finance	6 April 2009	None
Knibbs, Mr R. * +	Director of finance, NHS Cornwall and Isles of Scilly and NHS Devon, Plymouth and Torbay clusters and NHS Commissioning Board area team director of finance Devon and Cornwall	29 November 2012	None

1. About the cluster | 2. Our strategic plans 2012/13 | 3. Public health round-up | 4. Patient safety and quality | 5. Making a difference | 6. Improving efficiency | 7. Meeting standards | 8. Our staff | 9. Listening and responding to people | 10. Sustainability | 11. Leadership

Back to contents page

11

p.44-48

NHS Devon, Plymouth and Torbay declaration of interests 1 April 2012 - 31 March 2013 continued

Board member	PCT position held	Interests registered on:	Interests registered:
Lockerbie, Dr G. * +	Medical Director, NHS Devon, Plymouth and Torbay cluster and NHS Commissioning Board area team medical director Devon and Cornwall	29 March 2012	Self: 1. None Partner: 1. Employee of the cancer network in a Macmillan-funded post
Moate, Mr P. * +	Non-executive	31 March 2011	Self: 1. None Other: 1. Family member working within an academic network attached to the RD&E
Moore, Mr S. *	Chief Executive, NHS Cornwall and Isles of Scilly and NHS Devon, Plymouth and Torbay clusters and NHS Commissioning Board area team director Devon and Cornwall	18 September 2012	Self: 1. None
Pearson, Dr V. * +	Director of public health, NHS Devon	29 March 2012	Self: 1. The role of director of public health (DPH) is a joint appointment with Devon County Council and as such the DPH is also an corporate director of the County Council 2. Chair of Devon Drug and Alcohol Action Team
Pincombe, Mr C. * +	Non-executive	23 February 2012	Self: 1. Member of Royal Devon and Exeter Hospital Foundation Trust 2. Member of South Hams Hospital League of Friends Partner: 1. Lay Assessor for the Quality Outcomes Framework assessment for two general practices 2. Volunteer at Kingsbridge Children's Centre
Radford, Dr D. * +	Chairman, non-executive	29 March 2012	Self: 1. Member of the Royal Devon and Exeter Foundation Trust 2. Member of Amnesty International South Devon
Schneider, Mrs. C. 8 +	Non-executive	16 November 2011	Other: 1. Family members employed by the Trust

1. About the cluster | 2. Our strategic plans 2012/13 | 3. Public health round-up | 4. Patient safety and quality | 5. Making a difference | 6. Improving efficiency | 7. Meeting standards | 8. Our staff | 9. Listening and responding to people | 10. Sustainability | 11. Leadership

Back to contents page

11

p.44-48

NHS Devon, Plymouth and Torbay declaration of interests 1 April 2012 - 31 March 2013 continued

Board member	PCT position held	Interests registered on:	Interests registered:	
Smith, Mrs P. *	Director of transition	16 November 2011	Self:	1. Associate with the PACT Consultancy 2. Governor of Devon Partnership Trust 3. Member of Northern Devon Healthcare NHS Trust
Wilkinson, Mr M. *	Interim director of finance	18 September 2012	Self:	1. None
Wilkinson, Mrs A. *	Deputy director of contracting	18 September 2012	Self:	1. None
Williams, MS C. *	Director of nursing, NHS Cornwall and Isles of Scilly and NHS Devon, Plymouth and Torbay clusters and NHS Commissioning Board area team director of nursing Devon and Cornwall	29 November 2012	Self:	1. None
Winslade, Mrs J. * +	Director of nursing, NHS Devon, Plymouth and Torbay cluster, and director of nursing designate, NEW Devon Shadow Clinical Commissioning Group	22 June 2011	Self:	1. Governor of South Devon Healthcare NHS Trust

Contacts

For more information please contact:

Northern, Eastern and Western (NEW) Devon Clinical Commissioning Group

Newcourt House
Old Rydon Lane
Exeter
Devon EX2 7JU

Website: www.newdevonccg.nhs.uk
Email: d-ccg.corporateservices@nhs.net

Follow the CCG on Twitter, Facebook and Youtube: Search 'Northern, Eastern, Western Devon Clinical Commissioning Group' or 'NEW Devon CCG'

South Devon and Torbay Clinical Commissioning Group

Pomona House
Oak View Close
Torquay TQ2 7FF

Website: www.southdevonandtorbayccg.co.uk
Email: sdtccg@nhs.net

Follow the CCG on Twitter: @sdtccg

Acknowledgements

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Back to contents page

NHS Plymouth

Annual report and accounts 2012/13: Section 2

Operating and financial review (OFR) and remuneration report.

Introduction

This section of the report sets out key information on the financial performance and financial standing of the three constituent PCTs that make up the cluster. As each PCT is a separate statutory body, each is required to produce a full set of Audited Accounts which contain more detailed financial information, including the accounting policies that have been used in their preparation, in accordance with the 2012/13 Financial Reporting Manual (FReM) issued by HM Treasury. The full audited accounts are included in Section 2 of this Annual Report and Accounts, and are available electronically.

As 2012/13 was the final year of operation for NHS Devon, NHS Plymouth and NHS Torbay, the process of transition as commissioning responsibility was passed over to the new clinical commissioning groups (CCGs), the NHS National Commissioning Board and the relevant local authorities is now complete. Looking to the year ahead those organisations will build on the legacy handed to them by the outgoing PCTs.

Returning to the year just ended, all PCTs are required to prepare accounts on a resource accounting basis. Expenditure net of income is measured against Resource Limits set by the Department of Health. There are two Resource Limits – revenue for ongoing operations and capital for new investment. PCTs have a statutory duty to keep their expenditure within these limits. In addition, primary care trusts have statutory duties to maintain cash expenditure within their overall Cash Limit, also set by the Department of Health, and to achieve Full Cost Recovery for their provider functions.

The Audited Accounts confirm that all three of the PCTs in the cluster fulfilled their financial duties.

Prompt Payment Code

The three cluster organisations have signed up to the Government led initiative called the Prompt Payment Code. Approved signatories undertake to:

- Pay suppliers on time
- Give clear guidance to suppliers
- Encourage good practice

The organisations have signed up to the initiative to help demonstrate that suppliers can have confidence that invoices will be paid within clearly defined terms.

Read more about the Prompt Payment Code

Principles for Remedy Compliance

The Parliamentary and Health Service Ombudsman has circulated 'Principles for Remedy' to all public bodies including primary care trusts. All of the cluster organisations comply with these principles, which are:

Organisations should be fair and take responsibility, acknowledge and apologise for mistakes if they happen, and make amends and use the opportunity to improve services. The principles also confirm the approach to making recommendations for remedy if appropriate. They are:

- Being customer-focused
- Acting fairly and proportionately
- Seeking continuous improvement
- Being open and accountable
- Putting things right.

Read more about the Principles of Ready Compliance

NHS Plymouth – Operating and financial review

Overview

NHS Plymouth achieved all of its financial targets for 2012/13, and delivered a planned under spend of £5.259 million against its total Revenue Resource Limit. The under spend is a small proportion of the Trust's total Resource Limit (1.2 per cent), and represents sound financial planning.

The performance in 2012/13 builds on a strong financial record and a tradition of sound financial management across the Trust.

Financial Balance History	2008/09 £000s	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Recurrent Resource Limit	366,726	393,303	416,482	425,720	436,047
Surplus	2,745	1,400	4,190	2,204	5,259
Percentage	0.7%	0.4%	1.0%	0.5%	1.2%

Outlook for 2012/13 and beyond

Financial standing

As noted above, the functions of the PCT pass to new organisations on 1 April 2013. Those organisations will reflect in their financial planning the stable position inherited from the PCT and ongoing requirement to deliver efficiencies in order to balance demand for services within available resources. Given the difficult economic climate it is likely that available resources will continue to be constrained for the foreseeable future.

Financial performance

Financial duties

NHS Plymouth receives funding from the Department of Health, which is used to commission health services for the residents of Plymouth.

Performance for the year ended 31 March 2013 is set out here.

Revenue Resource Limit

Operational Financial Balance 2011/12 to 2012/13	2011/12 £000s	2012/13 £000s
Total net operating costs for the financial year	453,832	459,669
less: non-discretionary expenditure	-	-
Operating costs less: non-discretionary expenditure	**453,832**	**459,669**
Revenue Resource Limit	456,036	464,928
Operational Financial Balance	**2,204**	**5,259**

Capital Resource Limit

Capital Resource Limit History	2011/12 £000s	2012/13 £000s
Gross Capital Expenditure	1,966	3,217
plus: Loss in respect of disposals of donated assets	-	-
less: Net book value of assets disposed of	-	-
less: Capital grants	-	-
less: Donations	-	-
Charge Against the Capital Resource Limit	**1,966**	**3,217**
Capital Resource Limit	2,000	3,226
(Over)/Under spend against Capital Resource Limit	**34**	**- 9**

Provider Full Cost Recovery

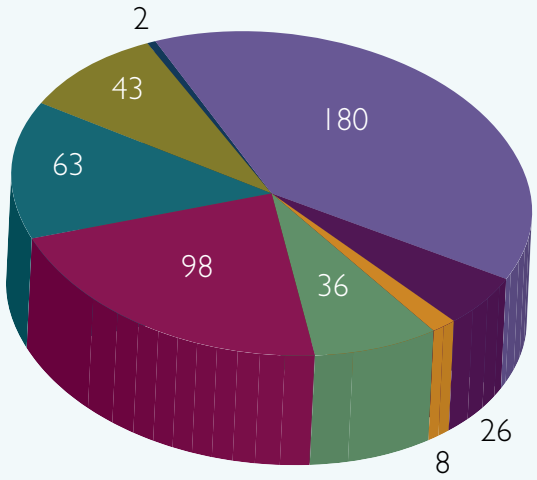
Provider Full Cost Recovery	2011/12 £000s	2012/13 £000s
Provider gross operating cost	45,151	-
less: Miscellaneous income relating to provider functions	(9,433)	-
Net Operating Cost	**35,718**	-
less: Costs met from PCT's own allocation	(35,718)	-
Under/(Over) recovery of costs	**-**	**-**

NOTE see right: The provider arm separated from NHS Plymouth in October 2011; as such there are no disclosures in relation to the provider cost recovery duty.

Expenditure Analysis

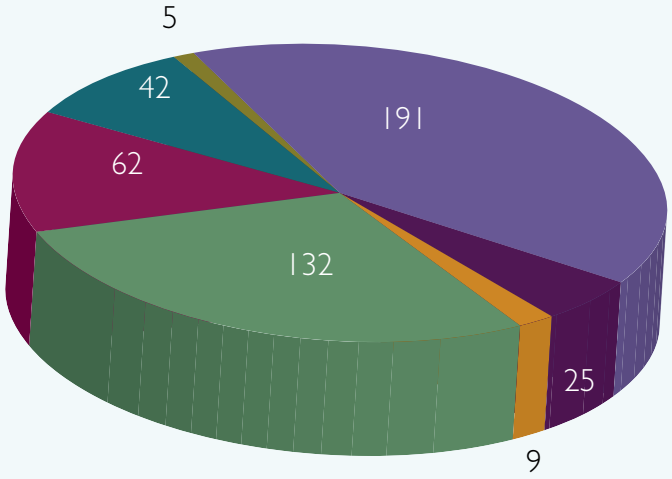
The pie charts below illustrate the areas where NHS Plymouth has invested money in 2012/13 (£466m) and 2011/12 (£456m).

What your money was spent on 2011/12 (£million)



- Plymouth Hospitals NHS Trust
- Other NHS
- Independent sector
- Directly provided
- Other commissioned
- Primary Care
- GP prescriptions
- Surplus

What your money was spent on 2012/13 (£million)



- Plymouth Hospitals NHS Trust
- Other NHS
- Independent sector
- Other commissioned
- Primary care
- GP prescriptions
- Surplus

Better Payment Practice Code

In accordance with the Better Payment Practice Code, which NHS Plymouth is signed up to, valid invoices should be paid by their due date or within 30 days of receipt, whichever is later. Trust performance is presented below, measured in terms of both the number and value of invoices received, against an NHS administrative target to pay over 95% of non-NHS trade creditors in accordance with the Code.

Better Payment Practice Code 2011/12 to 2012/13	2011/12 Number	2011/12 £000s	2012/13 Number	2012/13 £000s
Non-NHS Creditors				
Total bills paid in the year	24,823	76,058	10,220	69,530
Total bills paid within target	22,535	72,325	9,039	65,961
Percentage of bills paid within target	**91%**	**95%**	**88%**	**95%**
NHS Creditors				
Total bills paid in the year	2,947	302,131	1,994	334,980
Total bills paid within target	2,698	292,394	1,823	332,435
Percentage of bills paid within target	**92%**	**97%**	**91%**	**99%**

This note shows the trust's performance against its administrative duty to pay over 95% of non-NHS trade creditors within 30 calendar days of receipt of goods or valid invoice, whichever is later, unless other payment terms have been agreed. Since 2005/06 NHS organisations have also been required to report payment performance with respect to other NHS bodies.

External Audit

Grant Thornton UK is the appointed external auditor for the Trust. The total fee paid to the external audit firms is analysed here, and was paid to cover the cost of the statutory audit and associated services. This included a qualitative assessment of the effectiveness of the Trust's arrangements to secure economy, efficiency and effectiveness in use of resources.

External Audit Fees 2011/12 to 2012/13		2011/12 £000s	2012/13 £000s
Financial Statements (statutory accounts)	(Grant Thornton)	152	87
Payment by Results (data quality assurance work)	(CAPITA)	30	26
Total External Audit Fees		**182**	**111**

Sickness and absence rates across the cluster (calendar year figures)

For comparative purposes, the Department of Health requires all NHS organisations to disclose sickness absence in their Annual Reports, calculated on a common basis. These numbers are shown in the table below and are calculated by dividing the total days lost due to sickness (including non-working days) by the total days available.

Organisation name	FTE days available	FTE days lost to sickness and absence	Average sick days per FTE
Plymouth Teaching PCT	101,683	3,294	7.3
Devon PCT	295,269	10,033	7.6
Torbay Care Trust	18,713	571	6.87

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Remuneration report: introduction

In line with best practice in corporate governance, all NHS organisations are required to have a Remuneration and Terms of Service Committee.

The PCT cluster of NHS Devon, Plymouth and Torbay undertook the executive- and board-level functions for the three PCTs for the period from 1 April 2012 to 31 March 2013 and therefore carried out the roles of the Remuneration Committee. In line with Department of Health Policy for implementing transition as a result of the Health and Social Care Act, from 1 October 2012 the directors of the Local Area Team of the NHS Commissioning Board were appointed to the cluster board.

The Committee met at least annually to set the remuneration of senior managers of the PCTs. These are employees who the board has determined are not covered by the national Agenda for Change arrangements and to oversee their terms and conditions where scope for local interpretation exists.

The remuneration of senior managers is reviewed in conjunction with advice and guidance received from NHS partners and the Department of Health and will include review of the assessment of performance during the relevant financial period including achievement of specific performance targets.

Remuneration for senior managers has been set based on the 'Pay Framework for Very Senior Managers'. The Pay Framework also makes provision for annual salary uplift and performance bonus payments provided certain criteria are met. The Department of Health will set the value of any performance bonuses payable in 2012/13 based on the outcome of the Pay Review Body recommendations. The 2012/13 salary review will be based on the arrangements in the Pay Framework.

The PCTs require and provide 12 weeks' Notice of Termination in respect of their senior managers. Termination payments may be applicable depending on circumstances. Senior managers have indefinite contracts, i.e. there are no fixed-term or rolling contracts.

Annual inflation uplift was not awarded to senior managers this year, in accordance with a Department of Health directive and in agreement with the Strategic Health Authority. The awarding of bonus payments is discretionary and is undertaken on a cluster basis. No expenses, other than reimbursement of those actually incurred and in support of training and development of senior managers, have been paid.

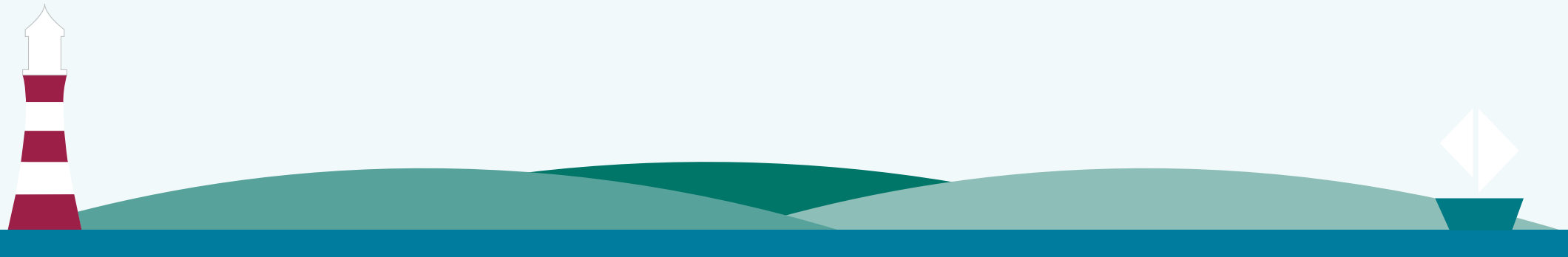
The Remuneration Committee is also responsible for decision-making in respect of early terminations of employment of senior managers. All termination payments made as a result of the abolition of the PCTs are disclosed in the tables at the end of this report.

The membership of the Remuneration Committee for the cluster from 1 April 2012 to 31 March 2013 was:

- David Radford – chair of the committee and cluster
- Carole Schneider – non-executive director
- Molly Holmes – non-executive director
- Cllr Cindy Stocks – non-executive director nominated by Torbay Council
- Peter Moate – non-executive director
- Colin Pincombe – non-executive director
- Derek Hathaway – non-executive director
- Alan Clifford – non-executive director
- Sally Foxhall – non-executive director

In Attendance were:

- Ann James – chief executive (to16 September 2012)
- Steve Moore – cluster chief executive (from 17 September 2012)
- Chris Squire – head of human resources



Arrangements for directors of the cluster of NHS Devon, Plymouth and Torbay

On the formation of the cluster, with effect from 1 December 2011, a single set of executive and non-executive directors was appointed to the cluster board. They are shared posts, and each organisation bears only the net costs in respect of the work carried out for that entity alone.

For the purposes of consistent disclosure, the total remuneration and other benefits paid to cluster directors for the period 1 April 2012 to 31 March 2013 and the basis of apportionment of costs to each of the three PCTs is set out in the table here.

Proportion charged to each organisation based on Annual Revenue Resource Limit		
NHS Devon	NHS Plymouth	NHS Torbay
63.1%	22.9%	14%

Salaries and allowances, 2012/13

c

Name and title	2012/13 Salary (bands of £5,000) £000	2012/13 Other Remuneration (bands of £5,000) £000	2012/13 Benefits in kind (rounded to the nearest £00) £00	2011/12 Salary (bands of £5,000) £000	2011/12 Other Remuneration (bands of £5,000) £000	2011/12 Benefits in kind (rounded to the nearest £00) £00
Ongoing cluster appointments						
Dr D. Radford, chairman	35-40	0	0	35-40	0	0
Mrs S. Foxhall, vice-chairman	5-10	0	0	5-10	0	0
Mr D. Hathaway, non-executive director	5-10	0	0	5-10	0	0
Mr C. Pincombe, non-executive director	10-15	0	0	10-15	0	0
Ms A. James, chief executive (to 16 September 2012)	75-80	0	0	155-160	0	0
Mr S. Moore, cluster chief executive (from 17 September 2012)	80-85	0	0	n/a	n/a	n/a
Mr R. Knibbs, cluster director of finance (from 1 October 2012)	50-55	0	0	n/a	n/a	n/a
Mrs A. Fisk, cluster director of operations and delivery (from 1 Oct. 2012)	45-50	0	0	n/a	n/a	n/a
Mrs C. Williams, cluster director of nursing (from 1 October 2012)	45-50	0	0	n/a	n/a	n/a
Mr M. Wilkinson, acting director of finance, contracting and performance (from 1 August to 30 September 2012)	35-40	0	0	n/a	n/a	n/a
Mrs R. Harriott, deputy chief executive	90-95	0	37	95-100	0	57
Mr N. Kemsley, director of finance, contracting and performance (to 31 July 2012)	40-45	0	0	120-125	0	0
Mrs J. Winslade, director of patient safety and quality and board nurse	95-100	0	0	85-90	0	0
Mrs P. Smith, director of transition	100-105	0	34	100-105	0	34

continued...

Salaries and allowances, 2012/13 continued

	2012/13			2011/12		
Name and title	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (rounded to the nearest £00) £00	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (rounded to the nearest £00) £00
Ongoing cluster appointments continued						
Dr G. Lockerbie, medical director	135-140	0	0	120-125	0	0
Mr A. Clifford, non-executive director	10-15	0	0	10-15	0	0
Mr P. Moate, non-executive director	5-10	0	0	5-10	0	0
Ms C. Stocks, non-executive director	5-10	0	0	5-10	0	0
Ms C. Schneider, non-executive director	5-10	0	0	5-10	0	0
Ms M. Holmes	5-10	0	0	5-10	0	0
Ongoing non-cluster appointments						
Mrs D. Stark, director of Public Health Torbay Care Trust	80-85	0	2	80-85	0	2
Mrs D. Lapthorne, director of Public Health NHS Plymouth	85-90	0	0	85-90	0	0
Dr V. Pearson, director of Public Health	140-145	0	0	140-145	0	0

Pension benefits, 2012/13

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000) £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 £000	Employer's contribution to stakeholder pension £00
Ms A. James, chief executive (from 16 Sept. 2012)	0-2.5	12.5-15.0	40-45	120-125	684	587	97	0
Mr S. Moore, cluster chief executive (from 17 Sept. 2012)	n/a	n/a	35	104	499	n/a	n/a	0
Mr R. Knibbs, cluster director of finance (from 1 October 2012)	n/a	n/a	25	76	0	n/a	n/a	0
Mrs A. Fisk, cluster director of operations and delivery (from 1 October 2012)	n/a	n/a	27	82	504	n/a	n/a	0
Mrs C. Williams, cluster director of nursing (from 1 October 2012)	n/a	n/a	38	114	692	n/a	n/a	0
Mr M. Wilkinson, acting director of finance, contracting and performance (from 1 August 2012 to 30 September 2012)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mrs R. Harriott, deputy chief executive	0-2.5	2.5-5.0	30-35	100-105	596	562	34	0
Mr N. Kemsley, director of finance, contracting and performance, to 31 July 2012	0-2.5	2.5-5.0	30-35	100-105	564	529	35	0
Mrs J. Winslade, director of patient safety and quality and board nurse	2.5-5.0	7.5-10.0	20-25	70-75	375	323	52	0

continued...

Pension benefits, 2012/13 continued

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000) £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 £000	Employer's contribution to stakeholder pension £00
Mrs P. Smith, director of transition (from 1 September 2011)	0-2.5	0-2.5.0	45-50	140-145	1,075	1,015	60	0
Dr G. Lockerbie, medical director (from 1 September 2011)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mrs D. Stark, director of Public Health Torbay Care Trust	0-2.5	0-2.5	25-30	80-85	461	431	30	0
Mrs D. Lapthorne, director of Public Health NHS Plymouth	0-2.5	2.5-5.0	30-35	100-105	340	589	-249	0
Dr V. Pearson, director of Public Health	0-2.5	5.0-7.5	50-55	155-160	1,006	932	74	0
Mrs J. Carroll, director of strategic commissioning (to 30 September 2011)	0-2.5	2.5-5.0	25-30	75-80	437	411	26	0

NOTES

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 members' 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 benefit 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 figure and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

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

NHS Plymouth – pay multiples

NHS Plymouth is required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisations workforce.

The banded remuneration of the highest paid director in NHS Plymouth in the financial year 2012/13 was £115,000 - £120,000 (2011/12 £155,000 - £160,000). In 2012/13 this was 4.71 times the median remuneration of the workforce (2011/12 the ratio was 6.58).

In 2012/13, no employees received remuneration in excess of the highest paid director.

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

NHS Plymouth – reporting of other compensation schemes – exit packages

Exit package cost band (including any special payment element)	2012/13					
	* Number of compulsory redundancies	* Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
Less than £10,000	0	£0	0	0	0	0
£10,001-£25,000	0	£0	0	0	0	0
£25,001-£50,000	1	£33,000	0	0	1	32,672
£50,001-£100,000	2	£186,000	1	99,864	3	285,572
£101,001-£150,000	3	£359,000	0	0	3	359,483
£150,001-£200,000	-	-	0	0	0	0
>£200,000	1	£210,000	0	0	1	209,613
Total	**7**	**£788,000**	**1**	**£99,864**	**8**	**£887,340**

Contacts

For more information please contact:

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Email: d-ccg.corporateservices@nhs.net

Follow the CCG on Twitter, Facebook and Youtube: Search 'Northern, Eastern, Western Devon Clinical Commissioning Group' or 'NEW Devon CCG'

South Devon and Torbay Clinical Commissioning Group

Pomona House
Oak View Close
Torquay TQ2 7FF

Website: www.southdevonandtorbayccg.co.uk
Email: sdtccg@nhs.net

Follow the CCG on Twitter: @sdtccg

Acknowledgements

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www.lighthousecommunications.co.uk

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF PLYMOUTH TEACHING PRIMARY CARE NHS TRUST

We have audited the financial statements of Plymouth Teaching Primary Care NHS 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 and related narrative notes;
- the table of pension benefits of senior managers and related narrative notes; and
- the table of pay multiples and related narrative notes.

This report is made solely to the Department of Health's accounting officer in respect of Plymouth Teaching Primary Care NHS 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Department of Health's accounting officer and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

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

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

Scope of the audit of the financial statements

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

financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Plymouth Primary Care NHS 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 a reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work.

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

Certificate

We certify that we have completed the audit of the financial statements of Plymouth Teaching Primary Care NHS Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

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

Hartwell House, 55-61 Victoria Street
Bristol BS 1 6FT

5 June 2013

Department of Health

NHS

Plymouth Teaching Primary Care Trust

2012-13 Accounts

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Plymouth Teaching Primary Care Trust

2012-13 Accounts

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	**9,577**	42,085
Other costs	5.1	**478,224**	441,076
Income	4	**(29,816)**	(31,075)
Net operating costs before interest		**457,985**	452,086
Investment income	9	**(80)**	(71)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**1,764**	1,817
Net operating costs for the financial year		**459,669**	453,832
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		**459,669**	**453,832**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**7,224**	6,930
Other costs	5.1	**3,520**	4,437
Income	4	**(1,593)**	(1,984)
Net administration costs before interest		**9,151**	**9,383**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	0
Net administration costs for the financial year		**9,151**	**9,383**
Programme Expenditure			
Gross employee benefits	7.1	**2,353**	35,155
Other costs	5.1	**474,704**	436,639
Income	4	**(28,223)**	(29,091)
Net programme expenditure before interest		**448,834**	**442,703**
Investment income	9	**(80)**	(71)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**1,764**	1,817
Net programme expenditure for the financial year		**450,518**	**444,449**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**3,000**	766
Net (gain) on revaluation of property, plant & equipment	**0**	1,924
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	**462,669**	**456,522**

The notes on pages 5 to 52 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**81,151**	90,249
Intangible assets	13	**223**	330
Investment property	15	**0**	0
Other financial assets	21	**604**	604
Trade and other receivables	19	**0**	0
Total non-current assets		**81,978**	91,183
Current assets:			
Inventories	18	**3**	24
Trade and other receivables	19	**5,014**	4,628
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**19**	29
Total current assets		**5,036**	4,681
Non-current assets held for sale	24	**2,100**	0
Total current assets		**7,136**	4,681
Total assets		**89,114**	95,864
Current liabilities			
Trade and other payables	25	**(24,435)**	(29,586)
Other liabilities	26,28	**0**	0
Provisions	32	**(1,509)**	(824)
Borrowings	27	**(2,067)**	(2,039)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(28,011)**	(32,449)
Non-current assets plus/less net current assets/liabilities		**61,103**	63,415
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(693)	(627)
Borrowings	27	(22,573)	(23,347)
Other financial liabilities	36.2	0	0
Total non-current liabilities		**(23,266)**	(23,974)
Total Assets Employed:		**37,837**	39,441
Financed by taxpayers' equity:			
General fund		22,705	20,417
Revaluation reserve		15,132	19,024
Other reserves		0	0
Total taxpayers' equity:		**37,837**	39,441

The notes on pages 5 to 52 form part of this account.

The financial statements on pages 1 to 4 were approved on behalf of the Department of Health on 05/06/2013 and signed on its behalf by:

Designated signing officer: **Date:**

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**20,417**	**19,024**	**0**	**39,441**
Changes in taxpayers equity for 2012-13				
Net operating cost for the year	(459,669)			**(459,669)**
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		(3,000)		**(3,000)**
Movements in other reserves			0	**0**
Transfers between reserves	892	(892)		**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	**(458,777)**	**(3,892)**	**0**	**(462,669)**
Net Parliamentary funding	461,065			**461,065**
Balance at 31 March 2013	**22,705**	**15,132**	**0**	**37,837**

Balance at 1 April 2011	**18,991**	**19,776**	**0**	**38,767**
Changes in taxpayers equity for 2011-12				
Net operating cost for the year	(453,832)			(453,832)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		(1,924)		(1,924)
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		1,172		1,172
Movements in other reserves			0	0
Transfers between reserves	0	0		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	(453,832)	(752)	0	(454,584)
Net Parliamentary funding	455,258			455,258
Balance at 31 March 2012	**20,417**	**19,024**	**0**	**39,441**

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		**(457,985)**	(452,086)
Depreciation and Amortisation		**3,743**	3,906
Impairments and Reversals		**3,579**	1,172
Other Gains / (Losses) on foreign exchange		**0**	0
Donated Assets received credited to revenue but non-cash		**0**	0
Government Granted Assets received credited to revenue but non-cash		**0**	0
Interest Paid		**(1,744)**	(1,817)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**21**	433
(Increase)/Decrease in Trade and Other Receivables		**(386)**	1,652
(Increase)/Decrease in Other Current Assets		**0**	75
Increase/(Decrease) in Trade and Other Payables		**(4,793)**	(6,344)
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions Utilised	32	**(782)**	(402)
Increase/(Decrease) in Provisions		**1,513**	465
Net Cash Inflow/(Outflow) from Operating Activities		**(456,834)**	**(452,946)**
Cash flows from investing activities			
Interest Received		**80**	71
(Payments) for Property, Plant and Equipment		**(3,664)**	(1,619)
(Payments) for Intangible Assets		**0**	0
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**84**	0
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Proceeds from the disposal of Financial Assets (LIFT)		**0**	0
Loans Made in Respect of LIFT		**0**	0
Loans Repaid in Respect of LIFT		**0**	0
Rental Revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(3,500)**	**(1,548)**
Net cash inflow/(outflow) before financing		**(460,334)**	**(454,494)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SOFP PFI and LIFT		**(741)**	(741)
Net Parliamentary Funding		**461,065**	455,258
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		**460,324**	**454,517**
Net increase/(decrease) in cash and cash equivalents		**(10)**	**23**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**29**	**6**
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		**19**	**29**

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

Going Concern

As a consequence of the Health and Social Care Act 2012, the Care Trust will be dissolved on 31 March 2013. Its functions will be transferred to various new or existing public sector entities.

The Secretary of State has directed that, where Parliamentary funding continues to be voted to permit the relevant services to be carried out elsewhere in the public sector, this is normally sufficient evidence of going concern.

The Manual for Accounts 2012/13 provides the follow interpretations of going concern for the public sector context:

• for non-trading entities, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. However, a trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up.

• Where an entity ceases to exist, it should consider whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern for the final set of financial statements

NHS Plymouth is a non-trading entity which will cease to exist on 31 March 2013. The provision of its services and associated assets will transfer to various other public sector bodies. Therefore NHS Plymouth satisfies the criteria laid out in the Manual for Accounts, and as such the Board of the PCT believes it is appropriate to have prepared these financial statements on a going concern basis.

Transforming Community Services (TCS) transactions

Under the TCS initiative, services historically provided by PCTs have transferred to other providers. Where transfers are to other NHS organisations, such as NHS Trusts and NHS Foundation Trusts, such transfers fall to be accounted for by use of merger accounting. The Treasury FREM provides that where a transfer takes place in 2012-13, the recipient of the transfer will account for transferred activity in full for the period (and the original provider for none) to reflect the position had the transfer always applied.

For Plymouth teaching PCT, the transfer was to a non NHS organisation, and therefore no merger accounting adjustments were required for 2012-13 or 2012-13.

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.

Plymouth teaching PCT discontinued its provision of services on the 30th September 2011, and this was reflected in 2012-13 accounts, and the comparators as stated in 2012-13 accounts.

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.

1. Accounting policies (continued)

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.

Local Implementation Finance Trust (LIFT) properties
It has been determined for each of the four existing LIFT schemes that the principles of IFRIC 12 require the assets, and the liability to pay for them, to be on the statement of financial position (SOFP). The Board had formally agreed that purchase at the end of the primary lease term was probable for each property (there is no contractual commitment or amount), and the properties were valued on the resulting basis. Since 2010/11 accounts, the commitment identified in those accounts has now been brought into use and the corresponding asset and liability are now included in the SOFP.

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

Provisions
The PCT has included a number of provisions within its financial accounts for 2012/13. Some of these provisions are based on guidance received from external NHS organisations. However, a significant provision has also been included relating to Continuing Health Care. The provision was based on an estimate informed by the review of the likely liabilities arising in the future and past experience of payments made. All provisions are reviewed on an annual basis.

Modern Equivalent Asset (MEA) Valuation
The asset valuation of properties is valued by the district valuer appointed by the PCT.

Partially Completed Spells
The PCT has made an estimate and created an accrual in conjunction with its partner provider organisation of the value of partially completed episodes of care

Impairments
The PCT has calculated impairments against its fixed asset base using updated valuations from the District Valuer for larger assets and an estimate based on sampling for its smaller assets. Where an asset was impaired in the previous financial year and the charge taken to the Operating Cost statement and asset value has increased in this financial year the impairment in the previous year has been unwound to the extent of the increase in value of the asset.

Administration and Programme
The PCT has analysed and reported 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 related services.

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 Plymouth City Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for Integrated Care and Equipment Services and a memorandum note to the accounts provides details of the joint income and expenditure.

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

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. Accounting policies (continued)

1.5 Administration and Programme Costs
Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure). From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme". For PCTs, the Department has defined "admin and programme" in terms of running costs. The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services .Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury budgetary control arrrangements and so is recorded as such in the financial statements.

1.6 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)

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

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

1.11 Non-current assets held for sale

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

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

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

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

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

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

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

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

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

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

1. Accounting policies (continued)

1.16 Employee benefits
Short-term employee benefits

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

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

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

1.17 Research and Development

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

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

1.19 Grant making

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

1.20 Contingencies

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

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

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

1. Accounting policies (continued)

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

The PCT as lessee

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

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

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

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

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

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

1.22 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.

1.23 Provisions
Provisions are recognised when the PCT has a present legal or constructive obligation as a result of a past event, it is probable that the PCT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.35% (2.8% in respect of early staff departures) in real terms.

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

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

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

The provision for Continuing Healthcare has been calculated by assessing the likelihood of received claims being succesful based on a combination of authority to act, management expertise, and historic information. The detailed calculation was based on an average payout from past experience, and a range of likelihood of success of between 5% and 20%.

1. Accounting policies (continued)

1.24 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

Held to maturity investments

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

Available for sale financial assets

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

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

At the Statement of Financial Position date, the PCT assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Net Expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1. Accounting policies (continued)

Financial liabilities
Financial liabilities are recognised on the Statement of Financial Position when the PCT becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other financial liabilities.

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

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

1.25 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 no PFI transactions other than LIFT.

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

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

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.

1. Accounting policies (continued)

c) Lifecycle replacement
Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the PCT's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.
The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

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

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

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

2 Operating segments

In 2011/12 segmental reporting was provided for both the Provider and Commissioner arm of the PCT.

Under Transforming Community Services the PCT ceased provision of services from 1st October 2011. There is therefore no provision in 2012-13, and no appropriate comparator for segmental reporting.

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	**459,669**	453,832
Net operating cost plus (gain)/loss on transfers by absorption		
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**464,928**	456,036
Under/(Over)spend Against Revenue Resource Limit (RRL)	464,928	2,204

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	**3,226**	2,000
Charge to Capital Resource Limit	**3,217**	1,966
(Over)/Underspend Against Capital Resource Limit	**9**	**34**

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**	45,151
Provider Operating Revenue	**0**	(9,433)
Net Provider Operating Costs	**0**	35,718
Costs Met Within PCT's Own Allocation	**0**	(35,718)
Under/(Over) Recovery of Costs	**0**	0

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**461,065**	455,258
Cash Limit	**461,065**	455,258
Under/(Over)spend Against Cash Limit	**0**	**0**

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

	2012-13 £000
Total cash received from DH (Gross)	400,255
Less: Trade Income from DH	(93)
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**400,162**
(Less)/plus: transfers (to)/from other resource account bodies	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	9,216
Plus: drugs reimbursement (central charge to cash limits)	51,687
Parliamentary funding credited to General Fund	**461,065**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12 Total
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	**2,926**		2,926	2,762
Dental Charge income from Trust-Led GDS & PDS	**28**		28	74
Prescription Charge income	**2,605**		2,605	2,495
Strategic Health Authorities	**51**	51	0	239
NHS Trusts	**34**	14	20	862
NHS Foundation Trusts	**16**	2	14	188
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**2,216**	975	1,241	6,139
Primary Care Trusts - Lead Commissioning	**0**	0	0	4
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**0**	0	0	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**0**	0	0	68
Recoveries in respect of employee benefits	**0**	0	0	0
Local Authorities	**1,183**	73	1,110	1,858
Patient Transport Services	**0**		0	0
Education, Training and Research	**6,367**	1	6,366	7,795
Non-NHS: Private Patients	**0**		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**		0	0
NHS Injury Costs Recovery	**0**		0	76
Other Non-NHS Patient Care Services	**2,297**	1	2,296	597
Charitable and Other Contributions to Expenditure	**0**		0	0
Receipt of donated assets	**0**		0	0
Receipt of Government granted assets	**0**		0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**6,824**	238	6,586	3,511
Other revenue	**5,269**	238	5,031	4,407
Total miscellaneous revenue	**29,816**	**1,593**	**28,223**	**31,075**

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	**50,567**		50,567	39,208
Non-Healthcare	**1,356**	1,190	166	932
Total	**51,923**	**1,190**	**50,733**	**40,140**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**158,802**	261	158,541	162,724
Goods and services (other, excl Trusts, FT and PCT))	**15**	0	15	8
Total	**158,817**	**261**	**158,556**	**162,732**
Goods and Services from Foundation Trusts	**11,214**	0	11,214	11,597
Purchase of Healthcare from Non-NHS bodies	**121,745**		121,745	89,765
Social Care from Independent Providers	**0**		0	0
Expenditure on Drugs Action Teams	**3,111**		3,111	3,080
Non-GMS Services from GPs	**628**	0	628	928
Contractor Led GDS & PDS (excluding employee benefits)	**14,833**		14,833	13,688
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**0**		0	765
Chair, Non-executive Directors & PEC remuneration	**16**	16	0	124
Executive committee members costs	**0**	0	0	52
Consultancy Services	**210**	111	99	365
Prescribing Costs	**42,104**		42,104	43,474
G/PMS, APMS and PCTMS (excluding employee benefits)	**38,241**	153	38,088	38,195
Pharmaceutical Services	**20**		20	0
Local Pharmaceutical Services Pilots	**0**		0	0
New Pharmacy Contract	**12,440**		12,440	12,899
General Ophthalmic Services	**2,451**		2,451	2,979
Supplies and Services - Clinical	**421**	0	421	1,944
Supplies and Services - General	**831**	585	246	737
Establishment	**258**	167	91	2,825
Transport	**967**	240	727	1,319
Premises	**1,638**	326	1,312	2,124
Impairments & Reversals of Property, plant and equipment	**3,579**	0	3,579	1,172
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation	**3,653**	56	3,597	3,825
Amortisation	**90**	0	90	81
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**0**	0	0	72
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**0**	0	0	0
Audit Fees	**87**	87	0	152
Other Auditor's Remuneration	**26**	26	0	30
Clinical Negligence Costs	**0**	0	0	0
Education and Training	**5,522**	0	5,522	5,691
Grants for capital purposes	**1,649**	200	1,449	160
Grants for revenue purposes	**0**	0	0	0
Impairments and reversals for investment properties	**0**	0	0	0
Other	**1,750**	102	1,648	161
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**478,224**	**3,520**	**474,704**	**441,076**
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	**0**	0	0	654
Trust led PDS and PCT DS	**0**	0	0	0
PCT Officer Board Members	**0**	0	0	0
Other Employee Benefits	**9,577**	7,224	2,353	41,431
Total Employee Benefits charged to SOCNE	**9,577**	**7,224**	**2,353**	**42,085**
Total Operating Costs	**487,801**	**10,744**	**477,057**	**483,161**

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
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	**1,027**	200	827	160
Grants to Private Sector to Fund Capital Projects	**622**	0	622	0
Grants to Fund Capital Projects - Dental	**0**	0	0	0
Grants to Fund Capital Projects - Other	**0**	0	0	0
Total Capital Grants	**1,649**	**200**	**1,449**	**160**
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	**1,649**	**200**	**1,449**	**160**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**9,151**	7,957	1,194
Weighted population (number in units)*	**272,296**	272,296	272,296
Running costs per head of population (£ per head)	**33.61**	**29.22**	**4.38**
PCT Running Costs 2011-12			
Running costs (£000s)	**9,383**	8,365	1,018
Weighted population (number in units)	**272,296**	272,296	272,296
Running costs per head of population (£ per head)	**34.46**	**30.72**	**3.74**

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	38,241	39,081
Prescribing costs	42,104	43,477
Contractor led GDS & PDS	14,113	11,478
Trust led GDS & PDS	0	765
General Ophthalmic Services	2,451	2,963
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	12,443	12,902
Non-GMS Services from GPs	447	583
Other	(242)	476
Total Primary Healthcare purchased	**109,557**	111,725
Purchase of Secondary Healthcare		
Learning Difficulties	9,129	10,363
Mental Illness	40,236	39,685
Maternity	9,087	9,713
General and Acute	193,382	185,373
Accident and Emergency	15,725	15,270
Community Health Services	55,051	56,117
Other Contractual	37,836	32,213
Total Secondary Healthcare Purchased	**360,446**	348,734
Grant Funding		
Grants for capital purposes	1,649	160
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**471,652**	**460,619**
PCT self-provided secondary healthcare included above	0	35,718
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	11,716	11,335

6. Operating Leases

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 Total £000
Payments recognised as an expense					
Minimum lease payments				**1,225**	1,987
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**1,225**	**1,987**
Payable:					
No later than one year	**0**	**193**	**18**	**211**	300
Between one and five years	**0**	**591**	**10**	**601**	770
After five years	**0**	**667**	**0**	**667**	769
Total	**0**	**1,451**	**28**	**1,479**	**1,839**
Total future sublease payments expected to be received				0	0

6.2 PCT as lessor

As a result of the cessation of provision of clinical services as at 1st October 2011, the estate is leased to providers.

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**6,824**	3,511
Contingent rents	**0**	0
Total	**6,824**	3,511
Receivable:		
No later than one year	**6,428**	7,435
Between one and five years	**25,712**	22,515
After five years	**0**	0
Total	**32,140**	29,950

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13 Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure			
Salaries and wages	**6,094**	4,379	1,715
Social security costs	**1,075**	811	264
Employer Contributions to NHS BSA - Pensions Division	**1,521**	1,147	374
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**887**	887	0
Total employee benefits	**9,577**	**7,224**	**2,353**
Less recoveries in respect of employee benefits	**0**	0	0
Total - Net Employee Benefits including capitalised costs	**9,577**	**7,224**	**2,353**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**9,577**	**7,224**	**2,353**
Recognised as:	Commissioning	Providing	Total
Gross Employee Benefits excluding capitalised costs	**9,577**	**0**	**9,577**

	Permanently employed Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure			
Salaries and wages	**5,564**	3,953	1,611
Social security costs	**993**	745	248
Employer Contributions to NHS BSA - Pensions Division	**1,405**	1,054	351
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**887**	887	0
Total employee benefits	**8,849**	**6,639**	**2,210**
Less recoveries in respect of employee benefits	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**8,849**	**6,639**	**2,210**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**8,849**	**6,639**	**2,210**
Recognised as:	Commissioning	Providing	Total
Gross Employee Benefits excluding capitalised costs	**8,849**	**0**	**8,849**

	Other Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure			
Salaries and wages	**530**	426	104
Social security costs	**82**	66	16
Employer Contributions to NHS BSA - Pensions Division	**116**	93	23
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**0**	0	0
Total employee benefits	**728**	**585**	**143**
Less recoveries in respect of employee benefits	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**728**	**585**	**143**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**728**	**585**	**143**
Recognised as:	Commissioning	Providing	Total
Gross Employee Benefits excluding capitalised costs	**728**	**0**	**728**

7. Employee benefits and staff numbers

7.1 Employee benefits

Employee Benefits - Revenue

There were no Employee Benefits - Revenue

Employee Benefits - Prior- year

	2011-12		
	Total £000	**Permanently employed £000**	**Other £000**
Employee Benefits Gross Expenditure			
Salaries and wages	**34,543**	34,198	345
Social security costs	**2,695**	2,668	27
Employer Contributions to NHS BSA - Pensions Division	**4,360**	4,316	44
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**487**	487	0
Total gross employee benefits	**42,085**	**41,669**	**416**
Less recoveries in respect of employee benefits	**0**	0	0
Total - Net Employee Benefits including capitalised costs	**42,085**	**41,669**	**416**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**42,085**	**41,669**	**416**
Recognised as:			
Commissioning employee benefits	**9,512**		
Provider employee benefits	**32,573**		
Gross Employee Benefits excluding capitalised costs	**42,085**		

7. Employee benefits and staff numbers

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	**Permanently employed Number**	**Other Number**	**Total Number**	**Permanently employed Number**	**Other Number**
Average Staff Numbers						
Medical and dental	**3**	3	0	**43**	41	2
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**147**	129	18	**336**	311	25
Healthcare assistants and other support staff	**0**	0	0	**212**	207	5
Nursing, midwifery and health visiting staff	**18**	18	0	**309**	254	55
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**13**	13	0	**188**	181	7
Social Care Staff	**0**	0	0	**0**	0	0
Other	**0**	0	0	**1**	0	1
TOTAL	**181**	**163**	**18**	**1,089**	**994**	**95**
Of the above - staff engaged on capital projects	**0**	0	0	**0**	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	**2011-12 Number**
Total Days Lost	**3,294**	**19,712**
Total Staff Years	**452**	**1,970**
Average working Days Lost	7.29	10.01

	2012-13 Number	**2011-12 Number**
Number of persons retired early on ill health grounds	**1**	8
	£000s	£000s
Total additional pensions liabilities accrued in the year	**0**	625

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Lees than £10,000	**0**	**0**	**0**	2	0	**2**
£10,001-£25,000	**0**	**0**	**0**	3	0	**3**
£25,001-£50,000	**1**	**0**	**1**	1	0	**1**
£50,001-£100,000	**2**	**1**	**3**	5	0	**5**
£100,001 - £150,000	**3**	**0**	**3**	1	0	**1**
£150,001 - £200,000	**0**	**0**	**0**	0	0	**0**
>£200,000	**1**	**0**	**1**	0	0	**0**
Total number of exit packages by type (total cost	**7**	**1**	**8**	**12**	**0**	**12**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	787,476	99,864	**887,340**	621,000	0	**621,000**

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 Agenda for Change. 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.

The scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these follows:

a) 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 to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had up to April 2008 paid 6%, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his Valuation report recommended that employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the scheme actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2011, is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2011 with summary global member and accounting data.

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

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.

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 their 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 Statement of Comprehensive income at the time the PCT commits itself to the retirement, regardless of the method of payment.

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	**10,220**	**69,530**	24,823	76,058
Total Non-NHS Trade Invoices Paid Within Target	**9,039**	**65,961**	22,535	72,326
Percentage of NHS Trade Invoices Paid Within Target	88.44%	94.87%	90.78%	95.09%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**1,994**	**334,980**	2,947	302,131
Total NHS Trade Invoices Paid Within Target	**1,823**	**332,435**	2,698	292,394
Percentage of NHS Trade Invoices Paid Within Target	91.42%	99.24%	91.55%	96.78%

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 Total £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	**80**	**0**	**80**	71
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	**80**	**0**	**80**	71
Total investment income	**80**	**0**	**80**	71

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Interest				
Interest on obligations under finance leases	**0**	**0**	**0**	0
Interest on obligations under PFI contracts:				
- main finance cost	**0**	**0**	**0**	0
- contingent finance cost	**0**	**0**	**0**	0
Interest on obligations under LIFT contracts:				
- main finance cost	**1,299**	**0**	**1,299**	1,336
- contingent finance cost	**445**	**0**	**445**	461
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	**0**
Total interest expense	**1,744**	**0**	**1,744**	**1,797**
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**20**		**20**	20
Total	**1,764**	**0**	**1,764**	**1,817**

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments	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	**15,701**	**69,634**	**0**	**1,773**	**3,675**	**0**	**6,461**	**2,185**	**99,429**
Additions of Assets Under Construction				0					**0**
Additions Purchased	0	2,291	0		161	0	852	0	**3,304**
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	764	0	(1,773)	319	0	257	433	**0**
Reclassifications as Held for Sale	(1,200)	(900)	0	0	0	0	0	0	**(2,100)**
Disposals other than for sale	0	0	0	0	(52)	0	(82)	0	**(134)**
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	**0**
Impairments/negative indexation	(167)	(2,830)	0	0	(2)	0	(1)	0	**(3,000)**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**14,334**	**68,959**	**0**	**0**	**4,101**	**0**	**7,487**	**2,618**	**97,499**
Depreciation									
At 1 April 2012	**979**	**2,438**	**0**	**0**	**1,599**	**0**	**3,483**	**681**	**9,180**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		(8)	0	(56)	0	**(64)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	288	3,268	0	0	21	0	2	0	**3,579**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	1,989	0		326	0	1,126	212	**3,653**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**1,267**	**7,695**	**0**	**0**	**1,938**	**0**	**4,555**	**893**	**16,348**
Net Book Value at 31 March 2013	**13,067**	**61,264**	**0**	**0**	**2,163**	**0**	**2,932**	**1,725**	**81,151**
Purchased	13,067	61,253	0	0	2,163	0	2,932	1,725	**81,140**
Donated	0	11	0	0	0	0	0	0	**11**
Government Granted	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**13,067**	**61,264**	**0**	**0**	**2,163**	**0**	**2,932**	**1,725**	**81,151**

12.1 Property, plant and equipment (cont'd)

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Asset financing:									
Owned	13,067	36,624	0	0	2,163	0	2,932	1,725	**56,511**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	24,640	0	0	0	0	0	0	**24,640**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**13,067**	**61,264**	**0**	**0**	**2,163**	**0**	**2,932**	**1,725**	**81,151**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	**6,624**	**12,323**	**0**	**0**	**77**	**0**	**0**	**0**	**19,024**
Movements	(754)	(3,061)	0	0	(77)	0	0	0	**(3,892)**
At 31 March 2013	**5,870**	**9,262**	**0**	**0**	**0**	**0**	**0**	**0**	**15,132**

Additions to Assets Under Construction in 2012-13

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

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:									
At 1 April 2011	**15,906**	**68,710**	**0**	**2,549**	**3,692**	**97**	**5,987**	**1,974**	**98,915**
Additions - purchased	0	0	0	1,966	0	0	0	0	**1,966**
Additions - donated	0	0	0	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	1,474	0	(2,731)	289	0	601	255	**(112)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	(306)	(97)	(127)	(44)	**(574)**
Revaluation & indexation gains	0	0	0	0	0	0	0	0	**0**
Impairments	(605)	(981)	0	(11)	0	0	0	0	**(1,597)**
Reversals of impairments	400	431	0	0	0	0	0	0	**831**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative depreciation netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**15,701**	**69,634**	**0**	**1,773**	**3,675**	**0**	**6,461**	**2,185**	**99,429**
Depreciation									
At 1 April 2011	**0**	**0**	**0**		**1,573**	**97**	**2,578**	**509**	**4,757**
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		(306)	(97)	(127)	(44)	**(574)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	979	197	0	0	0	0	0	0	**1,176**
Reversal of Impairments	0	(4)	0	0	0	0	0	0	**(4)**
Charged During the Year	0	2,245	0		332	0	1,032	216	**3,825**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative depreciation netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**979**	**2,438**	**0**	**0**	**1,599**	**0**	**3,483**	**681**	**9,180**
Net Book Value at 31 March 2012	**14,722**	**67,196**	**0**	**1,773**	**2,076**	**0**	**2,978**	**1,504**	**90,249**
Purchased	14,722	67,185	0	1,773	2,076	0	2,978	1,504	**90,238**
Donated	0	11	0	0	0	0	0	0	**11**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**14,722**	**67,196**	**0**	**1,773**	**2,076**	**0**	**2,978**	**1,504**	**90,249**
Asset financing:									
Owned	12,367	45,829	0	1,773	2,076	0	2,978	1,504	**66,527**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	2,355	21,367	0	0	0	0	0	0	**23,722**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**14,722**	**67,196**	**0**	**1,773**	**2,076**	**0**	**2,978**	**1,504**	**90,249**

12.3 Property, plant and equipment

The PCT's land and buildings have been revalued as at 31st March 2012 based upon a valuation provided by an independent professional advisor, Andrew Doak BSc MRICS, DVS. The valuation was calculated using the BCIS index for March 2013.

Economic Lives of Non-Current Assets	**Min Life Years**	**Max Life Years**
Property, Plant and Equipment		
Buildings exc Dwellings	3	89
Dwellings	0	0
Plant & Machinery	1	20
Transport Equipment	0	0
Information Technology	1	10
Furniture and Fittings	1	10

13.1 Intangible non-current assets

2012-13	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2012	**0**	**530**	**0**	**0**	**0**	**530**
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	(24)	0	0	0	**(24)**
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**	**506**	**0**	**0**	**0**	**506**
Amortisation						
At 1 April 2012	**0**	**200**	**0**	**0**	**0**	**200**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	(7)	0	0	0	**(7)**
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 expe	0	0	0	0	0	**0**
Charged during the year	0	90	0	0	0	**90**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**283**	**0**	**0**	**0**	**283**
Net Book Value at 31 March 2013	**0**	**223**	**0**	**0**	**0**	**223**
Net Book Value at 31 March 2013 comprises						
Purchased	0	223	0	0	0	**223**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**223**	**0**	**0**	**0**	**223**

Revaluation reserve balance for intangible non-current assets

	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000's	£000's	£000's	£000's	£000's	£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**	**418**	**0**	**0**	**0**	**418**
Additions - purchased	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Reclassifications	0	112	0	0	0	**112**
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**	**530**	**0**	**0**	**0**	**530**
Amortisation						
At 1 April 2011	**0**	**119**	**0**	**0**	**0**	**119**
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	81	0	0	0	**81**
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**	**200**	**0**	**0**	**0**	**200**
Net Book Value at 31 March 2012	**0**	**330**	**0**	**0**	**0**	**330**
Net Book Value at 31 March 2012 comprises						
Purchased	0	330	0	0	0	**330**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**330**	**0**	**0**	**0**	**330**

13.3 Intangible non-current assets

Economic Lives on Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	2	5
Licences and Trademarks	3	10
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings exc Dwellings	3	89
Dwellings	0	0
Plant & Machinery	1	20
Transport Equipment	0	0
Information Technology	1	10
Furniture and Fittings	1	10

Open Market Value of Assets at balance sheet date	**Land**	**Buildings excl. dwellings**	**Dwellings**	**Total**
	£000s	**£000s**	**£000s**	**£000s**
Open Market Value at 31 March 2013	**0**	0	0	0
Open Market Value at 31 March 2012	**0**	0	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SOCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	3,579		3,579
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**3,579**		**3,579**
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	3,000		
Total impairments for PPE charged to reserves	**3,000**		
Total Impairments of Property, Plant and Equipment	**6,579**	**0**	**3,579**
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**

14. Analysis of impairments and reversals recognised in 2012-13 (cont'd)	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
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	3,000		
Total Impairments charged to SOCNE - DEL	0	0	0
Total Impairments charged to SOCNE - AME	3,579		3,579
Overall Total Impairments	**6,579**	**0**	**3,579**
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

There has been a material impairment in year resulting from the demolition of the Plympton Hospital, and declaration of the site as an Asset Held For Sale. The asset is Programme in nature but the details are not made explicit in the accounts as they are considered commercial in confidence at this stage.

15 Investment property

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

16.2 Other financial commitments

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

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

17 Intra-Government and other balances

	Current receivables	**Non-current receivables**	**Current payables**	**Non-current payables**
	£000s	**£000s**	**£000s**	**£000s**
Balances with other Central Government Bodies	170	0	2,954	0
Balances with Local Authorities	0	0	200	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	80	0	2,458	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	0	0	0	0
At 31 March 2013	**250**	**0**	**5,612**	**0**
Prior period:				
Balances with other Central Government Bodies	575	0	873	0
Balances with Local Authorities	230	0	1,757	0
Balances with NHS Trusts and Foundation Trusts	82	0	2,895	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	3,741	0	24,061	0
At 31 March 2012	**4,628**	**0**	**29,586**	**0**

18 Inventories

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000	Of which held at NRV £000
Balance at 1 April 2012	**0**	**0**	**0**	**0**	**0**	**24**	**24**	0
Additions	0	0	0	0	0	0	**0**	0
Inventories recognised as an expense in the period	0	0	0	0	0	(21)	**(21)**	0
Write-down of inventories (including losses)	0	0	0	0	0	0	**0**	0
Reversal of write-down previously taken to SOCNE	0	0	0	0	0	0	**0**	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	**0**	0
Balance at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**3**	**3**	**0**

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
NHS receivables - revenue	**250**	642	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**0**	15	**0**	0
Non-NHS receivables - revenue	**3,590**	3,798	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**1,228**	192	**0**	0
Provision for the impairment of receivables	**(103)**	(103)	**0**	0
VAT	**49**	84	**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	**0**	0	**0**	0
Total	**5,014**	4,628	**0**	0
Total current and non current	**5,014**	4,628		
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	**840**	1,395
By three to six months	**14**	216
By more than six months	**63**	90
Total	**917**	1,701

19.3 Provision for impairment of receivables

Balance at 1 April 2012	**(103)**	(103)
Amount written off during the year	**0**	0
Amount recovered during the year	**0**	0
(Increase)/decrease in receivables impaired	**0**	0
Balance at 31 March 2013	**(103)**	(103)

20 NHS LIFT investments

	Loan	Share capital
	£000	£000
Balance at 1 April 2012	**0**	**604**
Additions	**0**	**0**
Disposals	**0**	**0**
Loan repayments	**0**	**0**
Revaluations	**0**	**0**
Loans repayable within 12 months	**0**	**0**
Balance at 31 March 2013	**0**	**604**
Balance at 1 April 2011	604	0
Additions	0	0
Disposals	0	0
Loan repayments	0	0
Revaluations	(604)	604
Loans repayable within 12 months	0	0
Balance at 31 March 2012	**0**	**604**

21.1 Other financial assets - Current

	31 March 2013	31 March 2012
	£000	£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	31 March 2012
	£000	£000
Opening balance 1 April	**604**	604
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	**604**	604

21.3 Other Financial Assets - Capital Analysis

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

22 Other current assets

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

23 Cash and Cash Equivalents

	March 2013	31 March 2012
	£000	£000
Opening balance	**29**	6
Net change in year	**(10)**	23
Closing balance	**19**	29
Made up of		
Cash with Government Banking Service	**19**	29
Commercial banks	**0**	0
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**19**	29
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**19**	29
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments	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	0	0	0	0	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	1,200	900	0	0	0	0	0	0	0	**2,100**
Less assets sold in the year	0	0	0	0	0	0	0	0	0	**0**
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	**1,200**	**900**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,100**
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	0	0	0	0	0	0	0	0	0	**0**
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	0	0	0	0	0	0	0	0	0	**0**
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	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
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	3,438
At 31 March 2013	0

Detailed information on the Assets Held For Sale is considered commercial in confidence.
Land Held For Sale is a site that is cleared of any buildings and proformas part of an on going sale negotiation.
Buildings Held For Sale are buildings on a different site that are also part of an on going sale negotiation.

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Interest payable	**0**	0		
NHS payables - revenue	**5,168**	3,768	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**0**	0	**0**	0
Family Health Services (FHS) payables	**9,158**	10,945		
Non-NHS payables - revenue	**0**	2,188	**0**	0
Non-NHS payables - capital	**976**	1,334	**0**	0
Non-NHS accruals and deferred income	**5,413**	4,456	**0**	0
Social security costs	**77**	88		
VAT	**0**	0	**0**	0
Tax	**167**	103		
Payments received on account	**0**	0	**0**	0
Other	3,476	6,704	0	0
Total	**24,435**	29,586	**0**	0
Total payables (current and non-current)	**24,435**	**29,586**		

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Bank overdraft - Government Banking Service	**0**	0		
Bank overdraft - commercial banks	**0**	0		
PFI liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**2,067**	2,039	**22,573**	23,347
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**0**	0
Other	**0**	0	**0**	0
Total	**2,067**	**2,039**	**22,573**	**23,347**
Total other liabilities (current and non-current)	**24,640**	**25,386**		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	2,067	**2,067**
1 - 2 Years	0	2,044	**2,044**
2 - 5 Years	0	5,923	**5,923**
Over 5 Years	0	14,606	**14,606**
Total	**0**	**24,640**	**24,640**

28 Other financial liabilities

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£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	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Opening balance at 1 April 2012	**0**	100	**0**	0
Deferred income addition	**0**	0	**0**	0
Transfer of deferred income	**0**	(100)	**0**	0
Current deferred Income at 31 March 2013	**0**	0	**0**	0
Total other liabilities (current and non-current)	**0**	**0**		

30 Finance lease obligations

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
After five years	**0**	0	**0**	0
Less future finance charges	**0**	0		
Present value of minimum lease payments	**0**	0	**0**	0
Included in:				
Current borrowings			**0**	0
Non-current borrowings			**0**	0
			0	0

Amounts payable under finance leases (Land)	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
After five years	**0**	0	**0**	0
Less future finance charges	**0**	0		
Present value of minimum lease payments	**0**	0	**0**	0
Included in:				
Current borrowings			**0**	0
Non-current borrowings			**0**	0
			0	0

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

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

31 Finance lease receivables as lessor

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

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

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

	31 March 2013	31 March 2012
Finance Leases (as a Lessor)	**£000**	£000
Unguaranteed residual value accruing to the PCT	**0**	**0**
Accumulated allowance for uncollectible minimum lease payments receivable	**0**	**0**
Rental Income		
Contingent rent	**0**	0
Other	**0**	0
Total rental income	**0**	0
Finance Lease Commitments		
Lease	0	0

32 Provisions

	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	**1,451**	0	691	45	0	715	0	0	0	0
Arising During the Year	**1,525**	0	400	0	0	1,125	0	0	0	0
Utilised During the Year	**(782)**	0	(209)	0	0	(573)	0	0	0	0
Reversed Unused	**(12)**	0	0	(12)	0	0	0	0	0	0
Unwinding of Discount	**20**	0	20	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from otherPublic Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**2,202**	**0**	**902**	**33**	**0**	**1,267**	**0**	**0**	**0**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**1,509**	**0**	**209**	**33**	**0**	**1,267**	**0**	**0**	**0**	**0**
Later than One Year and not later than Five Years	**318**	**0**	**318**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Later than Five Years	**375**	**0**	**375**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	33
As at 31 March 2012	45

Note: *The provision for Continuing Healthcare has been calculated by assessing the likelihood of received claims being succesful based on a combination of authority to act, management expertise, and historic information. The detailed calculation was based on an average payout from past experience, and a range of likelihood of success of between 5% and 20%.*

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other	**(22)**	(27)
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(22)**	(27)

	31 March 2013 £000	31 March 2012 £000
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

Continuing Healthcare:
Whilst a provision was estimated for those cases where sufficient information had been received, a significant number did not have sufficient information, and for which the financial impact and likelihood of success could not be estimated. These place a potential future obligation on the Trust dependent on the outcome of further information and individual case review, but have been classed as contingent liabilities under IAS 37 rather than provisions. Due to the lack of sufficient information it is inappropriate to estimate the financial effect of these contingent liabilities.
Other*:*
There are potential claims in relation to a care home but at present these are unquantified. The claimants have not yet given enough information to enable this level of detail to be provided.

There is also a potential claim in relation to an employee liability claim and this is unquantified at the current time.

34 PFI and LIFT - additional information

	2013	2012
	£000	£000
34.1 Charges to operating expenditure and future commitments in respect of on and off SOFP PFI		
Total charge to operating expenses in year - Off SOFP PFI	**0**	0
Service element of on SOFP PFI charged to operating expenses in year	**0**	0
Total	**0**	**0**
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI		
No Later than One Year	**0**	0
Later than One Year and not later than Five Years	**0**	0
Later than Five Years	**0**	0
Total	**0**	0

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is:	**31 March 2013**	31 March 2012
	£000	£000
Estimated Capital Value of Project - off SOFP PFI	**0**	0
Value of Deferred Assets - off SOFP PFI	**0**	0
Value of Reversionary Interest - off SOFP PFI	**0**	0

34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due		
Analysed by when PFI payments are due		
No Later than One Year	**0**	0
Later than One Year and not later than Five Years	**0**	0
Later than Five Years	**0**	0
Subtotal	**0**	0
Less: Interest Element	**0**	0
Total	**0**	0

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT	**31 March 2013**	31 March 2012
	£000	£000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	**0**	0
Service element of on SOFP LIFT charged to operating expenses in year	**611**	532
Total	**611**	532

	31 March 2013	31 March 2012
	£000	£000
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.		
LIFT Scheme Expiry Date:		
No Later than One Year	**627**	543
Later than One Year and not later than Five Years	**2,597**	2,508
Later than Five Years	**12,368**	13,013
Total	**15,592**	16,064

The estimated annual payments in future years are expected to be materially different from those which the NHS Trust is committed to make during the next year. The likely financial effect of this is:	**31 March 2013**	31 March 2012
	£000	£000
Estimated capital value of project - off SOFP LIFT	0	0
Value of Deferred Assets - off SOFP LIFT	0	0
Value of Residual Interest - off SOFP LIFT	0	0

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	**31 March 2013**	31 March 2012
	£000	£000
No Later than One Year	**2,067**	2,039
Later than One Year and not later than Five Years	**7,967**	7,999
Later than Five Years	**31,585**	33,620
Subtotal	**41,619**	43,658
Less: Interest Element	**(16,973)**	(18,272)
Total	**24,646**	25,386

35 Impact of IFRS treatment - 2012-13

	Total	Admin	Programme
	£000	£000	£000
Revenue costs of IFRS: Arrangements reported on SOFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	**480**	0	480
Interest Expense	**1,741**	0	1,741
Impairment charge - AME	**454**		454
Impairment charge - DEL	**0**	0	0
Other Expenditure	**636**	0	636
Revenue Receivable from subleasing	**(2,905)**	0	(2,905)
Total IFRS Expenditure (IFRIC12)	**406**	**0**	**406**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**215**	0	215
Net IFRS change (IFRIC12)	**621**	**0**	**621**
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12			
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

PCTs are not permitted to borrow. The PCT therefore has low exposure to interest-rate fluctuations.

Credit Risk

Because the majority of the PCT's income comes from funds voted by Parliament the PCT has low exposure to credit risk.

Liquidity Risk

The PCT is required to operate within limits set by the Secretary of State for the financial year and draws down funds from the Department of Health as the requirement arises. The PCT is not, therefore, exposed to significant liquidity risks.

36.1 Financial Assets	**At 'fair value through profit and loss' £000**	**Loans and receivables £000**	**Available for sale £000**	**Total £000**
Embedded derivatives	0			**0**
Receivables - NHS		250		**250**
Receivables - non-NHS		3,536		**3,536**
Cash at bank and in hand		19		**19**
Other financial assets	0	0	0	**0**
Total at 31 March 2013	**0**	**3,805**	**0**	**3,805**
Embedded derivatives	0			0
Receivables - NHS		641		641
Receivables - non-NHS		3,781		3,781
Cash at bank and in hand		29		29
Other financial assets	0	24	0	24
Total at 31 March 2012	0	4,475	0	4,475

36.2 Financial Liabilities	**At 'fair value through profit and loss' £000**	**Other £000**	**Total £000**
Embedded derivatives	0		**0**
NHS payables		5,169	**5,169**
Non-NHS payables		15,104	**15,104**
Other borrowings		0	**0**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**20,273**	**20,273**
Embedded derivatives	0		0
NHS payables		3,769	3,769
Non-NHS payables		23,408	23,408
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2012	**0**	27,177	27,177

37 Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Plymouth Teaching Primary Care Trust.

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

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 Plymouth City Council in respect of joint working initiatives, the Inland Revenue and Department of Social Security, in respect of employee related payments and HM Customs & Excise.

The list of related party organisations are:
Bristol Primary Care Trust
Cornwall & Isles of Scilly Primary Care Trust
Devon Partnership Trust
Devon Primary Care Trust
NHS Business Services Authority
NHS Litigation Authority
NHS Pensions Agency
Plymouth City Council
Plymouth Community Healthcare CIC
Plymouth Hospitals NHS Trust
South West Ambulance Services
South West Strategic Health Authority
Torbay Care Trust
Resound Health Ltd

During 2012/13 NHS Plymouth has been operating under a Cluster Model with NHS Devon andTorbay Care Trust. A Cluster Operating Model maintains the three PCTs as separate legal entities but they operate under the control of one Governing Board. Primary Care Trusts traditionally operated a Professional Executive Committee (PEC) or Clinical Commissioning Committee made up of clinicians. From 1 April 2013 the NEW Devon Clinical Commissioning Group will exist which covers the population of Plymouth. A shadow committee has operated during 2012/13.

38 Losses and special payments

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

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

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

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

39 Third party assets

None

40 ICES pooled budget:

NHS Plymouth has a pooled budget arrangement with Plymouth City Council, who are also the host. The memorandum account for the pooled budget is:

	Budget	Year End Outturn	Variation
	£000s	£000s	£000s
Management Costs	73	64	(9)
Equipment Expenditure	1,207	1,437	230
Income	(1,280)	(1,501)	(221)
Total	0	(0)	(0)

42.1 Events after the end of the reporting period

The PCT ceased to exist on the 31st March 2013. Commissioning responsibility transferred to various successor organisations, and local legacy teams are working on transferring the assets and liabilities to the new commissioners. The main new receiving bodies are as follows, and each receives the assets and liabilities according to the services they commission under statute.

Northern, Eastern and Western Devon Clinical Commissioning Group
NHS England - Devon, Cornwall and Isles of Scilly Area Team
NHS England - Bath, North Somerset, Swindon, and South Gloucester Area Team
Plymouth City Council
Public Health England
NHS Property Services Limited

2012-13 Annual Accounts of Plymouth Primary Care Trust

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

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

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

To the best of my knowledge and belief, and from the assurances provided by the Accountable Officer until 31 March 2013, I am assured that the responsibilities have been properly discharged.

.

nb: sign and date in any colour ink except black

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

Name:

Date.....5/6/13.....

2012-13 Annual Accounts of Plymouth 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

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

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

NHS

Devon, Plymouth and Torbay

Annual Governance Statement 2012/13 for PCT Cluster of NHS Devon, NHS Plymouth and Torbay Care Trust

1. Scope of responsibility

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

2. Governance Framework

2.1 From April 1st 2012 the PCT cluster of NHS Devon, NHS Plymouth and Torbay Care Trust (Cluster) created a Board in Common that replaced the individual PCT Boards.

2.2 The Cluster Board had the following committees:

- Audit and Assurance Committee
- Clinical Commissioning Executive Committee
- Remuneration Committee
- Quality Committee
- Finance Committee
- Executive Team
- Charitable Funds Committee

2.3 To comply with the requirements of the DH letter setting out roles for the financial closedown of PCTs (Gateway ref 18561), the Cluster has retained sufficient resources, including through RETS, to ensure successful closedown of accounts and has established an Audit Committee including 3 non-executive members to oversee and sign off the final Accounts for the Cluster.

2.4 A summary of the coverage of the work of the Cluster Board is contained in the tables set out below:

Board	Non-Executives								
Date(s)	Dr David Radford	Carole Schneider	Alan Clifford	Sally Foxhall	Derek Hathaway	Molly Holmes	Peter Moate	Colin Pincombe	Cindy Stocks
26/04/2012	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
08/06/2012	No	Yes	Yes	No	No	No	No	Yes	Yes
27/09/2012 AGM	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
27/09/2012	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
20/12/2012	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
31/01/2013	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	N/A
20/02/2013 EGM	No	Yes	No	Yes	No	No	No	Yes	N/A
14/03/2013	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A

Remuneration Committee									
Date(s)	Dr David Radford	Carole Schneider	Alan Clifford	Sally Foxhall	Derek Hathaway	Molly Holmes	Peter Moate	Colin Pincombe	Cindy Stocks
31/05/2012	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
04/09/2012	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
25/10/2012	Yes	Yes	No	Yes	Yes	Yes	No	No	N/A
29/11/2012	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
20/12/2012	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
14/03/2013	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A

Board	Executives												
Date(s)	Ann James	Steve Moore	Rebecca Harriott	Neil Kemsley	Dr Graham Lockerbie	Pam Smith	Jenny Winslade	Dr Virginia Pearson	Amanda Fisk	Carol Williams	Robert Knibbs	Martin Wilkinson	Alison Wilkinson
26/04/2012	Yes	N/A	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A
08/06/2012	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	N/A
27/09/2012 AGM	Yes	Yes	Yes	N/A	Yes	Yes	No	Yes	N/A	N/A	N/A	Yes	Yes
27/09/2012	N/A	Yes	Yes	N/A	Yes	Yes	No	Yes	N/A	N/A	N/A	Yes	Yes
20/12/2012	N/A	Yes	N/A	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	N/A
31/01/2013	N/A	Yes	N/A	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	N/A
20/02/2013 EGM	N/A	Yes	N/A	N/A	No	Yes	N/A	No	No	No	No	N/A	N/A
14/03/2013	N/A	Yes	N/A	N/A	No	Yes	N/A	No	Yes	No	No	N/A	N/A

Remuneration Committee		
	Ann James	Steve Moore
31/05/2012	Yes	N/A
04/09/2012	N/A	Yes
25/10/2012	N/A	Yes
29/11/2012	N/A	Yes
20/12/2012	N/A	Yes
14/03/2013	N/A	Yes

Pam Smith
Yes
Yes
Yes
Yes
Yes
Yes

2.5 From 1st September 2012, as Chief Executive, I chaired the PCT cluster of NHS Devon, NHS Plymouth and Torbay Care Trust executive team which was a formally constituted group of executive Board members which replaced the individual PCT executive teams. From 1st April 2012 my predecessor Anne James fulfilled this role. The executive team oversees risk and health and safety strategy, the assurance framework and has responsibility as custodian of the corporate risk register. In line with National guidance from 1st October 2012 the Local Area Team (LAT) of the NHS Commissioning Board (NHS CB) fulfilled these responsibilities. I am the Area Team Director of the Devon and Cornwall LAT.

2.6 The directors have clearly defined responsibilities for the management of risks within their portfolios and I have overall responsibility for risk management and I report directly to the Board.

2.7 From May 2010 the Professional Executive Committee and Practice based Commissioning group merged to form the Clinical Commissioning Executive Committee. This is a sub-committee of the Board and is the Primary Care Trust's Executive Committee for the purposes of the Primary Care Trust (Executive Committees and Standing Financial Instructions) Directions 2007.

2.8 The overarching aim of the Committee is to provide advice to the Primary Care Trust (PCT) Board based on clinical evidence and local clinical intelligence. It leads on the development of clinical commissioning policies and processes and ensures that the public and patients are involved and engaged in service redesign. The group also provides clinical engagement and advice to the Board on the implementation of the NHS White Paper, Equality and Excellence: Liberating the NHS.

2.9 A summary of the business covered by the Audit and Assurance Committee, Board and the Quality Committee is contained in appendix 1.

3. Risk Assessment

3.1 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 the risks 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.

3.2 The executive team on behalf of the Board provide leadership on the risk management process. Appropriate controls are identified and assigned in relation to each risk and key roles, systems and processes have been identified to aid assessment, mitigation, control and monitoring of risk across the Cluster.

3.3 The executive team provides leadership in managing and reviewing risks with directors being responsible for identifying, assessing and managing risks in relation to their remit. Through the relevant directorate, lead co-ordinators have been identified to manage individual risks.

3.4 Risks are routinely reviewed by management and those assessed at 12 or above are also reviewed by the Audit and Assurance Committee.

3.5 Guidance on managing risk is provided to staff in a variety of ways. Members of the Corporate Services team actively review the risk register with staff on a one-to-one or a team basis and provide specialist support and guidance at committee, directorate and team meetings.

3.6 A Transition Board, chaired by the Director of Transition was established to oversee the effective handover and production of all documents relating to transfer of functions to new organisations with effect from 1st April 2013. In December 2012 all risks, including any newly identified risks arising during the year, were reviewed and where appropriate bought to the attention of future organisations for inclusion in their risk registers. All other risks will have been closed by the 31st March 2013 and will cease with the finishing PCTs.

4. The Risk and Control Framework

4.1 In line with the national policy context and PCT objectives, the clusters existing risk management strategy, policy and procedural guidance incorporate best practice guidance and support the key principles of effective risk management: They set out:

- the Cluster's attitude to risk and clear principles, aims and objectives on the risk management process;
- the structures for the management and ownership of risk and for the management of situations in which control failure leads to material realisation of risks, including the roles and responsibilities of all staff in the risk management process;
- the way in which risk issues are to be considered at each level of business planning ranging from the corporate process to the setting of individual staff's objectives;
- how new and existing activities are assessed for risk and incorporated into risk management structures and the use of the established strategic, corporate and directorate risk registers;
- the structures for gaining assurance about the management of risk;
- the way in which the risk register and risk evaluation criteria will be regularly monitored and reviewed;
- training arrangements for risk management.

4.2 All risks and incidents are recorded on DATIX (risk management software) and assessed using the Risk Scoring (5x5) Matrix. This provides criteria for evaluating the impact and likelihood of risk. Risks are aligned to organisational objectives with a lead and director assigned responsibility for controlling or mitigating the risk. The reliability of evidence and quality of controls, assurances and actions are evaluated for each risk, with particular focus on gaps in controls or assurances. Residual risk is also assessed and monitored.

4.3 Risks are managed in accordance with the risk management strategy, policy and procedural guidance and receive additional scrutiny, strategic leadership and mitigation planning from the Audit and Assurance Committee and Board. Outcomes on the mitigation of these risks are demonstrated in external and internal assessments of performance (Audit Commission reviews, Internal Audit reviews, delivery of operational plan and performance assessments by the SHA).

4.4 The Cluster manages risk through pro-active identification of hazard and risk by identified staff members and a combination of self-assessment, inspection, monitoring,

trend identification and audit. Re-active monitoring of incidents, accidents and near misses is used to develop a responsible culture of being open and learning from both good practice and errors. An "ethical framework" supports risk assessment in the prioritisation of funding for new service developments.

4.5 The corporate risk register provides evidence of a working document which is continually reviewed by the Corporate Services team and directors, by the executive team and Audit and Assurance Committee, identifying any gaps in control or assurance.

4.6 Members of the Corporate Services team meet with directors and their teams to update and develop the risk registers and assurance framework on an ongoing basis. Directorates have assigned team members to co-ordinate the management and mitigation of specific risks. The integrated governance approach to risk management improves intelligent information reported to the Board in support of identification and management of any gaps identified in relation to achieving organisational objectives.

4.7 The Cluster's assurance framework is in place, embedded and:

- covers all of the organisation's main activities through regular directorate reviews of risks;
- identifies which objectives and targets the organisation is striving to achieve as approved by the Board;
- identifies the risks to the achievement of objectives and targets. In addition to the regular directorate reviews, the executive team, the Audit and Assurance Committee and Board regularly review the principal risks and corporate risks scoring 12 or above;
- identifies and examines the system of internal control in place to manage the risks; identifies and examines the review and assurance mechanisms which relate to the effectiveness of the system of internal control;
- records the actions taken by the Board to address control and assurance gaps.

4.8 Review and assurance mechanisms are in place and ensure that:

- each level of management, including the Board, regularly reviews the risks and controls for which it is responsible;
- these reviews are monitored by and reported to the next level of management;
- any need to change priorities or controls is clearly recorded and either actioned, or reported to those with authority to take action;
- lessons which can be learned, from both successes and failures, are identified and promulgated to those who can gain from them;
- an appropriate level of independent assurance is provided on the whole process of risk identification, evaluation and control;
- the methodology for gaining independent assurance is defined with particular reference to the role of internal audit and to the role of any other review bodies working within the organisation.

4.9 The organisation has dedicated management posts to lead on information governance and information security. These managers identify and enter information security and patient safety risks onto the risk register. These risks are informed by new guidance/legislations/alerts or through incident management.

4.10 Incidents are graded according to Department of Health guidance, with serious incidents requiring investigation (SIRI) being reported to the SHA. All SIRIs are also reported in the cluster annual report.

4.11 Specifically relating to identification and prevention of fraud risk, the Cluster has a dedicated Local Counter Fraud officer who is the person who investigates any potential or actual fraud.

4.12 Their remit includes:

i. Development of an anti-fraud culture.
ii. Using opportunities to deter people from undertaking fraud.
iii. Taking action to ensure the strength of systems and procedures to prevent fraud.
iv. Undertaking proactive work to detect fraud as quickly as possible.
v. Using professional skills to undertake investigation where there is a suspicion of fraud.
vi. Ensuring that appropriate sanctions are taken where fraud is proved.
vii. Seeking appropriate forms of redress to get resources back so they may be used for patient care.

4.13 Annual fraud training, including publicising the fraud and the whistle blowing policy, occurs for all staff. It also forms part of the initial training all staff receive.

4.14 The Cluster takes part in the National Fraud Initiative programme and has a dedicated person whose responsibility it is to investigate any matches.

4.15 Those Charged With Governance (TCWG) receive reports from the Local Counter Fraud officer routinely and by exception via the Audit Committee.

4.16 Those charged with governance undertake fraud awareness training on an annual basis. This covers the process for identifying and responding to fraud. In addition fraud reports are presented to the Cluster Audit Committee to update them on progress against the counter fraud plan, frauds being investigated and any which have come to fruition. From these reports, the committee can establish whether processes need to be updated or further investigative work needs to be carried out.

5. Significant Issues

5.1 There are no significant issues to report for the Cluster.

5.2 This Board formally dissolves on the 31st of March 2013. The new Commissioning architecture will be comprised of Devon County Council, Torbay Council, Plymouth City Council, Public Health England, The National Commissioning Board and two distinct Clinical Commissioning Groups, NEW Devon & South Devon and Torbay. All attendant responsibilities and statutory obligations transfer to these new organisations.

5.3 Transition to the new commissioning architecture has been well planned, with the structures and staff now in place to deliver a seamless level of governance oversight and risk assurance.

5.4 Integrated children's services, which are the only provider services remaining in the employ of NHS Devon, have been the subject of a competitive tendering process and will transfer to Virgin Healthcare on the 1st April 2013.

6. Review of effectiveness

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

6.2 The Head of Internal Audit opinion is that significant assurance can be given that there is a generally sound system of control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

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

- Audit Commission assessments and reviews
- NHS South West & NHS South of England
- Local Authority Overview and Scrutiny Committee
- Health and Safety Executive
- Estates Return Information
- Internal Audit reviews
- CQC compliance assessment and self-assessment

6.4 I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit and Assurance Committee, Quality Committee, and Board. A plan to ensure continuous system improvement is in place.

6.5 The Audit and Assurance Committee reviews the system of internal control at each meeting and the Chair reports this to the Board. The Board also reviews the assurance framework and takes action to address any gaps in control or assurance.

6.6 With regard to performance against the national priorities set out in the NHS Operating Framework 2012/13, the Cluster Board received regular reports demonstrating that our performance against these targets which identified both good performance and areas for improvement. These are further reported in section 7 of the Cluster Annual Report.

6.7 Internal Audit reviews have been considered throughout the year through regular reports to the Audit and Assurance Committee, including monitoring the follow up of recommendations made by Internal Audit.

6.8 My review confirms that the NHS cluster of Devon, Plymouth and Torbay has a sound system of internal controls that supports the achievement of its policies and aims and that the arrangements made to transfer these statutory responsibilities to the new commissioning architecture is robust.

Amanda Fisk
Director of Operations and Delivery
Designated Signing Officer

5th June 2013

Appendix 1

Audit Assurance Meeting Items Covered	Dates of Meetings				
	01/03/2012	08/06/2012	10/10/2012	14/12/2012	28/03/2013
Mandatory Training				✓	
Counter Fraud Report	✓	✓	✓		
Security Management		✓			
Annual review of Accounting Policies	✓				✓
External Audit report	✓	✓	✓	✓	✓
Single Tender Waiver	✓	✓			
Draft Annual Governance Statement					✓
Draft Annual Accounts					✓
Internal Audit report	✓	✓	✓	✓	
Appointment of External Auditors			✓		
Finance Closedown Process and Project Plan			✓	✓	
Transition Process - Transfer Order Requirements			✓	✓	
Review of Risk Register and Assurance Framework		✓	✓		
Alcohol Services Tender		✓			
Losses and Special Payments Report	✓		✓		✓
Prison Healthcare Tender		✓	✓		
Review of the Audit and Assurance Committee Annual Work Plan	✓			✓	
Integrated Childrens Services Procurement Update		✓	✓		
Use of Common Seal	✓	✓	✓		
Arrangements for Annual Accounts closedown & Final Approval					✓
Annual Report		✓			✓
Audit and Assurance Committee Annual Report		✓			✓
Continuing Healthcare		✓	✓		

	01/03/2012	08/06/2012	10/10/2012	14/12/2012	28/03/2013
Review of the Audit and Assurance Committee Terms of Reference	✓				
Review of the Remuneration Committee		✓			
Specialised Commissioning Group Update	✓				
Committee Work Plan		✓			
Internal Audit Programme		✓			
Payroll Services Audit Report	✓				
Segmentation of open Risks on Risk Register for Successor Organisations				✓	
Approach to Transitional Risk Management	✓		✓	✓	
Review of Standing Orders, Standing Financial Instructions and Scheme of Delegation	✓	✓			
PCT Closedown Report					✓
Use of PbR information as part of Contract Management	✓			✓	
NEW Devon & Southern Devon and Torbay CCG's Management Structures				✓	
Record of Procurement Activity				✓	

		EGM		AGM			EGM	
Board Meeting Items Covered	26/04/2012	08/06/2012	28/06/2012	27/09/2012	29/11/2012	31/01/2013	20/02/2013	14/03/2013
Clinical Commissioning Groups Progress Report	✓							
Public Health Progress Report	✓							
HR Transition Report	✓							
Assurance Framework	✓							
Finance Report	✓		✓	✓	✓	✓		✓
Performance Report	✓		✓	✓	✓	✓		✓
Quality Report	✓		✓	✓	✓	✓		✓
Sub-Committee Reports	✓		✓	✓	✓	✓		✓
Annual Accounts		✓						

Annual Governance Statement		✓						
Public Health Annual Report			✓					
Commissioning Development Update			✓					
National Quality Board Cluster Transition Action Plan			✓			✓		
Governance Assurance Framework			✓					
Standards of Business Conduct Report			✓					
Annual Report				✓				
Integrated Childrens Services Procurement				✓			✓	
Organisational Readiness for Primary Care Revalidation				✓				
Commissioning Development Update				✓				
Revised Terms of Reference for the Remuneration Committee				✓				
National Quality Board Cluster Transition Risk Profile Report				✓				
Review of Vascular Surgery Services Report				✓				
Medical Revalidation					✓			
Winter Plan					✓			
NHS Cluster Pandemic Influenza Framework 2012-13						✓		
Emergency Preparedness,Resilliance & Response Transitional Arrangements						✓		
Annual Safeguarding Children Report						✓		
Pathology Services Assurance						✓		
Quality Handover								✓
Prison Procurement								✓
111 Update								✓

Quality Committee Meeting Items Covered										
	04/04/2012	02/05/2012	06/06/2012	04/07/2012	05/09/2012	03/10/2012	08/11/2012	02/01/2013	06/02/2013	06/03/2013
Southern Quality Report	✓									
Northern Quality Report	✓									
Eastern Quality Report		✓								
Western Quality Report		✓								
Integrated Children's Services	✓	✓		✓	✓	✓	✓	✓	✓	✓
School Nursing Services	✓									
Clock water Surgery Update	✓									
EDS	✓									
Pressure Ulcers	✓		✓							
Quality Dashboard		✓	✓	✓	✓	✓	✓	✓	✓	✓
Workforce Assurance Update		✓	✓	✓			✓			
Public Health Update		✓								
Hospice Quality Care Update		✓								
GP CQC Registration		✓								
Policy and Procedure for Individual Performance		✓								
Cluster SIRI Policy		✓	✓							
MoU for Multi Agency Investigations		✓								
Patient Experience Report			✓							
Primary Care Quality Update			✓							
Devon Doctors / Devon Health update including Prisons			✓							
Patient Group Direction Process			✓							
Serious Case Review Sign Off			✓							
Winterbourne View Update / Actions				✓	✓		✓		✓	
Information Governance Work plan				✓						
Safeguarding Adults				✓	✓		✓	✓		
Clinical Effectiveness / Clinical Audit Committee				✓					✓	
Falls Update				✓				✓	✓	✓
Joint Strategic Level Report on Dementia Care				✓					✓	

Exception Reports from all Localities			✓	✓	✓	✓	✓	✓	✓	✓	
Quality Collaborative & links to Care Homes					✓		✓		✓		
Controlled Drugs Accountable Officers Report					✓					✓	
Remediation Policy					✓						
Draft ToR's for NEW Devon CCG Quality Committee						✓	✓				
Just in Case Bags						✓					
CAHM's							✓		✓		
DUEL Strategy							✓				
Transition Update								✓			
Equality & Diversity								✓			
C.Difficile Report / Action Plan								✓	✓	✓	
IAPT Report									✓		
Complaints									✓	✓	
Stroke Performance										✓	
Safeguarding Children										✓	

The Cluster board has continued to review issues of patient safety and quality issues through the Clinical Quality Review Meetings (CQRM), held in parallel with the contracting and performance management meetings. The Cluster continues to work in partnership with acute trust providers to agree financial goals in support of financial planning.

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF PLYMOUTH TEACHING PRIMARY CARE NHS TRUST

We have audited the financial statements of Plymouth Teaching Primary Care NHS 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 and related narrative notes;
- the table of pension benefits of senior managers and related narrative notes; and
- the table of pay multiples and related narrative notes.

This report is made solely to the Department of Health's accounting officer in respect of Plymouth Teaching Primary Care NHS 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Department of Health's accounting officer and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

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

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

Scope of the audit of the financial statements

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

financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Plymouth Primary Care NHS 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 a reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work.

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

Certificate

We certify that we have completed the audit of the financial statements of Plymouth Teaching Primary Care NHS Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

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

Hartwell House, 55-61 Victoria Street
Bristol BS 1 6FT

5 June 2013